



Localisation

Response to the Consultation on The Future Shape of Localisation, July 2010

A report from Overview & Scrutiny





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Preface

By Cllr James Hutchings, Chairman, Local Services and Community Safety Overview and Scrutiny (O&S) Committee

30 November 2010

This review was set up to consider the proposals of the Cabinet Committee (Achieving Excellence with Communities). It was carried out in the short time between our review of Project Champion and the deadline required by the Executive.

We followed the well established process of taking evidence from available relevant witnesses.

The evidence was clear and I hope that the report is equally clear.

In particular there was no compelling evidence to recentralise services by returning delegations to the Corporate Centre. The expected "high-level financial appraisal and value for money review" was not produced to inform our conclusions.

There was insufficient time to research and evaluate alternative arrangements. I therefore regard this report as a limited/interim report.

I would like to thank members and Scrutiny officers, and in particular Emma Williamson, for their commitment and enthusiasm in carrying out this review – which again involved some late sittings.





1 Introduction

1.1 The Future Shape of Localisation

- 1.1.1 On 26th July 2010, the Cabinet Committee (Achieving Excellence with Communities) put forward a proposal for consultation on changes to the current structure of Constituency Committees and delegations of Executive decision-making.¹
- 1.1.2 This consultation took place over August, September and October 2010, with a deadline for responses of 1st November 2010. Following analysis of the responses, a report is due to be presented to Cabinet Committee (Achieving Excellence with Communities) in late November proposing a way forward.
- 1.1.3 The Local Services and Community Safety O&S Committee agreed to present a formal response to this consultation. As the consultation report notes, the work is “independent to the consultation exercise” but will “add value to the Executive’s consultation exercise”.
- 1.1.4 This report will be made available to the Executive by the deadline for consultation responses, in order that the Executive can take account of our findings when making the final decision.

1.2 The Consultation Response

- 1.2.1 The Committee was considering undertaking a Scrutiny Review of Localisation before the Executive announced its intention to consult on proposed changes. There were a number of reasons for this, the main one being a request for call-in of the Hall Green Constituency Budget efficiency savings in January 2010. This raised concerns about, amongst other things, the lack of control that Constituencies can exert over their budgets for services provided under a Service Level Agreement (SLA).
- 1.2.2 This report therefore addresses the main issues within the Executive consultation, but also sought to take a wider view. The key question addressed was:

What are the key elements of localisation that contribute to improved quality of life for the residents of Birmingham and what are the strengths and weaknesses of possible changes?
- 1.2.3 The report sets out both our findings in relation to the key question and responses to the key proposals contained within the consultation document.

¹ Taking Forward The Localism Agenda - Consultation Proposals Around Constituencies, Report of the Strategic Director of Housing and Constituencies, 26 July 2010



1.2.4 Members of the Local Services and Community Safety O&S Committee are: Cllr James Hutchings (Chairman), Cllr Tahir Ali, Cllr David Barrie, Cllr Alex Buchanan, Cllr Gareth Compton, Cllr Nigel Dawkins, Cllr Ann Holtom, Cllr Carl Rice and Cllr Robert Wright.

1.2.5 The work had to be conducted in a very short timescale to meet the Executive's deadlines. The Committee therefore held three evidence gathering sessions, on the 23rd and 30th September and 19th October 2010, and we are grateful to the following for their participation:

- Cllr Timothy Huxtable, Cabinet Member for Transportation and Regeneration;
- Cllr Les Lawrence, Cabinet Member for Children, Young People and Families;
- Cllr Martin Mullaney, Cabinet Member for Leisure, Sport and Culture;
- Cllr Ken Wood, Constituency Committee Chairman, Northfield;
- Cllr Jerry Evans, former Constituency Committee Chairman, Hall Green;
- Ifor Jones, Director of Constituencies;
- Jacqueline Branch, Constituency Director, Ladywood;
- Chris Jordan, Constituency Director, Selly Oak;
- Sukvinder Kalsi, Assistant Director of Finance;
- Paul Higgins, Assistant Director – Customer Services;
- John Blakemore, Chief Highway Engineer;
- Kevin Mitchell, Assistant Director – Fleet & Waste Management;
- Harry Fowler, Assistant Principal Youth Officer;
- Chief Superintendent Surjeet Manku, West Midlands Police;
- Lisa Barnett, Community Warden Scheme Co-ordinator, Guild of Students, University of Birmingham;
- Emma Woolf, Friends of Cotteridge Park;
- Shirley Varlow, Chairman, Sutton Coldfield Association of Neighbourhood Forums;
- Clive Yates and Stephanie Winter, Sutton Coldfield YMCA.

1.2.6 Written responses were also received from:

- Councillors Deirdre Alden, John Alden, Robert Alden, Mark Hill, Jon Hunt, Philip Parkin and Ian Ward;
- Tony Kline, Sutton Coldfield Town Centre Partnership;
- Barry Toon, Bournbrook Community Safety Partnership.



2 Background

2.1 Context

2.1.1 Devolution and Localisation was implemented in Birmingham in April 2004, following debate as to whether a degree of localisation of service management and delivery, and of the devolution of political decisions, would be beneficial to service quality and to governance. Consultation and debate took place internally and with partner organisations.

2.1.2 The major aims of the policy included:

- Delegate decision making from the Cabinet to all Members of the City Council – i.e. the power collectively to determine local priorities and service delivery mechanisms for certain services, according to the needs of the local area, within cash limited budgets and subject to policy frameworks issued by the Council as a whole and the Cabinet;
- Enhance local democracy by giving greater direct influence over service decisions to the local electoral process and providing for easier access to more directly accountable local politicians. This will provide the basis for the engagement of local Councillors with other service deliverers and local communities and therefore develop a stronger community leadership role;
- Provide the basis for the emergence of a degree of diversity in local governance arrangements across the city, according to the respective roles of Constituency and Ward Committees and the other bodies they may support or introduce.²

2.1.3 The original proposals for the services to be devolved is set out in Appendix 1.

2.2 The Structures

2.2.1 The City Council's Constitution outlines the role of Constituency and Ward Committees. Cabinet have delegated the following operational powers and duties of the Executive to Constituency Committees:

- Operational Leisure, Sport and Cultural Services;
- Operational Local Services and Community Safety Matters;
- Operational Transportation and Street Services.

2.2.2 In 2003, the initial proposals for devolution were set out; these named four services that would be fully localised (Domestic Pest Control, Community Development and Play, Local Car Parks Maintenance and Income and Local Arts Development – although subsequently, indirect

² Report of the Executive to the City Council, 5 November 2002



Constituency management of Pest Control was implemented through an SLA). Existing local outlets that came under constituency management were neighbourhood offices, leisure centres and swimming pools, community libraries and community centres.

- 2.2.3 Activities of Constituency Committees also include developing the annual constituency service plan, setting the budget and monitoring actions against these; and identifying opportunities to improve the economic, social or environmental well being of the citizens of Birmingham.
- 2.2.4 In 2009/10, Constituency budgets ranged between £16m (Ladywood) and £8m (Hodge Hill).³ On average, 55% of these budgets were bound in Service Level Agreements with centrally managed services such as refuse collection and grounds maintenance.
- 2.2.5 Constituency Committees also work in partnership, with most setting up Constituency Strategic Partnerships. These partnerships are usually responsible for developing a Community Plan that responds to local issues and makes links with the Birmingham Sustainable Community Plan – 2026. Membership typically includes Councillors from the Constituency Committee with health, police, housing and youth representatives.
- 2.2.6 Ward Committees' terms of reference relate to: encouraging and facilitating dialogue between the Council and local people within their ward with a view to identifying the needs of the ward and local residents; referring these needs and making recommendations to the relevant decision-maker (such as Cabinet Member or Directorate officers); and managing any delegated budget.
- 2.2.7 Neighbourhood management is delivered in conjunction with Constituencies including targeting resources and delivering outcomes in 31 priority neighbourhoods whilst extending the neighbourhood approach to other "at risk" and "stable neighbourhoods"; and developing neighbourhood agreements.
- 2.2.8 The Constitution makes explicit that Constituency Committees should:
- identify to the Cabinet further opportunities for devolution and neighbourhood management arrangements
- 2.2.9 It also provides that:
- Some or all of the Constituency Committees and/or Ward Committees may be dissolved in the event that the Council, on a recommendation of the Cabinet, resolved that it was no longer cost effective, efficient, necessary or desirable to maintain or continue the localisation of services and/or the devolution arrangements in some or all of the Constituency Committees and/or Ward Committees.

³ 2009/10 Budget Outturn figures – reports to Constituency Committees available on www.birmingham.gov.uk/democracy



2.3 Reviews of Devolution and Localisation

Scrutiny Review of Devolution and Localisation (2006)

2.3.1 In 2005/06, the Co-ordinating O&S Committee undertook a Scrutiny Review of Devolution and Localisation. The key driving force for the review was “the desire among Members for some evaluation of the effectiveness of the policy and arrangements to date, so that an informed debate could take place as to the need for and nature of any necessary adjustments”.

