

N L G N

NEW LOCAL GOVERNMENT NETWORK



# A Conservative Future?

New ideas on local governance

**Edited by James Hulme**

With contributions from Justine Greening MP, Cllr Colin Barrow,  
Cllr Stephen Greenhalgh and Cllr David Parsons

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New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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## *About the Authors*

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Justine Greening has been MP for Putney since 2005 and was previously a local councillor in Epping. In December 2005, she was appointed as a Vice Chairman of the Conservative Party, with responsibility for youth. In July 2007, Justine was appointed as a Shadow Minister for the Treasury. In January 2009, Justine was appointed Shadow Minister for Communities and Local Government by David Cameron.

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Stephen Greenhalgh was first elected to the London Borough of Hammersmith and Fulham in 1996 and became Leader of the Council in 2006. He is currently Managing Director of BIBA MEDICAL Ltd, having spent four years as Principal Management Consultant at PricewaterhouseCoopers.

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David Parsons has been Leader of Leicestershire County Council since 2003. Before this he was Leader of Blaby District Council. He is also Chairman of the East Midlands Regional Assembly (EMRA), one of eight English Regional Assemblies outside London and Vice-Chair of the County Councils Network (CCN).

## *Introduction*

Whilst this decade has seen two General Election defeats for the Conservatives, local government has provided it's salvation. From its nadir of the late 1990s, the Conservative Party has rebuilt its standing and representation in councils throughout the country. Today, the map of council control is starkly blue, particularly in England. The party holds more councillors than Labour and the Lib Dems put together and controls the largest directly elected post in Europe: the Mayor of London.

In policy terms the party has also often been at the forefront of innovation at a local level. London Boroughs such as Wandsworth, Westminster and Hammersmith and Fulham have become synonymous with offering value for money services, whilst Kent County Council has stepped in to save local Post Offices threatened with closure, and Essex County Council has led the way on new forms of community banking following the credit crunch.

Furthermore, if the opinion polls are to be believed, the Conservatives are on course to finally win a General Election within the next year. What will this mean for local government? David Cameron has been assiduous in his desire to embrace localism, and as a former Shadow Local Government Minister, albeit for a relatively short period, he will also be aware of the sector and have a good intuition of where he wants changes to be made. The Shadow Chancellor, George Osborne, has also praised the work of Conservative councils and suggested that their actions will become the basis for a Tory Government, stating that a "Conservative Whitehall will have much to learn from Conservative town halls". However, political parties tend to sound more devolutionary in opposition and can be prone to withdrawing to the comfort of central control once in power. So what will the Conservatives do?

The party's main vision for local government is set out in its *Control Shift* policy document published in 2008, which sets out how the Conservative approach to local policy making and delivery will be implemented in government. For a party that is sometimes accused of lacking policy detail it is a comprehensive document that promises significant changes to the ways in which housing provision is allocated, council tax is decided and

new models of local leadership. Intriguingly, there are also parallels with Labour's manifesto in 1997. The pledge to introduce more directly elected mayors mirrors that of Labour's, and David Cameron seems to share a zeal for the model that Tony Blair had in the late 1990s. It is less clear whether Mr Cameron has developed a clear strategy on how to win over an often sceptical public and convince them to vote 'yes' to create a mayoral structure in the first place. Moreover, Mr Cameron's often stated desire to limit the scope and number of quangos and devolve their powers and budgets to local authority control mirrors a similar pledge made in 1994 by the then Shadow Chancellor, Gordon Brown.

*Control Shift* is made up of small but sensible ideas and rather amorphous aspirations, but it provides a clear road map of how the Conservatives are likely to govern. NLGN has provided a greater analysis of the document in its publication, *Control Shift: Alt, Insert or Delete*, available to download at [www.nlgn.org.uk](http://www.nlgn.org.uk). This essay collection however builds upon many of its ideas of how Conservative administrations – local and national – can make localism a practical reality. We are fortunate to have contributions from a group of leading Conservative politicians offering new ideas on democratic accountability, financial reform, business support and partnership working.

In his essay, the Leader of Westminster Council, Colin Barrow sets out in practice how local action is helping to support local citizens and businesses during the economic downturn in his borough. This form of active localism is inspiring, as is his call for local authorities to be entrusted with greater responsibility around health, policing and employment by future governments.

