

ENTRETIENS JACQUES CARTIER SYMPOSIUM

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METROPOLITAN GOVERNANCE SEEKING CONSISTENCY IN COMPLEXITY

MONOGRAPH FROM BIRMINGHAM

INTRODUCTION

This paper will consider four reform initiatives based on different territorial levels of governance:

1. The UK Government's regional agenda – the establishment of regional government with an evolving but growing range of powers;
2. The Core Cities Group, an association of the eight major English non capital cities, and their joint work to develop a distinctive urban policy agenda for major cities;
3. The Birmingham City-Region initiative – a project, emerging from the Core Cities work, to build a partnership based upon the functional urban area of Greater Birmingham;
4. Birmingham City Council's localisation programme – an initiative to devolve decision making and spending on day to day services to 11 'mini town halls' across the city.

Though it is not overtly focused upon territorial levels of governance, a fifth reform agenda, the Government's local government modernisation agenda, is also briefly discussed, as it provides some valuable insights into the direction of local government reform and the style used in pursuing the reform agenda.

1. LEVELS OF MANAGEMENT IN METROPOLITAN AREAS

The West Midlands Region

The UK has 12 regions, with an average population of about 5m – Scotland, Wales, Northern Ireland, and nine English regions (see Map 1). Birmingham lies within the West Midlands region, which has a population of 5.3m.

The regions have existed since the Second World War. However, they were established simply as a convenient administrative unit for the delivery of the UK Government's national programmes. Until 1999, there were no regional institutions with any policy making or spending powers. The utilities (Gas, Electricity and Water) were based upon a more or less regional structure, but these were all privatised

during the 1980s, and the Governmental regulatory bodies established to oversee them have only limited strategic powers.

The Labour Government that came to power in 1997 has pursued a vigorous policy of developing a tier of regional government. This regional agenda is based upon three main regional institutions:

- The Government Offices
- Regional Development Agencies
- Regional Assemblies

The Government Office for the West Midlands (GO-WM)

Traditionally, the GO-WM has largely been a mere administrative arm for Central Government. It has, in recent years, acquired increased responsibility for developing vision and strategy for the region, and greater discretion over the allocation across the region of certain national budgets. It has a growing role in bringing regional partners together around shared agendas (for example the Regional Housing Strategy), and for championing the region's interests within the corridors of power in London.

For more information, contact <http://www.go-wm.gov.uk>

The Regional Development Agency – Advantage West Midlands

Each of the nine English regions has a regional development agency. Established in 1999, these are responsible for developing the Regional Economic Strategy, and for working with sub-regional and local stakeholders to implement the strategy. The West Midlands RDA, Advantage West Midlands, has an annual budget of € 300m.

For more information, contact <http://www.advantagewm.co.uk>

West Midlands Regional Assembly

The Government also has a programme for establishing elected regional assemblies across the UK.

In 2001, elected National Assemblies were established for Scotland and Wales. At the same time, the Government began the process of setting up non elected regional assemblies in each of the nine English regions. The West Midlands Regional Assembly became operative in 2003. Each English assembly comprises a majority of politicians nominated by Councils in the region, but also includes business, academic and community stakeholders.

The Government's aspiration is that these assemblies will become directly elected in due course. However, views on directly elected assemblies vary across the regions themselves. The Government has therefore agreed that each assembly will only become directly elected if a public referendum in that region approves the proposal. Two other conditions are attached. First, a directly elected assembly will be accompanied by a restructuring of local government in that region. Second, directly elected assemblies will have greater powers than assemblies in regions that choose to keep an appointed assembly.

Initial soundings have indicated that enthusiasm for directly elected assemblies is strongest in the three northern regions of England – the North West, the North East, and Yorkshire and the Humber. The Government has therefore announced that referenda will take place in these three regions in the autumn of 2004. It is likely that the population of the North East region will vote for an elected assembly, but the outcome in the other two northern regions is less certain. Enthusiasm in the West Midlands is even less clear cut, and the Government has not yet decided on whether to hold a referendum in the region.

At the moment, as a non elected assembly with limited powers, the West Midlands Regional Assembly's main responsibilities are to produce and deliver the Regional Spatial and Transport Strategies, and to scrutinise the work of the Regional Development Agency.

For more information, contact <http://wmra.gov.uk>

Metropolitan Level Governance

Historically, English local government has been built up on the basis of 'shire counties' (originally about 40 across England). The shire counties' boundaries reflect a system of government, based upon local lords and barons, which dates back over 1,000 years to rural Anglo Saxon England.

Despite many changes to local government over the last 200 years to reflect urbanisation, the shire counties still represent an important building block for local government boundaries. For example, until 1984 England had a predominantly two tier system of local authorities – County Councils and a lower tier of District Councils. This two tier system still exists in many parts of England. The county based system can be a major problem, particularly in the major metropolitan areas, where social and economic patterns no longer bear any resemblance to shire county boundaries.

The 1974 local government reorganisation attempted to address this issue. Seven completely new Metropolitan Counties were established by transferring territories from the existing shire counties. These seven new metropolitan counties covered London and the six major English conurbations, including Greater Birmingham (which became the West Midlands Metropolitan County – not to be confused with the West Midlands region!).

Map 2 shows the West Midlands region, with the West Midlands Metropolitan County surrounded by the region's five shire counties. The Metropolitan County has a single tier of local government based upon seven Metropolitan District Councils (of which Birmingham is one), whilst the predominant system in the five shire counties remains two tier, with a County Council and, typically, five or six District Councils within each county.

The strength of the shire counties lobby in 1974 meant that the new Metropolitan County boundaries were far from ideal. The boundaries were drawn using physical criteria, and were generally restricted to the continuous physically built up area. In the case of the West Midlands Metropolitan County, many settlements up to 15 kilometres from the built up area were excluded even though economically they were part of Greater Birmingham. Despite this, however, the new Metropolitan Counties were an important step forward. They each had a County Council that provided vital

strategic spatial, economic and transport planning functions for the conurbation as a whole.

The seven Metropolitan County Councils did not survive for long. In 1984, they were abolished for political reasons. The arrangements that replaced them are a mixture of formal and informal collaboration. Transport, the Police, and the Fire Service each became formal, independent, non elected authorities. Other functions – for example Birmingham International Airport, the local government staff pension scheme and emergency planning - became the joint responsibility of Birmingham and the other six District Councils in the West Midlands Metropolitan County.

