

National Association of Local Councils
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Devolution and partnership working in multi-level city government

I would like to start by welcoming you all to Birmingham. I hope you are having a good conference and enjoying the city.

I am very pleased to be able to speak to you today because it gives me the opportunity to send some very clear messages about the importance we attach to devolution, localism and partnership working in the city.

Like most cities we do not as yet have many parish councils – just the one, at Frankley, created in the late 1990s. But we do have a rather large parish council on the way, in fact the largest in the country.

Last month, the City Council concluded a community governance review and decided to constitute a new parish for Sutton Coldfield alongside a parish Council for the parish of Sutton Coldfield, which in population terms will be the largest in the country.

We are working hard to establish the Sutton Coldfield council in time for elections next May. It will have a population of around 100,000 and a likely precept of some £1.8 million, with 24 parish or town councillors to be elected.

So this is a good time for you to meet in Birmingham and to celebrate this milestone in the history of urban parish councils – a real breakthrough for the local councils' movement – but also enabling Birmingham to learn from and establish a dialogue with NALC.

Birmingham tradition on local governance

But there are many other reasons why you should choose to meet in Birmingham and why you should see the city as a partner to work with over the long term as we seek to develop better local governance.

Birmingham has a vibrant and diverse local democracy with many ground breaking community led organisations doing great work to improve local neighbourhoods.

It is a city where people find practical ways of getting things done for their local area, rather than creating governance structures for their own sake. I think that is something we all need to bear in mind as we debate how local government will change in the future.

We have long since recognised that you cannot govern a city of one million people from a centralised administration.

We developed ward committees and neighbourhood forums and the “Local Involvement, Local Action” initiative back in the 1990s. In 2000 the independent Democracy Commission concluded we needed to devolve further. In 2004 we implemented the most radical devolution of budgets and decision making powers to our ten district committees.

Now, in 2015 we have had to rethink that approach because of the cuts in our funding and we are looking for new solutions to take us forward to 2020 and beyond as part of our Future Council vision.

Bottom up democratic involvement will be an important part of that new vision and we hope that NALC will play a key role in its development.

The context of devolution

Your conference last year took place in the context of the Scottish referendum debate.

At the summit, a year ago, designed to open up our thinking following the Scottish 'no' vote, I reiterated a statement I had made when I launched the Council's declaration of intent for devolution and localisation back in 2004:

"The governance of the city is the responsibility of all citizens and organisations. We will work in partnership ...to deliver a more active democracy"

The summit examined how a profound devolution of powers and spending on public services could take place from Whitehall to the city region from Whitehall to the city level and from the city region and city to the neighbourhood level.

And critically, we envisaged in line with my statement made in 2004 how devolution could take place not just from one democratic institution to another and between levels of national, regional, city and neighbourhood governance but also critically from democratic institutions to communities and citizens directly.

This year we are in the middle of the Government devolution deals process. Devolution is high up the political agenda as it has never been before and this has created opportunities for all of us who are committed to decentralising our over centralised system of government.

WM Devo deal – outline.

The devolution deals process is leading to an increasingly standardised template or framework for the governance of the big cities – despite the emphasis on tailoring the deals to different local priorities.

Each will have a metro mayor and a combined authority leading on economic development, skills, transport, housing and planning strategies. Each will be

working on reforms to public services at the combined authority level, which may lead to greater integration and shared services between districts.

This model will serve us well at the strategic, city region level. It will restore leadership at that level we have not had since the met counties were abolished by Margaret Thatcher in 1986.

Triple devolution and the Birmingham approach

But I believe there are risks with focusing just on those city-region level developments.

And there are opportunities to create a new, multi-level form of city government fit for the 21st Century.

In Birmingham we have developed a framework we call the “triple devolution” model which we think will give us a distinct model of city government. It is built into our vision and plans for the Future Council.

As well as developing a strong combined authority, we recognise that the identity of each district will remain important and some services will be best provided at that level. Government should also devolve freedoms to single councils and enable them to work with centrally funded services in a joined up way.

We have recognised that at the city council level we must develop a far more streamlined and strategic role, reflecting the big reduction in the resources that will be available to us. Our role will shift from being a provider of services to creating a gateway to services delivered by others.

But the third level of devolution must be delivered by the councils themselves to their local communities.

Or to put it more accurately, powers must be taken by local communities themselves.

One of the key themes in our work on the future governance of the city is finding a way to enable a more bottom up approach to governance at the most local level.

We have looked at the French *arrondissement* system, in which separately elected councillors then send delegates upwards to sit on a smaller strategic council for the city as a whole.