2.3.2 The findings of that review are pertinent to this review, and will be referred to later in the report. However, the key conclusions were:

The City Council, and other partners, has now made considerable investment in new management structures and political arrangements. ... Our overall impression is one of a devolved system that has shown some worthwhile accomplishments. While there is less evidence of radical improvements in service delivery there is undoubtedly the potential to realise these through fresh approaches without considerable increases in costs.

Our principal conclusion is that the City Council should maintain its policy of Devolution and Localisation, and move forward in ways that will make the policy work more effectively. We wish to see the better services and the better use of resources that the policy should bring. What needs to be made clearer is how exactly this will come about.

2.3.3 The main recommendation was to ask the Executive to implement an Action Plan to change the culture, improve services, cut the strings to the centre and simplify approval arrangements; exploit the capacity of the Constituencies; and build capacity at Ward and neighbourhood level.

2.3.4 The recommendations were approved by the City Council on 11th July 2006.

District Auditor Reports (2005 and 2008)

2.3.5 The Audit Commission, through District Audit, reviewed the Devolution and Localisation policy in 2005, with a follow up in 2008. The 2005 report concluded:

Our overall judgment is that the Council has made steady progress across much of the localisation and devolution agenda with no significant adverse impact on the delivery of local services. However the Council has not yet done enough to ensure that the process is both embedded culturally and organisationally within the Council, and that it leads to visible improvements for service users.⁴

⁴ Audit Commission: Localisation and Devolution, Birmingham City Council; June 2005



2.3.6 In 2008, the District Auditor's conclusion was that:

The Council's localisation and devolution arrangements are beginning to have a positive impact on the lives of local residents ... However, these improvements have occurred in the absence of a shared vision for localisation and the lack of a robust management plan to implement this vision.⁵

2.4 Changing Context

The Financial Challenge

2.4.1 One of the key drivers for change are the financial constraints on public sector budgets, as initially set out in the Emergency Budget (22nd June 2010), in which the Government cut £6 billion from this year's budget. This amounted to £13 million in revenue funding and £3 million in capital funding for Birmingham City Council.

2.4.2 Further cuts emerged in the Spending Review (20th October 2010). The precise implications for Birmingham City Council are not yet known, but the Chief Executive has set out his best estimate:

... the City Council will need to reduce its net expenditure by £330 million over the next three to four years: £230 million from the council's core budget, and £100 million from specific grants. That is about a third of our net spend.⁶

2.4.3 The £100 million from specific grants referred to above includes the loss of Working Neighbourhoods Fund (WNF), which will come to an end in April 2011. In total, Birmingham was allocated £118 million between 2008 and 2011 (although this was reduced in the Emergency budget in June). Of this, £6.5 million was allocated as a contribution to the Community Chests managed by individual Ward and Constituency Committees.

Changes to Service Delivery – Neighbourhood Offices

2.4.4 On 27th September 2010, Cabinet agreed a future operating model for neighbourhood offices, which are managed by Constituencies. This involves moving to a model of 13 Customer Service Centres and 9 Neighbourhood Offices. The 9 Neighbourhood Offices would move to part time opening from April 2011. The business case of December 2009 projected full year gross savings of £3.318m on the Neighbourhood Office budget by 2013/14.⁷

2.4.5 Regarding the location of neighbourhood offices, there would be discussion with constituency management and Councillors, but these discussions would take into account the need to ensure that the model would remain intact and could provide a consistent standard of service. The

⁵ Audit Commission: Localisation and Devolution, Birmingham City Council; February 2008

⁶ Inner Voice, Birmingham City Council, September/October 2010

⁷ Transforming Customer Services in Neighbourhood Offices, report to Cabinet, 27th September 2010



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Assistant Director, Customer Services, informed us during our evidence gathering that the model aimed to improve the customer experience and provide more choice over methods of accessing the service.

Changes to Service Delivery – Highways

- 2.4.6 The City Council entered into a 25-year contract for highway maintenance and management services from June 2010 (the Highway Maintenance and Management Private Finance Initiative (PFI)). This means that maintenance of the city's highway infrastructure (including highway drainage) will be carried out by a private sector partner (Amey plc). This contract specifies standards to be met.
- 2.4.7 The PFI contract identifies twelve districts within the city (the ten Constituency areas, with the City Centre and Strategic and Main Distributor Network as separate districts). Its specification identifies fair and reasonable standards to which works and services should be provided (in line with national standards for infrastructure and services).
- 2.4.8 The performance of Amey is measured in these districts against:
- Investment 'milestones': requiring a progressive improvement in standards across all infrastructure assets through the five-year core investment period, with requirements set at a district level;
 - Specific district-based performance indicators where appropriate (e.g. district street lighting).
- 2.4.9 Amey is responsible for:
- Producing programmes of work for each district;
 - Consulting with Constituency Committees on programmes prior to finalising them;
 - Delivering the programmes, and through this, meeting the milestones and performance requirements at a district level.
- 2.4.10 Constituency Committees may influence Amey's programmes during the consultation stage by identifying priorities. They may also identify areas where they wish to introduce 'enhanced standards' (i.e. above the fair and reasonable standards to which Amey is required to maintain infrastructure). Such requests are subject to the Constituency Committee being able to fund capital and revenue budget consequences of enhancements.

Changes to Service Delivery – Leisure Services

- 2.4.11 New governance and delivery arrangements were being considered, at the time of writing this report, for leisure services. One option would be to transfer day to day running of leisure services – yet to be specified – to one or more Trusts. A scoping exercise is to be carried out, with a view to new arrangements (if agreed) being in place by April 2011.



2.5 The Consultation Proposals

- 2.5.1 The proposals to consult on the future shape of localisation are based around three areas:
- Local service delegations held by Constituency Committees and corresponding service delivery responsibilities held by Constituency Teams;
 - Locality structures for governance including decision making, local influence and engagement;
 - How emerging national policies around “localism” and “big society” can offer a timely opportunity for Birmingham to refocus its own localisation policy and practice.
- 2.5.2 The intention is also to review value for money, financial capacity and localised service delivery.
- 2.5.3 The aim of the proposed changes is to address the severe financial challenges facing the City Council following the Emergency Budget (22nd June 2010) and Spending Review (20th October 2010). They will also take into account emerging Government policy on localism and Big Society.
- 2.5.4 The proposed locations of the delegations are set out in Appendix 2.



3 Localisation: Improved Quality of Life?

3.1 Introduction

3.1.1 The key question we set ourselves was: “What are the key elements of localisation that contribute to improved quality of life for the residents of Birmingham and what are strengths and weaknesses of possible changes?”

3.1.2 Asking a wider question than those posed in the consultation paper has allowed us to explore some of the successes and frustrations of the devolution and localisation policy as manifested in Birmingham. We will address the first part of the question in this chapter, taking the second part in the next chapter alongside some specific responses to the proposals contained in the consultation paper.

3.2 Successes

3.2.1 Looking firstly at where localisation has contributed to an improved quality of life for residents, we heard evidence that improved service delivery, greater efficiencies, closer partnership working and better engagement in governance have all been outcomes of localisation. The thread running throughout these improvements was better engagement with local people.

Improved Service Delivery

3.2.2 The District Auditor report of 2008 noted “some indications of improving outcomes”, partly due to “the breaking down of departmental barriers”. The Scrutiny Review of 2006 found:

Whilst achievements varied from District to District⁸, a range of service improvements were identified including a reduction in anti-social behaviour and crime, improvements to the street scene and to the environment.⁹

3.2.3 Many of our witnesses presented examples of where the Constituency structures and local workings had improved service delivery, including where Councillors and locally based senior officers were able to cut through “silo working” to get projects up and running, including:

- Setting up a Detached Youth Worker programme, to address miscommunication between young and old in an area with contributions from different service areas;
- Constituency Director’s support of a youth cafe meant that the local library was used, as she managed both services so was able to make it happen.

⁸ Constituency Committees were formerly known as District Committees.