To compound the resulting problems of fragmentation, the municipal bus service was privatised, and bus services generally were deregulated (local authorities lost the power to influence operational issues such as bus fare prices, route planning, bus frequency and social policy regarding bus service provision).

The seven Metropolitan District Councils have attempted to collaborate to fulfil the strategic functions lost by the abolition of the County Council. The results of this collaboration have generally been limited. However, in December 2003 the seven Metropolitan Districts formally agreed to establish a programme of collaborative work on strategic policy issues.

Core Cities and the Birmingham City-Region

In addition to the collaboration between the seven local authorities in the West Midlands Metropolitan County, Birmingham City Council is currently developing an informal, voluntary partnership of local authorities called the 'Birmingham City-Region'.

This partnership is intended to address the problem created by the Metropolitan County boundaries. Whilst the City-Region partnership includes all seven Metropolitan Districts, it also aims eventually to embrace six or seven smaller non-metropolitan District Councils from the neighbouring shire counties. The non metropolitan district councils are smaller in population and budgets than the Metropolitan Districts, having an average population of about 60, 000. However, they are vitally important to Greater Birmingham's international competitiveness because they include a large part of the City-Region's assets – major leisure, sporting and cultural facilities, many of the high skilled workers that work in Birmingham city centre, high quality housing and lifestyle, etc.

Referring forward to Map 2 again, the Birmingham City-Region initiative aims to build a partnership stretching from Birmingham to Cannock in the north, Tamworth in the north east, Royal Leamington Spa in the south east, Redditch in the south, and Wolverhampton in the west. Whilst Birmingham itself has a population of 1m, and the Metropolitan County a population of 2.5m., the Birmingham City-Region partnership will potentially have a population in excess of 3.0m.

The City-Region Partnership was established in March 2003 as a result of an initiative between the Core Cities Group and the Government.

The Core Cities Group comprises the eight major English regional cities – Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. Birmingham provides the Group's Secretariat. The Group has been working together for eight years. The purpose of the Group is to promote the

distinctive role of the major cities compared with other urban areas (and in particular the role of the major cities as the engines of the regional economies), and to develop national and local strategies to enable the cities to become more competitive in the European and global market place.

Core Cities has been working with Government departments for two years to explore how the Government and cities can work together to enable the cities to be more effective economic growth engines for their regions. As part of this work, the Deputy Prime Minister invited each of the eight cities to produce a 'Prospectus'. From earlier policy thinking by the Core Cities Group itself, and from the joint work with the Government, it was clear that a city's international competitiveness cannot be achieved within its own boundaries alone, and that the agenda needed to be about the competitiveness of its city-region as a whole. When the Government extended its invitation to produce the Prospectuses, Birmingham therefore invited the neighbouring authorities to join it in a City-Region partnership to produce the Prospectus together. Eight other local authorities joined the partnership immediately, and it is hoped that a further four or five will join as the work develops.

The Government had agreed that the Deputy Prime Minister would attend the annual Core Cities Summit in June 2003 (a) to launch the national report of the Government/Core Cities Joint Working Group, and (b) to launch the eight individual Prospectuses.

In six weeks, the Birmingham City-Region partnership produced its first Prospectus within the June deadline. While it is a fairly broad brush document, this initial Prospectus is important in setting out a broad vision and agenda for the City-Region, and for establishing the commitment of the local authorities to collaborate in the future to work towards that vision. In January 2004, the participating local authorities endorsed the next phase of this collaborative work.

For more information on Core Cities, the Government/Core Cities report and the eight Prospectuses, contact <http://corecities.com> or dave.howl@birmingham.gov.uk

City Level Governance

As explained earlier, most principal local authorities in England are called District Councils. In English local government, the word 'district' does not mean neighbourhood, but the whole city, town or collection of settlements covered by the local authority. English District Councils typically have a population of 60,000 or more. Whilst some District Councils have a County Council above them, many do not, and there is no local government tier below the District Council level.

The city of Birmingham has a population of 1m, and is the second largest UK city after London. Since there is no County Council, the city has a single 'all purpose' District Council – Birmingham City Council. During the 1980s and early 1990s, the City Council's functions changed significantly as a result of a Government strategy for reducing the role of local government generally:

- Further education colleges (covering education between school and university) became independent.
- A Learning and Skills Council was established to oversee and fund all further education programmes in the city. More recently, the LSC also became responsible for funding 16-18 education in the City Council's schools.

- City Council housing tenants were given the 'Right To Buy' their council house at a substantial discount. As a result, much of the City Council's stock, particularly the better homes, moved into the market sector. At the same time, resources for new social rented housing were shifted from the City Council to independent housing associations.
- Though the City Council retained overall strategic responsibility for education, the Government significantly increased the independence of individual schools.
- Under Government pressure, Birmingham International Airport was part privatised, with the City Council and the other six neighbouring Metropolitan Districts retaining 50% ownership between them.

Since the election of the Labour Government in 1997, the impetus for formally changing the functions of local government has reduced considerably. Under its Modernisation Agenda, however, the Government has maintained the pressure on local authorities to explore alternatives to direct service delivery as a means of raising efficiency and performance – for example by transferring housing stock to independent housing associations. During a consultation process in Birmingham, the City Council's tenants rejected this option. As a result, the remaining 90,000 City Council dwellings are to remain in Council ownership, but will be controlled through 'Community Based Housing Organisations'. These will have a legal status that enables them to borrow money, that the Council cannot borrow itself, for much needed repairs and improvements.

The overall result of these changes has been mixed. Transferring functions from local government to independent or private sector delivery agents has sometimes improved performance, though on other occasions the performance gains have been difficult to identify. What is unambiguous, however, is that developing a coherent, integrated approach to strategic planning and governance has become much more difficult and complex, precisely at a time when global change requires the city to increase its capacity for responding coherently and strategically.

Two important new developments were introduced by the Local Government Act, 2000, that will enable the city to address this complexity better.

First, local authorities were given a 'Well Being' power. Historically, UK local authorities were only able to do what was specified in legislation. Any activity not explicitly permitted in a piece of legislation was unlawful. The Well Being power effectively reverses this situation – a local authority can now undertake any activity if it furthers the social, economic and environmental well being of the community, unless that activity is expressly forbidden in law. This new general power will be particularly important to large cities such as Birmingham that, in addition to providing basic services, also need to exercise strategic leadership in developing the city's role in a changing global market place.

