

## **Doing things differently: What Whitehall can learn from Local Government**



# Foreword

**George Osborne MP**  
**Shadow Chancellor of the Exchequer**

**The Conservatives control most councils in England. And, at some point in the next eight months, I hope that we will have Conservative Government in power in Westminster. As we think about that possibility I want to open up a dialogue with my colleagues in local government who have between them many years of experience of governance.**

I want the Conservative Party to learn from what local Conservative councils are doing right now, as they are dealing with many of the constraints that we may face very soon.

While we develop our policies for improving public services in an age of austerity, local councils are doing it. When it comes to rooting out waste and cutting costs or improving services through innovative new policies, Conservative councils are showing us that it can be done.

In short, Conservative Whitehall will have much to learn from Conservative town halls.

Across the country, councils have put into practice some of the ideas and policies we hope to introduce nationally if we form the next government. Their record shows how innovative policy ideas are now being generated in the Conservative world. It also shows that Conservative councils throughout the country have demonstrated the importance of having a financial grip, setting clear spending priorities, controlling costs and holding people accountable for performance.

There are important lessons here for central government as we look to spend taxpayers' money more effectively – and we in the centre are ready to hear them.

These lessons are not simply about saving money or fulfilling our very important pledge to freeze council tax – they are about improving the public services that councils provide through changes in the way that they spend money. To do this, councils are introducing pioneering new ways of spending public money more effectively.

What makes all of these achievements even more remarkable is that they have been accomplished under one of the most centralised governments in the world. In Britain, more than three quarters of government spending is done by central government. In Germany, the figure is 60 per cent; in Canada it is less than 40 per cent. For example, less than a tenth of the money spent every year on regeneration is spent by local government. The rest is spent by a complicated alphabet soup of quangos, regional agencies and central government departments.

But the problem is not just that local councils don't get the money that really should be spent locally. It is that too often local councils don't even have the power to choose how to spend the money that is actually allocated to them. The proportion of local government expenditure that is ring-fenced by central government has nearly tripled from 5 per cent in 1997 to 14 per cent last year.

If that were not enough, Labour ministers are constantly looking over the shoulders of elected councils; as a result, the cost of monitoring local government has ballooned to £2 billion. This central bureaucracy makes it much more difficult for councils to innovate.

They lack the freedom to take decisions that could improve their local communities, such as stepping in to save post offices and small shops or controlling late night drinking.

All this has contributed to a regrettable decline in the control that people feel they have over their local area. Only 38 per cent of people feel that they can influence decisions in their vicinity, and turnout was only 30 per cent at the last set of local council elections.

Let me be clear: David Cameron and the modern Conservative Party are 100 per cent committed to devolving power to local government and local towns and cities. Localism brings people closer to political power and gives them control over their own communities. By giving people more power and control over the services that are delivered in their areas, we can inspire a new spirit of civic pride in our communities. When people know that their actions can make a real difference locally they are far more motivated to get involved.

But it's not only about that. As the record of leading Conservative controlled councils has shown, local government is often the best source of new ideas and new policies. We want to give them more power and more responsibility to unleash their innovative potential. That's why we have laid out plans for a radical decentralisation of power. That's why we'll devolve down the funding and powers of RDAs to local councils and local businesses.

## Foreword continued

And that's why we'll abolish regional assemblies and hand control to local authorities. Regional government will have no more planning or housing powers. Instead, local authorities will have the power to establish their own local enterprise partnerships.

And they will have a new 'general power of competence' that will give them more freedom to act in the best interests of their residents.

But localism is about more than having the right policies. It's about understanding that not all good ideas are dreamt up in a policy unit in Whitehall. It means realising that many of the best and most cutting-edge policies actually come from local government. And when it comes to public spending, I believe that local government offers at least three clear lessons for a future Conservative government.

First, innovation works. Conservative councils don't just cut costs. They improve services. And they do it by using new ways to deliver them.

Second, transparency and openness are powerful tools in the fight against waste. Publishing spending programmes online is great example of how new technology can be harnessed to improve accountability. Everyone can see exactly how his or her money is being spent.

They can follow their money. If this government won't tell the public how their money is spent, a Conservative one will. I make this pledge: if we win the next election, all items of public spending over £25,000 will be published online. When we open up the books to the public, there is a clear imperative for politicians and civil servants to ensure that only those projects that can be justified to the public will go ahead.

Third, it is possible to cut costs while improving services as leading Conservative councils are doing right now. Of course, Labour ministers are always saying that they will cut costs. We've had the Gershon Efficiency Review, the Public Value Programme, the Value for Money Programme and the Operational Efficiency Programme. Heaven knows how much that all cost. What we do know is these programmes haven't worked.

The reason why they haven't worked isn't simply that there has been a failure of political will. Yes, Labour isn't genuinely interested in value for money - it's not a political priority for them. But the real reason these efforts haven't worked is because they haven't addressed the root cause of the problem.

What we really need to do is fundamentally change what we are asking central government to deliver. And let's start with the way that government interferes endlessly with local management of public services: the Department for Communities and Local Government decides on how many houses need to be built; the Department of Health decides that local NHS services need yet another reorganisation. Labour's instinct is to reach for the top-down target, the national strategy, the central government initiative.

To do this, it has created a large national bureaucracy of civil servants, inspectors and second-guessers all trying to manage remotely services that should be run locally. There are about 80,000 people dedicated solely to monitoring, regulating, setting targets and running inspections across the wider public sector.

The schools department employs one civil servant for every secondary school head teacher. There are seven times as many civil servants in the central Department for Work and Pensions as there are Job Centres in the country.

The relentless target culture has taken away the initiative of local professionals, local elected councillors and local public sector managers.

The Local Government Association estimates that 81 per cent of central targets relate to local government. We devote far too many precious resources to needless administration and regulation by Whitehall. This has to change if we are ever going to achieve genuine decentralisation and meaningful reform of our public services.