We are delighted to have the thoughts of Shadow Local Government Minister and MP for Putney, Justine Greening on Conservative plans to devolve power from regional governance structures to a more local level. Her comments on changes to local authority finance will no doubt cause much debate within Town Halls around the country, but it is refreshing to see a national politician stick their head above the parapet and offer new ideas on an often vexed subject.

Council Tax, and how it can be reduced, is the focus of the contribution from Cllr Stephen Greenhalgh, Leader of the London Borough of Hammersmith

and Fulham. Something of a poster-boy for efficiency minded Conservatives, Cllr Greenhalgh's ideas have become a blueprint for many councils wishing to achieve greater value for money services and lower Council Tax.

Finally, Cllr David Parsons, Leader of Leicestershire County Council offers a useful analysis of partnership working, often based upon the very practical experiences of working with varied partners within Leicestershire. With efficiency savings necessitating a greater need for cross-partner and cross-budgetary working, his thoughts are especially important.

The New Local Government Network has been campaigning since its formation in 1996 for a more devolved constitutional settlement that gives local leaders a greater role in defining and running local public services. We work with a range of political parties to provoke debate and new ideas that will bring people closer to politics and deliver better government, both locally and nationally. We hope that this pamphlet helps to enhance some of these debates and provides much food for thought.

**James Hulme**  
**Head of Communications**  
**New Local Government Network**

# **1** *What does localism mean to the Conservatives?*

## **Cllr Colin Barrow, Leader, Westminster City Council**

What does localism mean? The word, taken alone, would not be out of place on the Local Government Association's (LGA) list of examples of local government jargon. Localism could quite legitimately be viewed as one of those inaccessible concepts that means nothing to the local resident or business person, a word only used by those local government insiders who speak in a language incomprehensible to the rest of us.

In practice, however, there are plenty of examples throughout Conservative councils of localism in action. Examples where individual councils have taken direct action to address an issue of importance to people living and working in the local area. That's what localism means to me. And while the economic downturn has meant a reduction in income through charges and interest for many councils and will undoubtedly mean stricter grant settlements in future years, it also offers the opportunity for us to come up with innovative ways of supporting our local residents and local economies.

That's what we have done at Westminster City Council. Our City Recovery programme, launched in October 2008, is a broad package of measures to help local residents and businesses stay on their feet throughout the recession. We have teamed up with a number of public and third sector partners to provide targeted support for those of Westminster's 244,000 residents who are feeling the pinch. This is essential when you consider that a study by London Futures in late 2008 found that Westminster was one of the top three places with the most workers in vulnerable jobs. We acted quickly to develop a local response to a national issue to ensure that, in our limited remit, we were able to lessen the impact of recession on our residents.

The 15 point programme covers three broad themes: local jobs, local training and local businesses. It is an example of localism in action. We are doing what we can to support local families and local business people through these tough times.

In recent months we have secured over £800,000 in match funding to support the Westminster Works programme, which went live in May. This service links Westminster job seekers to training, job search support and sustained employment. We also intend to back this initiative with £1.2 million worth of funding that we were recently awarded by the Child Poverty Unit. This will allow the council to support those trying to get back into work with affordable childcare which is at a premium in Westminster and often makes getting back into work prohibitive for some of our residents.

We have also led other London boroughs and public sector organisations to support the establishment of the London Apprenticeship Company. This is a pan-London scheme, developed from a successful Australian scheme, whereby host employers pay the company a fee for the use of an apprentice, comprising their salary plus a small service fee. In return, they do not have to deal with the payroll, probationary reviews or pastoral care of the apprentice as this is all dealt with as part of their service fee. This scheme allows Westminster apprentices greater continuity of employment and the chance to get some varied experience with different employers. While involvement in this scheme undoubtedly allows Westminster the opportunity to offer local opportunities to local residents, it is also anticipated that, within five years, the London Apprenticeship Company will employ and train over 1500 apprentices, making a 10.29% contribution to the London regional target.

