

Priorities, persistence, progress

Progress Report for the
Birmingham Independent Improvement
Panel

June 2017



Making a positive difference everyday to people's lives



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Birmingham City Council

Report to the Birmingham Independent Improvement Panel

1. Introduction

1.1 The Kerslake Report into the governance and capabilities of Birmingham City Council was published in December 2014 and the Birmingham Independent Improvement Panel established in January 2015 as part of the response to the review. In December 2015 there was a change of Leader at the Council with the election of Cllr John Clancy. The last Progress Report to the Panel was in November 2016. On 28 February 2017 the Council set a budget for 2017/18 and in that same month the Council set out the framework for a new operating model.

1.2 Since then the Chief Executive of the Council has taken early retirement (February 2017) and the revised senior management structure has been implemented and appointed (March 2017). Jacqui Kennedy and Waheed Nazir who had been "Acting" have now been appointed on a permanent basis to the roles of Corporate Director of Place and Corporate Director of Economy and Angela Probert to the role of Chief Operating Officer. Stella Manzie started as Interim Chief Executive in April. At the same time, Mike O'Donnell and Graeme Betts were brought in as Interim Chief Finance Officer and Interim Director of Adult Care and Health respectively. Following his tenure as the council's Executive Director of Education, Colin Diamond has been appointed to the role of interim Corporate Director of Children and Young People. Elected members appointed these interim staff to give them confidence in the continued improvement impetus required.

1.3 This process has included the change from a People Directorate to an Adult Care and Health Directorate and a Children and Young People's Directorate. As you would expect, this whole process itself has inevitably caused some disruption to, and re-setting of, management arrangements but it has also refocused improvement efforts. This report is a bridge between the November 2016 report and today. It seeks to set out the position in relation to the original Kerslake recommendations, linking back to the November 2016 Report, but also to set out the context of summer 2017.

Context

1.4 Birmingham City Council has made major changes since 2014. However there is still a major programme of improvement needed to deliver improvements to our corporate governance. The Council still has intervention in Children's Social Care in the form of the Children's Commissioner, Dave Hill. In 2016 the Council said it would be a five year improvement programme (ie till 2021). We believe that with the new arrangements implemented in the last two months, the right permanent appointments, the set-up of the Children's Trust and assuming continuation of momentum following the all-out elections in 2018, the Council needs to focus on a 2017 to 2022 programme. In doing this, the Council needs to follow and demonstrate the Kerslake principles but reframe them in the current context. This means that the pace should be quick and focused, but realistic.

Key steps taken April to June 2017

1.5 Since the beginning of April 2017, the Council has run two elections (including co-ordinating the regional mayoral elections across the region) has worked with the Army and Police to deal with an unexploded Second World War bomb near major transport routes, held the Council's Annual General Meeting and responded to the threat of terrorism by working in close communication and collaboration with West Midlands Police. This has been handled while at the same time adapting to organisational changes and pursuit of the

Improvement agenda. The sections below set out what has been achieved in the last two months under the key headings of the November progress report.

Political leadership

1.6 There has been continuing political stability, with the Leader and, with one exception, the Cabinet appointed last June still in place.

1.7 Important changes have been made to the way in which papers move towards decision-making at Cabinet, starting this municipal year by putting in place a cycle of consideration of forthcoming reports to Cabinet via discussion with the portfolio holder, consideration by the Corporate Leadership Team, informal discussion at the Executive/Management Team, and onwards to Cabinet, with appropriate briefing of Opposition Leaders, political groups and staff when appropriate.

1.8 Revisions have been made to the Council meetings diary for 2017/18 with an increase in the numbers of scheduled Cabinet meetings to facilitate the volume of business of the Council and bring the timetable into line with similar councils.

1.9 There have been joint discussions between Party Leaders on adjustments to the senior management structure, the potential relocation of Channel 4 and the actions of the Council after the Manchester bombing (in the case of the latter this also involved the outgoing and incoming Lord Mayors who reflect the two main parties).

1.10 Changes to the constitution to modernise it are being agreed and will be signed off at forthcoming Council meetings to ensure buy-in and ownership.

Managerial leadership

1.11 The Corporate Leadership Team (CLT) membership has been revised to have a single Team including the City Solicitor and Monitoring Officer and Director of Public Health and a style is being nurtured which emphasises open information-sharing, constructive working together and challenge, as well as clarity about actions.

1.12 The CLT schedule has been reorganised to ensure longer fortnightly meetings and short get-togethers in between. These arrangements still incorporate the regular Performance Board arrangements.

1.13 The agenda incorporates draft Cabinet reports en route to Cabinet and specific in-depth CLT meetings to discuss more complex issues such as the Budget and the Future Operating Model.

1.14 The People Directorate has been restructured (effective 1st April and still ironing out some last issues about structure) into the Adult Care and Health and the Children and Young People's Directorates, plus the future Children's Trust. This gives a much stronger focus on the improvement agendas for adult social care, children's social care and education. The new interim appointments also have a focus on corporate agendas as well as those led by their Directorates. Even factoring in the need for future substantive appointments who reflect this philosophy, feedback from those involved indicates that there is already a more inclusive and refocused approach.

Strategic planning, financial and performance management

Strategic Planning

1.15 In May the Cabinet formally agreed the Vision and Priorities of the Council 2017 to 2020, following discussions with partners and staff. Later in June the performance measures and some key milestones will be taken to Cabinet. In order to complete the full Council Plan there will be an Senior Leadership Team workshop in early July before going to Members, to ensure that the Council's plans and measures cover everything it is seeking to deliver. Service delivery measures will be published on the Council's website.

Financial management

1.16 The Interim Chief Executive and Interim Chief Financial Officer have worked with Directorate management teams to do a baseline review of progress on delivery of savings which has given a clear picture of where we are financially. This is set out in more detail in section 2.

1.17 The baselining exercise found that the council's budget planning had been considerably strengthened compared to previous years. An initial analysis suggests that 80 per cent of the savings are on track to be delivered in 2017/18. At this stage, £10.1m is considered to be undeliverable in 2017/18, with a further £4.2m deemed "at risk". We are currently working on contingency plans (alternative savings proposals) so that there is no unplanned use of reserves this year, as well as looking forward to the plans for future years.

1.18 On some specific issues, newly appointed substantive and interim CLT colleagues have jointly reviewed issues which had previously been agreed, eg the Support Services Future Operating Model and reductions in grants to the Third Sector, with some resulting repositioning (both operational and financial). This has been a necessary adjustment and is likely to lead to making savings in a more realistic way. In some cases it has led to a need to rethink the making of savings but the team are focused on delivering these changes.

1.19 The detailed position on individual savings continues to be closely monitored by both CLT and elected members (through the Budget Board savings tracker). Work is currently underway on the month two monitoring report (to be reported to Cabinet in July). This report will need to pull together an updated position on savings delivery, a review of base budget pressures and decisions on additional savings initiatives to deal with any ongoing 2017/18 gap.

1.20 A further round of budget baselining meetings of Interim Chief Executive and Interim Chief Finance Officer will also be scheduled to look at base budgets and further savings, not just for 2017/18 but into future years. As part of this, there will be further discussions about potential for restructurings at every level.