So yes, we will reduce the costs of central government. And yes, we will reduce the Whitehall headcount. But this is not just a cost-cutting exercise. It is about changing the role of central government and making local government powerful again. The result will not just be money saved for the taxpayer and debt reduced, but a fundamentally better government with better and more productive services. That is what Conservative Whitehall can learn from Conservative town halls. When it comes to innovation, transparency and cost cutting, Conservative local authorities are leading the way.

I recommend this publication to you as a source of inspiration and pride in what Conservative local government has already achieved. If we form the next national government we in Whitehall will look forward to working with our colleagues in local government in a partnership of equals dedicated to producing the best public services for our citizens.

# Introduction

**Christina Dykes,**  
Senior Conservative Special Adviser,  
Leadership Centre

**For some time, through the funding formula, some local authorities, mainly but not exclusively in the South East, have seen their resource allocation reduced in favour of local authorities in the North and North East.**

It just so happens that the councils that have been receiving the lowest possible funding increases, are, broadly speaking, run by Conservatives.

Whatever the legitimacy of this arrangement, what has happened in practice is that many Conservative administrations have had to maximise frontline service delivery using the resources and assets available.

Valuable lessons have been learnt and strong political leadership has meant that many Conservative local authorities have introduced new organisational and financial disciplines that stand as examples to central government of how to improve public services in an age of austerity.

If David Cameron becomes Prime Minister after the next election he may well find himself in much the same position that some Conservative leaders had to deal with when their administrations took control. They found themselves running authorities where the excessive spending habits of their Labour or Liberal Democratic predecessors were being sustained by ever-increasing council tax rises

Take Trafford, for example. When the Conservatives took office from Labour in June 2004, the council was labelled weak in its CPA; it was in the bottom fifth of all councils. Overspending had reached £3 million and the council's reserves had dropped from £40 million in 2001 to £15 million in 2004.

Or look at Windsor and Maidenhead. When the Conservatives won office in 2007 they inherited an authority that had been run by the Liberal Democrats with a high spend, high tax approach. In the four years between 2004/5 and 2007/8 council tax increased by 24 per cent, which is about 12 per cent in real terms. Since taking control, the Conservatives have brought down council tax so that the authority now has the lowest band D rates outside a few London boroughs.

Curtailling council tax rises is only half the story, as this publication shows. What's critically important is that Conservative councils have been keeping council tax low while enhancing services and increasing resident satisfaction. Wandsworth and Westminster, long flagships of Conservatism in local government, are now joined by Hammersmith and Fulham as councils that have consistently kept high satisfaction rates while maintaining low council taxes.

On 10 September 2009, Caroline Spelman MP, the Shadow Secretary of State for Communities and Local Government, and Philip Hammond MP, the Shadow Chief Secretary to the Treasury, met with representatives of Conservative councils noted for innovative leadership, to explore how they lowered council tax while improving services. Their record proves that spending money is not necessarily the guarantor of delivering improved services.

On the contrary being prepared to innovate, concentrate on efficiency and do things differently are more likely to be associated with raised standards.

It is an approach which more local authorities should be able to follow. A future Conservative government has pledged that if elected next year it will restore the general power of competence so that councils will have more freedom not just to do what has been proven to be effective but to push down the barriers of constraint to think of other means of using their resources to secure better public services.

Their discussions – and the councils' examples of success – form the basis of this publication.

**The following councils were represented in the discussions:**

**East Sussex**

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**Essex**

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**Greater London Authority**

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**Hammersmith and Fulham**

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**Kent**

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**Lincolnshire**

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**Staffordshire Moorlands and High Peak Borough Councils**

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**Trafford**

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**Wandsworth**

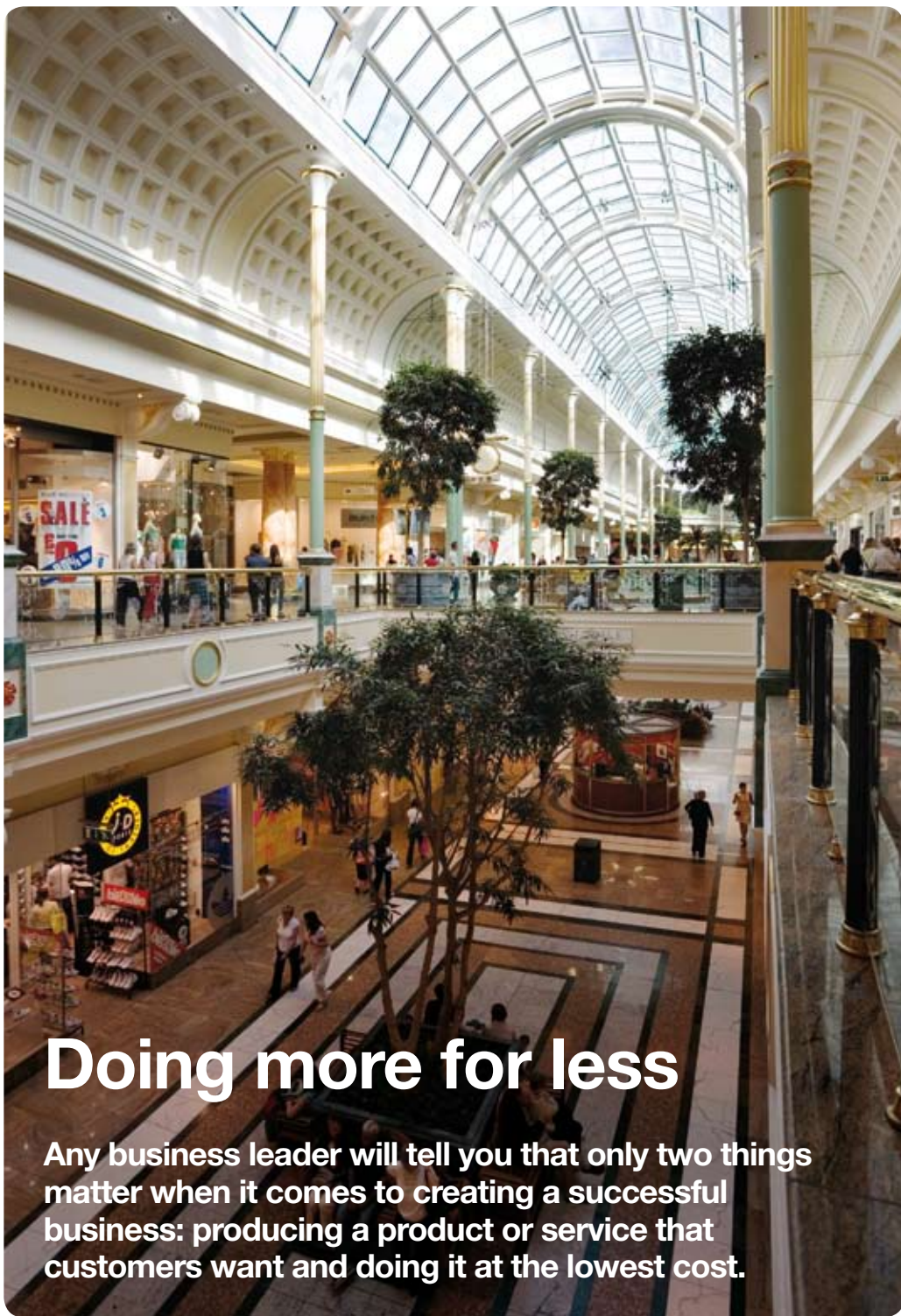
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**Westminster**

