



Centre for the New Midlands

What next for Birmingham?

A roundtable hosted on Tuesday 19th September 2023

Fazenda Birmingham

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On Tuesday 19th September, the **Centre for the New Midlands**, in partnership with **Trowers & Hamlins** and **Entec Si**, welcomed 20 leaders from across the city of Birmingham to a roundtable to explore 'What next for Birmingham'.

The roundtable was hosted just before The Rt Hon Michael Gove (Secretary of State for Levelling Up, Housing and Communities) made a statement to the House of Commons outlining the Government's response to Birmingham City Council's recent submission of a Section 114 notice, which effectively declared that the Council was unable to balance its books.



This report is designed to provide a summary of the discussion. The event was held under **Chatham House rules** and delegates were advised that whilst there was plenty of understandable and much needed discussion and scrutiny about how Birmingham City Council has arrived at this position, this event was about the future and what next for the city, its residents and its businesses.

Ahead of the event, our delegates were asked to consider a number of broad questions and we have grouped the conversations under three key themes; Governance, Impact on services and Brand Birmingham.

GOVERNANCE:

There were conflicting views on the future governance of Birmingham but a general perception around the table that the current system isn't fit for purpose and hasn't been for years.

- One perspective was that the city **should be able to maximise its potential as a large authority – it should offer the Council benefits** i.e. additional purchasing power given its scale, however this clearly hasn't been the case due to inadequate procurement practices but it bring with it a requirement for different skills sets for staff to meet challenges of such a large local authority. **There's a need to improve efficiency across services.**
- **Delegates raised their concerns that the Cabinet scrutiny system isn't effective** – there's a gulf between ordinary members and the Cabinet, which is overworked and lacks support due to pressures on staffing levels. The question was posed if the time has come to bring back the Committee system? Accountability is key. **What about the introduction of new town councils?** Local partners who are fully empowered will Deliver more 'bang for your buck'.



- The roundtable was hosted just before the Secretary of State's statement to Parliament although there was an expectation from media reports that external Commissioners would be brought in to run the Council. One of the questions raised at the roundtable focussed on their role; How long would these Commissioners will be in place and just how broad their powers would be; how would they be removed? What would be their overall remit?
- **Some of the delegates expressed their concern that Government has to address the fact that local government is in crisis** – reportedly a £2 billion gap in council's finances – this context cannot be ignored in what next for the city.



- **The notion of 'we are Birmingham, we do things differently' has to change. Internal culture is a significant problem.** The example of Oracle was cited with Birmingham City Council being consistently warned not to modify the system; it did and it did so for virtually every single department and it'll now cost £100 million to fix. Should the system be fixed or should the Council start the process again? One of our delegates added that this is the third time the City Council has done this to its ERP system (Enterprise Resource Planning) in the past two decades, which means unless it changes how this is implemented, BCC will be storing up a problem for the next implementation.

IMPACT ON SERVICES:

We asked our delegates to consider if this is the time for local authorities to reassess the services it 'needs' to provide.

The words 'collaboration' and 'innovation' came up several times throughout the dialogue.

- **Collaboration is key:** delegates commented that this has to be an opportunity for other organisations to come to the fore, but also for the City Council to be more innovative. Delegates expressed an absolute desire to work shoulder to shoulder with the City Council to co-produce new ways of delivering services with the Council.
- A strong theme expressed throughout the lunch was **a sense of pride that the delegates have in the city of Birmingham** and how passionate they are to get it functioning properly again for the sake of residents.



- **The issue of Equal Pay has to be dealt with urgently** so it doesn't keep surfacing and setting the city back. Whatever budget reductions are made – which appear to be inevitable – will ultimately still hit the taxpayer whether that's through criminal justice system, the NHS.
- **Community organisations are at full capacity; concern was expressed over who will pick up the demand for services.**

- A view was expressed that there was a role for the West Midlands Combined Authority (WMCA) in driving new models across the region e.g. social enterprise and the social economy more broadly. It may well have a role to play with the Growth Company in strengthening 'brand Birmingham' but its role is limited.



- There should be an honest debate about what local government should deliver across the country – **why is it some areas of the country have been able to hold on to their youth centres as an example, where others haven't.** Relationship between local, regional and national government imbalances cited as being a constant challenge to progress – the need for multi-year funding arrangements is essential. **There was a view expressed that further power should be devolved, but not to WMCA necessarily but at a local authority level.**
- **Delegates expressed concern re notion of a fire-sale of assets** – these assets belong to the people of Birmingham. These assets are often intrinsically linked to the city's heritage and are cultural assets which need to be protected.

BRAND BIRMINGHAM:

We asked our delegates to consider how damaging the episode has been for Birmingham and the broader West Midlands region. We asked our delegates how any negativity needed to be addressed.

- One of our delegates remarked that **Birmingham City Council does not mean Birmingham** – the city is thriving in so many ways and has a very bright future. However, the reality is that the media ultimately report 'Birmingham' so there are negative connotations that the region needs to combat. The city will need to 'over communicate' at this point in time.
- The Council isn't bankrupt – **it's on 'a journey of balancing it's books'**. In year budget pressures relate to Council's inability to pull in additional revenues exacerbated by two well publicised issues (Oracle and Equal Pay). We shouldn't forget the people who will be directly impacted by the difficulties that the Council finds itself in.
- **For there to be a next, there needs to be a now.** Urgent need for the City Council to be open and transparent – there is a real threat to democracy if open channels of communications aren't there. Residents, within understandable legal constraints, should be hearing from directly elected members – not the BBC. There also has to be an injection of optimism into broader messaging; this is essential in terms of attracting and retaining talent.
- The skills agenda was a theme throughout the lunch and it was felt that the City Council needed to recruit some key talent to enhance standards of governance, leadership and delivery. **One of our delegates remarked that there was a huge piece of work to reassure existing staff of Equal Pay issue and that the City Council is an equitable employer.** Despite publicity of senior staff salaries, opinion raised that Council will always struggle to recruit brightest and best within existing pay structures.
- Birmingham City Council needs to recover and set a positive vision for the city beyond 'Be Bold, Be Birmingham'. **What is the narrative for why people and businesses should do business here?** There needs to be a positive vision, building on the legacy of the Commonwealth Games, which did a huge amount for the reputation and profile for the city.



Centre for the New Midlands

The Centre for the New Midlands CIC is an independent, not-for-profit think tank focussed on the creation and sharing of new ideas to build a 'better' West Midlands.

We work with residents and organisations to discover new solutions to help solve the region's biggest social and economic challenges and are the place where people come to 'debate, shape and create' a better region.

We are non-partisan; dedicated to the generation of new ideas thanks to evidence-based research and we are fully committed to making the Midlands a 'better' place to live, work, study, invest and play in.

For further information, please visit www.thenewmidlands.org.uk