

Birmingham City Council
Report to Cabinet/Cabinet Committee
19 January 2020



Subject: **Investing in our Future**
What Birmingham City Council needs to do next: 2021 to 2026

Report of: Chris Naylor, Interim Chief Executive
Relevant Cabinet Member: Cllr Ian Ward, Leader

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential		

1 Introduction

1.1 This paper sets out the proposed direction of travel for the leadership, design and organisation of Birmingham City Council so that it can deliver the administration's long-term vision for the City and the six priority outcomes as set out in the Delivery Plan:

- An entrepreneurial city to learn, work and invest in
- An aspirational city to grow up in
- A fulfilling city to age well in
- A great city to live in

- A city whose residents gain the most from hosting the 2022 Commonwealth Games
 - A city that takes a leading role in tackling climate change
- 1.2 We are living in arguably, the most challenging times facing Birmingham since the Second World War. The coronavirus has caused untold human tragedy and economic damage. We will recover, building back better by addressing some of the systemic inequalities that hold our citizens back and that limit their life chances.
- 1.3 To support this, there are huge opportunities on the horizon in the short, medium, and long-term. For example:
- a) The Commonwealth Games is only 18 months away
 - b) The arrival of HS2
 - c) The City's ambition to tackle climate change and delivering economic growth via decarbonisation (as set out in the Route to Zero Action Plan)
- 1.4 Two of our greatest assets are our communities and the City Council's staff. Our diverse communities have demonstrated their resilience, resourcefulness and compassion during the pandemic. As an organisation we need to be geared toward supporting communities to build upon their strengths so that the benefit of the opportunities ahead is shared more widely.
- 1.5 To do that, we need to change as an organisation, in a way that empowers our staff to showcase their innovation and creativity.
- 1.6 Accordingly, this report includes:
- Challenges and Opportunities - why we believe there are opportunities that can address the challenges we face and what it will mean in practice to benefit from these opportunities
 - A new model of leadership, service delivery and governance - the changes we will need to make inside the Council
 - A new approach to officer governance - how we will give Members and wider stakeholders confidence that we will deliver what we say we will deliver
 - Making it happen - an outline of next steps.

2 Recommendations

- 2.1 It is recommended that Cabinet approves the proposed direction of travel outlined in this paper for the leadership, design and organisation of Birmingham City Council so that it can fulfil the administration's ambition at this time of both hope and challenge.

- 2.2 It is recommended that Cabinet approves the inclusion of £0.51m in the Medium-Term Financial Plan from 2021/22 to fund the increase in costs of the senior management structure.

3 Executive Summary

- 3.1 This is a pivotal moment for the City and the Council. We face significant on-going risks and challenges that must be addressed. Unchecked, the financial sustainability of the Council is threatened. Moreover, the fortunes of the people of Birmingham could suffer. There is a pressing need to act.

- 3.2 The three immediate opportunities detailed further in the attached paper are as follows:

- **Fundamentally shifting our focus from crisis to prevention** - This relates to helping and supporting individuals and families at the early stages of an issue or crisis in their lives, before it manifests as a statutory need.
- **Increasing the pace and scale of growth, for those that need it the most, while delivering our climate change objectives** – By adopting an interventionist approach, the Council can address market failures and stimulate developments that might otherwise not happen, benefiting those who need them the most. In this way, our growth objectives become aligned directly with our approach to early intervention and prevention, by providing amongst other things the tangible supporting infrastructure (affordable housing, local jobs etc.) that help provide the economic foundations for a good life.
- **New ways of working** - Building on the positive experience during the pandemic (while reflecting on what has been challenging), there is the opportunity is to make a permanent shift where 80-85% of our workforce moves to agile and flexible working. In so doing we shift our focus from a desk-based accommodation strategy and a culture of presenteeism to one that champions flexibility and outcomes-based management.

- 3.3 It is proposed that a new structure is built over the next 2-5 years that has two elements:

- A new **Council Core** that exists to set direction and purpose, joins up and then holds delivery departments and the wider system to account, as well as providing world class support and governance services.
 - Chief Executive
 - Director of City Management
 - Director of Partnership; Participation and Equality

- Purpose Director: City Futures
- Purpose Director: Places, Prosperity and Sustainability
- **Best in class service delivery functions delivered on an in-house basis** that are designed from first principles to deliver the council's key objectives. In particular: managing from crisis to prevention, growth and climate change, and customer oriented and relentlessly reliable universal services.
 - Managing Director: City Operations
 - Managing Director: City Housing
 - Managing Director: City and Municipal Development
 - Children's Trust
 - Managing Director: City Help and Support
 - Managing Director: City Life Courses

3.4 A new approach to officer governance - the proposed changes to how the Council organises itself will require a refreshed approach to officer governance and leadership.

3.4.1 This will involve the Council Core taking responsibility for setting policy direction and performance standards in an annual process of dialogue and consultation with the Delivery Functions

3.4.2 Each department will have their own Annual Business Plan that cascades from the annual budget, delivery plan and programme plan

3.4.3 Cabinet Members and Scrutiny Chairs will relate directly to Purpose Directors and relevant Managing Directors through their portfolio meetings and in the development of annual scrutiny programmes.

Corporate Leadership Team will be replaced by four meetings that will each take place once a month and include all the directors referred to above:

- **strategy group** that focuses on policy and strategy development
- **performance group** that focuses on the delivery of the budget, business plan objectives, performance framework measures and the delivery of key programmes
- **assurance group** that focuses on the achievement of statutory and other regulatory objectives
- **leadership group** that brings together all directors and their reports, to ensure alignment and understanding across the Council as a whole.

We will also provide a consistent conduit for member meetings be they Cabinet, Overview & Scrutiny Boards, safe-guarding boards, health and well-being or audit committee.

- 3.5 Making it happen - the changes outlined above will be progressed in phases over the next 2 years with a period of consolidation in the following 3 to 5 years. A JNC report will follow to establish the key posts of the structure and a phased approach to implementation through to 2022.

4 Options considered and Recommended Proposal

- 4.1 The approach outlined in this paper is the recommended option in addressing the councils and city's challenges and to take advantage of the opportunities to improve the lives of our residents.