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**Windsor and Maidenhead.**

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## Doing more for less

Any business leader will tell you that only two things matter when it comes to creating a successful business: producing a product or service that customers want and doing it at the lowest cost.

Much the same can be said about the business of government although, it is stressed, the measurement of success is against a very different set of values. As David Cameron prepares for Government in an economically precarious Britain he is urging his politicians to adopt this basic discipline of doing more for less.

This is not an academic exercise. Conservatives instinctively understand the meaning of Abraham Lincoln's famous words in the Gettysburg Address when he spoke of "government of the people, by the people, for the people". Politicians need to understand that they are elected to serve and safeguard the public's money or else trust in politics – a trust that has diminished during the Labour Party's years – will continue to decline.

Britain's public finances are in worse shape than they have been at any time since the end of the Second World War as a result of global recession, bankers' mismanagement and incompetent housekeeping by Gordon Brown.

It is a fundamental responsibility of today's politicians to ensure, especially during a time of leniency when jobs are at risk and unemployment rising, that they ask for the least money possible from taxpayers' pockets. While tax may be as inevitable as death (as Benjamin Franklin reminded us) high taxes are not.

All of the speakers at our meeting showed that they were deeply conscious of their duty to taxpayers. They demonstrated that they have the courage to challenge the status quo and to do things differently in order to find better ways of delivering public services. By adopting good management practices and maintaining resolute and resourceful political leadership based on a vision of enhancing place, Conservative councils are showing how more can be done for less. They have rejected a simplistic 'salami slicing' approach to reducing expenditure, to the harder, but more rewarding and more effective territory of service restructuring and managing assets more profitably.

# The record

East Sussex

**“We have consistently reduced council tax increases and have gone from a one star to a four star rated council.”**

Essex

**“This year’s council tax increase was the lowest since the tax was introduced.”**

Greater London Authority

**“Council tax increased 150 per cent in 8 years under Ken Livingstone. Through restructuring the organisation head count is down and we have been able to freeze council tax for the first time (2009/10) in 8 years.”**

Hammersmith and Fulham

**“We have cut council tax by 3 per cent for the last 3 years saving on average £700 for council taxpayers compared to the previous average of 7.7 per cent rate of council tax increase.”**

High Peak and Staffordshire Moorlands

**“Both councils have good track records of low council tax rises and significant efficiency gains.”**

Lincolnshire

**“Our target to maintain the county’s lowest quartile levels of council tax has been consistently achieved: currently we have the third lowest level of any county council.”**