⁹ Scrutiny Review of Devolution and Localisation, 11 July 2006, Birmingham City Council



3.2.4 Reasons for the successes were attributed to:

- Local working with Councillors and officers who have a good knowledge of the area, and so are better placed to be able to understand specific issues and come up with solutions:

It is absolutely essential that the officers we deal with as volunteers in parks and open spaces have a detailed knowledge of the local sites, relevant technical knowledge and the needs of local communities. (Volunteer)

It is far easier for me to get transport matters dealt with now we have our own District Engineer sitting in an office in the middle of the constituency than when I had to get someone at Lancaster Circus ... Face to face is so much easier (you can look at maps and pictures together) and the District Engineers seem to know their patch much better now. (Constituency Chairman)

Volunteers spoke of the importance of being able to create effective partnerships between volunteers in the community, contractors and council officers, thus enabling a centrally managed contract to be effectively delivered on the ground and a dynamic service responsive to local needs. Furthermore, Councillors and officers with local knowledge can break down barriers of suspicion and apathy with local people to get them involved:

Officers with good local knowledge are important because it helps break down barriers with those who are resistant to working with the Council. Once people have met officers/Councillors face to face and get good networks, they can see the benefits and that officers/Councillors are trying to deliver for the area. It is the local detail that switches people on to the issues – theoretical presentations do not work. (Volunteer)

- A more transparent officer structure, so residents are better able to navigate the bureaucracy of the Council and have more opportunity to build local relationships, rather than deal with faceless individuals within a huge organisation. For the community based volunteers, the working relationship with officers was important in terms of the strength of the officer group, how transparent and how willing they were to work collaboratively to resolve problems:

The Constituency Office is not a call centre it has people there who are rooted in the neighbourhood. They do not change from day to day there is a relationship with people. Ownership of issues and results gives satisfaction both to workers and clients ... What is the alternative, a call centre with a high staff turnover that never answers beyond the script or a service that recognises limitations and addresses them. (Volunteer)



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- Officers from different service areas and disciplines work as a team for the benefit of residents; sharing office space means they are able to make connections and fix problems more quickly:

Engineers being available to discuss problems with local Members and the public and being seen as part of the local team rather than the experts from the centre; as at Boswell Gardens in Sutton Coldfield, Maas Road in Northfield, Erdington: High Street, and other examples. (Highways evidence)

What happens in Sutton Coldfield is exemplary in terms of relationships and co-operation, with a range of people working together to add value. (Volunteer)

Members of this Committee saw this for themselves during the visit to Selly Oak and Handsworth to see how the neighbourhood management scheme was working. In Selly Oak, there were cross-discipline neighbourhood teams working to resolve issues in their patch together.

Closer local working with partners is also enabled and the benefits of this can be seen particularly around the Council's emergency response. The contribution of Constituency staff – often outside working hours – was also noted in the recent Scrutiny Review of Flood Risk Management and Response, which found evidence of “dedicated staff willing to give up their time to support residents when they need it most”. The Constituencies had a “key role to play in supporting the recovery, after a flood, including co-ordinating clean-ups, assisting vulnerable residents and providing advice and information. (The Scrutiny Review of Flood Risk Management and Response also reported that Constituencies have to find the money to respond to emergencies such as flooding).

Greater Efficiency

3.2.5 We also received evidence that greater efficiencies were to be found in Constituencies – particularly given the relatively small controllable budgets. As one witness put it, Constituencies had found “relatively innovative ways of balancing budgets.”

3.2.6 This is partly about project working across service areas, as discussed above, for example Highways officers gave us the example of the design and supervision of the construction of the Stechford Swimming Pool car park, carried out by localised engineers at reduced cost and with benefit of local knowledge. However, it also concerns leaner management structures and locally based staff sharing tasks yielding greater efficiencies. As one volunteer put it:

A Constituency is the size of a town; would you regard the staffing level of a Constituency Office equal to managing a town? (Volunteer)



Closer Partnership Working

- 3.2.7 The District Auditor report of 2008 noted the “growing culture of partnership working”. The Scrutiny Review of Devolution and Localisation in 2006 also noted that “generally it was felt that successful working relationships with partners had been developed”.
- 3.2.8 Partnerships have been a “tremendous success”, in the words of one of our witnesses, particularly through the Constituency Strategic Partnerships where they are in existence. Examples of collective action in communities includes initiatives to tackle community safety with the Police, Fire Service and City Council undertaking joint visits to residents to conduct fire checks, advise on burglary reduction measures and undertake environmental improvements (Selly Oak). The Be Active programme (where Birmingham residents are offered free swimming, group exercise classes and gym sessions) was developed in Ladywood, in partnership with the NHS, and is now city-wide. The work of the thematic groups (i.e. groups set up to consider specific issues, such as environmental concerns) was also commended by witnesses.
- 3.2.9 West Midlands Police will be submitting a response to the consultation separately, however we were grateful for their attendance to discuss some of their thoughts around how the structures affect partnership working. They have recently amended their command structures to reflect Ward and Constituency boundaries – partly to save on the number of meetings individual officers must attend. Amending this significantly would have an impact on their ability to work with the Council as partners.
- 3.2.10 We were told that supplementary resources (Neighbourhood Renewal Fund, Community Chest Funds and Working Neighbourhoods Fund) had been used successfully to make a difference in Constituencies and this success had been recognised by the Audit Commission in terms of partnership working and community engagement.
- 3.2.11 One of the strengths of locally based staff has been in response to emergency situations. The tornado in 2005 was cited as one example where local staff worked with partners to co-ordinate activities locally, organise an immediate response, consult with the community on recovery and develop a recovery plan. The Birmingham Resilience Team (BRT) reported that having local officers on the ground is invaluable in the days following an emergency both in terms of being present to help residents, and in advising, guiding and informing officers in BRT.

Better Community Engagement in Governance

- 3.2.12 The view from the volunteers and active residents we spoke to was that the local structures have engaged people who would not otherwise have got involved in areas of governance/service delivery. The reasons for this include greater transparency and the ability to build relationships with individual officers, rather than being passed around a large organisation.
- 3.2.13 The District Auditor report also noted “encouraging signs of ... increased engagement with local people”:



One area of strength is the work being done in all constituencies to engage more with residents in the identifying of local priorities.¹⁰

3.3 Frustrations

3.3.1 Frustrations were expressed both by those in Constituencies – centring around the limitations of the powers delegated and the difficulties in dealing with the central Council administration – and Cabinet Members and their senior officers – who cited lack of clarity and control, and inconsistency across Constituencies as problems for their service areas.

Limitations of the Current Delegations

3.3.2 The limitations that concerned Constituency Chairmen and some active residents were two-fold: firstly scale: that only a small number of services have been devolved down to Constituencies, and secondly scope: that Constituency Chairmen and teams had only limited influence on those services devolved under Service Level Agreements (SLA).

3.3.3 In terms of the scale of the current delegations, the number of services fully devolved are limited in number. Constituency Chairmen said that the small number of services fully within Constituency control gives them little room for bringing services together across the Constituency and little scope for prioritising any savings required. The controllable element of constituency budgets varied from £3.5m to £6.5m and given the number of fixed costs, this limited the scope for delivery of efficiencies.

Are they true localisation? A local budget, but most of it is earmarked. No local rate setting power. Major spending decisions still referred to the centre. No control over major Directorates – Housing, Social Services, Revenue Collection.
(Volunteer)

3.3.4 With regards to the scope of the delegations, we were told that those services devolved under SLAs leave Constituency Committees very limited room for prioritising and selecting appropriate local services. As Table 1 below shows between 48.6% and 64.6% of each Constituency budget was held in an SLA in 2009/10, and between 50% and 67.7% in 2010/11.

3.3.5 This was noted in the District Auditor's report of 2005:

The SLA arrangements appear inflexible and difficult to change. Given that one of the key objectives of localisation and devolution was to bring service closer to users and to allow them to be able to influence and shape service delivery in

¹⁰ Audit Commission 2008, op.cit



ways that are relevant to local communities, this apparent lack of flexibility is a serious problem for the Council.¹¹

3.3.6 The 2006 Scrutiny Review also raised this issue:

The inflexibility in Service Level Agreements which govern many of the services which on the face of it are Districts' responsibility. District Committee Chairmen were particularly frustrated about this state of affairs, viewing it as giving them responsibility without any real control.¹²

Table 1: Percentage of 2009/10 & 2010/11 Budget Outturn within SLA¹³

	2009/10			2010/11		
	Total £'000	SLA Total £'000	SLA %	Total £'000	SLA Total £'000	SLA %
Edgbaston	8,581	5,447	63.5%	8,256	5,587	67.7%
Erdington	10,818	5,570	51.5%	9,841	5,548	56.4%
Hall Green	10,003	5,240	52.4%	9,372	5,205	55.5%
Hodge Hill	8,275	5,343	64.6%	8,072	5,470	67.8%
Ladywood	16,047	8,395	52.3%	14,716	8,344	56.7%
Northfield	9,779	6,045	61.8%	9,389	6,173	65.7%
Perry Barr	10,990	5,342	48.6%	9,782	4,893	50.0%
Selly Oak	10,625	5,447	51.3%	9,518	5,288	55.5%
Sutton Coldfield	10,646	5,850	55.0%	9,740	5,425	55.7%
Yardley	10,972	5,792	52.8%	9,773	5,613	57.4%

3.3.7 Whilst additional resources can buy additional services, under an SLA the basic service is in the hands of the central teams. Constituency Committees are unable to vary the service according to

¹¹ Audit Commission 2005, op.cit

¹² Scrutiny Review of Devolution and Localisation; op.cit

¹³ Source: Constituency Budget outturn reports 2009/10; www.birmingham.gov.uk/democracy



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local demand and to extract savings. Accountability is confused – the Cabinet Member for Leisure, Sport and Culture described how he was often held responsible for problems with leisure facilities when the relevant decisions had been taken by Constituency Committees. This led one witness to describe it as a “half way house” and that he would rather have control over the service or it be wholly centralised.

3.3.8 One example of an SLA – that with Fleet and Waste Management (FWM) whereby refuse collection and recycling services are provided to the Constituency under specified terms – exemplifies some of the issues raised.

