The ‘Tilburg Model’ of local governance
Tilburg is a modern city. Despite the fact that the name of ‘Tilburg’ was first mentioned in an old manuscript dating from 709 A.D., the city has no historic centre. Tilburg arose from a number of small village communities. Until half way through the 20th century Tilburg was a flourishing textile town. With the decline of the textile industry throughout the Netherlands, in the nineteen-sixties, the city lost this economic support. Many textile factories were demolished. A positive effect of this was that Tilburg, with a number of empty sites throughout the city, had the room to build new housing estates at a time when most towns could only expand by moving outwards from their boundaries. Building within the old town is still in progress and this has resulted in the appearance of many architecturally interesting housing- and working areas within the town. It gives Tilburg a modern image. The economic development diversified. The dependence on a single branch of industry became past history as Tilburg grew into a modern industrial town. Not just industry but the service sector, too, underwent a marked development. Tilburg is a town of no-nonsense, active people, of hard workers. There are now industries of all kinds, a wide choice of education, with the University of Tilburg and the various colleges of higher professional education and an impressive selection of cultural activities. Large-scale events throughout the year, a bustling town centre packed with bars and restaurants, the large groups of students and the beautiful surrounding countryside make Tilburg an agreeable city to live and to stay in. Tilburg is situated at the centre of the province of North Brabant and is close to the Belgian border. Because of its location and excellent infrastructure Tilburg has become, for many foreign companies, internationally operating businesses and transport organisations, the ideal gateway to Europe. Tilburg, with its 200,000 inhabitants, is the sixth biggest town in the Netherlands.
“After the great crisis in the textile industry the qualities of Tilburg and the “Tilburgers” really became evident. Entrepreneurship and the will to work together, the enormous knowledge infrastructure and the creative mind. These are elements to be cherished. They are the town’s strength and have proved themselves time and time again, in the past. This same strength can also be seen in the organisation of the Council. It is what makes the local authority of Tilburg a pioneer in its way of thinking about organisation. Participation of citizens, control of financial resources and continually wanting to innovate: these are strong points. Only in this kind of organisation could the Tilburg Model emerge and become successful.”

Ruud Vreeman, Mayor of Tilburg
Towards a business-administration style of local government

The Dutch system of government

What form of government does the Netherlands have? The Netherlands is a kingdom with a queen as head of state. The highest level of government administration is the Dutch parliament, consisting of the Upper and Lower Chambers (or Houses). The Upper Chamber is similar to the Senate in many other democracies. Every four years the Dutch citizens elect their representatives in a new Lower Chamber.

The Netherlands has 16 million inhabitants and is divided, administratively, into 12 provinces and 467 local authorities (city, town or borough). Within each local authority the highest administrative body is the Council. The members of the Council are elected every four years by citizens living within the administrative area. Tilburg has 39 Council members, the number appointed depending on the number of local inhabitants. The Council determines policy and monitors the activities of the mayor and aldermen who make up the Municipal Executive Committee of the Council and implement the policy.

Towards a business-administration style of local government

In the middle of the nineteen-eighties developments within the Tilburg Council led to a business-administration style of working. The municipal organisation appeared to have become too bureaucratic and not transparent enough. Interrelationships were not clearly defined and accountabilities were vague. The organisation needed to become more transparent and more efficient. A number of newly appointed aldermen joined forces with the Council’s management.

A switch was made from a “central” to a decentral concern model. The Executive Committee and the Council managers decided to set up a holding with a concern staff and a number of independently operating subsidiaries (public services). Several sectors that had always been part of Council, such as the power company (gas and electricity) and the abattoir, were privatised. All of this had far-reaching consequences in terms of organisation culture, structure and management. The Tilburg Model had been born.

The major tenets of the Tilburg Model are:
- Thinking in terms of output, by translating all activities into a restricted number of products;
- Integral cost-accountability
- Open and transparent processes for both Council and citizens;
- Integral management (meaning that the directors of the various services are directly responsible for all processes);
- Decentralisation of authority
- A quality-oriented and citizen-friendly style of operating
Planning and control

Since 1985 an organisation culture centred on a business-like style of working, in terms of planning and control, has been evolving. Because the Council put its own house in order in this way, it has received national and international acclaim for the Tilburg Model. Since the nineteen-nineties Tilburg has been managed, to the greatest extent possible, as a business concern. The public services are actually subsidiary companies of the local authority’s holding. With these companies yearly contracts are drawn up in the form of Operating Budgets. These contain a clear description of which products are to be delivered and what this will cost. In the spring and autumn the Service Directors give account of their activities in management reports: which promises have been kept?; which targets have been met?; which have not been met and why? In this way the Council can continue to keep its finger on the pulse, to make adjustments to existing policy or to make new choices.