Second, all local authorities are required to establish a Local Strategic Partnership comprising the key stakeholders, decision makers and service providers in the local authority area. The local authority must work with this partnership in exercising its Well Being role. Because of its size and complexity, Birmingham has established a city-wide City Strategic Partnership, but will also create a Local Strategic Partnership in each of the city's 11 Constituencies (a Constituency is an area that elects a Member to the national Parliament).

Following the changes summarised above, Birmingham City Council's current range of functions include:

Strategic Leadership
Economic development
Spatial planning
Transportation
Education up to 16
Social services
Sports, cultural and leisure services
Reduced, but still important, housing services
Environmental Services
Markets
Consumer protection
Waste management

The important local functions that are not exercised by the City Council include health, higher and further education, the criminal justice services, fire services, public transport, and the utilities (gas, electricity and water).

For further information contact <http://www.birmingham.gov.uk>

Neighbourhood Level Governance

Within Birmingham, there are no neighbourhood level local authorities – Birmingham City Council is the only local authority for the city. The City Council is currently devolving certain services to 11 local committees, but these have no independent authority: the City Council will decide what delegated authority they will have, and can remove that delegated authority at any time. There will be one committee in each Constituency. Each Constituency Committee will cover a population of about 90,000 people. Each Constituency Office (mini town hall) will be headed up by a Constituency Director, and will initially have approximately 250 staff delivering the following services directly:

- Neighbourhood offices (one stop advice centres, about three per Constituency)
- Community development
- Community libraries
- Housing management
- Sport and leisure facilities
- Car parks

The Constituencies will also be responsible for delivering the following services indirectly through contracts and service level agreements:

- Street cleansing
- Refuse collection
- Pest control
- Sport technical grounds maintenance
- Parks management
- Ranger services
- Playground services

In addition, Constituency Offices will be responsible for:

- Consultation and engagement
- Performance management
- Service improvement and development
- Communication and marketing
- Providing grants to voluntary organisations
- Community arts
- Community plans. (These include the preparation of a constituency service plan to agree on the priorities for service improvement locally, and the preparation of a local community plan to outline a vision and aims for the constituency and how they link into city-wide strategic objectives)
- Partnerships development
- External funding

Co-ordination between Different Levels of Government

The joint Core Cities /Government working group has become an important vehicle for connecting national and city level strategy. The Government is suggesting that the work on the eight Prospectuses might become part of the national economic planning framework, and that a Government Minister might be 'attached' to each city to support its Prospectus work. The regional development agencies are represented on the Joint Working Group by two agencies, and Birmingham has recently proposed that the regional assemblies also be represented - by the West Midlands Regional Assembly. This therefore begins to bring the regional tier of government into the joint working framework.

The Chairs of the regional development agencies meet collectively with Government Ministers regularly to explore common issues and develop policy thinking. Similar arrangements exist between Ministers and the Chairs of the regional assemblies.

Birmingham City Council represents 20% of the West Midlands region's population, but is generally not strongly represented on regional agencies. For example, it has only one representative on the board of the regional development agency, and one on the Learning and Skills Council Board. It is more strongly represented politically on the Regional Assembly, and at officer level in the Assembly's various technical groups and forums.

At sub-regional level, there is potentially a tension between the joint work of the seven District Councils in the Metropolitan County, and the collaborative work being developed through the rather broader partnership represented by the Birmingham City-Region. To manage this tension, it has been agreed that the City-Region work will be driven through the Metropolitan Districts machinery, but with the non metropolitan local authorities participating in those meetings and events that are specifically focused upon the City-Region Prospectus work.

Potentially, the above package of networks, forums and working groups provides a powerful framework for integrating policy at national, regional, city-region, metropolitan county and city level. However, most of these arrangements, and some of the institutions, have only been in existence for a short while – four years for the regional development agency and one year for the regional assembly and city-region partnership. Perhaps inevitably, each mechanism is concentrating at the moment on

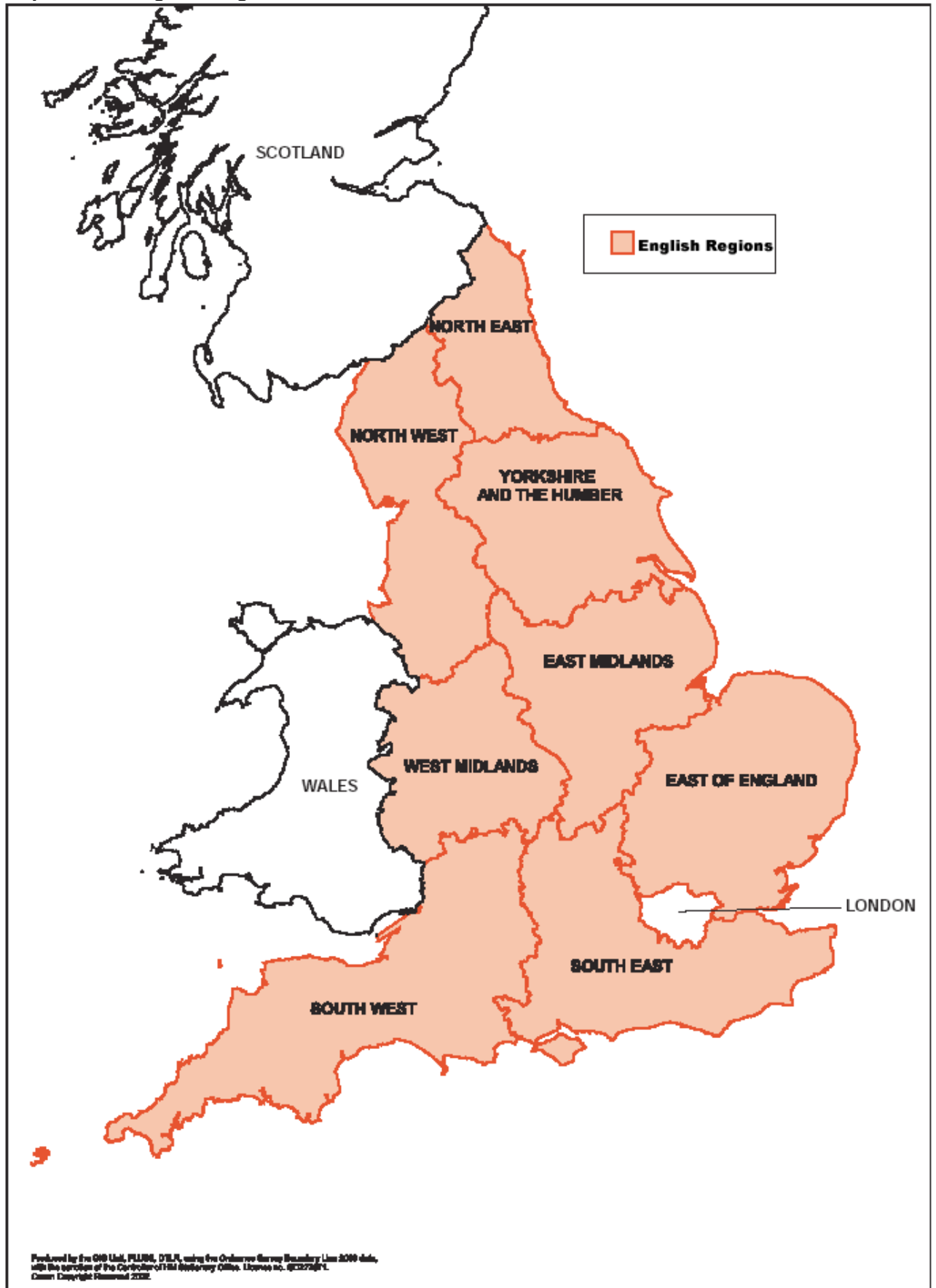
clarifying its own role and agenda, with the result that too often the agendas do not connect up.