1.21 CLT also wishes to strengthen our financial management arrangements through the development of a Budget Management Framework. This is at an early stage, but will be progressed swiftly with some input from Alan Gay who led the Independent Financial Review team and from whom we still have some limited capacity funded by the Local Government Association. As a starting point, a Budget Management Framework could include, for example:

- a) Strengthening accountability for budget management and delivering within budget through codifying objectives, behaviours, performance management;
- b) Greater clarity of the regular monitoring process and the role of budget holders and finance colleagues;

- c) Clearer expectations that, in cases of overspending and/or non-delivery of agreed savings, the initial assumption is that compensating savings are found in-year by the responsible service or Directorate;
- d) A clear but relatively stringent process for pressures/overspends to be accepted as “corporate pressures” by exception only; and
- e) Where overspends occur at the year end, there could be a requirement for these to be made good by the responsible department in the following year.

1.22 After some delay, work is now underway to implement our Future Operating Model (FOM), one of the last outstanding actions from our Kerslake action plan. Implementation of the FOM started with consultation on the CLT phase in January. This phase has now been part-implemented, with permanent appointments made to three key posts and the structure of the team generally settled, with plans for permanent recruitment to those functions at different stages.

1.23 There was a short pause in implementing the senior management restructure element of the FOM to enable us to take into account consultation feedback, rectifying potential anomalies in management structures and lessons from similar exercises at other local authorities. A number of amendments to the proposals are currently being considered and either are being consulted upon now or will be shortly. We do not under-estimate the amount of work to deliver the restructurings necessary across the authority to deliver the FOM but we now have timescales and developing plans for taking that forward.

1.24 The FOM is clearly our highest-risk savings proposal this year, with considerable implications for future years’ savings targets as well. There is a careful balance that we are striking between delivering the FOM to the originally agreed scope and timetable to drive out the agreed savings, and ensuring that its design is fit-for-purpose in terms of making us the modern and agile council that we are striving to become.

1.25 At this stage, no slippage is expected in delivering the 2017/18 savings targets associated with the FOM although they may not all be delivered via the FOM. The independent review team also flagged up a number of other high-risk savings areas whose delivery plans our Budget Board have been monitoring closely. Work is also being undertaken to improve the reporting and analysis of risks reported to CLT and the Budget Board. In particular, this will provide a clearer focus on anticipated shortfalls and actions required to address this through the identification of alternative savings options.

Performance management

1.26 Effective performance management covers both culture and processes, with a positive and open culture focused on the needs of Birmingham’s citizens. Some of the issues about measuring success are covered in paragraph 1.15 above. However, key to this is the approach to developing talent and managing and motivating staff. A bigger drive has taken place on completion of appraisal processes and 98.5 per cent were completed by the deadline of 24 May, a 1 per cent improvement over last year. No division had less than a 95 per cent completion rate. This is very impressive but of course it does not inform us about the equality of the appraisal interaction and we need to look at how we test this. Review and Future objectives meetings have been completed for almost the whole Corporate Leadership Team, both substantive and interim (one delayed due to holiday), as the basis for wider performance management of the authority.

Proposed Improvement Approach 2017 to 2022

1.27 Building on the work done to date, the Council, led by its Cabinet, as well as through Scrutiny, and its existing infrastructure, needs to continue to drive improvement and build up its “partnership capital “ ie a combination of its own capacity to be a good partner, and the good faith it builds up with other partners in the city. We are proposing to increase the focus by having a “revamped” 2017 to 2020 Improvement Framework which links together the various service related improvement plans and has a “front end” which captures both Kerslake related corporate governance issues in progress and new developments in corporate governance that we wish to emphasise. This plan framework will be part of the Council Plan which will reflect the vision and priorities agreed in May and will summarise and link together the designated improvement plans across the council.

1.28 Currently there is “architecture” in place to monitor overall performance (Cabinet), look at Improvement (Scrutiny) and financial management (Audit Committee) and focus on some key Kerslake development measures (Improvement and Effectiveness Board). Having reconsidered the issues about getting pace and drive in the system, Cabinet and the revamped CLT have concluded that there needs to be a more visible manifestation of the whole Cabinet’s ownership of the improvement process and therefore there should be a Cabinet Improvement Panel whose membership will be the whole Cabinet which meets quarterly and formally reviews progress. We are discussing whether this will be as part of the scheduled Cabinets or as a separate meeting.

1.29 The rest of this report provides an update on commitments made in November, identifies our key areas of focus for the coming year and sets out how we will be measuring our progress and holding ourselves to account.

Community and social cohesion

1.30 There was a statement agreed by the Group Leaders in September 2016 about community cohesion. Since May 2017 the Leader has been having a small number of focused discussions about Community and Social Cohesion with some internal and external colleagues, most recently with the Cabinet Member with responsibility for community cohesion, Cllr Tristan Chatfield, and the Cabinet Member for Children and Young People, as well as some external partners. This programme of discussions externally and internally will continue over the summer, leading to broader discussions in the autumn. The intention is that these discussions will build on the nationally- recognised recent work of Birmingham’s Education Service to support schools on these issues, challenging social and human rights issues. There has been a focus on the dynamism and diversity of the city’s young people and the long-term challenges relating to securing social cohesion in this diverse city. We have not yet harnessed the voices of children and young people when planning for the Birmingham of the future. The risks of greater social fragmentation are all too apparent: 64 per cent of young people from Edgbaston go to university compared to 11 per cent of young people from Shard End.

2 Following up from November 2016 to April 2017

2.1 Under each key heading the November report highlighted Next Steps. This section reports back on these steps and progress in relation to each.

Political leadership

Cross-party meetings

2.2 Group leaders have kept up their regular cross-party meetings. They have also continued to issue cross-party statements on issues where presenting a united front has been in the wider civic interest, such as the condemnation of the English Defence League rally in April, the potential relocation of Channel 4 and the city's bid for it and support for the people of Manchester following the attack in May.

Cross-party vision

2.3 As mentioned at paragraph 1.4, the Cabinet worked with officers to produce the Council's Vision and Priorities 2017- 2020, which were agreed in May this year. These have also been agreed in principle with the Opposition Groups. There have also been moments when relationships across the political parties have been strained, beyond the dynamics that are a natural part of the electoral cycle. When Opposition Group Leaders expressed concern in February that they did not feel that they had been consulted on decisions about senior officers, governance processes were reviewed to ensure that there would be appropriate cross-party involvement in all future senior appointments.

Member-officer relations

2.4 Member-officer relations continues to be an area where there is room for much more understanding and development. Questions related to the councillor-officer relationship and perceptions of councillors have consistently received the most negative feedback in the staff survey in the past years, and this pattern continued in the 2016 survey. Between August and September 2016, the Council held a number of member-officer workshops to develop a shared understanding of how to improve our relationships. These workshops generated a number of recommendations for actions that could promote more effective working, including more opportunities to understand each other's roles and responsibilities, better communications channels and learning from other councils. A number of steps have been taken to follow up on these recommendations, including a revised induction programme for newly-elected members, commissioning the LGA to deliver 7 "developing political nous" seminars, the establishment of an online portal to provide members easier access to services and information, and visits to Leeds and Manchester to look at how they foster more effective relationships between officers and members.