Trafford

**“Our council tax is the lowest in Greater Manchester and the fourth lowest metropolitan authority.”**

Wandsworth

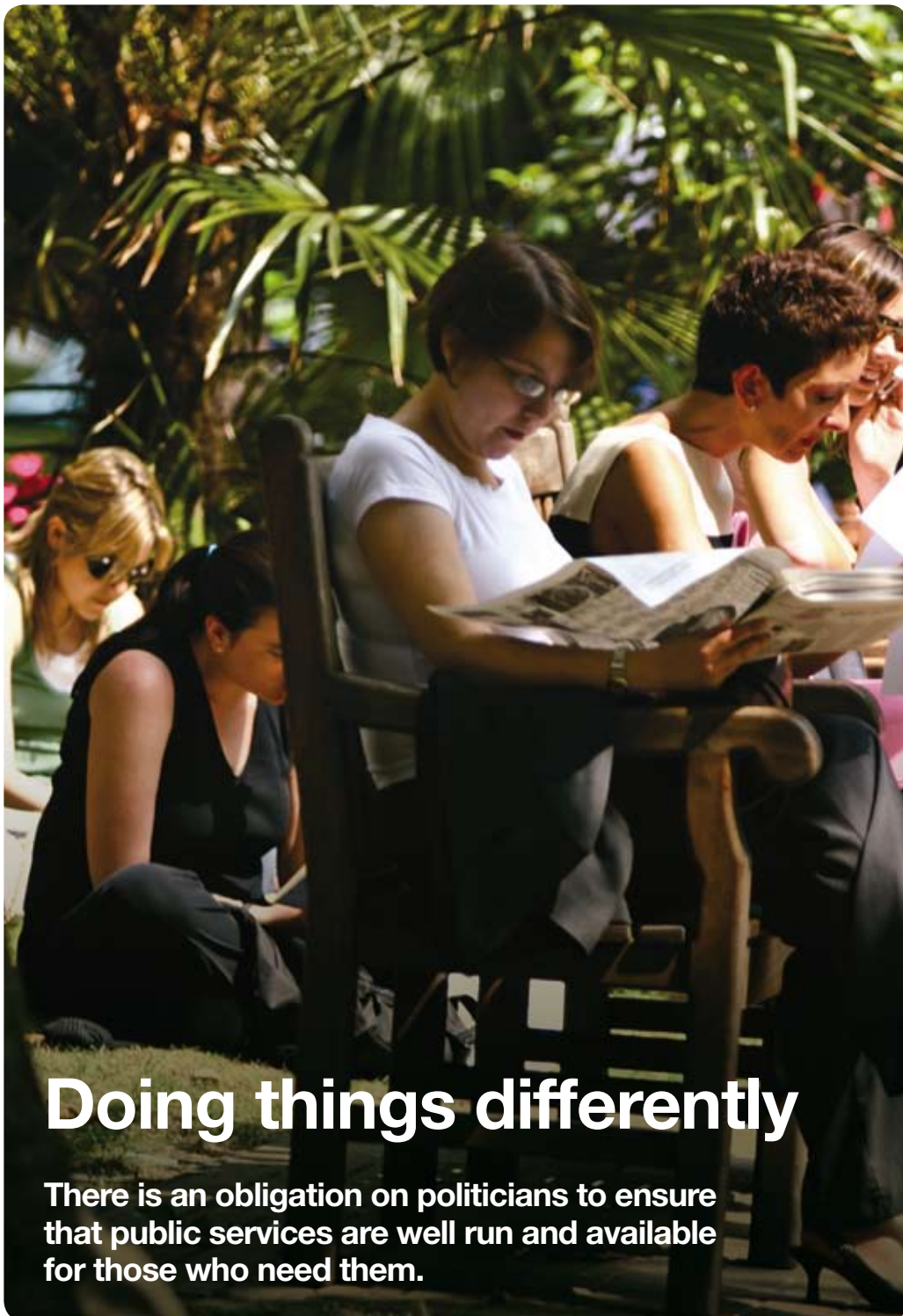
**“We have the lowest council tax in the country and over the last 25 years the lowest average local tax bill of any UK council.”**

Westminster

**“In Westminster where we have been insisting on value for money for sometime the level of council tax is approximately one third of the average council tax in London. Westminster’s satisfaction rate is amongst the highest in the country.”**

Windsor and Maidenhead

**“We now have the lowest band D council tax outside of all but a few London boroughs.”**



## Doing things differently

**There is an obligation on politicians to ensure that public services are well run and available for those who need them.**

Reducing and maintaining low council tax is only part of the good example that Conservative local government has set for central government. If services are not improved then reducing tax is a pyrrhic victory.

What is important here is not ideology or doctrine but on-the-ground effectiveness. Conservative pragmatism that means individual councils can and do respond to situations in their own way; it is a genuinely localist approach. Each of the eleven councils represented on 10 September sought to extend means of delivery according to what suited their place and circumstances.

For example, Wandsworth secured cost and quality benefits when it began competitive tendering of blue-collar services in 1982. Competitive tendering was extended to white-collar services in the late 1980s and early 1990s, with similar benefits. It now has more than 200 main contracts plus many in-house contract-type services (which have been tested competitively and won).

Wandsworth's experience suggests that outsourcing packages should be kept to single services to allow effective control; in some cases, such as IT, even single services may need to be split up to retain sufficient control.

The council's emphasis is on strong and effective procurement systems and avoiding getting bogged down by any one approach.

Hammersmith and Fulham has outsourced many of its functions, including street cleaning and park maintenance, to the private sector. However, it has also brought its council newspaper back in-house. By so doing the council was able to transform a £400,000 annual loss into a newspaper that is yielding some £210,000 a year, effectively making its production cost neutral, and with a prospect of producing revenue.

Hammersmith and Fulham Council and Conservative-run Herefordshire were the first local authorities to appoint joint Chief Executives for their councils and their primary care trusts. In addition, the Leader of Hammersmith and Fulham has taken on the job of cabinet member for community services so he can directly work on implementation plans to deliver efficiency savings while improving service delivery.

High Peak Borough Council and Staffordshire District Council, both Conservative-run, have formed a strategic alliance. Although they are in different counties, they adjoin one another and share many characteristics: they have similar populations, have been recognised for their excellence and are ambitious. They also recognise that future financial constraints from poor government grant settlements mean that they need to make savings now.

The opportunity to take a radical approach arose in 2007 when High Peak found itself searching for a new Chief Executive while Staffordshire Moorlands were looking to explore new partnership options. An independent high-level business case set out various options from which both councils decided on a formal partnership with joint approach to delivery of services. A concordat between the two councils was agreed in February 2008 which set out an agreed vision, aims, governance and working arrangements. A joint Chief Executive was appointed two months later, a transformation programme was agreed in April 2008 and then a new combined management structure followed in July 2009. Approximately 27 managerial posts have been reduced to 21.

The councils expect to share savings of £1.9 million over three years; £100,000 of this has already been reinvested in frontline services such as the provision of more affordable housing and their joint Clean Team.

The Audit Commission once described Essex's public service landscape as "the most complex in Britain". Therefore the county has set about changing the delivery of its public services. Its first step was the appointment of the County's Chief Executive to Conservative led Brentwood Borough Council becoming one of the first counties where its Chief Executive had the same role in one of the district councils. Sharing a chief executive is becoming more common amongst Conservative administrations as the arrangements testify between Adur District Council and Worthing Borough Council (April 2008), Cotswold and West Oxfordshire District Councils (October 2008) and Havant and East Hampshire District Councils (September 2009).