For example, whilst some Government officials on the national Joint Working Group are very supportive of the major cities agenda, others remain less convinced. Back in some Government departments, the joint Government/Core Cities work seems to be little known, and to have little influence over policy making in those departments. The regional development agencies and assemblies, too, often know little about the joint work, and continue to develop regional strategies with little reference to the major cities agenda being developed through the joint work.

Similarly, the Government has been developing a 'megavision', called the Communities Plan, which is essentially about managing growth in the booming London and South East regions. This Plan takes little account of the Core Cities agenda for developing the other major cities as growth poles. In response to the Communities Plan, the regional development agencies and assemblies have (very recently) started working together to develop two similar megavisions for Central England and Northern England but, again, there has been little involvement of the major cities themselves in the early work on these visions.

At the metropolitan level, the collaboration amongst the seven Districts in the Metropolitan County, and the parallel City-Region work, is still in its early stages. Attitudes are good. The main obstacles are likely to be the limited officer capacity to service this work, and the need to build up effective administrative processes and machinery.

Map 1 - The English Regions



Map 2 – The West Midlands Region

The map shows the metropolitan county based upon Birmingham, surrounded by the five shire counties. The Birmingham City-Region initiative aims to build a partnership potentially stretching from Birmingham to Cannock in the north, Tamworth in the north east, Royal Leamington Spa in the south east, Redditch in the south, and Wolverhampton in the west.

West Midlands Region



2. DEVELOPING AND IMPLEMENTING METROPOLITAN REFORMS

The Role of Elected Officials and Residents in Preparing Reforms

Government Ministers have been the key drivers behind the establishment of the regional tier of governance. Local government has had little influence over this process. However, the citizens of the region will ultimately decide, through a referendum, whether their current, unelected regional assembly evolves into an elected assembly. Since the move to an elected assembly will be linked to the reorganisation of local government in the region, the citizens will also, in effect, be deciding on whether to restructure the local authority framework in their region. The referendum will offer citizens at least two options for the future structure of local government in their area.

The initiative to establish a city-region partnership was taken by the political Leader and officials of Birmingham City Council, and subsequently endorsed by the Leaders of the neighbouring councils. Much of the detail of building the partnership into an effective alliance will be designed and developed by officials.

The devolution and localisation reforms within the city of Birmingham itself have been very much led by the City Council's elected politicians. However, the process included extensive involvement of citizens. Following an initial series of public meetings around the city, the City Council appointed an independent Commission of Inquiry to consider different ways forward for the devolution agenda. This Commission called many witnesses, and conducted its own public opinion research. Moreover, the devolution project followed a more limited initiative called Local Involvement Local Action (LILA). LILA established, in each of the city's 39 electoral wards, a Committee comprising the Ward Councillors, a Ward Advisory Board of local citizens, and a small Ward budget to be spent on local priorities identified through public consultation in the Ward. Through LILA, there was therefore already a certain level of public awareness of the principles of devolution even before the current localisation initiative was launched.

Government Strategy for Reform

Government strategy for reform has evolved during the last two decades. During the 1980s and early 1990s, although reform would generally be initiated by a preliminary consultative policy paper, in practice consultation was token, there was little attempt by Government to find negotiated solutions, and legislation would normally be imposed much in line with the initial policy paper. Inevitably, this often created tensions between central and local government. Equally important, this approach frequently resulted in unworkable central initiatives because those initiatives had not been informed by the experience of those delivering services on the ground. This problem of unrealistic reform culminated in the 'Poll Tax' crisis of the mid 1990s, where the Government introduced a new local government tax, against expert advice, that caused a wave of demonstrations and civil disobedience that was a major contribution to the Government's subsequent loss of office.

Since the mid 1990s, and particularly since the change of Government in 1997, Central Government has adopted a more collaborative approach in introducing its regional agenda and modernisation agenda reforms, and to the design of new policy initiatives generally.

As before, reforms are often kick started by an initial policy paper. This will usually be much less prescriptive than in the past, however, and will often seek views on both principle and practical details. In addition to the traditional consultation process based on seeking written responses to its proposals, the Government will often meet a range of local authority and other stakeholders in face to face meetings to discuss its ideas. Generally, the policy making process will involve asking local authorities and others for evidence of what does and does not work. Final reform proposals will often differ significantly from the original proposals. Guidelines for the implementation of Government policy are also becoming more flexible, with local authorities often having at least some discretion on the approach they choose to adopt. Occasionally, Government proposals are optional. For example, for some local authorities establishing a Local Strategic Partnership is optional, and each region can choose for itself, through a referendum, whether it wishes to move from an unelected to an elected assembly.

Responsibility for the Institutional and Organisational Design of New Bodies

As the above discussion indicates, elected representatives have generally provided the broad vision, commitment and impetus for reform. Detailed design work has usually been the responsibility of public officials. However, the latter have increasingly drawn upon expert and citizen opinion. At the same time, elected representatives have retained ultimate control of detailed design to ensure that it reflected their broad requirements.