2.5 One of the key issues that we have a particular focus on is improving the quality of the advice and information provided to members, which will, in turn, support more effective governance and greater transparency over decision-making. The revamped structured cycle of report management will ensure full corporate discussion amongst officers, officers presenting co-ordinated recommendations to Members and full understanding and ownership by the whole Cabinet. We will be ensuring compliance with registering issues on the Forward Plan for council business. It has been helpful that the City Solicitor was already working on improving the cycle of meetings. Since April we have been in transition in this process, but from the new municipal year this process will be gradually embedded in day to day working of Cabinet and CLT. This will bring a much better rhythm and transparency to professional advice and democratically led decision-making.

2.6 There is a growing positive approach to briefing the Opposition on a range of issues and now we (for the moment) are past the election period, this will be further embedded.

Scrutiny

2.7 As noted in the November report, the Centre for Public Scrutiny (CfPS) was engaged to assist the council in reviewing the council's scrutiny arrangements. The aim is to ensure that the City Council can be assured that its Overview & Scrutiny function will be able to provide constructive and supportive challenge, and drive improvement in future.

2.8 The CfPS held a series of workshops between November 2016 and March 2017, and the resulting report recognised that "scrutiny had some shortcomings and occasionally found it difficult to effect change, but that overall it could demonstrate a decent impact. For officers, there was general agreement that scrutiny helps to influence and shape policy, but that sometimes it comes to issues too late, and/or in an unfocused way." The key proposals were around the organisation continuing to develop an agreed sense of Scrutiny's overall role: in particular in supporting policy development; to improve information sharing with scrutiny members and to refine a menu of different ways of working for scrutiny.

2.9 To address these matters, a cross-party member steering group met to agree a way forward which was also endorsed by the Scrutiny Chairs. A report proposing some short term changes was produced for discussion in the party groups. Whilst these discussions are on-going, Scrutiny Chairs are moving ahead in implementing some changes; and longer-term matters (with a particular focus on getting Scrutiny ready for the post-2018 landscape) will be picked up by a cross-party member group over the next year.

Member development

2.10 There has been a good foundation put in place for work on support to members and Member Development but this work needs to be re-positioned in 2017/18, partly to enable better engagement with Members and partly to reflect the all-out election in 2018. The steering group's discussions have contributed to the design of a comprehensive 2017/18 comprehensive Member Development Training Programme, as part of a wider Member Development Change Programme. Part of the picture is about a strengthening of the governance/democratic services function to enable them help elected members fulfil their roles more effectively.

- a) New member induction, to give oversight of council processes and procedures to enable new members to get quickly up to speed with their role;
- b) Ongoing development opportunities for members related to their role and responsibilities as front-line councillors, in particular with regard to local leadership; and
- c) A series of sessions to allow members and officers share understanding about their roles and responsibilities and how they work together.

2.11 Overall, of the 120 members, 84 attended some form of training or development since May 2016. This represents 70 per cent of all members, down from 78 per cent in 2015/16. Most of these (56 /46 per cent of all members) attended more than one session, with 21 (18 per cent of all members) attending four or more. However, with the exception of the induction which was well-attended, the attendance rate was not high and although the member steering group has done a lot of good work on this, there will be more drive behind it later in the year. However there may also be due to a need to position the development differently ie as a benefit to councillors rather than a "requirement" of the Kerslake review.

Managerial leadership

Corporate leadership team

2.12 It was clear from the 2016 staff survey that much more work needed to be done to improve the visibility of and trust in the Corporate Leadership Team (CLT) throughout the organisation. Historically there has been a perception that CLT has not operated as a cohesive team. Although we recognise that half the team are interim, the current team are focusing on an open approach, planning future items and being more rigorous about decision-making of major significance being brought through the CLT cycle. They are all seeking to keep each other better informed and, in some cases, we have formulated some joint management objectives which epitomise some of that approach.

2.13 All the members of the CLT spend time with front line staff and with other senior leaders, eg the Interim CD Adult Care and Health has been doing a series of “roadshows “ to talk to staff and hear from them. Other members of the Team spend time in different buildings with different teams. At wider meetings of senior leaders eg Senior Leadership Team (SLT), Managers Voice, CLT members are seen together talking about common issues.

Visible leadership and management grip

2.14 The integration of the key objectives which have been set for the Interim Chief Executive into the annual objectives of the management team will also support the process of operating as a more cohesive and effective team with a focus on delivery. These objectives are to

- a) Ensure corporate governance is according to local government good practice, enshrining positive joint working between members and officers, effective decision-making and compliance with ethics and standards;
- b) Embed a style and approach amongst senior officers that evidences management grip and focus on plans and progress in relation to day to day delivery, change and improvement including progressing stable permanent appointments to the corporate leadership team;
- c) Effectively deliver the 2017/18 and 2018/19 budget savings and ongoing financial strategy
- d) Support pace and progress on Children’s Social Care Services and Education; ensure the effective set up of the Children’s Trust; ensure a rapid improvement plan for Adult social care including effective partnership working;
- e) Support the Cabinet and Assistant Leaders in production of key strategies needed by the authority e.g. on Devolution and Neighbourhoods; Community Cohesion; a range of children and family-focused strategies;
- f) Build on existing foundations to promote a positive approach to partnerships, avoiding being over-controlling with partners or the public; and
- g) Progress completion of the post Kerslake actions previously identified.

Internal Communication

2.15 One of the key markers of a successful organisation is the extent to which staff feel communicated with, and feel able to articulate their views back to the organisation. In the long term the Council needs to decide whether it adopts a formal team briefing mechanism. But as those who have run these mechanisms before in other organisations know, this requires extreme persistence and concentration, and the Council needs to make sure it has a more stable structure and more stable management before it decides to go down that route. However, the Council does now have much more reliable methods of internal communication than it did nine months ago. It has:

- a) Put in place a weekly email bulletin from the Chief Executive which is a mix of corporate messages, comment on council-related issues being covered in the press, celebration of individual staff members, or team's achievements, reference to elected members in a non-political way, requests for comment or information, and personal reflections;
- b) Set up an intranet site for staff and elected members to access. Microsoft 365, including Skype and Yammer, will be introduced over the coming months with an aim to move staff away from a reliance on emails and to increase staff engagement levels;
- c) Corporate director focus on internal communications with different approaches in relation to different services; and
- d) Topical use of SLT and Managers' Voice meetings to set out objectives and discuss issues eg the budget, management reorganisations, security etc.

Work is being done on an internal communications strategy which will be consulted upon before final sign off.

Strategic planning, financial and performance management

Strategic Planning

2.16 The Council now has a better idea about which are its big strategic plans (for example, the Big City Plan) but an understanding that they all have to fit into the Council's Vision and Priorities.

2.17 Delivering the 2017/18 budget and the Council's long-term financial strategy and avoiding use of further reserves are the council's top priorities, as it is key to our long-term financial sustainability which is, in turn, critical to the prosperity of the city and well-being of residents. We recognise that we have learned some hard lessons about budget management, not least about being more disciplined, self-aware and open to challenge.

Financial management

2.18 As we have previously acknowledged, flawed assumptions in our budget planning led to an overspend in 2016/17. We have worked hard to learn lessons from this and bring down the projected overspend. Although the overall outturn position of £29.8m is significant, it is some £5m less than the position forecast at Month 10, with the call on reserves also therefore being reduced by this amount. We recognise that it is essential that steps are taken to manage ongoing budget pressures and the delivery of agreed savings for 2017/18 and beyond in order to reduce the risk of further calls on reserves in the current and future years and have described earlier in this document how we are approaching this. The proposals included existing savings proposals that were already in the Financial Plan from March 2016 (as amended by the "Mid-Year Review") and new initiatives that were introduced in February.