3.3.9 We were told that Constituencies hold around 35% of FWM budget through SLA. The Cabinet Member for Transportation and Regeneration and senior officers stated that the SLA was necessary in maintaining standards across the city, but responsiveness to local needs was also important:

Within Fleet and Waste Management there has been a strong culture of engagement with local structures to review service standards and performance indicators, ensuring that local issues are addressed and that services continue to be responsive to local demands. (Assistant Director)

3.3.10 Furthermore, we were told that “budgets held by the Constituencies are not transparent in terms of what services they actually contribute to and this inevitably leads to tensions.”

3.3.11 Meanwhile, Constituency Chairmen were very clear that they are being held accountable for savings within the SLA, and that if these are not attained, cuts must be made elsewhere in Constituency budgets to make the overall savings. This in turn leads to further tensions as cuts are made to services for which Fleet and Waste Management are then expected to pick up the ongoing budget implications.

This has been particularly evident in terms of the City's Anti-Graffiti Strategy where locally funded cleansing resources have been withdrawn to the detriment of the City's overall objective of substantially reducing graffiti. (Assistant Director)

3.3.12 For example, as a consequence of the severe financial pressures the Erdington Constituency currently is facing, local Councillors have agreed to the loss of the graffiti squad service within the Constituency. Erdington Constituency currently pays for two days additional graffiti removal and the team's work is structured around this plus the two days additional graffiti removal that the Sutton Coldfield constituency fund. Officers are now questioning whether the team is viable if only two days out of the four are funded. Fleet and Waste Management cannot afford to continue to pick up these additional shortfalls.



Inconsistencies across Constituencies

3.3.13 One of the key arguments put forward in support of SLAs is the need for consistency of service across the city – the principle that the City Council, as one organisation, should provide equivalent levels and quality of service to all residents. The District Auditor in 2005 agreed that this was one of the strengths of the SLA structure:

The strengths within these arrangements lie in the fact that there is clarity over the delivery arrangements for these services ... This has meant that service continuity has been achieved.¹⁴

3.3.14 Minimum standards across Constituencies is one of the imperatives for consistency across the city; others include legal requirements (such as highway standards) and inspection demands (in education and housing). Public expectation is also important – residents paying the same Council Tax to the same Council may well question any significant variation in service.

3.3.15 It was alleged that services suffer from differing standards across Constituencies because of the choices made in Constituencies, as well as a lack of clarity and control from the centre. One example given of this was the Constituency Engineering service, which is devolved with Constituency Engineers reporting to Constituency Directors.

3.3.16 On the whole, the Cabinet Member, senior officers and Constituency Chairmen agreed that where the quality of staff and the level of resource had been good, there has been a marked improvement in the service to the community:

The devolved service gave scope for improvements to be driven forward and for there to be better communication because staff were locally based. (Cabinet Member)

3.3.17 However, managers of the service raise some concerns:

The Constituency Engineering Service is very patchy with some Constituencies valuing the service and benefiting from improved service while others have sought to subsidise other services by either not filling vacancies or by insisting on substantial income targets from engineering recharges. The lack of a central control has led to no balance across the service and no ability of the service department to move resources to ensure the delivery of a reasonable service.

3.3.18 They further noted that the “significant reduction in the effectiveness of the localised service has been driven by the need to reduce costs in the Constituencies.” The examples cited are that there have been no permanent Constituency Engineer in Ladywood for more than two years; insufficient

¹⁴ Audit Commission 2005, op.cit.



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provision of Constituency Engineers in Hodge Hill and Erdington for six years and no replacement of engineers retiring in Selly Oak, Edgbaston or Yardley.

3.3.19 The “right of local members and constituency managers to take such decisions” was recognised, but equally “it is the responsibility of Highways to point out the impact of such a pattern of behaviour on the delivery of the service overall”. Their overall conclusion is:

The localised Highways Service is not fit for purpose in most constituencies.¹⁵

3.4 Other Forms of Localisation

3.4.1 There have been moves to localise centrally controlled services without delegating the powers down; the following examples were brought to our attention during our evidence-gathering:

- Ward based cleansing teams have been organised on a ward basis and this has been warmly welcomed by local Councillors and very well-received by residents. Refuse collection teams are also to be organised on this basis;
- The Youth Service was localised in terms of service delivery as officers were locally based or associated with extended schools clusters, but rather than involve Constituencies the approach had been to go direct to young people on the development of youth forums;
- The development of a Community Trust on the Waverley School site will encourage the community to work with the school to facilitate use of the site during the day. It was believed that this would lead to greater cohesion and would help to raise aspirations of the community. Councillors would be involved in the development which was expected to be in the embryonic stage in early 2011;
- Councillors are given influence over Highway improvement work, with £50,000 being set aside for each Ward to influence services such as the provision of grit bins and grass verge protection. Currently, the services that can be funded by this allocation are specified by the Cabinet Member for Transportation and Regeneration; however Councillors’ views were being sought on the services to be covered by this allocation;
- Under the Highways PFI, Amey has introduced six Highway Stewards, identified to Constituencies / PFI districts. Their role is to work with local Councillors and Constituency Engineers in consulting upon Amey’s programmes and resolving local service issues.

3.4.2 Cabinet Members and officers put forward the argument that these examples show centralised departments working at a local level to further local responsibility and accountability and that localisation can take many forms.

¹⁵ Written evidence submitted from Highways



3.5 Conclusions

- 3.5.1 We set out to enquire as to the strengths/successes and limitations/frustrations of localisation over the past 6 years.
- 3.5.2 We have heard evidence of improved service delivery, greater efficiencies, closer partnership working and better community engagement – all outcomes of localisation.
- 3.5.3 The successes have largely been attributed to local accountability and decision-making with attached resources. In particular, people can and do access locally based senior officers, who are identifiable and so can be held accountable. In turn, these officers report to Councillors who can take decisions.
- 3.5.4 The culture that localisation has engendered has been noted, and was mentioned by a number of witnesses as a critical factor in the successes of localisation. Officers from different service areas work as a team for the benefit of residents and find solutions across disciplines. These teams are seen as driven to improve local services, committed to the local cause and flexible in adapting to different circumstances. Indeed, in the recollections of longer serving Members of this Committee, this contrasts positively with the former system of corporate officers defensively reporting to ward committees from within their silos.
- 3.5.5 Our findings about the successes largely match the findings of the Scrutiny Review of Devolution and Localisation in 2006 and the Audit Commission reports. Unfortunately, the frustrations and limitations have changed little as well. There was no evidence of a transformational change in service delivery. However, the reasons for these are heavily disputed.
- 3.5.6 Cabinet Members and their officers saw devolved decision-making as resulting in inconsistency of standards across Constituencies and some services being given little priority by Constituencies at the expense of the overall service. They saw this as having an overall negative impact on service delivery.
- 3.5.7 On the other hand, Constituency Chairmen said that the small number of services fully within Constituency control gives them little room for bringing services together across the Constituency and little scope for prioritising any savings required. Where localisation is extant, it is limited. Whilst SLAs have some form of minimum standards, setting out what Constituencies can expect, the monitoring of these needs closer examination. The tensions between the centre and Constituencies over SLAs have not been resolved, despite the District Auditor's suggestion in 2005:

The Council needs to develop and promote shared processes and arrangements that will allow for the SLAs to become more flexible, locally controlled and sensitive to local conditions.¹⁶

¹⁶ Audit Commission 2005, op.cit.



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- 3.5.8 The external pressures and increasing demands for savings exacerbates this tension. Constituency Committees are limited in where they can make the savings to only those services that are wholly devolved. These services therefore are the focus of local savings, perhaps disproportionately so.
- 3.5.9 This leaves those officers working in these services feeling that the services are not valued and that Councillors are prepared to see these services significantly reduced. In reality, Constituency Committees must make savings where they can. The perception from outside can be:
- Budgets are reduced as part of the central budget control and then cut again at Constituency level as part of the constituency cuts. (Volunteer)**
- 3.5.10 A number of Cabinet Members gave examples of moves to localise centrally controlled services without delegating the powers to Constituencies. Whilst these are welcomed within the limited scope of existing localisation, the fact remains that local Councillors cannot vary the service according to local need.
- 3.5.11 The majority of Councillors from whom we received evidence were concerned that further opportunities for Devolution and Localisation have not been explored and that tensions between Constituencies and the centre have not been resolved.
- 3.5.12 The degree of control retained by the centre is evident when considering the changes resulting from Customer First and Leisure Trusts. It was the view of some Councillors that changes to the Neighbourhood Office structure should have been effected through collective action across Constituencies rather than changes coming from the Centre. We expressed concern that the level of involvement of Constituencies in developing changes to a devolved service was limited to consultation and not decision making.
- 3.5.13 We therefore concluded that localisation can improve the quality of life for the residents of Birmingham – and there are clear examples of this – but as it operates currently, localisation is limited. There is scope to localise more services, to achieve both the benefits of locally based partnership working and better community engagement and also to raise standards and increase efficiency. These have not been adequately explored.