5 Consultation

- 5.1 Plans for consultation and engagement will be devised as part of developing the outline business cases ensuring that all relevant stakeholders including trade unions, staff and partners.

6 Risk Management

- 6.1 The Council has an established approach to risk management which is set out in the Strategic Risk Register. Strategic and operational risks will be reviewed in light of this report.

7 Compliance Issues

- 7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The plans detailed within this paper are the next phase to Birmingham City Council's Delivery Plan to 2022 agreed by Cabinet in November 2020.

7.2 Legal Implications

7.2.1 The plans detailed within this paper will ensure that all service provision is delivered in accordance with the relevant statutory framework and the associated statutory guidance.

7.2.2 Legal advice on any employment issues and any other governance issues that may arise will be provided on an ongoing basis to the JNC panel and others.

7.3 Financial Implications

7.3.1 The proposals to strengthen the Council's core, as set out in paragraph 3.3 above, will cost £0.51m per annum and will be built into the Medium-Term Financial Plan (MTFP) from 2021/22. A separate JNC report is being prepared that sets out the senior posts proposed to be deleted and new senior posts proposed to be created. The net effect of those changes is an increase in the establishment cost of £0.51m. This will be funded from a combination of HRA and General Fund to reflect the nature of the

investment. The Medium-Term Financial Plan contains sufficient provision to cover any associated costs as a result of the planned senior changes.

7.3.2 Given the importance and scale of the services the council operates, the significant size of the City Council's budget, notwithstanding the need to ensure value for money, the structure proposal is deemed affordable.

7.3.3 For information purposes, the total spend to date for the discovery phase 1 to get the Council to strategic outline business cases that back up a) the MTFP, b) the Delivery Plan and c) the proposals for change, as outlined within this report has been £1,141,320, with a further £2,622,999 for discovery phase 2. This second phase will take the Council to March 2021 with the production of final business cases (FBCs). FBCs will bring greater clarity around the substance of what needs to change, together with more detailed numbers in relation to both the benefits and the investment required to deliver the change. These FBCs will be reported in accordance with our constitution.

7.4 Procurement Implications (if required)

7.4.1 Procurement implications will be considered as the plans are developed into outline business cases.

7.5 Human Resources Implications (if required)

7.5.1 A JNC report will be discussed at JNC Paper on 28th January 2021

7.5.2 Organisational-wide HR implications will be considered as the plans are developed into outline business cases.

7.6 Public Sector Equality Duty

7.6.1 The Council has already committed itself to addressing structural inequalities, recently publishing "Everyone's Business, Everyone's battle" – a call to action for the Council and the City. In addition to tackling discrimination, our response must also be about re-doubling our efforts to understand and then tackle the root causes of those issues and features of people's lives that drive them to our services.

7.6.2 A full equality impact assessment under the Equality Act 2010 will be completed that considers the impact on all protected characteristics including all staff and service users who are part of the protected characteristics cohort.

8 Appendices

8.1 Appendix A: Investing in our Future - What Birmingham City Council needs to do next: 2021 to 2026

9 Background Documents

9.1 None

APPENDIX A

INVESTING IN OUR FUTURE

What Birmingham City Council needs to do next: 2021 to 2026

1 Introduction

The paper sets out a proposed direction of travel for the leadership, design and organisation of Birmingham City Council so that it can fulfil the Council's ambition at this time of both hope and challenge.

Its central message is that if we want to address the issues we face, by seizing the opportunities before us, then we will need to invest. Invest in our capacity and leadership, and, in the changes, we need to make. That investment will be paid-back in better outcomes for all citizens and the prospect, over the medium term, of balancing our books without the need for widespread cuts – but we do need to make change in order to get the results. In this way the paper sets out the practical implications of the ambition described in the Delivery Plan agreed in November and the key proposals in the forthcoming Medium Term Financial Plan

Accordingly, this paper sets out:

- Why we believe there are opportunities that can address the challenges we face
- What it will mean in practice to benefit from these opportunities
- The changes we will need to make inside the Council
- How we will give Members and wider stakeholders confidence that we will deliver what we say we will deliver
- An outline of next steps

It builds upon and reflects the feedback received following discussions with the Cabinet and Overview and Scrutiny Members during October and November. It draws to a conclusion those conversations, making the links and connections between them, and sets out the overall impact on Council's leadership, structure, ways of working and culture. Much of what is proposed herein builds upon and is the practical manifestation of the Modernisation Programme that was launched last year, discussed with Modernisation Working Groups at that time.

2 Challenges and Opportunities

This is a pivotal moment for the City and the Council. We face significant on-going risks and challenges that must be addressed. Unchecked, the financial sustainability of the Council is threatened. Moreover, the fortunes of the people of Birmingham could suffer. There is a pressing need to act.

A decade into austerity, the nation's finances have worsened and so we face many more years of fiscal restraint. Meanwhile demand for our services is rising – partly as a result of the impact of austerity in some of our communities. This is a negative circle we need to find ways to challenge and break¹.

COVID is having a huge impact on the City's economy and on the livelihoods of many citizens. Since March 2020:

- 1/3 of all businesses have had to close for some or all of the time
- 33,000 people have lost their jobs
- 55,000 people remain on furlough
- In overall terms unemployment has risen by 68%, meaning over 15% of citizens are out of work – almost twice the national average. Rates of unemployment this high have not been seen since 1987
- The impact is being felt most acutely by younger workers, with over 1 in 5, 16 to 24 years olds out of work.

The pandemic has had a negative impact upon the Council's finances. Since the Spring, business rate yields have dropped by 7% creating a significant hole in our medium-term financial plan. We anticipate needing to close a budget gap of circa £100m over the coming years because of this and principally other demand led or other COVID related pressures. Adopting a business as usual – salami slicing - approach to managing this gap is unlikely to deliver the savings we need. Nor will it enable us to address future challenges.