2.19 In order to gain further assurance on the delivery of savings, the Interim Chief Executive and Interim Chief Finance Officer held a series of detailed Budget Baseline meetings with Corporate Directors and members of their teams to review on a line by line basis the position on agreed savings. The initial analysis of the savings position based on these meetings suggested that £56.5m (79.7 per cent) of the savings are on track to be delivered in 2017/18. At this stage, £10.1m (14.3 per cent) was deemed to be undeliverable in 2017/18 and there was £4.2m (6.0 per cent) at risk.

2.20 Further analysis of these figures, summarised by directorate, is as follows:

	On track £m	At risk £m	Delayed £m	Undeliv £m	Total £m
Adults	(12.536)		(2.000)	(0.700)	(15.236)
Children	(5.501)	(2.962)			(8.463)
Economy	(8.024)				(8.024)
Place	(11.404)	(0.363)	(1.101)	(0.032)	(12.900)
Transformation	(9.962)	(0.920)			(10.882)
Cross-cutting	(9.090)			(6.300)	(15.390)
Total	(56.517)	(4.245)	(3.101)	(7.032)	(70.895)

2.21 The above would of course indicate that some 21 per cent of savings are not at this stage on track to be delivered. Further work is now being undertaken as a matter of urgency to pin down and improve the position in relation to full delivery of savings. A particularly significant area requiring careful management is in Adult Social Care and further work on mitigation as part of an overall strategy is being undertaken by Graeme Betts, supported by the Interim Chief Executive and in association with health Service partners. Close monitoring at Month 2 will be imperative.

Performance management

2.22 CLT continued to hold monthly performance boards since their introduction in March 2016. These discussions have remained a work-in-progress when it comes to enabling us to have a tighter grip on performance across all council services. We also acknowledge that time for dedicated performance management discussions was squeezed between September and January as our time was diverted to the budget process. Proposals set out in paragraphs 1.26 to 1.28 seek to get a revitalised focus on Improvement, via the Cabinet and an officer focus on Improvement Plans, as well as being linked to issues of staff supervision and motivation.

Whistleblowing

2.23 An area that both the Kerslake Review and the Panel have had concerns about is the council's response to whistleblowing complaints. In 2016, the council revised its whistleblowing policy and tightened up its reporting procedures. An overview and analysis of all whistleblowing complaints is sent to and discussed with the Deputy Leader every 6 months and reports are given to Directorates through Corporate Directors on a quarterly basis. 90 per cent of complaints have received a response within the required timeframe and have commenced investigations where appropriate. Legal Services continue to support and monitor concerns, with conduct of each investigation handled by directorates. All complaints received during 2016 are now either complete or under on-going investigation within expected timescales. The next report to the Deputy Leader will be in July 2017.

3 City partnerships

3.1 Although partners have fed back that they have felt a significant and positive change at the top of the council in it's approach to partners, since early 2016, there is still a feeling that we have more work to do to become truly enabling and approachable at all levels throughout the organisation. To begin the embedding of a new approach, we have developed a new partnership module as part of our BRUM Leader programme for managers discussed at

paragraph 5.3. This module is due to be rolled out shortly, so we are not yet in a position to report on its impact.

3.2 Changes to CLT have also given us an opportunity to reset relationships with a number of statutory and strategic partners, including the Sustainability and Transformation Plan system, the Community Safety Partnership and Culture Central. Verbal feedback from partners indicates that they feel encouraged, but we accept that there is more work for us to do to demonstrate that this is a permanent shift on our part and will lead to tangible outcomes beyond goodwill. We do expect real outcomes for citizens to be realised in the coming months, for example in working with health partners to determine how to target the additional funding for social care in Budget 2017 most effectively. We do not have hard data on their perceptions as partners' advice to us was not to conduct a survey in 2016, as they had already participated in two survey exercises between late 2015 and early 2016 on different elements of partnership working.

3.3 We are also undertaking a concerted effort to develop more effective relationships with the voluntary and community sector, which have become more strained of late partly due to proposed cuts to Supporting People and third sector grants. Part of the problem is that we have not had a substantive senior officer lead on third sector engagement and thus have had an inconsistent, even contradictory, approach to working with third sector organisations across different parts of the council. CLT agreed in May for the interim DASS to be the third sector lead until the new Assistant Chief Executive can take on this role. He has commissioned a thorough review of how we work with and fund the third sector. As this work has just begun, we are not in a position yet to report on its impact. It should be noted, though, that there are also positive examples of how we have involved the third sector in our work, for example in shaping a number of our strategies in areas that range from housing to ICTD to commissioning.

3.4 Set out below is an analysis of the current state of development of key partnerships and a diagram (Fig. 1) setting out those partnerships, including the concept of setting up a City Management Board chaired by the Chief Executive, if partners are willing, and an annual meeting of Partnership Chairs, convened by the Leader. These ideas need more discussion with our partners.

Statutory or Council-led Partnerships

Community Safety

3.5 At one stage the Birmingham Community Safety Partnership was very strong, but until 2016/17 when Jacqui Kennedy became Acting Director and refocused attention on it, it had lost its way. It is however growing in strength and is chaired by West Midlands Police and attended by the Cabinet Member. It is generally perceived to be growing in confidence and becoming more effective but still needs to be connected better to other partnerships.

Children and Young People

3.6 There has been and continues to be a focus by the Council and its statutory partners on the improvement of Children and Young People's Services, both Education and Children's Social Care. However the Cabinet Member Children and Young People and representatives of other partners recognize that in order to have a real impact on the lives of children there needs to be an outcomes approach to children's lives which the whole Council can engage with along with a range of partners including private sector partners. This is why the Council is now discussing the best route to setting up a Children and Young People's Partnership with key partners, not restricted to statutory partners.

Health and Well-being Board

3.7 The next Birmingham Health and Well-being Board meeting will be in July, the first one since January for various reasons. The Cabinet Member Health and Social Care and Director of Public Health and Interim Chief Executive have been considering the way in which the Health and Well-being Board has been used to date, and believe that there is further work to be done with partners on how it operates.

City partnerships

3.8 There are a range of partnerships in the city focusing on different issues, some convened by other partners, some by the City Council. These are all partnerships where the Council is a key player but needs to stand back to give others space. Examples include the following:

Culture Central

3.9 We are working constructively with cultural sector partners, including Culture Central, the main partnership of cultural organisations in the city. There has been considerable tension in the Council's relationships with these organisations, but this is gradually improving and Culture Central are about to invite the Council to sit on the Partnership. The Council recognises the pivotal roles cultural organisations play in the city's wider economic and cohesion agendas. This approach involves tapping into their leadership and expertise on key activities such as the Commonwealth Games bid and the Channel 4 relocation submission, as well as resetting our relationships with cultural sector leaders.

Housing Birmingham

3.10 A Partnership set up by the council but covering different aspects of the housing sector including most recently private sector landlords who were previously not part of it.

Financial Inclusion Partnership

3.11 This is a partnership led by Cllr Tristan Chatfield to look at financial inclusion. It has been extremely positive and collaborative with positive discussions with a wide range of peer organisations with an interest in Financial Inclusion. It has produced a strategy which is now being implemented via a series of working groups.