4 Response to Consultation Proposals

4.1 Introduction

4.1.1 The second part of our key question was “what are the strengths and weaknesses of the possible changes?” This chapter explores the proposed changes under the three headings set out in the consultation paper – delegations; locality structures; and localism and the Big Society.

4.2 Delegations

4.2.1 The first set of proposals under the consultation concern “local service delegations held by Constituency Committees and corresponding service delivery responsibilities held by Constituency Teams.”

4.2.2 It is proposed that, rather than backbench Councillors having the power to take executive decisions on local service delivery, these executive decision-making powers should go back to the relevant Cabinet Member. Local Councillors would be able to “receive information on whether services are working effectively, meet local needs and provide value for money”. Further, Councillors “could have powers to refer non-performance to Overview and Scrutiny” and additional options “could be developed to give Councillors a stronger role in influencing commissioning where this impacts on local services and in monitoring service delivery.”

4.2.3 A number of reasons have been put forward in favour of these proposals, both by Cabinet Members and officers, largely centring on the need to save money and to improve services. In our role as critical friend, and in the short time we had available, we have sought to test these arguments.

The Financial Challenge

4.2.4 The financial arguments for removing the delegations focused on three reasons: past difficulties Constituencies have had in meeting budget requirements; the pressure of future required savings and the removal of some services via service changes such as Customer First and Leisure Trusts.

Previous Difficulties

4.2.5 Much has been made of the growing overspends in Constituency budgets and the difficulties Constituencies have had in meeting budget requirements in recent years. As the consultation paper notes:

Greater financial challenge faced by Constituency Committees and Constituency Teams managing their revenue budgets, including overspends from previous years and with the further significant efficiency requirements placed on local



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authorities from 2011 onwards and a consequent share cascading down to Constituency.

- 4.2.6 A brief history of Constituency budgets show that whilst all Constituencies kept within budget for the first few years of devolution, last year resulted in eight Constituencies overspending on locally managed services. The level of overspend was at around £3.1m (at the end of 2009/10) and it was projected that the pressures in 2010/11 could total £1m.
- 4.2.7 No evidence has been presented that this is wholly or even mostly due to decisions taken at Constituency level. Indeed, the Director of Constituencies agreed that Constituencies had adopted a robust approach to financial planning.
- 4.2.8 Nonetheless an overspend was being projected. Constituency Chairmen cited lack of control over Service Level Agreements (SLA) (as discussed in the previous chapter) and external pressures such as declining leisure income, fuel costs and pay and grading appeals:

We were successful [in managing the budget] for 2 years and [less so] in the third year because of the Single Status (which, like a small business, we couldn't possibly absorb and stay within budget) and also the fact that departments ... with whom we had service level agreements refused to take on their share of efficiencies. So we had to make our efficiencies and theirs within our controllable budget. (Constituency Chairman)

- 4.2.9 Some provision had been made from the Centre to support Constituencies with pay and grading but for 2010/2011 only a contribution would be given towards pay and grading costs. All services were required to absorb those pressures. Therefore, pressures facing Constituencies are not unique, but perhaps they are more acutely felt with increased demands for savings on a relatively small controllable budget.
- 4.2.10 The view was also expressed that Constituencies lacked a "champion" at Cabinet level (the Cabinet Member for Local Services and Community Safety being largely responsible for the remaining centralised services) and that this disadvantaged Constituencies during budget discussions. One example of this related to previous years' underspends not being brought forward for Constituencies, as they were for some Directorates.

Reduction in Localised Services

- 4.2.11 It was further argued by those supporting re-centralisation that the effect of the Highways PFI, Leisure Trusts and Customer First changes will take services out of Constituency control and result in even greater pressures on the remaining services.
- 4.2.12 For example, Appendix 3 considers the impact of proposed leisure trusts on Constituency budgets (using the 2010/11 approved budgets). Whilst there are no details as yet as to which services could be included in any Trusts, the possibility is that services such as community libraries, sport



and leisure and community arts budgets could potentially be removed from Constituency control and placed within a trust. A crude analysis of the budgets for locally-managed services (i.e. those not held in an SLA) shows that lifting these service areas out of Constituency control could result in a decrease in Constituency budgets of between 76% (Sutton Coldfield) and 33% (Hodge Hill). The decision on leisure trusts has not yet been taken, but the analysis does illustrate the problem with the viability of what remains.

Benefits of Re-centralisation

- 4.2.13 The third reason for re-centralising related to the need to make savings quickly and that these would be best achieved by economies of scale. These would be realised by bringing services under a single management structure, city-wide tendering of services and deployment to areas of greatest need.
- 4.2.14 Constituencies would have the opportunity to influence the level and type of service provided and this would be achieved through discussion with Councillors. The scope to negotiate discounts for one large contract could be affected by localised services.
- 4.2.15 It was also argued that re-centralised services would be better placed to take advantage of proposals such as Leisure Trusts for leisure, library or other services. The Cabinet Member for Leisure, Sport and Culture outlined the key advantages as being savings on domestic rates, which in the case of swimming pools would amount to a saving of around £1.1m per year, and reduced operating costs, particularly in relation to staffing. A Service Level Agreement would be in place with the Trust and the Council's role would be to set the strategic direction.
- 4.2.16 Leisure trusts would also be able to increase funding from external sources – an argument also put forward by the Cabinet Member for Children, Young People and Families. The example given was the Learning Village being developed in Stockland Green for which resources had been levered in from other public sector bodies. While there may be opportunities for local councillor involvement in oversight of the services, it was doubtful that given the financial input by other partners that the budget could be devolved to Constituencies.
- 4.2.17 However, it is worth noting that Constituencies have already responded to this challenge. The Chairmen of Edgbaston, Selly Oak and Northfield Constituencies have agreed that, where appropriate, their constituencies should co-operate with one another if this assists in delivering the required efficiencies over the forthcoming years. The resolution from Selly Oak Constituency Committee included the following statement:

We believe that constituencies should remain at the heart of devolved power but should seek cooperation and partnership with other constituencies to achieve the efficiency savings that we will all have to find in the prevailing dire economic climate.



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4.2.18 This builds on partnership work undertaken in recent years by the three constituencies on items such as social enterprise development, employment and skills work, and aspects of community safety such as domestic violence.

Comment

4.2.19 The need to make savings is acute, and the short-term attractiveness in financial terms of re-centralising and aiming for economies of scale can be seen. However, a strong case for the financial savings has not been made.

4.2.20 We have seen how Constituencies have achieved significant savings over the last few years and note that there was no evidence that Constituencies are themselves inherently wasteful or badly run.

4.2.21 Re-centralisation would strengthen the potential for economies of scale, however we note that the Cabinet Members were unable to give us detailed answers on what economies of scale would be realised and how, indicating that there is still a great deal of work to be done to realise the savings promised. It is also important to note that many of the issues raised – such as greater efficiencies, more cost-effective staff contracts – need addressing regardless of whether the services are locally or centrally managed.

4.2.22 The argument for economies of scale seems predicated on the assumption that if Constituencies are retained and savings must be met, then each Constituency must be given a percentage saving to achieve and apply this in isolation. There is evidence that consideration is being given to the idea that Constituencies could join together to achieve economies of scale through closer working and sharing of services.

4.2.23 We also note the findings of the 2006 Scrutiny Review of Devolution and Localisation:

The conventional wisdom is that decentralised systems are inherently more costly than centralised ones, even though they may well bring benefits. We therefore asked officers to advise us on the costs of moving from the current District structure back to one which was more centralised. Somewhat to our surprise, the advice we received was that “it is more likely than not that a more centralised model would entail higher operating costs than the current devolved structure”.¹⁷

4.2.24 The loss of further services to Constituencies as a result of Leisure Trusts and Customer First etc would weaken Constituency budgets and this is a concern. However, returning to the conclusions of our previous chapter, we have not seen what savings can be achieved by Constituencies with a larger basket of services.

¹⁷ Scrutiny Review of Devolution and Localisation, op.cit.



- 4.2.25 In essence, we agreed that a locally devolved budget is needed to enable Councillors to have more direct control of services provided locally, particularly as Councillors are best placed to make decisions affecting their area.

Service Improvement

- 4.2.26 The arguments put forward for re-centralising services include the lack of consistency across Constituencies (as already discussed), legal and inspection requirements, the ability to move resources around according to need, the need to manage specialist staff appropriately and the benefits of city wide co-ordination.

- 4.2.27 Firstly, there was clear support for a level of strategic planning, for example:

Parks and open spaces are a resource for the whole city – and looking at them solely as a ward or constituency issue is inappropriate. There has to be city-wide perspective to ensure that there is effective and fair provision across the portfolio. (Volunteer)

- 4.2.28 Legal barriers and inspection barriers were also cited to localisation: for example, Youth Services was now subject to Ofsted inspection and therefore, we were told, unsuitable for localisation.

- 4.2.29 We heard examples where services would benefit from the ability to move resources around according to need, such as library staff. For example, Sutton Coldfield library is currently closed due to asbestos damage, and librarians from that building had been redeployed within the Sutton Coldfield Constituency rather than being deployed to meet staff shortages in libraries elsewhere in the City.