Overcoming structural inequalities

COVID 19 has revealed characteristics of our place that have been hidden in plain sight and which now need to be tackled. These structural inequalities hold too many of our communities back *and* they drive the demand our services are struggling to afford to meet. For too many, prospects remain conditioned by their race, their sex, their age and other personal characteristics. This is damaging for them, costs the Council and other public services money we cannot fund, and threatens the long-term cohesion of our city. The Council has already committed itself to addressing these issues, recently publishing "**Everyone's Business, Everyone's battle**" – a call to action for the Council and the City. In addition to tackling discrimination, our response must also be about re-doubling our efforts to understand and then tackle the root causes of those issues and features of people's lives that drive them to our services. This will mean thinking again about how we build the *foundations* for the good life in our City – a strong economy, better paid and stable jobs, wealth retention, lower costs of living (particularly housing), clean air, thriving inclusive communities and the best possible schools etc. It also means reforming our services, so that they *see* and *respond* to root causes. This reform agenda will in part be about changing how our services operate and function effectively (e.g. SEND), but it's principal goal will be to involve people, building on their strengths and support their sense of personal agency. It will

¹ Economic output in the region has grown significantly in the last decade, with the economy of Birmingham growing at 4% per annum pre-pandemic. At the same time 42% of children live in poverty.

be about the Council becoming a platform that enables this to happen in concert and partnership with wider civil society. This is categorically not about outsourcing our statutory or rights-based services to the community and voluntary sector, or in some other way abdicating our responsibility – it is about creating the best possible conditions for partnership.

Getting the basics right and improving customer service

Residents expectations are rising too. People expect services that are reliable, joined up around their needs and involve them as equals.

Residents benchmark our performance against the likes of Uber and Amazon, Spotify and Expedia. These changes in expectation fundamentally challenge how our services need to be designed; how they are led; our approach to innovation and how we drive change and improvement in a consistent and reliable manner across the Council as a whole. And this applies not only to services run by the customer services team – it means all services, from children's to adults, from street cleansing to parking enforcement treating customer, citizens and service users with respect. This will require a step change in our approach rather than incremental changes at the margins or digitising what remain effectively paper based or manual processes. The world has moved on and so must we.

Building Trust

People also expect a much greater level of involvement in decisions that affect their lives. Be they the big things that have a bearing across the City as a whole, or the little things that have a big impact in their street or neighbourhood. People want to be heard and when they are not, they will mobilise. We are all activists now. The question for the Council is: do we bring those voices in and help shape the fortunes of our city and places; or do we seek to keep them out? We need to bring them in.

In this context, getting the basics right means more than relentless reliability, it also means understanding and then exceeding expectations, and that in turn that means an approach to service delivery that is open, reflective and humble. The test for our services should be whether day in day out, they are capable of building trust.

New threats and challenges that test the capacity and skills of the Council

All of this complexity is compounded by new threats that councils and other public sector organisations were not designed to deal with: climate change; rapid technological change; globalisation; the costs and implications of an aging population; terrorism and violent extremism - the global pandemic is a case in point. Over the last 12 months, Covid-19 has materialised and has prematurely taken the lives of thousands, driven unemployment in the City to levels not seen since the late 1980's and has tested and continues to test our organisation's capacity and financial resilience to the core.

Irrespective of our statutory obligations – these threats demand fresh thinking that needs to be at the heart of the Council's future plans. With this comes a fundamental challenge to our leadership, capacity and focus.

To set against these challenges are huge opportunities that the City has yet to fully exploit. A plan to realise these opportunities, alongside getting the basics right, provides the focus for what we need to do next.

The three immediate opportunities, set out in the Delivery Plan published in November, that present themselves are as follows:

1: Fundamentally shifting our focus from crisis to prevention:

This relates to helping and supporting individuals and families at the early stages of an issue or crisis in their lives, before it manifests as a statutory need.

At its heart this is about working with people differently, drawing on, and building the support that exists in the community, as well as joining up professional disciplines on the frontline: giving them all a common mission to help people stay afloat and then thrive.

This is not about pulling departments or partners together under one roof, it is about *creating a new service* that:

- Uses data and insight to reach out and find people most at risk
- Triage the help and support they may need
- Always seeks to find resources and solutions that exist in the community – building a platform that enables this network of resources to grow and be sustained.
- Provides integrated universal public sector support where this is helpful or directs people to more targeted specialist support as required.
- Integrates pathways into specialist Early Help in the Children’s Trust or “life course” services in Adult Social Care and health.

Our proposed working title for this new operational department is **City Help and Support**

In scope for this new service will be amongst other things: housing options; homelessness; libraries; debt and money advice; job readiness, skills and adult learning; employment support; drug and alcohol services; the youth service; domestic abuse; parts of the adults front door and our efforts in support of digital inclusion – together with a platform and capacity for working with, supporting and helping to build community and voluntary sector networks of support.

2: Increasing the pace and scale of growth, for those that need it the most, while delivering our climate change objectives

Prior to the pandemic, Birmingham was growing at almost twice the rate of London and four times the national average. The Council can use its landholdings and access to low cost finance, while also leveraging once in a generation opportunities such as the development of HS2 and the Commonwealth Games, to increase the pace and scale of growth in all parts of the City – in particular housing (including both social and other forms of affordable housing – as in houses that people can actually afford) but also potentially town centre and sub-urban shopping districts and employment land development too.

By adopting an interventionist approach, the Council can address market failures and stimulate developments that might otherwise not happen, benefiting those who need them the most. In this way, our growth objectives become aligned directly with our approach to early intervention and prevention, by providing amongst other things the tangible supporting infrastructure (affordable housing, local jobs etc.) that help provide the economic foundations for a good life.

Working differently, the Council can also capture some of the wealth that is currently being generated in the City and then use that resource for social purposes.

To enable delivery of these opportunities, it is proposed to create a new **Purpose Director: Places, Prosperity and Sustainability** with a highly skilled team, to lead on the

development of all parts of the city including: strategic place shaping and economic development, including those resources devoted to transport planning and the development of strategies to address the climate crisis that are inclusive and actually capable of delivering the route to zero. They will be responsible for ensuring that the City has world class digital infrastructure that enables all citizens to participate. They will also lead strategically on arts, culture, and heritage. They will set the ambition for the Council's delivery functions and partnerships, joining them up and holding them to account. They will lead on key relationships relevant to the portfolio: international, national, regional, city wide and local - increasing our profile, generating investment in the City winning consent for change. To ensure we see the growth we want, it also proposed that we create a new **City and Municipal Development Department** to execute city led development schemes and support the right kind developments by others.