The Impact of Implementation Methods on the Acceptance of Reform and the Speed of Organisational Integration

There were three potential sources of opposition to the Government's regional agenda. First, the Main Opposition Party's concern about introducing a new layer of bureaucracy. Second, the business community's concern about possible increases in the net costs of Government. Third, concern from local authorities that powers established at regional level would be at the expense of the local authority role, rather than being transferred from Central Government.

The Government's gradual and evolutionary approach to implementing its regional agenda has minimised this potential opposition. For example, in exercising their regional strategy making role, the regional assemblies tend to work through networks of existing local government and other specialists in the region, rather than by employing large numbers of staff themselves. Whilst the regional development agencies do employ a significant number of staff, this is largely to run their own substantial investment programmes rather than to duplicate the work of local government. This has tended to allay fears about both bureaucracy and increased administrative costs.

So far, many roles created at regional level have been new roles, concerned with developing a regional perspective where none previously existed. As such, they have posed few threats to local government. This will change – for example, the regional assemblies have recently been given the power to require local authorities to conform, in their local plans, to the regional spatial strategy. No doubt further similar powers will be announced in the coming years. This gradualist approach, however, reduces the likelihood of a major local government backlash.

The Government's approach to elected regional assemblies has also reduced the risk of adverse reaction. For a start, the outcomes are uncertain. Only three of the English regions have a date for their referenda. The citizens in those regions may decide to reject elected assemblies, and their associated local government reorganisation. Even if the public does vote for such an assembly, it is far from clear whether the resulting local government restructuring will be at the expense of the County Council tier or the District Council tier of local government, and both tiers seem optimistic that they will survive. These uncertainties mean that there is little that can act as a catalyst to an organised local government opposition.

The Government's local government modernisation agenda has generated rather more opposition from local authorities. This has centred upon three broad types of issue:

- The level of resources. Local authorities have sometimes complained that new Government initiatives are under resourced, leaving municipalities with the choice of either drawing upon existing resources and thereby threatening existing priorities, or failing to deliver the new initiatives satisfactorily.
- Performance management systems that are overly complex, require excessive use of resources in collecting information, and comprise inflexible indicators and targets that distort service priorities and often fail to give an accurate picture of real performance.
- The gradual but steady transfer of local authority roles to non elected agencies, independent trusts, or the private sector.

The government has often shown a willingness to respond to these criticisms. In some cases, the resourcing of new initiatives has been reviewed, or the time scales for implementation have been extended. Performance management systems are also currently being reviewed, with the aim of simplifying them, eliminating duplication, reducing the time burdens on management, and making targets and assessments more flexible to reflect the different circumstances of different municipalities.

On the more fundamental issue of local authority reform, the Government seems less willing to compromise. It sees the introduction of private sector management (for example through the Private Finance Initiative), independent trusts (for example in housing and social care), and new agencies (such as urban regeneration companies and the regional institutions) as central to its modernisation agenda for public services.

At the same time, however, it has given, through the Local Government Act 2000, the important new 'Well Being' power referred to above. This, of course, brings new dilemmas for local government. In the future, local authorities are likely to be increasingly held accountable (by the Government, the public and the media) for the overall well being of the local area, and for community failure or breakdown. Yet local authorities will at the same time have decreasing control over what happens locally, this being increasingly determined by other agencies or partnerships. This problem can be seen already in the Birmingham City Strategic Partnership, for example, where the local government auditors hold the City Council responsible for the performance of a partnership that comprises a dozen independent agencies as well as the City Council itself.

The reform initiative associated with the Birmingham City-Region partnership was initially highly successful, and produced a first Prospectus within six weeks to meet

the Core Cities Summit deadline. This success was partly due to the approach taken, which was consciously designed to overcome suspicions and facilitate the acceptance of reform. Equally important, however, the officials involved from the various authorities responded very positively to Birmingham's initiative, and demonstrated a clear willingness to accept personal responsibility for the collective project.

Birmingham City Council recognised that some neighbouring local authorities would have concerns about the City-Region project being over dominated by Birmingham. The Council therefore took a number of small and simple decisions at the outset to reassure potential partners that the work would be genuinely collaborative:

- No preliminary work was undertaken by Birmingham until the potential partners had been invited to participate. This was to ensure that the other authorities could shape the work right from the outset;
- Each local authority, including Birmingham, nominated only one officer to work on the strategy to avoid domination by Birmingham officers;
- All meetings were held outside of Birmingham on a rotation basis around the neighbouring local authorities;
- Birmingham proposed that the published Prospectus should include just one photograph from each authority, including only one from Birmingham;
- Four representatives from the Birmingham partners were invited as Birmingham VIPs to the two day annual Core Cities Summit, where the strategy was being launched by the Deputy Prime Minister;
- Each Core City has a promotional stand at the annual Summit. The traditional Birmingham stand was scrapped, and the City Council designed and paid for a new stand for the Birmingham City-Region, with photographs and literature from each participating authority.

The other authorities in turn responded very positively. Officers kept their political Leaders and Chief Executives well briefed, so that time was not lost through having to work through lengthy approval procedures. Some officers volunteered to draft parts of the strategy, and others to comment on drafts within 48 hours. Everyone showed a willingness to compromise in order to meet the June deadline. The result was a document containing a very strong commitment to collaborative working in future, together with an outline agenda for further work.

Since the production of the Prospectus in June 2003, progress has been slower. There are two reasons for this. First, the Prospectus sets out a substantial long term commitment to collaborative working. Second, there is a risk that the City-Region partnership could be seen as a threat by both the regional institutions and those parts of the region excluded from the partnership. These factors have meant that further work required a much stronger authority base than the initial Prospectus, with clear endorsement to future work from the Leaders and Chief Executives of the original partner authorities. This endorsement has taken some months to obtain, partly because the significance of the project required lengthy debate, and partly because of capacity problems – the absence of machinery where Leaders and Chief Executives could consider the project in the depth it required.

Formal approval for the work has now been given. The three regional institutions have also agreed in principle to participate in the project, and the Government has agreed to the principle of the work being developed through a city-region partnership rather than through the city alone. The potential therefore now exists to develop a long term collaborative project, based upon the economic competitiveness agenda and an informal partnership that reflects the functional city rather than historic local authority boundaries.