- 4.2.30 Strong arguments were made in favour of retaining specialist staff to manage services. The need for professional qualifications and continuing professional development (Youth Services, Constituency Engineers) and specialist knowledge (parks, library staff) in the views of some, militates against local management. This argument was made by both Cabinet Members and volunteers, who were concerned about specialist officers being managed by those who do not fully understand that specialism and therefore would not always understand when there is a problem and the best way to deal with it. An example was given of Play Workers, who are managed in Constituencies, and have concerns about their managers' understanding of their aims and objectives. Other views included:

Constituency Parks Managers were responsible for two Constituencies ... someone with specialist horticulture expertise rather than a generic manager was needed. (Volunteer)

Constituency Engineers reported to Constituency Directors and not to the Centre and questions were being raised as to whether opportunities were being



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provided for their continuous professional development in terms of technical expertise. (Cabinet Member)

- 4.2.31 In contrast, we heard strong views as to the importance of local staff serving their local areas. Partly this is to do with the size of the organisation and the ability of active residents to build relationships with officers and partly about working with officers who know the area:

The suggestion that services go back to the centre fills me with horror. I remember what it used to be like – officers who did not understand the area or its problems. (Volunteer)

Good local relationships (especially with those who have a passion for the area) build the momentum that means it's easier to get things moving. (Volunteer)

- 4.2.32 Constituency Chairmen noted that co-location of officers at constituency level did add value to service provision and delivery, but also acknowledged that there could also be some duplication of work. One Constituency Chairman also expressed concern about the size of the portfolios delegations would be returned to:

Their portfolios are already far too large. But still they want more to go back to them. I am not convinced that they will have the time to deal with the extra responsibilities properly. I know from experience that if you do the Constituency Chairman job properly it is very time consuming.

Comment

- 4.2.33 The arguments that removing delegations from Constituencies and placing them with the relevant Cabinet Members would enhance service delivery focused on the advantages of giving central managers the ability to move resources around the city to areas of greatest need and making it easier to impose consistent standards across the city.
- 4.2.34 These issues do need addressing, but actually, like a number of issues presented to us during this evidence-gathering, they need addressing regardless of whether services are managed centrally or locally. If there are good ideas for improving services, we would expect officers to be sharing these ideas regardless of whether they are centrally or locally managed.
- 4.2.35 Minimum standards can be agreed centrally but implemented locally, as can most legal or inspection requirements. Constituencies need to respond to these challenges, and we were encouraged to hear about collaboration between the three southern Constituencies.
- 4.2.36 The debate about specialist versus local staff is also one that needs addressing regardless of the outcome of this consultation. We understand that professionals wish to protect their own specialisms, both in terms of skills and resources, but the number and range of specialist staff we have been able to retain in recent years is no longer sustainable. Therefore, more generic



managers will be needed anyway and these should be considered at a geographical level not simply a broader service level.

- 4.2.37 The removal of delegations would mean a reduction of staff working at the local level and potentially the loss of local knowledge. In the words of one of our witnesses:

The system is not perfect but we should retain its strengths. I know cuts are needed, but I would rather those were made by people who know the areas and who we can talk with. (Volunteer)

- 4.2.38 The importance of local staffing came through very strongly from the active residents. A city the size of Birmingham needs to organise its decision-making and officer structures in some way and we do not believe that proper consideration has been given to doing this on an area basis. The culture of local problem solving will be at risk if too many services are removed from local control.

- 4.2.39 We discussed the issue of inconsistency of standards across the city in the previous chapter. However, there is a different perspective. Different areas have different needs and localised services strive to target those needs more accurately. The Government has accepted that its call for greater localisation will mean differing services across the country:

A massive challenge for everybody will be explaining that if we want things done locally, then not every-one is going to get a uniform service.¹⁸

- 4.2.40 Localisation will mean differing services across the city – something some are understandably wary of, but this need not be a barrier if properly explained.

4.3 Locality Structures

- 4.3.1 The second area of proposals concern “locality structures for governance including decision making, local influence and engagement”.

- 4.3.2 Removing the delegations as suggested above would change the remit of Constituency Committees, so the Executive’s consultation paper proposes that Ward, Constituency or Area Committees “retain an overarching governance responsibility ... on any retained decision-making, partnership working and community engagement.” As the Scrutiny Review of Devolution and Localisation states:

The original intentions for Devolution and Localisation put much weight on improving governance. District Committees were to provide political control over devolved services and budgets. District Strategic Partnerships would augment

¹⁸ George Osborne MP – speech to the Association of Chief Executives of Voluntary Organisations, March 2010. Reported in Financial Times, 19th March 2010



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the Birmingham Strategic Partnership and form a basis for engagement with partners and the local community.¹⁹

Area Committees

4.3.3 The Executive's consultation paper suggests Area Committees would be "suitable for all services delivered from the local area except for environmental services" and would be "most suited" to "further delegations". Potential roles include governance of Area Partnerships, receiving performance scorecards for services (with referral powers to Scrutiny and Executive), commissioned scrutiny role and the ability to "influence place based budgeting".

4.3.4 The proposal to introduce Area Committees received little support from witnesses. Firstly, there was some confusion as to whether these would form an additional tier (on top of Ward and Constituency Committees) and there was certainly no support for that.

4.3.5 The size of the suggested Areas was a concern to some witnesses. As the Executive's consultation paper notes: the Democracy Commission of 2001 selected the Constituency boundaries as sufficient size to "enabl[e] some economies of scale, enabl[e] partners to better work alongside the Council in delivering local services and programmes." Whilst some witnesses indicated that some functions could be usefully devolved to this level – and it was noted that the areas being proposed aligned with new policing boundaries – nevertheless a more prevalent view was that devolving all functions to this level would not be appropriate as the areas were too large for citizens to identify with and would combine areas with very different characteristics.

The creation of new Area Committees would be a 'halfway house' compromise that ended up pleasing nobody and achieving very little. It would save only a relatively small amount of money and still fail in terms of local accountability.
(Councillor)

4.3.6 Even those favourable to removing Constituency Committees did not prefer Area Committees:

Constituencies do not deliver benefits to justify their costs and area committees will deliver less. (Councillor)

4.3.7 There was also concern about representation on Area Committees – whether all Councillors would sit on the Committees (potentially up to 36 Councillors) or, as has been suggested, Ward Chairmen only (thus further restricting involvement of backbench Councillors).

¹⁹ Scrutiny Review of Devolution and Localisation, op.cit.



Ward Committees

- 4.3.8 The proposals for Ward Committees centre on “clean, green and safe services”. Ward Committees, the consultation paper states, would be “suitable for environmental services” but “not viable” for “future delegations”.
- 4.3.9 Wards are seen as the building blocks for accountability by the Police and were acknowledged throughout our evidence gathering as the right level to tackle some local issues and to engage with residents, echoing the 2006 Scrutiny Review of Devolution and Localisation:
- Ward Committees and Ward Advisory Boards were considered by many to be a more appropriate level for public involvement (and of course in Birmingham Wards themselves are a very populous unit).
- 4.3.10 Most Councillors agreed that Constituencies rather than Wards were the level at which engagement with strategic partners was possible and there were benefits to good partnership working. However, one view was expressed in favour of abolishing Constituency Committees in favour of Ward Committees.
- 4.3.11 The alternative view was that whilst Constituency Committees have no real power to adjust budgets to meet priorities (as discussed), Ward Committees have had “real ‘marginal’ cash via community chest”. With the reduction of some services very likely, and recognising that needs in each ward vary massively, small budgets devolved down to ward level could determine locally needed services.

Number of Meetings

- 4.3.12 One of the benefits of Area Committees for most of our witnesses would be fewer meetings. As the consultation paper sets out:
- One critical factor to consider ... is costs. It has been estimated that the current Constituency commitments for Councillors, staff, partners, other stakeholders and members of the community is around 1,000 meetings a year. Moving to an area based approach could reduce this and to a ward based approach reduce this even further. It has been calculated that the average cost of a meeting is around £1,000 in staff time, room hire, publicity, refreshments etc.
- 4.3.13 The volunteers we spoke to were actively involved in their local area and therefore more used than most to attending Council-led meetings. The near unanimous view was that the number of meetings could be reviewed. They emphasised the importance of having clear outcomes and, where needed, action plans. They also called for greater “political honesty” with regards to the objectives of meetings and the priority given to them by Councillors:
- As a volunteer invited to be involved it's apparent which Committees are important by which ones Councillors turn up to, how many texts they send



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during the meeting and how long they stay ... I don't need to sit in meetings that have no value just so the local authority can say it consults with and involves the local community. (Volunteer)

- 4.3.14 It was also felt that there was a lack of clarity about the role that activists/representatives were expected to play and how they fit into the structure.
- 4.3.15 In our discussion with the Police, the importance of having the right people round the table was noted. At neighbourhood tasking meetings, a large number of local authority related issues are raised, and so having City Council officers present who can tackle or resolve a range of issues is beneficial. In other words, it is not the number of meetings, but the quality and usefulness of the meetings we do have that is important.

