

## Meeting Birmingham Independent Improvement Panel and Birmingham City Council

Thursday 21 June 2018 at 11.30am

### Attendees

**Panel:** John Crabtree, Chair of BIIP; Frances Done, Vice Chair of BIIP; Councillor Keith Wakefield, Panel member; Steve Robinson, Panel member; Sally Hammond, adviser to the Panel

**BCC:** Councillor Ian Ward, Leader of the Council; Councillor Brigid Jones, Deputy Leader of the Council; Dawn Baxendale, Chief Executive; Clive Heaphy, Corporate Director Finance and Governance; Jonathan Tew, Assistant Chief Executive

**MHCLG:** Alex Powell and Joanne Allison

1. John Crabtree welcomed all attendees to the meeting and congratulated Dawn Baxendale on her appointment as Birmingham's new permanent Chief Executive. Keith Wakefield congratulated the Leader and Deputy Leader on their recent re-election.
2. The Panel and Council discussed how their collaborative working might operate in practice and agreed the contents of the slides that were circulated.
3. It was agreed that the Panel and Council would meet monthly and consider issues related to the Council's improvement plans and delivery as they arose.
4. Attendees noted the Panel's terms of reference and agreed that as the Council will be reporting transparently on its improvement plans and progress through its normal procedures there was not a current need for the Panel to convene a meeting in public, but that this would be kept under review. It was noted that the minutes of the joint meetings will be reported in public by the Council.
5. Attendees noted the '*Plan on a Page*', previously circulated, that set out the Council's framework for addressing its key improvement priorities over the coming four years.
6. Cllr Ward and Dawn Baxendale introduced the draft *Stocktake report*, describing it as an open and bold statement about the Council's current position and the historical context of its improvement journey. The Panel welcomed the frankness of the draft *Stocktake report*. Cllr Ward confirmed that the changes and additions proposed by the Panel were acceptable, save for one correction relating to the election of the Leader and Deputy Leader for a four-year term. **Action:** It was agreed that the report should be amended to clarify that while the move to all-out elections every four years had been recommended by Lord Kerslake, the decision to elect the Council's Leader and Deputy Leader for a four-year term arose from one of 18 recommendations that Cllr Ward put to the Labour Group shortly after the May election. Attendees noted that the four-year term would provide a better and more stable basis for the Council to take the difficult decisions it needed to take. Cllr Ward provided examples of decisions that had been taken recently on sensitive issues. **Action:** It was agreed that the report should be prepared for publication by the end of June 2018. Also that a joint letter to the Secretary of State, which should include a request to meet with the Secretary of State to discuss the Council's progress, would be prepared for publication alongside the report.

7. Jonathan Tew noted that the service improvement plans referred to in the draft Stocktake report needed further development. The meeting noted that a key element of this relates to ensuring that the outcomes and impact intending to be achieved were clear, measured and reported. It was agreed therefore that the Plans would be referred to, but not appended or linked to, the report. **Action:** The Council agreed to review its service plans and update them in a way similar to how they had worked with the Panel to enhance the *Corporate Governance Improvement Plan*.
8. Cllr Ward described the changes to the Cabinet that now has more proportionate representation of women and BME members. He said that the decisions about portfolios had been based on his assessment of capability and he had received positive feedback about the changes. He advised that he would be holding monthly meetings with each Cabinet member. He confirmed that the Cabinet would be taking collective responsibility for policy decisions and working more effectively as a team.
9. Cllr Ward informed the meeting that the *Council Plan* had gone through Labour Group and was due to go to Cabinet on 26 June and to full Council in July. Cllr Ward explained that the *Plan* would contain new key performance indicators related to outcomes to be achieved, and that the Council's comparable performance would be made clear. Dawn Baxendale explained that the *Council Plan* was a product of constructive joint working of the senior leadership team and the Cabinet over a recent three-week period. The Council said that generally recent meetings of the Cabinet and the Council's management team had been constructive and the teams were being encouraged to develop shared understandings about cross-cutting issues affecting the Council and to move away from silo-based working.
10. Dawn Baxendale informed the Panel about the recent meetings she had held with the extended leadership team, individual officers and local stakeholders. It was noted that the Council intend to use the Commonwealth Games as a key driver of improvement. She also outlined the background to the recruitment adverts that would appear at the end of the week.
11. Cllr Ward explained his intention for improving how Scrutiny operated in the Council and provided an example of recent constructive cross-party discussions about the Commonwealth Games. Attendees noted that opposition parties had been offered the opportunity to take up vice-chair Scrutiny positions but had so far not taken these up. **Action:** It was agreed that the leaders of the opposition parties should be consulted about the paragraph in the draft Stocktake report about cross-party working.
12. Cllr Jones and Jonathan Tew introduced the draft *Corporate Governance Improvement Plan*, noting that the latest iteration was a product of BCC and Panel collaboration. Jonathan advised that the RAG-rating had been set to amber for all the contents, and this would be reviewed in July. Cllr Jones confirmed that the *Plan* made clear that the Council's ways of working had been broken for a long time and how these would be fixed. She confirmed that delivery of the improvements would be robustly monitored.
13. Clive Heaphy summarised the Council's financial position and the key challenges relating to the next two years. Attendees noted that Birmingham was facing the same difficulties and proportionate level of cuts that other councils had experienced but was addressing the need to modernise much later than most other authorities. It was noted that the very substantial use of reserves to balance the revenue budget since 2015/16 was

unsustainable; that the 2018/19 budget must be delivered without overspending; and that robust plans for 2019/20 will be made as early as possible on the assumption that no further reserves will be used to support that year's budget.

14. Dawn Baxendale and Clive Heaphy confirmed that getting a grip on the Council's finances to achieve a balanced budget for 2019/2020 without drawing on reserves will require changes to the organisation's culture, skill-set and approach to accountability. Also required will be a more strategic and joined-up political/managerial leadership approach to organisational and service design, financial planning, commercialisation and commissioning. Clive Heaphy confirmed that the Council was developing its invest to save approach and requiring robust business cases to be provided before funds were released. Dawn Baxendale outlined a recent example of a small investment in modernising a service resulting in a return of over £1m.
15. Clive Heaphy confirmed that the more transparent and clearer financial reporting of late would continue. He and other Council attendees gave examples of how members are now being briefed more effectively so that they better understand the real position in relation to the budget, how out of date the Council's HR practices are compared to other councils and how modernised services can lead to better outcomes as well as improved efficiency.
16. Dawn Baxendale confirmed that the inquiry into the Waste dispute was due to report, that appropriate elements of it will be published and that the Council intended to learn lessons from the findings and recommendations of the inquiry.
17. The need to modernise industrial relations was discussed. Cllr Ward and Dawn Baxendale outlined how they were seeking to facilitate constructive dialogue with the unions, in ways appropriate to 2018 and the Council's particular context.
18. Frances Done explained that the main recent advice of the Panel, given prior to Dawn taking up her position, had been integrated within the principles that underpinned the collaborative approach being taken, as set out in the slides already agreed.
19. It was agreed that the Panel and BCC would continue to meet monthly to review progress in the Council delivering its plans and achieving improvement. Future meeting dates include 23 July 2018, 23 August 2018 and 24 September 2018.
20. It was agreed that the July meeting would consider in more detail:
  - The financial risks relating to Equal Pay and the Commonwealth Games;
  - Member behaviour and the standards committee;
  - What commitments to transparency will mean in practice;
  - The findings of the waste inquiry;
  - Innovation and how modernisation of the Council's ways of working will be modernised