In another innovative move, High Peak stopped accepting cash or cheque payments at all in its offices and thereby reducing costs by 30 per cent. Since the new process was implemented High Peak has generated over 1.1 million payment transactions, and collection statistics have improved year on year with the biggest gains delivered in the reduction of arrears levels.

Essex has saved £200 million by outsourcing many of its office functions to the private sector. It is also supporting local small businesses by opening a new municipal bank, the Bank of Essex, in partnership with Santander, and is launching a new social care company that could work with other councils or public sector organisations.

Lincolnshire County Council has also teamed up with a private partner, Mouchel, to outsource nearly all its back office functions. The original contract, signed in 2000, saved more than £50 million and brought a £7 million investment in IT. The contract has now been extended on the basis of continuing 3 per cent cash efficiencies.

Kent has reduced its transactional costs by leading the way in e-government, delivered more than £300 million in savings and increased the county council's income through commercial activities such as selling the council's legal services.

After years of pruning bureaucratic costs, Westminster Council's Leader, Colin Barrow, has created an internal strategic executive board that commissions services from the rest of the organisation.

This challenges traditional working practices and has made officers ask questions about their own method of working; 271 posts have been made redundant already and the council expects that this will rise to 400 in the next three years.

Cashless parking is another Westminster innovation. It found that traditional meters attracted criminal activity, were expensive to administer and demanded considerable manpower. Colin Barrow explained "We found that a whole floor in City Hall was used to house people counting £1 coins," Since moving to cashless parking, employment costs have been reduced and that floor has been let out, earning the Council £500,000 each year. The Council also brings in money by selling its expertise in this and several other areas to other organisations.

In Hammersmith and Fulham the Council has joined forces with a strategic partner, Agilisys, to set up a joint venture company to deliver IT services to the Council and to the public sector across London. So far the venture has saved £10 million and the company is projecting that it will bring in new business of just under £1 million of which some £250,000 is already realised.





# Innovation and Transformation

Saving money by eliminating wasteful practices means that councils can do more for their priority services.

For example, Essex has rescued its post offices and been able to give £100 council tax rebates to some 30,000 low-income families and pensioners.

Kent has transformed their education and skills agenda, particularly in the technological and vocational sector. 5,500 young people aged 14-16 are now in vocational courses; more than 1,000 have public sector apprenticeships; and the council has made a significant investment in advisory support for schools. They can also offer free bus travel to all 11-16 year olds to encourage greater choice in educational provision and to encourage them to get out and about. The results are that nearly three quarters of students in Kent gained five GCSEs at A to C grade – 5 percentage points above the 2009 national average; the number of failing schools has been cut from 16 to three; the proportion of young people who are not in education, employment or training has dropped by some 11 per cent and the council has expanded their special school provision.

Westminster has completely reviewed its support to vulnerable families. It found that 3 per cent of families consume some 80 per cent of social services spending; targeted intervention in the lives of these families is yielding better results for them and has the potential for major savings.

Under the usual system families on the border of social exclusion can be subjected to multiple interventions from several professionals over the course of years. The results of failing to solve their problems are depressing and the cost to the taxpayer is immense. A targeted intervention on behalf of various services – housing, mental health, community protection and so forth – in one referral can save hundreds of thousands of pounds in a single year. Westminster's Family Recovery Programme is using this model to deliver better outcomes and make long-term savings.

The present Government's approach to recycling is the big stick of extra taxation. Windsor and Maidenhead Council, however, has shown that offering the carrot of rewards improves results. It has developed the UK's first incentive-based recycling scheme; residents earn reward points based on the amount that they recycle. These points can be used to at shops such as Marks & Spencer or donated to charity. Another good feature is that it means that the council can guarantee its residents a weekly bin collection. The council's other innovations include auctioning the best commuter car parking spaces on eBay and becoming one of only three authorities in the country where electronic books, including audio books can be downloaded from its libraries.



## Informing and responding

David Cameron has promised that any government of his will understand the importance of communicating the information that citizens need to choose how and where their money is spent. He describes his politics as rooted in the post-bureaucratic age. By this he means that, as modern technology opens up paperless communication, substantially more information can enter the public realm. New technology behind blogs, Twitter, iPods not to mention the World Wide Web, emails and mobile phones means that information is not the exclusive preserve of the political hierarchy of MPs, councillors and/or officers. It follows that control over information should be slackened so that people can have as much information as possible on which to base their decisions.

Having the ability to reach and engage people in their homes and offices is also an important extension of the localist approach.

Devolution does not mean devolving down just one step. David Cameron explains:

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**Our philosophy of progressive conservatism – the pursuit of progressive goals through Conservative means – to reverse our social atomisation by giving people the power to work collectively with their peers to solve common problems. To reverse our society’s infantilisation by inviting people to look to themselves, their communities and wider society for answers, instead of just the state. And, above all, to encourage people to behave responsibly... because they know that doing the right thing and taking responsibility will be recognised and will make a difference. So I believe there is only one way out of this national crisis we face. We need a massive, sweeping, radical redistribution of power. From the state to citizens; from the government to parliament; from Whitehall to communities. From Brussels to Britain; from judges to the people; from bureaucracy to democracy. Through decentralisation, transparency and accountability we must take power away from the political elite and hand it to the man and woman in the street.**

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26 May 2009

Local government is already showing how greater transparency can be achieved. Statutory members of local strategic partnerships are already obliged to demonstrate value for money and to show how they are carrying out their duty to involve their public; now many Conservative councils are taking the extra step of showing how public money is being spent.

Windsor and Maidenhead recently became the first council in Britain to publish all payments to suppliers over £500, while all of its councillors' expense claims are scanned and published; Mid Sussex has just followed suit. At the Greater London Authority, Boris Johnson has instructed that all items of expenditure over £1,000 are published online, alongside the details of members' expenses.