Flat organisation

The Council Services operate independently and make recommendations to the Executive Committee of mayor and aldermen. The flat organisation structure and the high degree of independence enable the executives to keep their hands free for carrying out their real job: the development, steering and adjustment of policy and the monitoring of its implementation by the Services. The Committee is assisted by a small group of civil servants known, with good reason, as the “Concern Staff”, a term derived from business terminology.

Preventive screening

An important instrument and one that is very compatible with the philosophy behind the Tilburg Model is the “preventive screening”. Once every five years the Services and the Concern Staff are screened by an external consultancy. The purpose is to detect mistakes and imperfections in business administration in time. Once detected, measures are taken to further improve the quality and efficiency of the Service. The results of the screening investigation are taken very seriously and often result in changes in the organisation.
**Citizens**

The activities of the Tilburg Executive Committee are, naturally, evaluated by the Council members. In order to be able to react even better to the needs of citizens and industries in Tilburg, the Council also regularly conducts a public opinion survey. A periodical survey carried out using a representative sample of the population of Tilburg. Topics addressed in the survey are the way in which the town is experienced, ease of access, the quality and accessibility of facilities in the town, neighbourhood involvement and participation. But it also includes questions about (political) issues on citizens’ minds and whether citizens are satisfied with the services and facilities provided by the Council. The results of the survey are used by the Council to assess the results of Council policy and they are also weighed together with other considerations as the Council draws up its plans and budget. The results are made public.

**External orientation**

The Tilburg Model ensured that the Council’s finances were in order. However, during the nineteen-nineties, it became apparent that the Model was too internally-oriented; the link with the town was too restricted and it was taking too long for the Council to react to social developments. Attention was being focused, to a large extent, on the internal administration of processes and finances. So the citizen and the effects of policy were given pride of place. In Tilburg a new culture-based programme came into being: the Permanent Development Process (PDP). The organisation structure was changed.

For the design of the new Council organisation the guiding principle was the role and the requirements of the citizen. But what kind of citizen would the Council be dealing with? The idea of the citizen with three different roles emerged:

- The citizen as customer, who needs a passport or permission to build, who asks about tax assessment or requests unemployment benefit;
- The citizen as neighbourhood resident, who wants to discuss new structural changes in his street, who wants to complain about dogs fouling the pavement or wants a safe route to school;
- The citizen as town-dweller, who demands high quality urban facilities and who wants to have his say about the proposed “new look” for the town’s shopping centre.

“Citizen” in this context can also refer to a social institution or a business. The idea behind the three roles was: every citizen, no matter what his role at any moment, should be able to have immediate access to the right sector of the Council and to the right civil servant. The citizen-as-customer wants a service-oriented Council; the neighbourhood resident wants to see the Council as a partner, jointly responsible for the quality of his neighbourhood; the town-dweller wants the Council to devote care and attention to a number of necessary facilities in the city. And he wants to be able to discuss these with the Council and feel that he has been heard.
New organisation

With these citizens' roles as new focal point, a new organisation structure was designed for the Services. This was the start of the Public Affairs Service for the citizen-as-customer, the Area Development Service for the citizen-as-neighbourhood-resident and the Policy Development Service for the citizen enquiring about urban policy. The Concern Staff remained. The three Services are provided with support and facilities by a Service Support Unit, consisting of a number of relatively independently operating parts of the organisation: Legal Affairs, Personnel, Financial Administration, Facilities, Communication, Informatics. There is also (temporarily) a Business Service. This accommodates units for which the Council is currently responsible but which will either be discontinued or will shortly be allocated elsewhere. These are the Netherlands Textile Museum, the Regional Archives, Public Works and the Sports concern. Finally, the organisation still has the Brabant Waste Disposal Team and the Fire Brigade as integral parts.

Business culture

The new organisation has a businesslike culture characterised by a results-oriented attitude to work and teamwork. Council workers try, as they go about their daily work, to realise their own personal business targets. Together, they make their contribution to the desired results and effects, as formulated by the Council. To create and maintain this culture Personnel policy relies on an instrument known as Competence Management.