Birmingham and Solihull Key Regional Partnerships

3.12 These are partnerships generated by central government initiatives and are of local and regional importance. It is vital that the City Council plays a constructive leading role and handles their input competently and in partnership spirit.

Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)

3.13 Of course the Local Enterprise Partnerships have existed for some time. In the West Midlands metropolitan area there are three. But Birmingham City Council continues to play a leading role in the GBSLEP, hosting the employment of the Director of the LEP and being a key player in it.

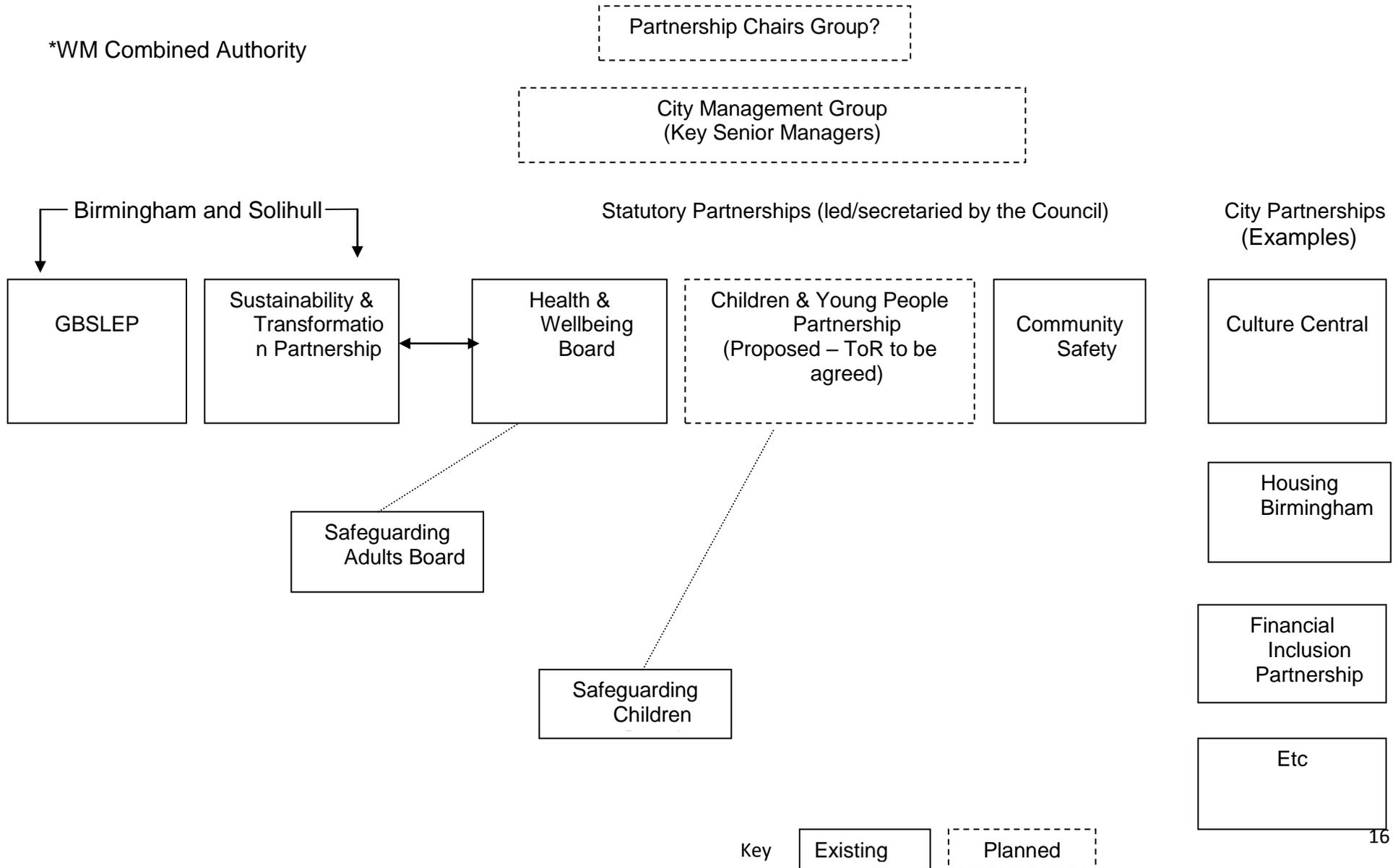
Sustainability and Transformation Partnership

3.14 It is well-known that the Birmingham and Solihull Sustainability and Transformation Partnership has had its difficulties and the Council, as well as other partners, has played its part in that. However the Council is now making a significant effort through its lead Cabinet Member Cllr Paulette Hamilton and through the Interim Chief Executive and Interim Corporate Director Adult Social Care and Health to engage with the rest of the Partnership in an organised and transparent way. Evidence of that to date is in the series of meetings undertaken by the Council's representatives with key players in the health sector, in the joint discussions between Dame Julie Moore and the chief executives of Birmingham and Solihull on the future direction of the Partnership and in the transparent reporting of the plans for Government spend on social care reported to the STP on 5th June 2017, along with those of Solihull. There is much more work to be done to ensure that health partners are comfortable with the adult social care spending proposals of the Council but relationships are in a much better state than they have been recently and this was acknowledged at the last STP meeting by Dame Julie Moore, Chief Executive of University Hospitals Birmingham.

Fig.1

Birmingham Strategic Partnerships

*WM Combined Authority



4 Local leadership

Devolution and neighbourhoods

4.1 Birmingham has a long history of ward and local working both in governance terms and community working. Following the Kerslake Review's observations that the council's model of District Committees was unsustainable, the Council committed to developing a new approach to devolution within the city, with a focus on empowering people and giving them influence over local services. The Council's cross-party Community Governance Working Group has commissioned the development and piloting of new approaches to local leadership in preparation for the new ward arrangements in 2018. The responsibility for progressing this has been allocated to the Cabinet Committee Local Leadership (established in July 2016) whose agenda and work programme has been set through the four Assistant Leaders.

4.2 Work is now underway to develop a new Ward / Neighbourhood Way of Working where it is envisaged:

- a) The focus will shift from districts to wards and real neighbourhoods;
- b) The focus will shift from formal decisions made by committees and Cabinet to decisions made in local communities;
- c) Local areas will develop a diversity of structures and ways of working (partnerships, community groups etc).

4.3 In order to ensure that a policy approach is developed and fully owned by the political administration, Cllr Trickett now chairs a working group consisting of the Assistant Leaders and the Labour District Committee Chairs. It has as its remit establishing the direction of review of devolved working arrangements undertaken by the Cabinet Committee Local leadership; reviewing devolved arrangements and successful transition; ensuring that changes are linked to the transformation of the city including the FOM. District Committee Chairs and district committees will continue in transition role until the autumn and decisions about a future model are expected to be taken over the summer.

4.4 During June, CLT has been looking at the Devolution issue in order to report back to Cllr Trickett and the Assistant Leaders on the contribution they feel they could make.