Political and Organisational Fallout, and its Management

The previous section has explored how political and organisational fallout has been managed. To summarise:

The Government's approach to introducing its regional agenda has managed potential fallout:

- by adopting an evolutionary approach to building up the powers of the regional institutions;
- by building upon existing arrangements in regions wherever possible. For example, the West Midlands Regional Assembly works through the existing networks of specialists from local authorities in the region;
- by introducing completely new roles at regional level, rather than by transferring significant roles from local authorities;
- by leaving the final decision on whether to have a directly elected regional assembly in the hands of the public through separate referenda in each region.

The potential fallout from Birmingham's City-Region agenda has been managed:

- by designing some simple, early measures into the process to reassure potential partners of the City Council's sincerity about working collaboratively;
- by inviting the regional institutions to participate from the outset, and by circulating all material to them pending their decision on whether to take part or not;
- by informing Government officials of the city-region approach, and seeking their support in incentivising the partnership;
- by giving partner Leaders and Chief Executives time to consider the next phase of work, and to become comfortable with it, rather than attempting to push them faster than they were prepared to go.

The political and organisational fallout from Birmingham's localisation agenda has been more limited. It has taken two forms: first, a concern amongst some elected representatives that their role might be diminished; second, the capacity within the officer administration to move to the new processes, and departmental structures, required to devolve some Council services from a functional to an area based system.

This fallout has been managed:

- by the establishment of an independent commission to identify public and expert views and the basic parameters within which the localisation initiative should be designed;
- by an extensive process of debate amongst elected representatives, with iterative design of the localisation model;
- by extensive involvement of the officer administration, and trades unions, during the detailed design stage.

3. METROPOLITAN REFORMS AND RELATIONS BETWEEN THE STATE AND LOCAL COMMUNITIES

Changes in the Contractual Nature of Relations between Central and Local Authorities

The contractual relationship remains explicit in some cases – for example in Public Service Agreements, which require local authorities to meet explicit and challenging targets for specified services, normally in return for additional Government resources and legislative flexibilities to enable the authorities to achieve those targets.

Nevertheless, whilst it is perhaps too early to be definite, it is possible that the contract culture has peaked, or at least is becoming more flexible, sophisticated and sensitive. The number of centrally established performance targets set for local authorities is being reviewed, with the aim of reducing them and linking them more closely to desirable outcomes. More emphasis is likely to be given to qualitative issues such as corporate management and partnership working.

In many individual initiatives, too, a more flexible approach seems to be emerging. Often, local authorities have greater influence in identifying appropriate performance targets and measures, rather than having them centrally imposed. Whilst performance remains an important factor in Government allocation of resources, 'need' seems to be acquiring greater weight in the resource allocation process.

Changes in the Level of Government Assistance for Metropolitan Development

Since 1997, there has been a general shift towards greater Government consideration of, and support, for urban areas. This partly reflects the Government's ideological roots (for example in its concern for social exclusion) and the political reality that urban areas are the heartlands of the Government's electoral base. The shift in emphasis also reflects the Government's greater interest in research, and in understanding the underlying processes of social and economic change and the resulting problems and opportunities. Finally, the shift also reflects the more open and collaborative style adopted by the Government: by working more directly with local authorities, the Government has been able to develop a more in depth understanding of 'how things really work on the ground'.

For the major cities in particular, an important step forward was the establishment, in January 2002, of the Joint Working Group between Government departments, the Core Cities Group, and the English regional development agencies.

A key output of the Joint Working Group was a statement concerning the role of, and strategy for, the major cities. This was launched by the Deputy Prime Minister at the Core Cities annual Summit in June 2003. At the same time, the Deputy Prime Minister launched the eight individual Prospectuses drawn up by the Core Cities (the Birmingham Prospectus is the Birmingham City-Region document referred to earlier).

Since June 2003, the Joint Working Group has been reconstituted as a formal grouping feeding into Government work on reducing the economic disparities between regions. The Joint Working Group has four sub groups looking at innovation, transport and IT, skills and strategic governance.

In addition, it has been agreed that each city will have a Government Minister 'attached' to it to support its further work on the Prospectus.

The most recent initiatives comprise a series of three 'megavisions', which will potentially cover virtually the whole of England. The first of these, launched a year ago by the Government, was the Communities Plan. This is essentially a housing led plan for accommodating growth in London, the South East and the Eastern regions (which together comprise about one third of England's population). Though the Communities Plan also includes programmes and resources for central and northern England, these programmes are much more limited, and are mainly focused on responding to weaknesses in those areas rather than building up competitive strength outside of the South East. On balance, therefore, the Core Cities Group has regarded the Communities Plan as a step backwards for the major cities agenda.

In response to this, proposals have now been launched around the concept of the Northern Way – a motorway corridor that would embrace the five northern cities in the Core Cities Group. A further concept, the Central England 'Heart of Opportunity', will be worked up during 2004, and will be based upon the three central Core Cities, including Birmingham.

Unlike the Communities Plan, the two later projects will include Core Cities representation on their steering bodies. Core Cities is likely to press for the Northern Way and Central England Heart of Opportunity to be competitiveness rather than housing led, and to focus upon a clear understanding of the urban hierarchy, with the eight core cities being positioned as the key growth poles rather than problem areas.

As indicated earlier, support for the major cities agenda remains patchy, both in Government departments and amongst the regional institutions. Nevertheless, as the above initiatives indicate, there is no doubt that over the last four years Central Government has become more conscious of the potential of the cities, and of the need to align national, regional and urban policy more closely to support the cities' competitiveness agenda.

Changes in the City's Influence

As the above discussion shows, Birmingham and the other major cities are strengthening their position within the Government agenda.

UK urban policy has traditionally lacked a clear understanding of the urban hierarchy. As a result, policy has tended to pursue a 'one size fits all' approach, with little variation to recognise the different roles of international cities, medium sized cities and smaller towns.

This tendency has been reinforced by the dominance, within UK urban policy, of the 'regeneration' agenda. This agenda has focused upon dealing with problems (or more accurately the symptoms of problems) as they are experienced at the neighbourhood level. At this very local small area level, the issues (deprivation, community safety, poor housing, etc) are substantially the same in both the major cities and the smaller cities and towns.