Comment

- 4.3.16 Active residents may be the tip of the iceberg in terms of numbers of residents engaging with Council activity, but they are crucial community activists and conduits to larger numbers of people. We must take great care not to abuse their time and energy. We therefore agree with one of our witnesses that:

A thorough review of what committees exist, what they do and how effective they are is essential for keeping communities engaged and contributing usefully to appropriate and effective delivery.

- 4.3.17 However, this proposed review should not simply be about reducing the number of meetings – though that should be an aim – but prioritising and focusing meetings to meet community needs. This work has already commenced with the review of Be Birmingham. However, the review should go wider, and consider the efficacy of Councillors and officers going out to existing groups (volunteers, residents etc) more:

... rather than getting them to join local authority Committees and how that information could be used to inform decision making rather than relying on the odd few people (myself included) who have the time to join committees – there is a danger of the few with time, confidence and big voices to get their issues further up the agenda than is justified. (Volunteer)

- 4.3.18 The proposal to move to Area Committees endangers that principle by taking a wider area, with little local identity and greater distance to existing community structures.



4.4 Localism and Big Society

4.4.1 The third and final area for consideration is “how emerging national policies around “localism” and “big society” can offer timely opportunity for Birmingham to refocus its own localisation policy and practice.” There are a number of concepts which help shape this debate.

Localism

4.4.2 The Coalition Government’s agreement in May 2010 set out some key principles which relate to localisation including to:

- Promote decentralisation and democratic engagement, and end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals;
- Promote the radical devolution of power and greater financial autonomy to local government and community groups;
- Train a new generation of community organisers and support the creation of neighbourhood groups across the UK, especially in the most deprived areas;
- Take a range of measures to encourage volunteering and involvement in social action.²⁰

4.4.3 A new approach to local decision-making underpins this approach. Eric Pickles, Secretary of State for Communities and Local Government has said:

It's a fundamental shake up of the balance of power in this country. So power goes right back to the people who elected us. People must have a genuine voice. A reason to get involved. A sense of responsibility for their neighbourhood. They aren't going to get that if the only discussion about localism is between [Councils] and [Government]. So the relationship between councils and residents should change as much as the relationship between central and local government.²¹

4.4.4 This underpins the Decentralisation and Localism Bill expected in November 2010. The purpose is to devolve greater powers to councils and neighbourhoods and give local communities control over housing and planning decisions. The key aims are to include empowering local people and freeing local government from central and regional control.²²

²⁰ The Coalition: Our Programme for Government

²¹ Eric Pickles speech to Local Government Association Annual Conference. 6 July 2010. At: www.communities.gov.uk/speeches/newsroom/lgaconference2010

²² 25 May 2010. At:

www.number10.gov.uk/queens-speech/2010/05/queens-speech-decentralisation-and-localism-bill-50673



Big Society

4.4.5 This, in turn, links to the concept of “Big Society” which has been described by Ministers. In July the Prime Minister set out the concept:

We must push power away from central government to local government – and we shouldn’t stop there. We should drive it down even further to ... communities, to neighbourhoods and individuals.

4.4.6 The Prime Minister set out three strands: social action, public sector reform and community empowerment.

4.4.7 In July 2010, four councils were announced as Vanguard Communities by the Government. The four areas chosen were Liverpool, the London Borough of Sutton, Windsor and Maidenhead and the Eden Valley in Cumbria. The aim behind this initiative is to identify the power and control which should be passed to local neighbourhoods from central Government, as part of the Big Society.

4.4.8 Each area was given the support of a civil servant to help them break through problems and obstacles. The aim was also to provide a community organiser to stimulate and develop community action.²³

4.4.9 More recently²⁴ the Decentralisation Minister, Greg Clark announced that there would be a further wave of Vanguard Communities and that Balsall Heath, where there has been an active Neighbourhood Forum for many years, would be the next one.

4.4.10 Also, four community-based budget pilots are taking place in Barnsley, Blackburn with Darwen, Cheshire West and Chester Council and the Royal Borough of Kingston Upon Thames. Residents will be involved in designing and running public services. The Councils have presented preliminary reports to the Department for Community and Local Government in September.²⁵

Co-production

4.4.11 Co-production which is another concept closely associated with this approach to decentralisation and empowerment which:

Describes a particular way of getting things done, where the people who are currently described as ‘providers’ and ‘users’ work together, pooling different kinds of knowledge and skill.²⁶

²³ David Cameron. July 19 2010. At: www.conservatives.com/News/Speeches/2010/07/David_Cameron_Our_Big_Society_Agenda.aspx

²⁴ Conservative Party Conference in Birmingham October 2010

²⁵ Local Government Chronicle, 30th September 2010

²⁶ www.nesta.org.uk



4.4.12 Two recent reports describe the links between co-production and Big Society:

As the local State shrinks, the only way it can gain influence is by working better with communities. Government calls this idea ‘Big Society’. It requires better use of local assets and the local State to work *with the grain* of community interest. This is co-production. It is the new Municipalism.²⁷

Co-production is central to delivering the ‘Big Society’ vision because it offers a way of integrating the public resources that are earmarked for services with the private assets of those who are intended to benefit from services. There is far more to be gained from this approach than from current practice that separates ‘users’ from ‘providers’, or from a retrenchment of the state that leaves citizens themselves to fill the gap.²⁸

4.4.13 One final concept that is both about the transfer of power and budgets locally, and about public engagement to better meet local needs, is Place Based budgeting (formerly Total Place). Birmingham was one of 12 Total Place pilots which looked at how public sector budgets could be better used by organisations working together. Recently it has been announced that this is likely to be a role for the proposed elected mayors. Eric Pickles MP, the Secretary of State for Communities and Local Government has said:

We’ll allow councils to pool the budgets across the public sector – social services, care, housing and health improvement – and reward councils for delivering results and preventing social breakdown. We want elected mayors to trailblaze such initiatives.²⁹

Comment

4.4.14 We feel that approaches set out above – such as Big Society in its intent to empower local citizens; Vanguard Communities that enable neighbourhoods to identify and clear the obstacles to delivery; and co-production which explicitly recognises the role of service users in the development and delivery of services; and Place Based Budgeting (formerly Total Place) which is about using public funding more effectively – can all play a role in ensuring the City Council provides the right services in the right places at a time of financial cuts.

²⁷ Slatter, P. (2010) Looking Sideways: A Community Asset Approach to Co-production of Neighbourhoods and Neighbourhood Services in Birmingham. Commissioned for Birmingham City Council At: www.chamberlainforum.org/wp-content/uploads/2010/07/looking-sideways-report-amended.pdf

²⁸ Boyle, D., Coote, A., Sherwood, C., and Slay J. (2010) Right Here, Right Now: Taking co-production into the mainstream. At: www.neweconomics.org/sites/neweconomics.org/files/Right_Here_Right_Now.pdf

²⁹ 4 October, 2010. At: www.regen.net/news/ByDiscipline/Policy-and-Politics/1032623/Pickles-allow-elected-mayors-pool-public-funding/



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- 4.4.15 Total Place and co-production have already been piloted at a City-wide level and they can also be used at constituency and ward levels to reshape services.
- 4.4.16 We are concerned that some of these approaches, and some of the principles announced by Ministers, are at odds with the Executive's proposals for recentralisation.



5 Conclusions and Principles

5.1 Conclusions

- 5.1.1 **The proposals to take back the delegations to the centre would be a backward step for the Council**, particularly given the Government's proposals to widen localism and develop the Big Society concept. We do not dispute that savings must be made, but do have strong beliefs about who should be at the helm when those decisions are made.
- 5.1.2 Returning delegations to Cabinet Members would add to already very large portfolios and would in effect give more power to centrally-based officers at the expense of local Councillors.
- 5.1.3 **A clear case for re-centralising services as the only or best way to achieve further service improvement and budget efficiencies has not been made.** Firstly, there is the question of the savings themselves. The Executive consultation document refers to saving of £1.5m in management, support and other costs. No detailed proposals have been presented to say how the centralised services would make the savings promised.
- 5.1.4 The financial appraisal being conducted alongside the consultation will not now be available until the end of the consultation process – too late to be taken account of in this report. Surely the public and partners, as well as local Councillors, should be presented with all the facts *before* being asked to respond on consultation proposals.
- 5.1.5 However, even if a financial case is made for the proposed changes, there is still the question of local Councillors decision-making and local resident involvement. Therefore, the case would also have to be made that the savings could not be achieved if we continued with the current structures. We must recognise that there are costs attached to democracy and the loss of local accountability must form part of the overall assessment.
- 5.1.6 **We welcome the idea that Constituency Committees could work more collaboratively but it is for those Constituencies to agree when to do so, and not be prescribed as to how and when, as under the Area Committee proposal.** The case for Area Committees was not well-received: many thought them too big and lacking in local identity to be of real use. Yet there are savings to be made through closer working. Constituencies could come together where appropriate to collaborate on areas of common interest. As we have seen, this is already occurring in the south of the city.
- 5.1.7 We also believe that savings through collaboration can also be gained at the corporate centre: there are more benefits to be made with directorates working more collaboratively and gaining in efficiencies that way. The focus should be the outcomes for communities across all service areas.
- 5.1.8 **We recommend that a full review of governance is conducted regardless of the outcome of this consultation.** Whilst we question the figure of £1,000 per meeting (many of



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the venues are Council owned and so paid for anyway; and whilst staff attendance is a cost to the Council, simply reducing the number of meetings does not yield a cash saving as most officers will continue to be paid for other work), savings could be made on the number of meetings but that could be achieved within the current structure.