3: New ways of working

Building on the positive experience during the pandemic (while reflecting on what has been challenging), there is the opportunity is to make a permanent shift from a situation where 15-20% of our workforce works in an agile and flexible manner to one where 80-85% do so. In so doing we shift our focus from a desk-based accommodation strategy and a culture of presenteeism to one that champions flexibility and outcomes-based management – not least because working in this way is crucial to underpinning our approach to workforce equalities and talent management. The ability to allow Council staff to work flexibly is key to supporting women and carers grow and develop in the workplace.

This new approach also provides the basis for making significant savings in the short term, something that our medium-term financial plan demands with little or no impact on frontline service delivery.

Delivering the change

Reaping the benefits of these opportunities will require certain parts of the organisation to change, over the coming months and then years. This will mean ensuring that the Council's core corporate services are able to support change and deliver improvement and do so in a way that is both assured and consistent. If we say we are going to make a change, we need to know that we can deliver.

Winning consent and working in partnership

This means winning consent and taking people with us – both inside the organisation and out. Inside, delivering change in a fair and constructive way – with the support of our trade union colleagues. This will be about focusing our culture change and organisational development teams on supporting the specific changes the organisation needs to deliver in the coming months and years. Outside the organisation it will be about building a culture of participation and public engagement ensuring our localism agenda is mainstreamed, led and delivered.

All this relies on partnership: international, national, regional, local and hyper local. Partnerships and partnership activity will require proper resourcing.

A focus on core service delivery

For the public, staff and elected members, none of this will ring true unless we also continue to improve core services: street cleansing and refuse collection; enforcement; housing

management; children services; SEND; adult social care and our overall approach to customer services. There is the prospect of a virtuous circle whereby the opportunities for us to grow and reform and work differently provide the financial breathing space to consolidate, improve and invest in the frontline – and in turn, getting the basics right helps to build trust and win consent for wider changes in the City. But of course, the opposite could be true and so what we do next is pivotal.

Centring equalities

Underpinning all this needs to be a fresh approach to equalities. This will require an understanding in both a quantitative and qualitative way the nature and prevalence of structural inequalities in our City – the barriers that prevent people moving forward in their lives and then ensuring that we have policies, strategies and actions to tackle them over the short, medium and long term. We will require comprehensive data and to hear people's lived experience, finding consistent ways of taking decisive action to tackle the inequalities that exist.

Delivering the Commonwealth Games

Finally, the Commonwealth Games, in just 20 months-time, provide a moment of profound hope.

Hope, because they offer the City us a world stage to tell a story of a place that is on the cusp of defining what all great 21st century cities should aspire to achieve. Diverse, youthful, carbon neutral, open for business, growing, forward thinking and founded on principles of equality and opportunity for all. A chance to redefine and capture for a new generation, the purpose of the Commonwealth in a once imperial city that is on course to be the country's first BAME majority place.

But there are risks, with a burden in terms of capital delivery and city operations that is huge. Ensuring we have the right leadership and capacity to get the games done and put on our best show, is a must do priority for the months ahead.

3 A new model of leadership, service delivery and governance

To respond to the challenges and exploit the opportunities set out above we require a new model of leadership, service delivery and governance.

Due to the scale of the City Council (almost twice the size of the next largest unitary and five to six times larger than the average Metropolitan Borough Council or London Borough) it receives national attention particularly when services have not been as reliable as they should have been. This has led to several years of intervention and oversight by central Government.

The size of the Council has often been seen as a liability, but if utilised effectively it should be a great asset. There is the scope to unlock huge efficiencies. Our size also provides the scale, influence and reach to tackle the big challenges of our times. A key lesson from COVID has been that size matters. Our ability to understand data and impact across 1.2 million people, to act decisively on their behalf, to communicate with and advocate for them has been a decisive feature of our success in managing the pandemic. Birmingham has led the way, a fact acknowledged by Government.

But with size comes risk. Leading then governing and delivering services across an organisation of 11,000 staff in the service of 1.2 million people, is *categorically different to running an organisation a sixth of the size*. On that basis, it is critical that the Council has the appropriate level of capacity and capability in the organisation to meet the challenges and exploit the opportunities referred to above, capacity which has previously been eroded due to the impacts of austerity.

Specifically:

- The challenges we face require a joined up, strategic and integrated approach – a common purpose and the ability to transcend professional silos and a structure that enables this.

The issue for the CEO is particularly challenging. Under the current structure the post has ten direct reports (11 if you include their office) when best practice would suggest a CEO should have no more than 5. In Birmingham, the average span of control is 1:6. Across the Council as a whole, it should be much closer to 1:10. This creates an organisational design which means that the CEO is the personal fulcrum for all issues that fall between silos and the first point of contact when things go wrong. It's a situation that is completely unsustainable and needs to change as a matter of urgency.

- Meanwhile, the Council's structure has effectively devolved responsibility for developing policy, setting priorities and service standards and for then measuring performance and accountabilities against those standards, to individual service departments. The same applies to assurance processes that relate to the fulfilment of statutory obligations, health and safety and other regulations. Departments set their own standards and performance measures and assess their performance against them. This needs to be changed to ensure that there is improved corporate visibility of these standards, measures and assurance arrangements together with more robust arrangements in relation to reporting. This will also enable the opportunity for greater scrutiny and constructive challenge.

- The Council needs to build new capacity, working to a consistent methodology, refresh governance and improve leadership in order to improve its ability to help manage and deliver large scale change and improvement projects. **Capacity:** by employing people with the right skills and experience to execute complex change projects, which is a professional discipline in its own right; **Governance:** with the creation of a standard method for managing projects, monitoring progress against delivery and escalating problems and issues for resolution; **Leadership:** to create a culture of active problem solving and clear accountability.
- The Council has committed to no further outsourcing and bringing services back in house. This has protected terms and conditions and maintained the relative protection of a public sector job. These are all good outcomes in themselves, and also means the Council is very well placed to respond flexibly and with agility to the immediate challenges of the future.