More recently, thanks to academics and groups such as Core Cities, together with the Government's own research and thinking on economic policy, the competitiveness agenda has become a more prominent feature of urban policy. This has been important for the influence of the major cities in two ways. First, by focusing upon the causes of poor urban performance rather than the symptoms, the competitiveness agenda has encouraged consideration of the functioning of the city as a whole, rather than small parts of it. Second, the competitiveness agenda requires a focus upon the urban area's relationship to the wider world. This in turn highlights the differences between different levels of the urban hierarchy – for example, the largest English cities need to compete with their counterparts elsewhere in Europe, whilst for smaller urban areas competitiveness may be more about developing a viable role as a local service centre.

The debate has therefore begun to shift in favour of the major cities. There is still considerable way to go, however. The concept of the urban hierarchy is still only a minor influence in shaping urban policy. Other urban areas, and rural communities, will continue to oppose an emphasis on the major cities, and both the Communities Plan and the early work on the Northern Way indicates that the regeneration model of urban policy remains strong.

At regional level, too, the cities' agenda remains only partly accepted. In some regions, the regional institutions appear more supportive of their major cities; in other regions, this support is less obvious. Even within the same region, the regional institutions can have different attitudes. In the West Midlands region, for example, the Regional Spatial Strategy (produced by the Regional Assembly) clearly recognises the objective of developing Birmingham as a world city, whilst the Regional Economic Strategy (produced by the Regional Development Agency) has much less to say on that subject.

Changes in Metropolitan Representatives' Influence at the Regional Level

Generally speaking, the major cities have less influence on the regional institutions than might be expected given their population and economic significance. In some regions, including the West Midlands, the rural lobby is arguably disproportionately influential. The regional bodies are also often under pressure to spread their resources evenly across the region, and to ensure that their policies are neutral in their impact across the region.

However, the cities' limited influence within their regions is at least partly due to internal organisation and capacity weaknesses within the cities themselves. Birmingham, for example, has numerous elected representatives and officials involved in different aspects of work with the regional bodies. In the past, however,

Birmingham has failed to develop coherent policy positions on regional matters, or to put together a co-ordinated strategy to ensure that its representatives pursue these policy positions coherently over time. The City Council is aware of this problem: a recent internal reorganisation has been effected to improve the situation, and experts from different specialisms across the Council are now meeting regularly to establish a coherent policy framework that everyone will then be expected to adhere to in their regional work.

4. METROPOLITAN REFORM AND CO-OPERATION AT THE METROPOLITAN LEVEL

Co-operative Mechanisms before Reform

As explained earlier, in the Birmingham area the word 'metropolitan' has two distinct meanings. Formally, the metropolitan area is defined by the boundaries of the West Midlands County Council that was established in 1974. Although the County Council was abolished in 1984, the county itself remains as a geographical area. Within it there are seven Metropolitan District Councils, of which Birmingham is one. Birmingham has a population of 1m and the other six districts have a population of 1.5m between them. Collaboration between the seven Metropolitan Districts has taken place since the County Council's abolition in 1984.

When the Metropolitan County boundaries were drawn in 1974, however, they reflected largely physical criteria, and were restricted to the continuous physically built up area. Many settlements remained in the surrounding non metropolitan counties, even though economically they were part of Greater Birmingham. The Birmingham City-Region partnership described above is an attempt to develop collaboration between the Metropolitan Districts and the surrounding 'non metropolitan' areas excluded from the Metropolitan County but functionally part of Greater Birmingham. It is this City-Region initiative that is the main recent reform at metropolitan level.

Following the abolition of the West Midlands County Council, collaboration between the seven Metropolitan Districts comprised a mixture of formal and informal arrangements. The Police, Fire Services and Transport all become independent non elected authorities. Other functions became the joint responsibility of the seven District Councils – for example, emergency planning, the staff pension fund and the airport. In addition, the seven Districts had the right to be consulted by the Police, Fire and Transport Authorities before the latter set their budgets. The Districts therefore had a number of collective functions, and machinery was established to exercise those functions.

While successful in terms of these functions, the machinery never developed into a vehicle for addressing strategic issues collaboratively in a systematic and comprehensive way. This issue has been the subject of considerable debate amongst the District Leaders and Chief Executives over the last year. The emergence of the Birmingham Prospectus initiative, as part of Birmingham's work with Core Cities, and Birmingham's invitation to the other authorities to produce a Prospectus for the wider City-Region, helped to stimulate this debate, and there is now a clear commitment from the Districts to a programme of strategic collaborative work.

Previous experience of co-operation was probably not a significant factor in this decision. Historically, the relationship between Birmingham and the surrounding areas had been shaped by a feeling in neighbouring authorities that Birmingham's agenda was simply about dominating the wider area for its own benefit. The acceptance of reform was therefore driven by a number of other factors:

- A recognition in Birmingham that, to punch its weight internationally, it had to develop strategy and alliances at the city-region level.
- A recognition in surrounding authorities, particularly the more economically weak ones, that their future prosperity depended upon being linked to a successful Birmingham.
- Changes to the external environment. These included the Government's Communities Plan, the establishment of regional institutions, the emergence of the Core Cities Group and the big cities agenda, and the feeling that central England consistently lost out in Government policy to the successful south east and the struggling north. There was a growing recognition that these external factors represented both opportunities and threats that the authorities in the City-Region could only respond effectively to by working together.
- The establishment, independently of the above factors, of a number of practical projects that required collaboration across local authority areas. For example, the threatened closure in 2001 of the Rover car plant in South Birmingham resulted in a project to develop a high technology growth corridor between Birmingham city centre and the shire county of Worcestershire to the south. At the same time, Birmingham's (unsuccessful) bid to be the European Capital of Culture led to the creation of a joint bid from cultural organisations across the whole Greater Birmingham area. More recently, as part of its Communities Plan the Government announced a national initiative to invest in declining housing areas in northern and central England. Two of the housing areas identified ran from Birmingham east and west into neighbouring authorities. These projects helped to demonstrate the interconnectedness of the City-Region and the practical value of collaboration.

Underpinning the above factors that have been driving an acceptance of the City-Region initiative, it is possible to detect the beginnings of a sense of common identity, place and belonging – some early and tentative signs that some people at least are beginning to see the City-Region as a single entity rather than a collection of competing components. It is too early to assess the strength of this feeling, but one aim of the City-Region Prospectus work will be to strengthen that perspective.

New Initiatives since Reform

The main initiative since reform has been the production of the City-Region Prospectus itself. Since then, work has focused upon embedding the City-Region concept, and setting up administrative machinery to build a sustainable programme of collaborative work. An early task will be to develop a City-Region view of the Central England Heart of Opportunity project. This work will be driven by the same officers' network that was established to produce the initial Prospectus, though the network will be expanded to include the regional institutions and, hopefully, three or four more non metropolitan areas that Birmingham considers to be part of the City-Region.