- 5.1.9 **Ward Committees are the building blocks of accountability** and we support the view that these are the main way in which the Council engages with local residents. The focus of Constituency Committees is on decision-making and financial matters – where the benefits of some elements of partnership working and pooled budgets are more likely to be found – with Ward Committee and neighbourhood groups bringing together residents and volunteers.
- 5.1.10 However, it is important that Ward Committees have budgets to respond to local concerns. Community Chest is one way to fund such concerns, but the ability to influence some mainstream funding would also be beneficial (for example the £50,000 per ward for street lighting and grass verges could be widened to allow local Councillors to determine spend on any approved highways matter).

5.2 Alternative Proposals

- 5.2.1 If the Executive were minded to re-consider the proposals for localisation, a number of alternative ideas could be considered.
- 5.2.2 As outlined above, the primary alternative view is that more localised services should be considered. There is certainly some further analysis that can be done on the “critical mass” of services delegated to Constituency level to make the strongest case for devolved officers along with accommodation necessary to achieve the sharing of duties which is critical to devolution.
- 5.2.3 There is a case for closer working between Constituencies in order to achieve the level of savings required. Constituencies should be encouraged to share any staff, accommodation and external contracts where appropriate, for example. There also needs to be a clear process of accountability for Constituencies which do overspend.
- 5.2.4 Whilst we accept that this would need to be an evolving process, as some current obligations – for example under the Veolia waste disposal contract – cannot be varied. However, more radical ideas could perhaps then be explored, such as Constituencies choosing how services are delivered and by whom. Constituencies would need to respond to this challenge.
- 5.2.5 It is also worth considering the role of backbenchers in constituency business and how they could be given more responsibility – perhaps for specific constituency services.



5.3 Principles for the Future

5.3.1 This report has set out our findings in relation to the key question: “What are the key elements of localisation that contribute to improved quality of life for the residents of Birmingham and what are the strengths and weaknesses of possible changes?”.

5.3.2 Stepping back from that, we understand that the Executive must come to a decision on the future shape of localisation. The task we set ourselves therefore, was to offer a set of principles we believe must be observed in order to achieve excellence.

1. **Local Councillors should be able to direct and control local services within their own locality.** The proposition that Councillors’ “influence” is adequate, is not acceptable. The impetus to improve public services stems from public accountability (whereas it is the financial imperative in the private sector) and this rightly rests with Councillors.
2. **Budget savings do not need to be made at the expense of local decision-making.** As the financial constraints bite and decisions need to be made about the future of some of our services, the essential question this consultation proposes is who should be at the forefront of that decision-making. We think, in a city this size, it should be local Councillors. Therefore, rather than re-centralising services being the only answer to the financial constraints, this is an opportunity to look at what further services could be advantageously devolved and how efficiencies can be made that way.
3. **All public services will be better placed to make savings and retain service delivery if modelled on Place-Based Budgeting (formerly known as Total Place).** Significant savings need to be made across public services and these cannot be achieved by Birmingham City Council alone.
4. **People engage with the City Council when they can see the benefits to their local area, can build relationships and feel valued.** Local structures have improved transparency of the Council and its working with/for local people and this should be retained.
5. **Constituency Committees are the right size to be successful in improving partnership working with strategic partners** (such as Police and Health). Wards are too small and would entail partners having to attend a greatly increased number of meetings; Area Committees would be too large and remote from local concerns. However, work is needed to ensure local partnerships are ready to take the next steps necessary for place-based budgeting to be successful.
6. **A review of local governance should take place regardless of outcome of consultation.** This should look at the number and purpose of meetings to ensure people are kept engaged and are able to make a useful contribution to service delivery.



7. **If some form of locality structures are retained, then these should have a champion at Cabinet level and their profile and influence in the decision making process raised.**

5.4 Next Steps

- 5.4.1 This report has been concluded in a very short timescale in order to respond to the Executive's consultation. However, there is a need for a wider debate. Such a debate should also take into account the Localism Bill and how the Council should respond.
- 5.4.2 In addition, this Committee could undertake further helpful in-depth research. A detailed study could take account of analysis by other groups and consider their proposals (such as alternative structures or services that could potentially be devolved) as well as the forthcoming Localism Bill.
- 5.4.3 We ask that a review of the number and purpose of meetings held involving partners and residents is considered, to ensure the optimum number is held, and that each is productive and efficient.



Appendix 1: Proposed Services for Localisation 2003

Proposed Option	Services
<p>Services managed centrally that will continue to be managed in this way</p>	<p>Trading Services Regulation Recycling (bottle and can banks) Museums Central Library City-wide Arts and Events City-wide Sports Development City-wide Parks Services Benefits Administration Waste Disposal Car Parking Regulation</p>
<p>Existing local outlets that will come under constituency management</p>	<p>Neighbourhood Offices Leisure and Swimming Pools Community Libraries Community Centres</p>
<p>Services managed centrally that will continue to be managed in this way with a central client, but with constituency budgets to allow for local influence and planning (and potentially local staff)</p>	<p>Public Conveniences Road Maintenance (capital and revenue) Street Lighting</p>
<p>Services to come under local management through service level agreements and fully localised budgets, but where physical operational structures (e.g. depots) might remain unchanged</p>	<p>Refuse Collection Street Cleaning Recycling (Doorstep) Parks Management Grounds Maintenance Playground Services Parks Wardens/Rangers</p>
<p>Services that will be fully localised – i.e. all staff, management and budgets moved to 11 constituency offices.*</p>	<p>Domestic Pest Control Community Development and Play Local Car Parks Maintenance and Income Local Arts Development</p>

* In 2003, Birmingham had 11 Constituencies – this was reduced to 10 by the Boundary Commission in 2004



Appendix 2: Proposed locations of Delegations

Service	Cabinet Portfolio / Other	Directorate
<i>Directly Managed by Constituency Teams</i>		
Sport & Leisure	Leisure, Sport & Culture	Environmental & Culture
Community Libraries	Leisure, Sport & Culture	Environmental & Culture
Community & Play	Leisure, Sport & Culture	To be considered further
Constituency Engineers	Transportation & Regeneration	Environmental & Culture
Car Parks	Transportation & Regeneration	Environmental & Culture
School Crossing Patrols	To be considered further	To be considered further
Ward Support	Ward Committees	Housing & Constituencies
Neighbourhood Offices	Local Services & Community Safety	Housing & Constituencies
Your City Your Birmingham	Transportation & Regeneration	To be considered further
Constituency Investment Fund	Transportation & Regeneration	To be considered further
<i>Indirectly managed by Constituency Teams</i>		
Parks & Allotments	Leisure, Sport & Culture	Environmental & Culture
Refuse Collection & Street Cleaning	Transportation & Regeneration	Environmental & Culture
Highways	Transportation & Regeneration	Environmental & Culture
Pest Control	Public Protection	Housing & Constituencies



Appendix 3: 2010/11 Approved Budget – Leisure Services

The table below sets out Constituency budget expenditure on community libraries, sport and leisure, and community arts.

Proposals for Leisure Trusts could result in these services being removed from Constituency control and placed within a trust. We have not been told that this will definitely happen but it is a possibility.

The table below therefore also sets out the remaining Constituency budgets should these services be simply lifted out of Constituency control.

This crude analysis illustrates the fact that, if these service budgets were simply lifted out of Constituency control, this would affect the size and viability of Constituency budgets.

	Locally Managed Services* – Expenditure	Community Libraries – Expenditure	Sport & Leisure – Expenditure	Community Arts – Expenditure	Total of community libraries, sport & leisure, community arts	Community libraries, sport & leisure, community arts as percentage of locally managed budget
	£'000	£'000	£'000	£'000	£'000	
Edgbaston	2,669	544	613	33	1,190	44.6%
Erdington	4,293	438	1,723	1	2,162	50.4%
Hall Green	4167	862	757	3	1,622	38.9%
Hodge Hill	2,602	516	359	3	878	33.7%
Ladywood	6,372	981	1,571	3	2,555	40.1%
Northfield	3,216	1,080	913	0	,1993	62.0%
Perry Barr	4,889	883	2,588	2	3,473	71.0%
Selly Oak	4,230	753	1,518	14	2,285	54.0%
Sutton Coldfield	4,315	1,527	1,760	12	3,299	76.5%
Yardley	4,160	1,095	1,917	3	3,015	72.5%

* I.e. those services not held in a Service Level Agreement