In Hammersmith and Fulham the emphasis is on low-cost, high-quality communications. It has launched its own YouTube TV channel and localised neighbourhood communications.

In *People, Perceptions and Place*, Ipsos MORI shows that there is a positive correlation between information and satisfaction levels with a council.

It also says the key factor is not simply telling people things but listening to them.

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**Analysis we have conducted elsewhere has suggested that feelings of influence are more strongly related to positive outcomes in local areas than actual involvement in specific activities or initiatives.... These findings suggest that councils are likely to have a greater impact on feelings of influence and other perceptions by communicating and demonstrating positive change on factors that are important to people, rather than focusing on core active involvement measures that reach fewer people.**

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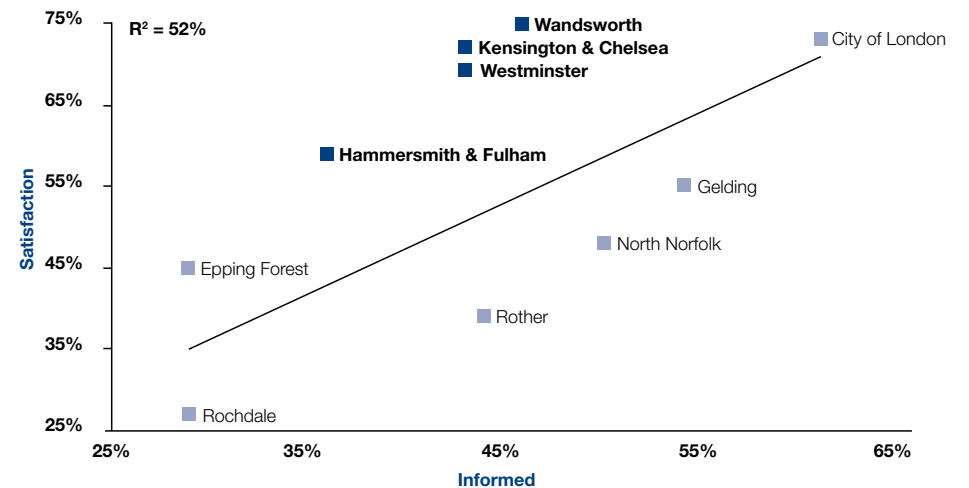
*People, Perceptions and Place*

Westminster has built its communication strategy around continually surveying its residents, staff and young people and then responding to them through their 'You said we did' campaign. Similarly, Trafford has adopted six priorities that are based on what its residents have told it on the doorstep and in surveys.

East Sussex emphasised the importance of communicating constantly both internally and externally. Edward Lister, Wandsworth's Leader, told the meeting on 10 September "We have always followed a business-style approach of seeking to understand what our customers want. So we put a lot of time into market research and survey. ...this allows us to develop pictures of local priorities and mould services to fit...surveys can give us useful fine-grain information on public attitudes to various service decisions".

This feeling of involvement is significant in turn to improving the public's perception of their council. No council that communicates well is poorly rated by their constituents. Conservative councils have high satisfaction levels (see graph, below); Wandsworth, Westminster and Hammersmith and Fulham really stand out. The latter authority has increased the resident satisfaction rate by 6 per cent since 2006, bucking the trend which on average has seen the satisfaction levels with London authorities fall over the same period.

### No councils that communicate well are poorly rated overall



Base All valid responses, 131 authorities, Place Survey 2008  
Ipsos MORI

Source: Ipsos MORI



## Better working

One of the best and most useful examples of progressive conservatism can be found in councils' willingness to work collaboratively.

There is much duplication in local government, especially in back office services. However, several councils are now making considerable savings by combining their back office services.

For example, Lincolnshire's County Council and its seven districts have formed a shared services partnership that saved them about £4.2 million by the end of the 2007/8. The eight councils collaborated in areas such as training, procurement, and ICT support as well as three frontline services.

East Sussex has risen from being a one-star council in 2001 to a four-star council in 2009 while delivering £165 million in efficiency savings. This has been achieved by combining its back office services with those of other councils and public services and insisting on a more transparent budgeting process.

Funding priorities are set according to declared policy priorities then clearly communicated both internally and externally. Each department is responsible for its own cash allocations; overspending has to be reconciled but departments get to keep anything that they save, giving them an incentive to perform better. Deputy Leader of East Sussex, Anthony Reid, told the meeting

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**“Annual budgeting became a non event as people knew ahead of time what to expect”.**

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He added “officers know where they are” and they found that there was a shared discipline between the political and corporate team to make decisions and stick to them.

Windsor and Maidenhead lists amongst the catalysts for improvement the fact that the Chief Executive is incentivised by performance related pay, based on delivering low council tax. Their executive too has their performance related pay paid for out of savings they have achieved in their departments.

Westminster Council's Work Smart Programme means that one department sees licensing applications through from start to finish. This has produced a more responsive service and saved £769,000 a year by removing unnecessary posts. A similar unifying approach has been applied to street management. Now there is one team working to form a single shared view of an area. It makes sense and has saved Westminster nearly £800,000 a year. Libraries have been made self-service and dealing with licensing appeals are done in-house rather than using an external solicitor. "[Doing] little things which add up to £200,000 here and there... is part of the culture of Westminster," Cllr Barrow said. "We do things well and as efficiently and effectively as possible. Value for money is the issue, not ruthless cost-cutting".

What is most clear from these examples, however, is that there is no silver bullet or single solution when it comes to achieving substantial savings. Councils' experience shows that, more often than not, the key is bringing together many different initiatives that culminate in a true culture change by creating a culture of great efficiency.

Not every solution outlined here will suit the circumstances of all councils. Indeed Staffordshire Moorlands and High Peak District Councils and Lincolnshire County Council made the point that in rural areas the council can be the biggest employer, thereby having a greater responsibility to the local economy than some urban councils. But there was agreement on one point: that taking a strategic cross council approach to service delivery yields savings in more efficient working.