In parallel to this work, the seven Metropolitan Districts are working together on transport strategy, to take advantage of a special £1 billion grant that the Government has provided to deal with transport problems in the Metropolitan County. The delivery mechanism for this work will be a network of the chief transport officers from each of the seven authorities.

A third area of work will be around benchmarking and best practice exchange, in recognition of the fact that the West Midlands Metropolitan Districts tend to score poorly in key Government performance assessments. The implementation vehicle here will be a network of the Performance Management Officers from each authority.

In addition, the existing joint responsibilities around emergency planning, the staff pension fund, the airport, etc., will continue.

Overarching these four work strands, the Districts have agreed jointly to fund a senior officer to support collaborative working generally, and to increase the metropolitan area's influence on the regional institutions by developing coherent and co-ordinated involvement in regional affairs.

The Organisation of Civil Society at the Metropolitan Level

The four Metropolitan Districts to the west of Birmingham are collectively known as the Black Country. They have established a collaborative Black Country Consortium to develop joint work, and some parts of civil society are now beginning to organise themselves at the Black Country level.

Birmingham's European Capital of Culture bid resulted in the establishment of a City-Region network of arts and cultural organisations. This network has agreed to continue to work together despite the bid's being unsuccessful.

There are a limited number of examples of civil society organisation at regional level – for example, networks concerned with community empowerment and race equality.

In general, however, civil society is organised at the neighbourhood or local authority level. For example, umbrella organisations in Birmingham include the Voluntary Service Council, Chamber of Commerce and Industry, Race Action Partnership, Community Empowerment Network, Older People's Forum, Young People's Parliament, and a multitude of city wide organisations representing different minority ethnic communities.

The Focus of Co-operation

The focus of co-operation is both internal and external.

Much of the joint work of the seven Metropolitan Districts will be internally focused – the existing joint responsibilities around emergency planning and the staff pension fund; scrutiny of the Police, Fire and Transport Authorities; the benchmarking and best practice work; and plans for the use of the £1 billion extra transport grant.

The City-Region partnership, comprising the Metropolitan Districts plus neighbouring non metropolitan authorities, will focus exclusively upon an outward looking competitiveness agenda – strategic transport, north/south regional imbalance,

innovation and knowledge industries, the development of regional and national facilities, place marketing, etc.

It is recognised that the distinction between 'Metropolitan only' work and City-Region work will often be difficult to define. It has therefore been agreed that the City-Region Officers Network will maintain an overview of both areas of work to manage 'boundary disputes' on a case by case basis.

Potential Role of Higher Levels of Government In Metropolitan Co-operation

The problems of developing co-operation at the metropolitan/city-region level will be familiar to everyone. They include:

- An inability or unwillingness to see the purpose or advantages of co-operation;
- Using the partnership to promote self interest rather than collective interest;
- Potential hostility from regional interests, or from those in the region but outside of the partnership, who may see the City-Region initiative as a threat;
- Lack of staff and financial resources to build practical collaborative projects to demonstrate the tangible value of co-operation on the competitiveness agenda;
- The sheer scale of the organisational development and capacity building task associated with creating and maintaining such a complex, informal partnership;
- The need to extend the partnership out from local government to embrace, for example, business and higher education (with all the additional organisational complexity that will entail).

Birmingham and the other Core Cities have therefore argued strongly that Central Government must support the process by incentivising such collaboration. This issue has been discussed at the Government/Core Cities Joint Working Group, and Government officials have recognised this as an important issue. An initial response is the decision to send a Government Minister to each city to discuss its Prospectus work. In Birmingham's case, this Ministerial meeting will be with the whole City-Region partnership, and this will clearly help to achieve buy in to the project. Core Cities will, however, be seeking more continuous Government support for the partnership building task.

CONCLUSIONS

This paper has considered five reform initiatives:

- The UK Government's regional agenda;
- The Core Cities Group and its joint work to develop a distinctive urban policy agenda for major cities;
- The Birmingham City-Region initiative;

- Birmingham City Council's localisation programme;
- The Government's local government modernisation agenda.

Though most of these initiatives are still in their infancy, a number of general, if rather tentative, conclusions can be drawn.

First, major cities are rising up the political, professional and academic agenda in the UK. Equally important, the perception of cities is changing. From being seen as places characterised by the concentration of problems, they are increasingly being perceived as places of opportunity.

Second, the traditional urban policy perspective, focused solely upon area regeneration, is evolving in favour of a two dimensional approach to urban policy that gives greater weight to the competitiveness agenda. Major cities are becoming increasingly recognised as the economic engines for this competitiveness agenda.

Third, cities themselves are becoming more aware of the distinction between their strategic leadership role and their service delivery role. Birmingham, for example, is devolving day to day service delivery to a lower level, whilst at the same time exercising its strategic leadership role increasingly at a higher-than-city level – with partners at the City-Region and regional level, with national partners (Core Cities and Government departments), and with European partners (the Eurocities Group).

Fourth, if it is successful the City-Region initiative could break the mould on the traditional local government system based upon county boundaries. Whilst County Councils would retain their role in service delivery, the competitiveness agenda would be built upon city-regions that reflect today's economic patterns. However, this change will almost certainly need to be achieved by the building of new informal local authority partnerships rather than by boundary changes and formal restructuring, and it is therefore likely to be a long and difficult process.

Fifth, there are clear tensions between the regional agenda and the urban agenda. These tensions arise from different views on the 'right' boundaries for sub-regional working, and from differences regarding the urban hierarchy. Regional institutions are not always comfortable about the city-region concept, which implies new local authority groupings that cut across traditional county based alliances. The regional institutions also tend to prefer 'one size fits all' strategies that spread resources evenly across the region, whereas the major cities argue for the development of distinct and complementary roles for different urban areas, with the major cities playing the international flagship role. Over the coming year or two, the regional and urban agendas will need to come to some form of accommodation.

Finally, in terms of the approach adopted in introducing reforms, all the reform programmes considered in this paper have emphasised consultation and collaboration rather than confrontation and imposition from above. As a result, the initiators of reform have rarely achieved everything that they wanted. However, conflict has been minimised, and the approach has created the potential for ensuring that the reforms are sustainable over time.

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