However, this has also coincided with a significant reduction in senior management costs which has weakened the Council's ability to lead and manage services. An increase in senior management capacity will not only allow the Council to improve the day to day quality of service delivery allowing it to cope with the rich and varied nature of issues that arise when serving a population the size of Birmingham, but also allows it to seize the opportunities of growth and respond to climate change. Increased senior management capacity will also allow us to further develop relationships with key partners and by having a consistent officer presence, at the appropriate level, engaging on the strategic issues affecting the City.

These observations go to the heart of Member concerns about service grip and the availability and visibility of directors and senior managers. This is partly a frustration about service performance and service failure but also about the lack of follow through, imagination, policy thinking and innovation.

New Model of Service Delivery and Governance

To improve service delivery, meet future challenges and deliver upon the big opportunities available to the City it proposed that a new model of leadership service delivery and governance is created.

It is proposed that a new structure is built over the next 2-5 years that has two elements:

- 1) A new **Council Core** that exists to set direction and purpose, joins up and then holds delivery departments and the wider system to account, as well as providing world class support and governance services.
- 2) **Best in class service delivery functions delivered on an in-house basis** that are designed from first principles to deliver the council's key objectives. In particular: managing from crisis to prevention, growth and climate change, and customer oriented and relentlessly reliable universal services.

This is a model that creates a matrix management or eco-system approach to policy development and delivery; an approach that is designed to clarify and articulate accountabilities and provide a clear and unequivocal route for issue escalation and remedy.

It relies upon, but also fosters and creates a strong team ethos. Organisational Development and Culture Change is 'built in' rather than 'bolted on'.

It also relies upon there being parity of esteem and power between the delivery functions and the policy and performance functions. In this way, it is not a re-heated 'strategic director' model that essentially maintains silo working albeit in broader groupings. This is about having the best delivery capability and with it the benefits of strong silo working, *and* the best strategy, policy, partnership and performance management capability – to join things up – all brought together and managed through a new approach to governance and leadership.

Taking each in turn:

A new corporate core



The Council's Core: A new council core that exists to set direction and purpose, joins up and then holds delivery departments and the wider system to account, as well as providing world class support and governance services

Chief Executive – overall strategic and operational leadership of the organisation, supported by a Head of Chief Exec Office and Policy Lead (head of service grade) who runs the CEO's office and supports him with the preparation of briefings, reports and other matters, maintains grip on agenda planning and a forward view of matters that need to be managed through the Council's officer and member governance, manages a small 'Response Unit' to diagnose service issues, persistent Member/MP enquires and citizen concerns so that the CEO is able to respond at pace with the right intervention.

For the next 18-24 months, the Council's Commonwealth Games Director will continue to report to the Chief Executive.

Director of City Management:

Overall responsibility for the Council's back office and support services and platforms (e.g. customers services), performance improvement, programme delivery, performance and

financial management, assurance and governance arrangements. The Director will be the Council's section 151 officer.

Over the coming two to five years they will:

- Create an integrated suite of *enabling services* (finance, HR, procurement-commissioning, commercial and investment, IT and FM) that supports the Council's Delivery Departments to deliver day to day and improvement when this is required. The stance of these services will be problem resolution, rather than problem observation. The ERP programme will need to be re-purposed to achieve the above goal (it was originally conceived as a system change project not a service improvement project)
- Sponsor the Director of Digital and Customer Services (who will report to this post) to develop best in class customer service platforms – including the consolidation of telephone lines into a contact centre environment, website rationalisation, the integration of front office and back office arrangements (removing the need for back offices as much as possible) and member feedback and complaints processes that are simple, fast and effective.
- Deliver our new ways of working programme including contingent changes in HR, FM and IT. The services that will all report to this new director.
- Implement an annual finance and business planning process that enables the **Purpose Directors** to set objectives and performance standards for the Council's Operational Departments and wider system. This process does not currently exist.
- Curate and lead an integrated monthly performance management process that tests delivery against budget, objectives and performance standards as well as other relevant measures. The point of this being to hold teams to account, but also to provide an escalation root for the resolution of service issues, interdependencies or other concerns. This process does not currently exist.
- Curate and lead an integrated monthly assurance process that tests the council's compliance with key statutory and other regulatory requirements including but not limited to:
 - Safeguarding
 - Health and Safety
 - Fire and Building safety
 - Internal Audit
 - Fraud
 - Governance
 - Legal

As with the performance management framework the purpose of this assurance process is to understand where issues exist and ensure there is a mechanism for identifying resolution. This activity does not routinely happen.

- Develop an appropriately skilled Programme Management Office so that the Council can be assured and have confidence that major change projects deliver as intended, to budget and on time. This will require forming at least one or more framework agreements with external suppliers so that the requisite skills and capabilities can be bought in as cost effectively as possible and in a timely manner. This capacity does not currently exist.

- Establish a small Service Design and Innovation team, who can work with the Purpose and Policy Directors and Operational Directors to help identify service improvements and respond to wicked issues. This should form part of a city-wide *Design and Innovation* network.
- Develop a comprehensive Workforce Resilience and Development planning arrangement that responds to the Council's aging workforce 'cliff' and enables the achievement of the Council's Workforce to Reflect the Community objectives. The HR Director will report to the Director of City Management.
- Establish an appropriately skilled Investment and Commercial team to support the Council's growth and sustainability objectives.

To achieve the above at the necessary pace, the new department will require an **“Establish and Recover”** team that will be located within a time limited (24-36months) enhanced PMO reporting directly to the Director of City Management and through appropriate governance arrangements the CEO. The costs of this team can be capitalised meaning they will not be a burden on the Council's revenue budget. Its purpose will be to deliver the above changes, alongside other major programmes in the Council together with the implementation of the organisational design set out here in.

