# Local Conservatives criticise Labour leader's decision to drop public inquiry into financial crisis



Local Conservatives have expressed strong criticism towards Birmingham City Council's Labour leader, John Cotton, accusing him of "cowardice" for his recent decision to abandon plans for a public inquiry into the council’s financial difficulties that culminated in its de facto bankruptcy in 2023. This U-turn has sparked discontent among opposition parties, particularly by members of the Conservative party, who have voiced concerns that the existing inquiries led by the city’s auditors are insufficient for a comprehensive investigation.

Cllr Ewan Mackey described the reversal of the inquiry commitment as a significant failure to pursue accountability for the mishandling of financial affairs, which include notable issues such as the ongoing equal pay saga—attributed to alleged discrimination against female workers—and the botched implementation of the Oracle IT system, which reportedly exceeded its budget by £90 million. Furthermore, the council's financial distress was exacerbated by the controversial Perry Barr housing project, which has run into severe financial loss, amounting to approximately £150 million in the red.

Originally, both Cotton and then-Conservative Secretary of State, Michael Gove, had committed to a judge-led inquiry, which was viewed as essential for a thorough exploration of the failures and understanding of accountability within the council. However, the new Secretary of State, Angela Rayner, has since ruled out such an inquiry, leaving many to question the adequacy of inquiries already conducted by the council’s external auditors, Grant Thornton.

In defence of the decision, Cotton highlighted that there have already been extensive reports made public regarding the issues that led to the financial crisis. He stated, “Since I became leader of the council in May 2023 we have certainly not shied away from scrutiny and there has been a series of detailed and critical, hard hitting reports into issues that led to the Section 114 notices.” Cotton further reasoned that the costs associated with a public inquiry may not be justified given the volume of information currently available.

Despite his assertions, many argue that a public inquiry would afford the necessary legal framework to compel key individuals to give evidence under oath, addressing concerns that existing investigations have not addressed any legal infractions or designated blame adequately. Up to now, the investigations led by Grant Thornton have been conducted with a level of confidentiality, purportedly to protect the identities of those involved, and have predominantly centred on value-for-money assessments rather than accountability measures.

The ramifications of the financial collapse have vastly impacted public life in Birmingham, with the council enacting cuts to services exceeding £350 million, selling off up to £1 billion in assets, and imposing a council tax increase of over 17.5% within just two years—resulting in significant job losses.

As the situation develops, calls from local councillors and residents persist for a more transparent and thorough examination of the council's failures. Inquiries to the Department for Housing, Local Government and Communities regarding the council's handling of these issues are ongoing as the implications of the financial crisis continue to unfold across the city.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://itassetmanagement.net/2023/09/06/did-birmingham-city-councils-disastrous-oracle-migration-contribute-to-its-bankruptcy/> - This article supports the claim about the botched Oracle IT system implementation, which exceeded its budget significantly, contributing to Birmingham City Council's financial difficulties.
* <https://trusaic.com/blog/birmingham-city-council-faces-bankruptcy-in-equal-pay-dispute/> - It corroborates the ongoing equal pay saga, which has been a major financial burden for Birmingham City Council, and highlights the significant equal pay liabilities.
* <https://auditreformlab.group.shef.ac.uk/value-for-money-and-accountability/> - This report analyzes the financial situation at Birmingham City Council, including the factors leading to its financial crisis and the role of the Oracle IT system implementation.
* <https://www.birminghammail.co.uk/news/midlands-news/perry-barr-regeneration-project-saved-26313759> - Unfortunately, there are no search results directly supporting the specific financial losses of the Perry Barr housing project. However, this URL might provide relevant local news coverage of the project's challenges.
* <https://www.gov.uk/government/news/housing-secretary-pledges-support-for-birmingham-city-council> - This link could provide information on the government's stance and involvement with Birmingham City Council, potentially addressing inquiries or statements from government officials like Angela Rayner.