5 A positive and open culture

5.1 It is the council's workforce who will ensure that, alongside our partners, we achieve the vision set for the City and for the Council. One of the small positive signs of progress is that there was an increase in staff agreeing that they have a clear understanding of the council's vision in the 2016 Staff survey, suggesting that the staff engagement sessions about the vision over the summer of 2016 had made an impact. Nonetheless, we know that we have no cause to rest on any laurels. The majority of the findings remained similar to the 2015 Staff Survey, with very little significant change and this is why we are ramping up communication with staff. Moreover, a response rate that amounted to half that in 2015 is a strong indicator of an increasingly disaffected workforce. Given our current context of implementing the FOM with associated structural changes and job losses, we know that the risks of worsening staff morale are even greater.

5.2 The feedback from staff fora such as Managers Voice, consultation on the FOM, the staff survey and discussions with trade unions all tell us that the workforce has been uncertain about the future of the Council, both for themselves and their services. This challenge is not unique to our council; we know that many public sector organisations are in a similar

position. But we acknowledge that we have a more urgent need to address this challenge given that our past approach to workforce changes has hindered our ability to develop a leadership cohort with the right skills for the future and, in some cases, resulted in loss of key talent due to a lack of meaningful succession planning and stifled career progression. Our new “People Strategy” has a number of strands that will enable us to reshape our workforce and our employment model to ensure that we are fit for a better future that allows us to attract, retain and nurture the people who have the right behaviours and skills to serve our city’s needs.

5.3 Many of the elements of the People strategy have been recently rolled out or are about to be launched so we are not yet able to report on impact. These elements include:

- a) A Learning Academy for managers, key staff and future leaders incorporating new corporate induction on-line modules and the learning and development core offer to equip employees with the skills and capabilities to become a 21st Century workforce;
- b) The Leading Change Programme, including the agreed change methodology for Birmingham City Council (B.R.U.M) in order to coach managers to carry out change within their own teams. Each team will also receive a cultural baseline in six-monthly intervals in order to enable cultural change to be tracked. This will be launched from September 2017 to align with the senior management phase of the FOM;
- c) A new contract of employment for both NJC and JNC employees comes into effect on 1 July 2017, incorporating the changes to employee terms and conditions that formed part of the collective agreement between the council and the trade unions in 2016;
- d) A rolling 12-month Intern programme to commence in September 2017;
- e) A 3-year Inclusion and Diversity Strategy to be considered by Cabinet in July 2017; and
- f) Launch of an Ideas Forum in June 2017, offering a small pot of money for staff to pitch for if they have new and innovative ideas that have been difficult to get off the ground due to capacity or budgetary consent.

5.4 One of the innovative approaches that we have adopted to foster both culture change within the council and help us to tackle service or city challenges is the establishment of an Innovation Lab. The Lab is a dedicated space for services, citizens or councillors to refer in systems that require redesign. It provides space and opportunity to redesign services from ‘scratch’, work with partners and leaders in the field, and provides staff with a new opportunity to test innovative solutions. Some of the services and issues that have gone into the Lab so far include:

- a) Adult social care: at the preliminary stage of building a picture of the current service design and performance, including data analysis and understanding drivers of demand. The next stage will involve stakeholder mapping to understand the wider system, levers for change and intervention points.
- b) HR: reviewing processes to address rising backlogs and end to end times for solutions.
- c) Libraries: define what the library service will need to look like in 2030 and to identify how to get there. Initial scoping and data collection underway. The next stage will involve the creation of a stakeholder map and begin to engage broader partners and customers, with a view to creating a comprehensive picture of the service from the perspective of all stakeholders.
- d) School admissions: review processes for placements and appeals both to help improve efficiency of service and staff morale. This is about to enter pilot phase.
- e) Homelessness: intent is to improve the system so that applicants get an answer more quickly and council can reduce spending on temporary accommodation. A number of steps in the application process have already been cut out reducing processing time.

5.5 Culture is shaped by what elected members and the workforce experience every day inside and outside the organisation. Having a new management team setting standards of

behaviour and approach can set a new tone very fast but it needs to be stabilised in the longer term with permanent appointments.

6 External communications and engagement which promote trust

6.1 Changes at senior management level, and within Cabinet, along with internal focus on the city following the terror attacks in Westminster have created significant external communication challenges since the start of the year. This has meant that the focus on putting in place stronger internal processes around communications has been slightly delayed. However all external communication activity is now being focused around a ROSIE (Research, Objectives, Strategy, Implementation, Evaluation) structure – our Air Quality campaign being the most recent example of this.

6.2 Since the last report in November the Council undertook its budget consultation process. This had some successful aspects; for example receiving over 3000 responses through a variety of channels using social media etc in a way which had not been done before including reaching a younger audience. The consultation with business was undertaken through a business breakfast. However the budget also had some mis-handlings such as proposals to reduce funding to the third sector where consultation took place after proposals were put into the budget. This has led to a rethink and adjustment in budget proposals. It is recognised that this process could have been avoided with a different approach when the proposals were being considered.

6.3 There is now a new 'look and feel' for the Council which has been incorporated into all the Council's communications channels and will now be developed to Design Guidelines for the authority and will include a refreshed logo to give the Council a more modern feel, which lends itself to better digital use.

6.4 A new structure for the communications team is currently being developed, and has had input from the LGA. As the Future Operating Model progresses this will be finalised and the process to restructure started, along with greater oversight/centralisation of the communications activity that currently happens outside the central corporate team. A full communications grid is in progress and will soon be shared with Cabinet on a regular basis, along with a revised monthly report of the communications activity.

7 Driving individual service improvement

This section sets out the current position in some of our most high profile services.

Children's Social Care including the Children's Trust

7.1 The Council recognises that it still has a children's commissioner (Dave Hill) and he needs to be confident about the running of services in Birmingham before he can be withdrawn. Following the "inadequate" category of the Ofsted report on children's services published on 25th November 2016 the decision was made to move to a Children's Trust, and following exploration of different models, moves are well on their way to the set-up of the Trust.

7.2 However, even without the Trust being in place, a revised improvement plan incorporating the Ofsted recommendations was produced. This is monitored each month through the children's improvement board chaired by the lead member. The Quartet that the Council established to oversee the implementation of improvement plans for both children's safeguarding and education continues to meet fortnightly.

7.3 Work has also continued to redesign the very busy “front door” to children’s social care that receives some 500 calls and e-mails each week. The Early Help and Safeguarding Partnership (EHSP) helped shape the new improvement plan, in particular the five improvement areas that focused on partnership working. EHSP continues to strengthen our partnership working with West Midlands Police and with Health. Partners have significantly contributed to front-door redesign and to improving CSE and Missing Children joint processes.

7.4 We have continued to benefit from learning from our improvement partner, Essex County Council, at an operational level with a focus of front-door, virtual school, LSCB staff group, placement and edge of care in last 4 months.

7.5 We have made less progress on recruitment and retention, and with the introduction of the new HMRC IR35 policy a big effort has been made to convert agency staff to permanent (we now have few agency managers). Proposals for greater flexibility in rewarding social workers’ progression to stay in practice have been developed. The Council is part of a West Midlands regional innovation bid to develop a shared approach to children’s social work recruitment and learning. The Council is also leading the local Social Work Teaching Partnership with University of Birmingham and 8 other local authorities in the West Midlands.

7.6 We have now received the formal letter about the May 2017 Ofsted monitoring visit. Ofsted reported “notable progress” since the last inspection and “motivated and capable” staff. Particular observations included cases moving through the system in a timely manner in the main; management oversight has improved in Children’s Advice Support Service/Multi-agency Safeguarding Hub and Assessment and Short Term Intervention and improved overall measures of timeliness.