That is not possible under current UK legislation and so far we have had little success in persuading the Government to explore it with us.

But this is where parish, neighbourhood or community councils might come in.

It is clear to me that, within the system of city government I have described, there is a place for separately elected local councils to take on some of the functions currently delivered by principal councils.

Of course, this is not just about creating new governance structures.

More importantly, we need to redesign neighbourhood services to make them more joined up and focused on the local Place – picking up on some of the ideas developed in the Our Place pilot areas, which include some innovative parish councils.

Our Future Council plans are based on the idea that we will have to invest in prevention and manage demand for services more effectively.

At the neighbourhood level we need to work together with local communities to put in place the support services that will enable people to live more independent lives and to access higher level services only when they really need to do so.

We want to see greater tenant control over social housing and greater integration between housing management and neighbourhood management, building on the examples of Castle Vale and Witton Lodge.

We know that redesigning services in this way can produce significant savings as well as big improvements in outcomes for communities and individuals.

In future, the role of the city council will be less about delivering services and more about working in partnership with others, including the community, to achieve those outcomes.

We also want to see more places across Birmingham take up the opportunity to write their own Neighbourhood Plan – following on from the Balsall Heath Plan agreed the other week.

Taking devolution forward – offer to work with NALC

We want to work with the government and with organisations such as NALC to take forward this agenda, as we develop our Future Council vision for 2020.

The devolution deals are not a one-off. They are the start of a process that we hope will develop over many years. You have to secure the first stage deal before you can work on the rest of your ambitions.

I believe that when we get to the end of this Parliament the process will be well advanced. Then it will be for the next government to go further than business rates retention and give us genuine fiscal devolution.

Control over local taxes and the freedom to borrow to invest is taken for granted in cities across the world and we need to keep up the pressure to ensure that our cities also enjoy those freedoms.

And as that process moves forward we must maintain our focus on the very local level – the third level of devolution.

One approach might be to develop devolution deals within the city, unleashing the creativity and ideas in our communities.

This might lead to local areas getting gain share funding from the city council, based on the savings they create through joined up local services.

I know this is already being done in some rural places, such as the Martock parish council in Somerset. But imagine if we could develop this across a big city.

In Sutton Coldfield we are focusing on getting the council up and running to start with – a huge task in itself. So there will not be a great deal of devolution from day one. We are now progressing, through a Steering Group of local councillors and community representatives, the administrative arrangements to enable the creation of a powerful, vibrant and sustainable parish council in Sutton Coldfield with the intent of instituting an interim parish and parish Council on 1st March 2016 and electing the Council in May 2016. This is a significant challenge in itself but the opportunities of going early and putting arrangements through the Reorganisation Order in place to create the parish and the parish council ready to start business in 2016 far outweigh this.

But again that is only the start of the process. We can then begin working with the elected town councillors to identify services that can be devolved or new activities the town council wants to develop.

This is not about Sutton Coldfield moving away from Birmingham.

It is about how we can work together in partnership with the new council to get better results for the residents. It will be a pilot for the rest of the city and will help us think through how we should change our devolved arrangements elsewhere.

We will explore in the coming months how our experience of shaping a regional devo deal could work at a neighbourhood level founded on genuine partnership and collaboration with emerging community councils.

Ideas here could include:

1. Neighbourhood call for action – identifying the needs, priorities and opportunities of an area with a city compact compelling a public service response.
2. Transfer of additional services – above and beyond services and powers defined in legislation where a case is made to deliver specific outcomes and resource efficiencies.
3. Setting up joint venture vehicles setting up – joint wholly owned companies to run services locally and in other neighbourhoods.
4. Developing neighbourhood bonds – raising equity to invest in local infrastructure projects.

Conclusion

So, in conclusion, let me repeat that we want to work with NALC and others to take this agenda forward in the next two years.

We have sent a clear message that others can follow where Sutton Coldfield has led – whether it's a large or small council they are interested in.

In 2018 we will reach a watershed in Birmingham's local government when we move to smaller one or two member wards and a four year election cycle.

By then we will have a fully established combined authority and we may also have an elected mayor for the West Midlands.

But it's essential that we also develop a new approach to local democracy and local services at the most local level.

That will enable us to put in place a bottom up neighbourhood democracy, unique in urban Britain.

So, there are exciting times ahead in Birmingham.

We have a vision for a new approach to local government and parish councils can be at the heart of that vision.

We are ready to make radical changes and to challenge the old way of doing things.

I want you to see Birmingham as your ally, your partner in developing the local councils' movement in urban areas.

I want Birmingham to remain at the forefront of innovation in local democracy and to regain its global reputation for good local government.

Thank you.

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