Director of Partnership; Participation and Equality

Overall responsibility for developing, supporting and nurturing the City's key partnership infrastructure including the City Board and relationships with the Combined Authority. Leads on national engagement with MHCLG and other parts of government.

Over the next 2-5 years develops and implements:

- those elements of the Councils localism agenda that relates to civic engagement, participation and involvement in decision making, be that city wide or neighbourhood level (e.g. ward budgets). As part of this, develop the city's approach to wider participation and community activism. The development of the work will form part of the portfolio of programmes overseen by the Council's Enhanced PMO (see above). Relevant teams from the neighbourhoods department will move into this function.
- an 'insight as a service' team in the form a **City Equalities Observatory** – a data led function that tests and challenges our Purpose Directors and their teams to ensure their approaches demonstrably address structural inequalities.
- an equalities team that works as part of the City Equalities Observatory works to understand the qualitative dimension of inequalities in the city. On an annual basis the team ensures that equalities insight and “calls to action” are embedded in the Council's annual finance and business planning process. In this way our long-term endeavour to reduce inequality drives our annual planning and performance cycle.

Leads the Council's Community safety and cohesion teams.

Leads the Council Communications team.

Pending the outcome of change in the health service, including plans for an ICS, this post will manage the Director of Public Health.

Purpose Director: City Futures

Overall responsibility for outcomes for children, young people and adults who need our help and support. Adopts a “furthest first” approach to strategy and service priorities ensuring that in all our work, our mission is focused on understanding and then breaking down structural inequalities and barriers. In this task they will be supported by the work of the City Equalities Observatory. As the youngest city in the UK, we want our city to be the best place on earth to grow up and raise a family.

Sets the purpose, policy objectives, and performance measures for the Children’s Trust, the proposed City Help and Support Service, and the Social Care and Life Courses Department (currently known as the Adult Social Care Department). This work is enabled through the agreement of **annual Business Plans** agreed with each operational department, a task that will be supported by an AD graded Purpose and Commissioning Lead and a small policy and service development team. The focus of the teams will be to ensure service issues are understood, challenged and resolved and that pathways and services interface properly from a citizen and service user perspective and to ensure the system is continuously ambitious!

Establishes a robust assurance framework across the Operational Delivery departments (which is then reported monthly via the mechanism and reporting cycle put in place by the Director of City Management see above).

Ensures that operational services adopt participatory practice where-ever possible and appropriate, drawing on support from the Service Design and Innovation Team.

Takes a strategic lead on partnership working with the NHS, is lead officer for the health and wellbeing board, the Children’s Partnership and is a member of the City Board.

Commissions school improvement services and has overall responsibility for engagement with schools. Mission: we want all children to experience the best educational opportunities of anywhere in the UK.

Purpose Director: Places, Prosperity and Sustainability

Overall responsibility for the economic and physical growth of the City and for ensuring that the Council achieves its objectives in relation to carbon reduction.

Adopts a “furthest first” approach to strategy and service priorities ensuring that in all our work, our mission is focused on understanding and then breaking down structural inequalities and barriers. In this task they will be supported by the work of the City Equalities Observatory. Specifically, this role and team is focused on ensuring the economic foundations for the good life in Birmingham – connecting all working age adults to the growth prospects of the city so that their life chances improve. In practical terms this means leaving no stone unturned in pursuit of jobs, working with the CA and partners to maximise investment in the city. The Director will also be responsible for strategy and policy relating arts and culture – it’s time to be at the heart of the nation’s heritage, arts and culture – the home to the most talented and revered performers and creatives as well as the natural place for those at the start of their artistic careers

Responsible for commissioning strategic planning, planning and transport policy (although this will be developed by the City and Municipal Development Department - see below).

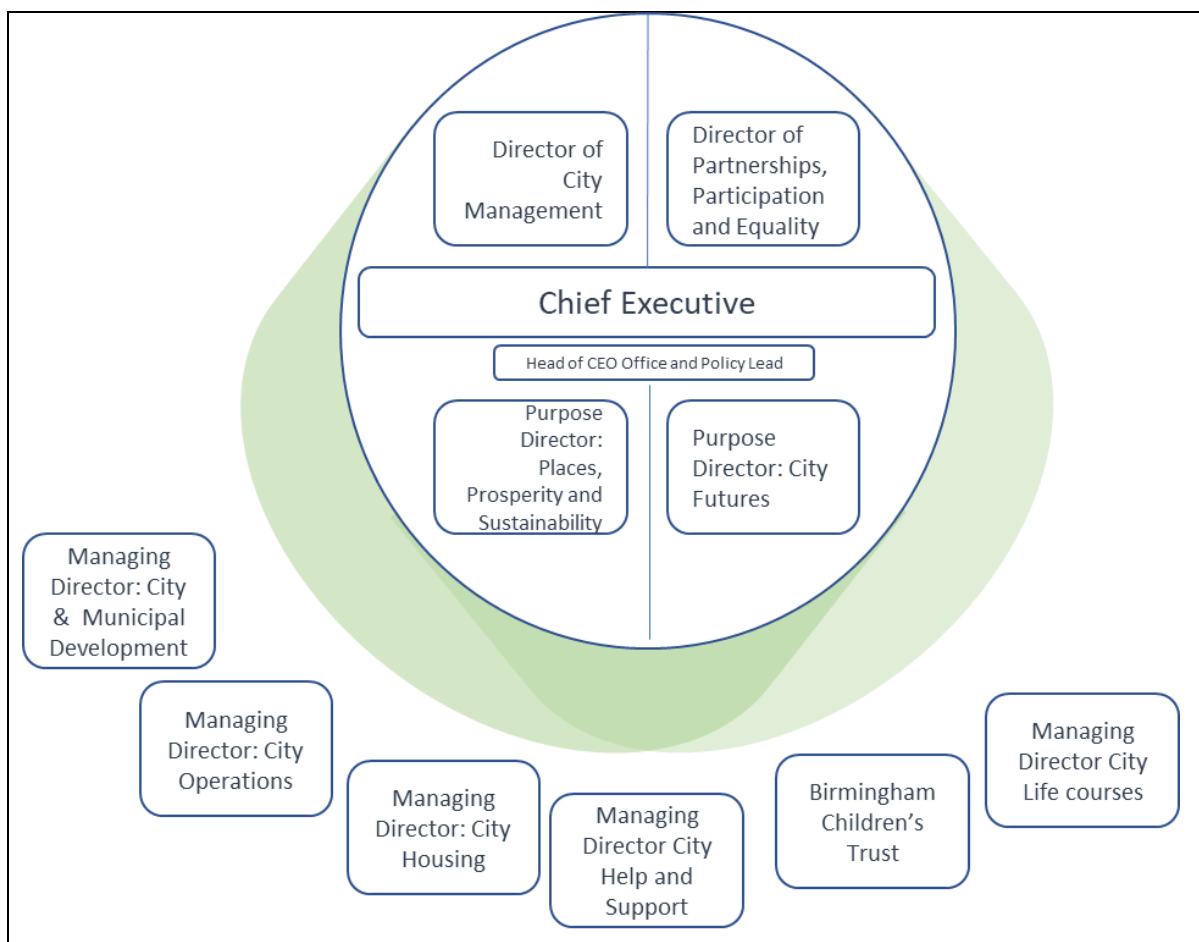
The Director will establish a **Route to Zero Investment and Development Team**, with the possibility of this being in partnership with a university or other research and development function. This will be established on a self-financing basis