The budget cycle

The Tilburg Model and its underlying philosophy are now clearly identifiable in the way in which the local authority is structured. But working according to the Tilburg Model also means making good plans and contracts, closely monitoring their progress, modifying plans where necessary, providing interim reports and being held accountable. To achieve this a number of important instruments have been developed. Together they make up what is known as the Budget Cycle, which consists of: plans and intentions (The Executive Committee's General Strategic Plan, the Perspective Memorandum and the Strategic Budget and Operating Budgets), interim accountability (Financial Spring Report, Autumn Report and Year's End Report) and lastly, the final accountability (Policy Accountability Report and Annual Report. Let us take a closer look at them.
**Plans and intentions**

*The Executive Committee’s General Strategic Plan (GSP)*
Immediately after the Council election the coalition parties formulate the main policy lines for the coming four years’ period in office. The political parties represented in the Council then endorse this document. So the GSP can be seen as a concrete political programme with a planning schedule and clear priorities. It provides the frame of reference for the Perspective Memorandum and the annual budgets. The GSP appears every four years.

*Perspective Memorandum*
The Perspective Memorandum is a further elaboration and specification of the GSP. It focuses primarily on how to realise and operationalise the strategic choices outlined in the GSP. The purpose of the Perspective Memorandum is to give the Council members an opportunity, before they draw up the actual budget, to discuss and steer the strategy for the coming budget year. The Council’s decisions are binding upon the Executive Committee. On the basis of the Perspective Memorandum the Executive Committee determines the Strategic Budget. The Perspective Memorandum appears every spring, except in a year in which the Council election is held, in which case it is replaced by the GSP.

*Strategic Budget and Operating Budgets*
The Strategic Budget is drawn up by the Executive Committee on the basis of the Perspective Memorandum. It is formulated in terms of performances or output. It indicates how much money will be needed to realise the objectives for the coming year, as formulated, for all strategic areas. Additional expenses or proposed cost reductions per strategic area are charted. The budgets are linked to programmes, products, performances and services. The budget is approved at the beginning of November by the Council members. On the basis of the Strategic Budget the Operating Budgets are then drawn up as a contract between the Executive Committee and the Service managers. The operating budgets state precisely what the Services will deliver, in terms of products, in the coming year and how much this will cost. They also indicate how the Service administration is organised.
Interim accounting

Financial Spring Report
This is an interim financial report without strategic proposals. It contains the most important deviations from the contracts as previously set down in the budget. The Financial Spring Report is drawn up by the Concern Staff on the basis of the developments and deviations up to and including the month of March. The Executive Committee approves the Financial Spring Report and then submits it to the Council.

Autumn and Year’s End Reports
For the second and third period of the year (April 1st to September 1st and September 1st to January 1st) each Service produces its own Autumn and Year’s End Report. These contain an overview of the financial and strategic deviations from the budget. Besides these reports at Service level there are also interim reports at concern level. The Autumn and Year’s End Reports at concern level are drawn up on the basis of the Service reports. Should changes in the budget be necessary or should reallocation from one budget to another be required than these aspects will be included. The Autumn and Year’s End Reports are approved by the Council. The Executive Committee may, if it wishes, include “proposals for new policy” and these, too, are submitted to the Council.
Final accounting

Policy Accountability Report
In the Policy Accountability Report the Executive Committee of mayor and aldermen hold themselves accountable for the objectives realised and the effects of the previous period. Have the objectives that the Council set itself for that year actually been achieved? The Policy Accountability Report also describes the progress of larger projects (taking longer than 1 year). For example, the major infrastructural projects, housing construction projects, plans for re-designing larger areas. The Policy Accountability Report is one of the documents that forms the basis for the next Perspective Memorandum.

Annual Reports
In the Annual Service Reports the Service directors report back to the Executive Committee. Has the Service fulfilled its contracts, as set down in the Operating Budget? Besides giving an accounting for the implementation of policy, the Annual Service Report also includes financial accountability in the form of an annual statement of accounts. Lastly, it contains an Annual Social Report. The Annual Service Reports are approved by the Executive Committee and submitted, for their information, to the Council members. The Audit Committee (a committee consisting of members of the Council) monitors the Annual Service Reports. The Executive Committee draws up the Annual Report, including an annual statement of accounts, for the Tilburg Council. The annual statement of accounts, included in the Annual Report, is submitted by the Committee to the Council for approval. The Council approves the Annual Report by July 15th, at the latest.

Control of legitimacy
Since 2004 local authorities are obliged to produce an annual statement of accounts accompanied by an accountant’s audit certificate and they find themselves confronted by checks on the legitimacy of their activities. Citizens must be able to trust the Council to acquire and spend public tax money in a legitimate way. This is why the Control of Legitimacy came into being. The Tilburg local authority emerged from this test of legitimacy (a controversial topic in professional circles) with flying colours. Tilburg is well known for the quality of its instruments for planning and control and these make it one of the best local authorities in the Netherlands.

Gemeente Tilburg
PO Box 90155
5000 LH Tilburg
The Netherlands

Telephone:
+ 31 13 542 89 98
Ignatius.zaat@tilburg.nl

www.tilburg.nl
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www.marjoland.nl

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