## Example of better working

### Authority

### Action

#### Essex

Broke down administrative silos; restructured organisational networks; encouraged more commissioning; combined libraries with customer contact centres.

#### Greater London Authority

Negotiated better deals with suppliers to the police forensic service and improved internal business processes; restructured the mayor's office; streamlined the staffing structure at the London Development Agency; scrapped the Londoner newspaper.

#### Hammersmith and Fulham

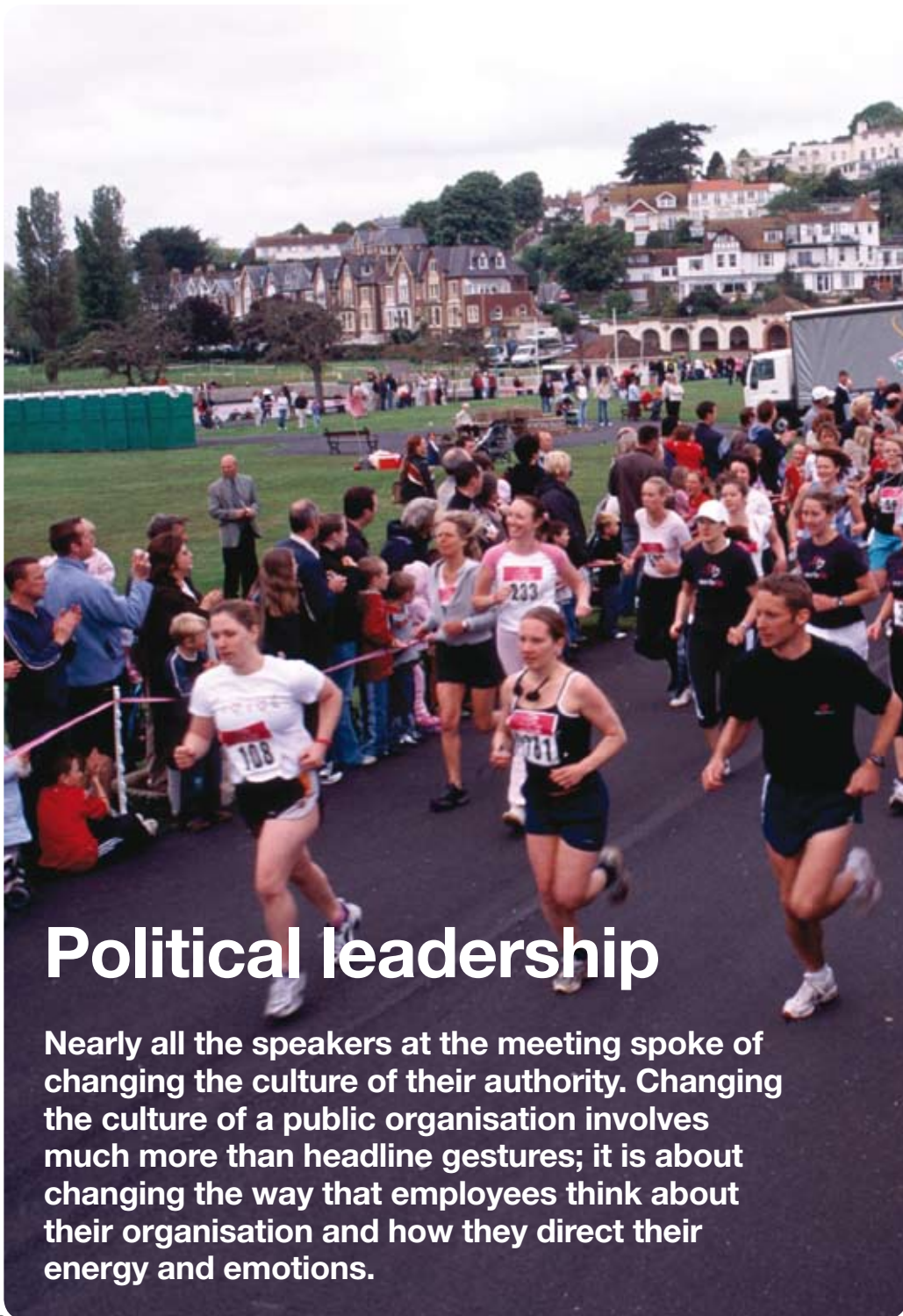
Customer service reception points have been moved into one point; developed online processes for council tax, parking and housing benefit payments; combined staff for housing, adult care and children's services; cut a number of communications jobs.

#### Trafford

Made savings in procurement and asset management; combined services.

#### Westminster

Simplified the licensing process for businesses and residents; freed up space by encouraging flexible working, then let out that space for extra income; brought in cashless parking.



## Political leadership

Nearly all the speakers at the meeting spoke of changing the culture of their authority. Changing the culture of a public organisation involves much more than headline gestures; it is about changing the way that employees think about their organisation and how they direct their energy and emotions.

It is about being incentivised to go the extra mile to further public services. In other words, it is about changing the habits of mind within the authority to encourage collective ambition and shared good practice.

It is up to political leaders to encourage that positive culture change. Good political leadership manifests itself in an ability to set a strategic direction that is based on a clear vision and a total belief in the values on which political priorities are set; an ability to communicate messages to a wide range of interested parties; determination and ability to ensure that people keep to the course. It demands from leaders resilience, conviction, good communications skills, considerable know-how and, above all, energy. As Alex Williams, the Deputy Leader of Trafford, says:

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**“We need to constantly re-energise our civil servants, to motivate them and to incentivise them in order to deliver”.**

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It is “hard graft” added Linconshire’s Leader Martin Hill.