Responsible for overall Housing Strategy

Sets the purpose, policy objectives, and performance measures for the proposed City Operations Department; City Housing Department; City and Municipal Development Department. This work is enabled through the agreement of **annual Business Plans** agreed with each operational department, a task that will be supported by an AD graded Policy and Commissioning Lead and a small policy and service development team. The focus of the teams will be to ensure service issues are understood, challenged and resolved and that pathways and services interface properly from a citizen and service user perspective and to ensure the system is continuously ambitious!

Delivery Functions

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Best in class service delivery functions delivered on an in-house basis² that are designed from first principles to deliver the council's key objectives. In particular: managing from crisis to prevention, growth and climate change, and customer oriented and relentlessly reliable universal services. The key delivery functions are as follows:

Managing Director: City Operations

Responsible for delivering relentlessly reliable services as specified by the Purpose and Policy Director: Places, Prosperity and Sustainability in the annual business plan. Specifically:

- Refuse collection
- Street cleansing
- Waste disposal
- Waste minimisation
- Parks and open spaces
- Enforcement
- Private Landlord Licensing
- Highways
- Parking
- Emergency planning
- Run and manage the Council's newly proposed integrated transport function.

² With the exception of the Birmingham Children's Trust

In the coming 18 months the Director of City Operations and their department will be pivotal to the achievement of key deliverables in respect of the Commonwealth Games and its mandate and deliverables will be set in the context of what is required in the run up to and including games time.

As one of the few genuinely universal services, a core purpose and mission of the City Operations Department over the next 2-5 years, will be to drive civic pride and a sense of connection between the Council and citizens. This bond of trust will be a function of: its reliability; its responsiveness (responding to service issues or reports of issues – e.g. fly tips, nuisance etc.); and by being visibly on the side of residents – big bold public commitments to tackle anti-social behaviour and the co-option of residents in that fight. This means being both data led in the use of intelligence and more agile in the use of CCTV and other enforcement measures. But it also means using behavioural insight to shift both individual actions and habits, *and* the perception of the Council. There are numerous examples across the Country where this have been done – to do the same in Birmingham requires consistent leadership, management and joined up thinking.

Work closely with the Director of City Management on workforce management issues and improving industrial relations.

Managing Director: City Housing

Responsible for delivering relentlessly reliable services as specified by the Purpose and Policy Director: Places, Prosperity and Sustainability in the annual business plan.

Specifically:

- Landlord management services
- Caretaking
- Repairs and maintenance
- Planned works
- Health and safety

One of the first jobs of an incoming director will be to undertake a root and branch review of the service. As with City Operations this is about a fit for purpose service that is relentlessly reliable, and builds trust by being on the side of tenants. It is also about making sure that the service is safe and protects tenants. This means developing a robust assurance process that feeds information into the monthly cycle that the Director of City Management will lead and develop.

The review will also consider the skills and capabilities of the service to deal with and then manage the Council's response to climate change particularly in relation to retrofitting. Ensuring that we are best placed to be on the front foot for the implementation of new technologies and approaches as and when they are conceived and when the Council is in a position to implement them.

Work closely with the Director of City Management on workforce management issues and improving industrial relations.

Managing Director: City and Municipal Development

This department will be mandated to undertake development within the City as mandated by the Policy and Partnership Director: Places, Prosperity and Sustainability. Led by an

ambitious Director of Development supported by a Director of City Planning, and a strong commercial team that works to support a Commercial Director. This department will lead on capital delivery, asset management including acquisition and disposal of land, and the execution of development projects and other investment led growth.

Responsible for delivering stretched housing delivery and other development opportunities as specified in the annual business plan.

This department should be created on the assumption that it will be self-financing and will also, in time, make a significant contribution to the Council's MTFP.

Children's Trust

The trust will continue its work to ensure that over the next 2-5 years we develop an outstanding Children's Services offer to the children and young people of the city. Within two years the aim should be to have services that are rated "good" by Ofsted.

The service will be commissioned by the Purpose and Policy Director: City Futures. They will establish a robust assurance process that feeds information into the monthly cycle that the Director of City Management will lead and develop.

Managing Director: City Help and Support

The precise nature of this service will be subject to the business case that is being developed and described earlier in this report but is intended to bring together: housing options; homelessness; libraries; debt and money advice; skills and adult learning; job readiness; drug and alcohol services; domestic abuse; parts of the adults front door and our work on digital inclusion – together with a platform and capacity for working with, supporting and helping to build community and voluntary sector networks of support.

At its heart this is about working with people differently, drawing on, and building the support that exists in the community, as well as joining up professional disciplines on the frontline: giving them all a common mission to help people stay afloat and then thrive.