7.7 In the context of Ofsted inspections and visits and the discussions and development of the children’s trust, feedback is that staff have remained calm and positive. Caseloads remain manageable at an average of 15 and turnover has decreased. We have developed a systemic approach to social work practice and more than 50 managers have undertaken systemic training through the institute of family therapy. Practice is improving, but there is still a long way to go to maintain sustainable consistency of practice as well as pace and drive and a consistent culture of high performance.

7.8 Although the Council is already seeking to achieve these objectives under its current organisational arrangements it is working energetically to have the Trust up and running in shadow form by September 2017– detailed discussions about TUPE transfer are currently in hand. The appointment of Andy Couldrick (currently Chief Executive of Wokingham Council, but with a background in Children’s Services) as the Chief Executive was announced on 9 May. There is constructive working taking place between key Council leads on such issues as the support to the Trust, with regular discussions between Andrew Christie the Chair and the key players in the Council (Cabinet Member Children and Young People, Chief Executive, Chief Operating Officer and Corporate Director CYP for example.)

Education

7.9 In view of the progress the Council had made and the Education Commissioner’s assessment that we were capable of driving further improvement under our own auspices, the Education Commissioner’s tenure was ended by the Secretary of State in July 2016. Our challenge now is to embed plans to strengthen the Council’s leadership, management and capacity of education into “business as usual” planning, with the ultimate aim of raising the educational attainment and enhancing the life chances of all the children of our city. We have a detailed improvement plan that we are continuing to deliver. Three areas of focus we

would draw attention to are safeguarding, special education needs and disabilities and social cohesion.

7.10 Key markers that demonstrate the significant improvement we have made in education include:

- a) The Birmingham Education Partnership (BEP), a headteacher-led organisation with over 300 members, now works in strategic partnership with BCC to deliver its school improvement duties via a three-year contract. BCC now knows all schools in the city much better and the quality of targeted intervention in vulnerable schools has improved strongly;
- b) The Council now communicates much more effectively with all schools via its weekly Schools Noticeboard e-bulletin, which has been highly praised for the quality and timeliness of its content. A recent example is the advice and resources swiftly provided to schools regarding the terrorist attacks in Manchester and London, which headteachers indicated were helpful and reassuring;
- c) We meet monthly with BEP, DfE/RSC and OfSTED at the Education Improvement Group to ensure a joined up approach to working with maintained schools, academies/free schools and independent schools. There is an annual stocktake of progress chaired by the National Schools Commissioner who advocates Birmingham's approach other core cities; and
- d) The Education Sub-Group of the Birmingham Safeguarding Children's Board is performing well with 100 per cent representation from across the city including early years and general further education colleges. Schools are very supportive and 94 per cent of them have completed the S175 Safeguarding audit on time in April 2017.

7.11 Improving safeguarding and governance were core ingredients of the original Education Improvement Plan. We have taken a number of steps to strengthen and consolidate progress:

- a) Safeguarding in Education is now co-ordinated by a dedicated Assistant Director;
- b) To ensure effective multi-agency working on child protection, there are senior education professionals embedded in the children's social care front door. This has led to better management of referrals from schools;
- c) Capacity has also been increased to manage children educated at home (EHE – elective home education). We know now much more about this group; their motives for EHE; keep them visible via safe and well checks; and, have now set up a virtual school to begin to build in wider curriculum opportunities; and
- d) Since OfSTED's visit in June 2016, the numbers of children out of school have dropped significantly and all children out of school now receive some form of education, normally one-to-one or small group tuition, as a holding operation whilst their long-term placement is secured.

7.12 The Inclusion Commission, established by Cabinet Member Cllr Jones, has now agreed the way forward for special educational needs and disabilities in Birmingham and is out to consultation. The Commission was chaired by Professor Geoff Lindsay from University of Warwick, a recognized national expert. There was full participation from parent groups, health, social care and education. Birmingham now has a clear way forward to address its over-reliance on special school places outside the city and to develop its own internal capacity.

7.13 Capacity has also been increased to ensure greater support for headteachers and governors in our schools who face challenges from socially conservative elements of the community. This can manifest itself as reticence from parents about some aspects of the curriculum (PSHE, sex education, mixed swimming, music, RE etc.) or dress codes in

school. BCC has a unique Curriculum Statement, signed by Cabinet members and underpinned by the 2010 Equalities Act, which states unequivocally that all Birmingham children are expected to study the full range of subjects as an entitlement. BCC has also adopted the No Outsiders approach, produced by a local school, to ensure that all groups protected by the 2010 EA are included. Almost 200 schools have now signed up to the UNICEF Rights Respecting Award (including nurseries and special schools) which enables pupils to understand the importance of Fundamental British Values through participation and engagement.

7.14 The biggest risks in education now lie in the independent school sector and the unregulated sector. There are over 50 independent schools in the city ranging from old-established schools to new ones that regularly appear. There had been a number of unlawful independent schools operating but they were closed following highly effective collaboration between OfSTED, DfE and BCC. As a result of issues raised with OfSTED and DfE, OfSTED strengthened its approach to suspected unlawful schools. For those independent schools operating lawfully, we have created an Independent Schools Forum which runs in parallel with all the other school fora. It has been well received and over 100 representatives attended the most recent meeting.

Health and Adult Social Care

7.15 Both the Council and health organisations in Birmingham and Solihull recognise that there is considerable work to be done to strengthen the partnership relationships across the health and social care system. The Sustainability and Transformation Partnership is currently “rebooting itself” to make the major changes in practice which need to be made. The Interim Corporate Director of Adult Care and Health has analysed Birmingham’s adult social care services and concluded that they need extensive modernisation to achieve quality outcomes for residents in Birmingham and more innovative approaches to make a competent contribution as a strong partner in the system. The Council has a great deal of commissioning experience and is collaborating with both the CCGs and the acute sector to develop an effective, integrated approach to maximise resources across the care and health system.

7.16 The first steps of the Interim Director are to organise the existing senior staff to tackle the current issues. He has arrived at a time when there are ongoing, major restructurings of the Enablement Service and the social work/care management service. While they will deliver savings to help meet the Council’s budget targets, above all, they will make these services more effective and efficient and support community and health services in Birmingham and Solihull and the wider region. The Cabinet Member for Health and Social Care has been seeking change in the services for some time and she and the Interim Corporate Director are now working together to achieve this. The Director is producing a background narrative setting out the context of 21st century social care services to share with all councillors and staff which will provide the framework for the changes required.

7.17 Both the Interim Chief Executive and Director have been having extensive meetings with health partners, including going to their first meeting of the Sustainability and Transformation Partnership, and are engaging colleagues like the Director of Public Health in those discussions as the first stages in building a more successful partnership.

Waste management

7.18 The Corporate Director of Place is leading a significant programme of improvement to waste management services. The key drivers for change are identified as:

- a) Significant budget savings to be achieved across both Waste Management and Parks and Nature Conservation as part of the 2017-18 Budget;
- b) Improving productivity and service performance through creating the platform for the service to better respond to increasing demands of the future; an operation that maximises available and evolving technology across every level of the service to enable levels of productivity to be continually monitored and improved;
- c) Development of separate business units to deliver clearer financial accountability which is integral to the decision making process;
- d) Maximise the opportunity to deliver budget savings and economies of scale across the four depots;
- e) Develop a neighbourhood level Total Place approach to delivery of clean neighbourhoods;
- f) Improving workforce resilience by ensuring roles meet the evolving need of the service; and
- g) Structuring to enable alternative commissioning models to be considered in the future.