It was fully recognised that politicians would not be able to reorganise services without the co-operation of their officials. Best practice is achieved when both politician and official work together effectively. They have complementary but different roles. Broadly, the role of officers is primarily administrative; they are responsible for implementing policies. It is up to politicians, on the other hand, to set the authority’s strategic direction and communicate their priorities to the electorate and to staff. This calls for articulation of values and clear administrative goals. This is particularly important if politicians are asking for a significant change in direction or working practices.

Cllr Barrow Leader of Westminster said:

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**“Know what you’re about...Council officers are human beings; they need to know what it is you are asking them to save money for.”**

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Behind Westminster's Living City brand is therefore the belief that responsive intelligent public services are in fact efficient services.

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**“If people do not understand a service or come away from a council office confused then we are doing something wrong”.**

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The political priorities of the Leader of Hammersmith and Fulham Council, Stephen Greenhalgh, were exhibited in a highly visible way. He conspicuously associated himself with the message of lower council tax through a highly-effective publicity campaign and by insisting that his approval was sought before any new member of staff was taken on. He set the tone by dismissing all political officers and ensuring that there was no retinue of advisers. Windsor and Maidenhead have followed his example; all vacancies are scrutinised by the cabinet before they are filled.

Maintaining group unity is highly important task for any political leader, says Edward Lister, the Leader of Wandsworth Council. The vital ingredient in consistent success is stable control and involvement of the whole team. He holds cabinet meetings every fortnight, at which the cabinet gives its informal agreement to any major policy changes, capital projects or revenue developments worth more than £50,000.

Sensitive issues are always reported on to the party group for discussion and agreement before being fed into the formal approval process. Equally, Wandsworth has stuck with the traditional committee style system; all decisions can be debated and scrutinised by seven overview and scrutiny committees. He added,

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**“Keeping this system has ensured full group involvement, with open and transparent decisions. It has given all elected members a chance to have a say”.**

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Investment in political leadership is an area not to be overlooked. There are a number of initiatives that have been established over the last few years to increase the development opportunities available to politicians working in local government. The Leadership Centre runs two programmes: Next Generation, now in its fourth year; and the Leeds Castle leadership programme and also has experienced politicians trained in coaching techniques to support leaders.

Next Generation offers Conservative councillors of cabinet or equivalent level, tailored training in political leadership and organisational development techniques. The programme is developed within Conservative party traditions by party political experts. The Leeds Castle leadership programme is designed to develop chief executives and leaders. The IDeA also runs the acclaimed cross-party Leadership Academy for backbench councillors.

At a time when all the main parties are espousing localism now more than ever the value of political leadership must not be underestimated, so programmes such as these are vital to ensure present and future local government leaders are better-equipped to bear the expectations of their Party and more importantly the public.

# Conclusion

Cllr Colin Barrow  
Leader, Westminster City Council

**Thanks to the terrible management of the public finances under Gordon Brown there is no doubt that we are moving into an era of austerity, with reduced public spending and reduced incomes for local authorities. Hard decisions will have to be made, priorities will have to be reconsidered and spending must be curtailed. Conservative councils are in the best possible position to rise to this challenge.**

However, it's not going to be easy. Local government is awash with worthy but competing priorities. Residents' expectations of the local council have never been higher. There are a number of issues facing our communities that have to be tackled from town and city halls: housing shortages; a population that's living longer and thus placing a greater demand on social services; rising unemployment; falling confidence in public services; and the ever-increasing pressure on child protection services.

As we have seen from the examples in this publication, up and down the country there are Conservative councils that, even before

the recession, were driving out inefficiency and reducing back office costs so that they could reinvest in the frontline services, making life better for their residents. County councils such as Lincolnshire and Kent have partnered with the private sector to outsource and improve back office systems. This publication also features other examples, too, of new Conservative councils offering strong leadership to deliver change against the odds; just look at Hammersmith and Fulham Council, which has reduced council tax by 3 per cent in the three years since the Conservatives took control.

I suggest that Conservative councils need to do three things to continue to improve:

## 1. Concentrate on the things that make a real difference

Councillors need to be clear about what we offer residents and to remain focused on the main job. It's not simply about doing everything at the cheapest price or having the lowest council tax; our job has to be to offer the best possible services to our residents. It is certainly possible to do both – look at the way in which East Sussex has saved £165 million while making the journey from one star in 2001 to four stars today.

## 2. Have fewer, better officers

For example, at Westminster we have developed a programme that pulls together all officers working with our vulnerable families to ensure that there is a joined up service for each family. It's not a bunch of middle managers passing paper around – it's frontline staff working closely with senior managers to support and challenge the families that use the majority of our services.

## 3. Focus on results

To be efficient we must concentrate on what we deliver and measure ourselves accordingly. Residents are not interested in who we worked with or what we are working towards. They want to know what we did and, ultimately, what we delivered.

The other thing to remember is that efficiency breeds innovation. Councils can encourage innovative solutions to the problems they face by asking good officers to find ways to deliver both priorities while saving on costs. Whether the result is sharing services with the NHS, police and other boroughs, as at Staffordshire Moorlands District Council, or finding new ways to deliver services more cheaply, as Essex has done, such solutions only come if you make efficiency part of your council's DNA.

Since Labour came to power, average band D council tax has more than doubled, rising from £688 in 1997 to £1,374 now. Pensioners are spending almost £10 per week more on council tax than they were in 1997; I believe that all councils have a duty to spend council tax as carefully as the pensioner out of whose pocket it may have come. The councils showcased in this booklet, along with many other successful Conservative administrations up and down the country, offer residents first class services at the lowest possible cost. It can be done.





The Local Government Association is the national voice for more than 400 local authorities in England and Wales. The LGA group comprises the LGA and five partner organisations which work together to support, promote and improve local government.



Leadership Centre for Local Government  
Local Government House  
Smith Square  
London  
SW1P 3HZ  
**Switch 020 7187 7388**  
**[www.localleadership.gov.uk](http://www.localleadership.gov.uk)**

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