This isn't about pulling departments together under one roof, it's about *creating a new service* that:

- Uses data and insight to reach out and find people most at risk
- Triage the help and support they may need
- Always seeks to find resources and solutions that exist in the community – building a platform that enables this network of resources to grow and be sustained.
- Provides integrated universal support where this is helpful or more targeted specialist support as required.
- Integrates pathways into specialist Early Help or "life course" services.

The development of the service becomes our community recovery response to COVID

The service would in effect specify and then anchor the Council's new network of hubs – potentially co-locating with early help services, adult services and other public and voluntary sector agencies. The service is also likely to be pivotal in the realisation of its East Birmingham strategy.

Managing Director: City Life Courses

This role, and the department will build upon the current Adult Social Care Department and the work they have led on developing a 'life course' approach. Over the next 2-5 years the department should develop this approach, where-ever possible integrating pathways with the health service (as part of on-going national requirements to create integrated care systems) The department could also incorporate SEND. And commission an integrated home to school transport service from the Council's City Operations department.

The post holder could be the Council's DAS or this role could be fulfilled by the Director of City Futures. The existing Director of Adult Social Care will be asked to develop a blue-print for this service and an implementation plan, before they retire.

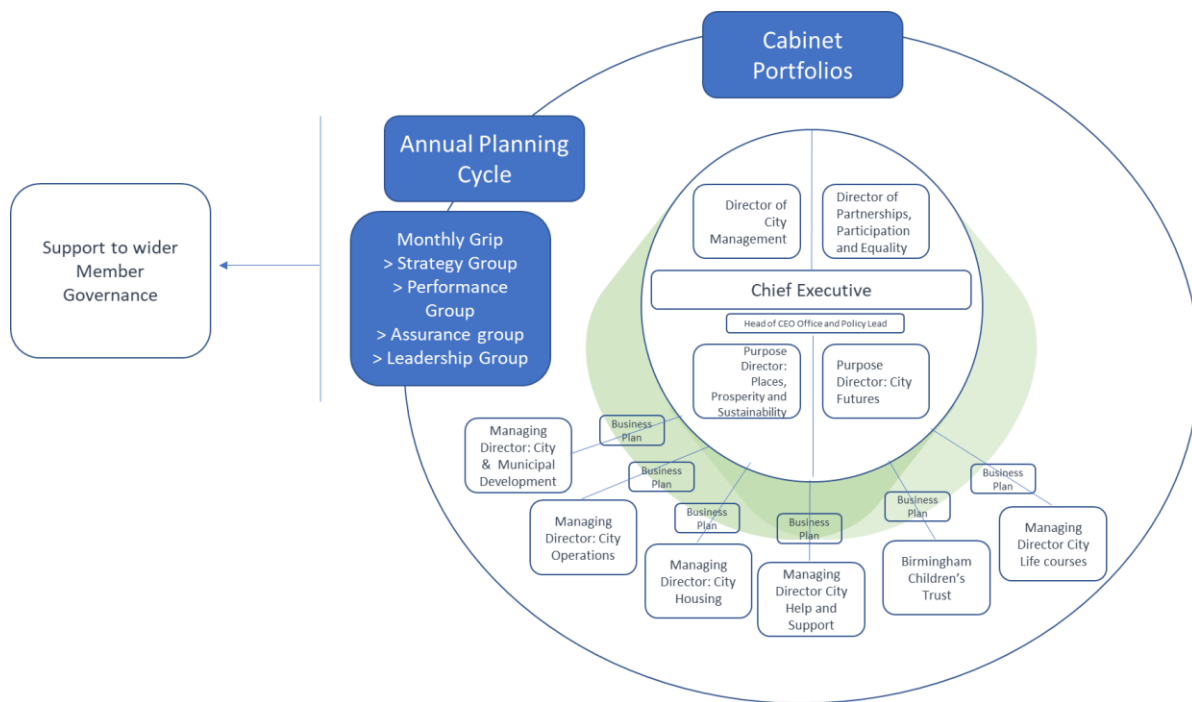
4 A new approach to officer governance

The proposed changes to how the Council organises itself will require a refreshed approach to officer governance and leadership. This will involve the Council Core taking responsibility for setting policy direction and performance standards in an annual process of dialogue and consultation with the Delivery Functions. These will be captured in an annual budget, delivery plan and programme plan. In time these will relate directly to city wide objectives agreed in partnership at the City Board. Each department will have their own Annual Business Plan that cascades from the annual budget, delivery plan and programme plan. This will set out key deliverables as well as a performance framework. This work will be led by the Purpose and Policy Directors supported by a planning cycle that is orchestrated by the Director of City Management.

Cabinet Members and Scrutiny Chairs will relate directly to Purpose Directors *and* relevant Managing Directors through their portfolio meetings and in the development of annual scrutiny programmes. It will be the job of Purpose and Policy Directors to ensure political priorities and manifesto commitments are mandated and funded in the annual Business Plans.

Corporate Leadership Team will be replaced by four meetings that will each take place once a month and include all the directors referred to above: a **strategy group** that focuses on policy and strategy development – this meeting will be curated by the Purpose Directors and the Director of Partnerships, Participation and Equalities (with support from the Head of CEO's Office and Policy Lead); a **performance group** that focuses on the delivery of the budget, business plan objectives, performance framework measures and the delivery of key programmes – this meeting will be curated and led the Director of City management and is partly about holding Managing Directors to account, and partly about ensuring they have a clear escalation root for issues to be resolved; **an assurance group** that focuses on the achievement of statutory and other regulatory objectives – this meeting will be led by the Director of City Management; and finally a monthly **leadership group** that brings together all directors and their reports, to ensure alignment and understanding across the Council as a whole.

Working in this way we pull together both the Core and Delivery Functions in a regular monthly rhythm of meetings, joint working and issues resolution. We will also provide a consistent conduit for member meetings be they Cabinet, Overview & Scrutiny Boards, safeguarding boards, health and well-being or audit committee.



5 Making it happen

The changes outlined above will be progressed in phases over the next 2 years with a period of consolidation in the following 3 to 5 years. A JNC report later in January 2021 will begin the process of establishing key posts set out herein, together with a phased approach to implementation through to 2022 following appropriate consultation and feedback .