7.19 There has been significant negotiation with trade unions and the workforce since January 2017. Following a Cabinet Report on 27th June the proposals are due to be rolled out. All four unions have registered disputes with one (UNITE) having balloted for industrial action due to take place at the end of June/beginning of July, but discussions are still taking place with a view to finding a negotiated solution if possible. It remains imperative to pursue proposals which improve the services to Birmingham citizens and make savings.

Citizens and customers

7.20 The top line findings of our most recent citizen survey, conducted between October 2016 and January 2017(not yet published) , are encouraging:

- a) 85 per cent of respondents indicated that they are satisfied with their local area;
- b) 87 per cent feel that they have a strong sense of belonging to the local area;
- c) 83 per cent feel that people from different backgrounds get on well; and
- d) 95 per cent feel safe walking around their local area alone during the day, whilst 69 per cent similarly feel safe after dark.

7.21 A more mixed picture emerges when it comes to indicators that are specific to the Council:

- a) Two-thirds of respondents are satisfied with the way Birmingham City Council (BCC) are running things;
- b) A slight increase in satisfaction that BCC communicates things in a way that is easy to understand (from 51 per cent to 55 per cent);
- c) A decrease in those who find it easy to communicate with BCC (from 62 per cent to 55 per cent); and
- d) A slight decrease in those who feel that BCC keeps them well informed (from 61 per cent to 58 per cent).

7.22 When respondents were asked what services they considered it most important for the council to provide, two general service delivery areas predominated:

- a) Environmental (clean streets at 46 per cent, and refuse collection 37 per cent);
- b) Care services, including support for older and disabled people at 32 per cent, and care and support for families and safeguarding children (both 26 per cent);
- c) Sandwiched between these are road and pavement repairs at 29 per cent.

7.23 We are also undertaking a number of changes to improve the service that we provide to citizens and customers in order to be more responsive and transparent. These include

- a) examining the feasibility of reducing the response time for complaints from 15 days to 10 days across the council;
- b) continuing to improve the council website so that it is easier to find information and forms;
- c) publishing all Freedom of Information requests; and
- d) upgrading the main reception of the Council House, as the first step in drawing together the customer front door of our main buildings and access points.

8 Key strategic issues

Combined authority

8.1 The development of the West Midlands Combined Authority and the recent election of a West Midlands Regional Mayor provide a new context for joint action in the West Midlands. All the metropolitan councils have been exercising leadership to achieve new levels of co-operation, not just with each other but with neighbouring non-constituent authorities. Inevitably, Birmingham, as the largest authority, will need to take a prominent role, and we are currently reviewing the way in which the Council organizes itself to meet that challenge in terms of being able to engage as Members and officers consistently and at a well-equipped level in terms of policy understanding, preparedness to look at innovation and ability to influence and respond to mayoral initiatives.

Bidding for the Commonwealth Games

8.2 In March, we announced that the Council was submitting an expression of interest in hosting the 2022 Commonwealth Games, with strong cross-party endorsement and close cooperation from partners across the region. This followed a previous focus on the 2026 Commonwealth Games which has been overtaken by Durban no longer being the host for 2022. This cross-party support is being reflected in recent discussions.

8.3 While there is considerable support for the Council's interest, from regional partners in the public and private sector, the Council is determined to ensure that the benefits and risks of submitting a bid are properly analysed and presented to the Council in line with proper governance principles. To ensure that our bid would be viable in practical terms, we commissioned a detailed feasibility study that concluded that we would have a strong chance of success, given factors such as the ability to use existing world-class facilities in the region with only limited need for new build. We are looking at the longer term legacy issues and our bid having a strong cultural component that would allow us to capitalise on the unparalleled diversity of our population and unrivalled cultural offer throughout the region. The Interim Chief Financial Officer is examining the mechanisms available to raise the substantive funding of between £160m and £178m to fund the Council and the region's contribution to the costs of hosting it and commentary on this will be in the planned report to Council/Cabinet in the coming weeks.

Jobs, housing and regeneration

8.4 The Council continues its positive track record in relation to supporting economic growth and attracting investment, not just in the city centre but in the less well-developed areas of the city. Key achievements include

- a) adoption of the Birmingham Development Plan in January 2017, with ambitious proposals for 51,000 additional homes and 250 ha of employment land;

- b) being highest performing core city when it comes to reducing the number of NEETs (people not in employment, education or training); and
- c) helping to host the joint Qatar-UK Business and Investment Forum, the first time a Qatari delegation has visited a UK city outside London

8.5 An East Birmingham Project Board has been established, which is chaired by the Council's Corporate Director -Economy and includes representation from Solihull MBC, Transport for West Midlands, Department for Work & Pensions, HS2, Homes & Communities Agency and the NHS. The Board will look to maximise regeneration and development opportunities from HS2 and the East Birmingham Midland Metro connection as well as employment opportunities from the siting of the Rolling Stock Maintenance Depot at Washwood Heath. Peter Brett Associates have been commissioned to prepare the evidence base on the challenges and opportunities in East Birmingham and this is nearing completion with the final report expected in June.

8.6 We have also played an active role in promoting a West Midlands-wide approach to making the case for Channel 4 to relocate to the region, with strong cross-party endorsement and backing from the new city region Mayor. This collaboration is another indicator of how the Council's relationship with neighbouring authorities and strategic partners has matured considerably over the past couple of years. It also reflects our commitment to ensuring that the cultural and creative industries continue to play a key role in the economic and social regeneration of the region.

9 Next steps

9.1 The Council believes that it is now ready to continue its improvement journey under its own steam. Although there will be the all-out election in 2018 which, in the way of elections, will inevitably cause some political friction, the Council has recognized where it has gone wrong and that it has a long road of improvement ahead. In this report we have reflected:

- a) The renewed political focus on the short and long term **improvement of day to day services** and how this will continue;
- b) The energy and continued focus on **Children's Services** as they move into the Children's Trust and a need to develop a proper outcome-focused Children and Young People's Partnership;
- c) The major change in the make-up of the **Corporate Leadership Team** – there is a plan for permanent recruitment in an orderly way with maintenance of stability and continued progress until then;
- d) Implementation of **simpler leadership and management mechanisms** supported by developing improved communication with staff;
- e) Our recognition of the continued energy required in relation to strengthening **corporate governance** mechanisms;
- f) **Cross-party consensus** on key strategic issues to do with the city for example security, attracting inward investment and the Children's Trust;
- g) Early but concerted discussions on how best to tackle **social and community cohesion issues** allied to focusing on opportunities for our diverse and talented young people; and
- h) Improving **partnership relations** in our key strategic partnerships.

9.2 The Council is under no illusions. There is still a great deal of “catch up” work to do for the Council to function with fully effective corporate governance and major change programmes to modernize key services over the next five years. But some fundamentals have changed and the Council is demonstrating externally validated signs of progress. It is, with concerted effort from Members and staff, managing to deliver services while simultaneously progressing major changes and grasping big strategic opportunities like the 2022 Commonwealth Games. We would hope that there is more confidence in the Council’s direction of travel.

June 2017.