Our response to the recession is not simply about finding jobs for our residents, it's about supporting Westminster businesses to try to prevent further redundancies. I make no apology for the £250,000 package of support that we have offered to the West End through the West End Marketing Alliance to promote the West End at a time when the retail sector is in real difficulty. Many of the outlets in the West End provide jobs for Westminster residents and visitors to the West End support the many smaller, independent restaurants, bars and shops in the centre of Westminster.

We are also doing our bit for those local shopping centres that may not immediately spring to mind when you think of Westminster. However, areas such as the Harrow Road, Praed Street, Church Street and Tachbrook markets are the lifeblood of their own individual communities and need support. As part of City Recovery, we have launched a new street market on

Harrow Road and improved the street environment on Praed Street to try to draw people to the area and keep businesses afloat. Through our Civic Streets programme we will be consulting with local councillors and residents to continue these street improvements in other community shopping areas that are particularly vulnerable to recession.

The examples that I have cited, while not exhaustive, illustrate how Westminster City Council is taking a local approach, using the scope that it has, to support our residents and businesses through the recession. We are working at a number of different levels, with local and regional, public and private organisations to deliver specifically tailored opportunities for our residents at this time of unprecedented economic uncertainty. However, I think I speak for most local authorities when I say that we could do so much more if the straitjacket of control from central government was removed.

The raft of measures brought in by this Government, sucking local government functions back to the centre, has left local government pretty much bereft of any ability to innovate and introduce local measures to address local issues. The spirit of the well meaning Sustainable Communities Act has been drowned in miles and miles of red tape. It seems to me that any council trying to deliver change for residents through the Sustainable Communities Act will spend an awfully long time going precisely nowhere if they try to effect change which will in anyway diminish central government control over local democracy.

As the Communities and Local Government Committee's investigation into the balance of power between central and local government has recently reported, for all the rhetoric of this Labour Government about localism and empowering communities, it has done nothing to reverse the trend of taking power from local government and hoarding it in the centre.

We have had endless initiatives intended to encourage people to be more involved in local politics and aimed at giving them more say over what happens in their own area. Countless white papers have come out of Eland House, each of them paying lip service to local and community involvement with action plans for community empowerment, calls for action and even a community empowerment unit being established. This does nothing to

encourage local people to get involved in decision making in their local area as ultimately there is little to influence.

Put simply, money talks. If any future government is serious about encouraging localism, then financial reform has to come first. Three reports, the Layfield report in the 1970s, the Lyons report in 2007 and the CLG Committee report published in the last few months, have all now encouraged shifting the balance of power towards local government and have been (or will be) ignored by the government of the day. However, localism can only thrive when there is greater local autonomy and accountability.

There are a number of open goals that the government, or any future government, could aim at if it really wants to show a commitment to delivering localism. The current business rates regime, for example, has severed the link between the business community and local authorities who are largely responsible for maintaining and improving the business environment. At a time when we are encouraging businesses to become more involved in their areas through Business Improvement Districts and other partnerships, it makes no sense that their tax regime is so centralised.

But it's not enough for councils to snipe from the sidelines as we all know that the Town Hall is as prone to centralisation as Whitehall. Westminster's Neighbourhoods Programme is just one of our responses which puts our views on localism into practice. Each of our twenty wards has a £100,000 budget to spend as the ward councillors, in discussion with residents, see fit to address local issues. This programme, which has now been operating for 18 months, has encouraged local residents to get involved and give us their views about what needs improving in their local area. Projects that have been financed out of the Neighbourhoods Budget range from dog obedience classes in the north of the borough, to "silver surfer" computer classes in St John's Wood, to additional youth provision during the holidays in the south of Westminster. If central government followed our lead and devolved power to local authority level, we would be able to do so much more.

At present, in my view, local government is in danger of becoming a talking shop, full of abstract concepts, measuring a raft of indicators over which it has very little opportunity to influence or prioritise. Westminster City Council

is a four star authority, with a well-deserved reputation for innovation and efficiency that can't be matched by any central government department. However, apparently we can't be trusted with managing public services in the local area, and yet we are judged on it through Local Area Agreements (LAA) and Comprehensive Area Assessment (CAA). Shouldn't we have a say in deciding the priorities of local police, local health services and the local JobCentre? After all, local residents can vote with their feet if we get it wrong in a more immediate, responsive way than is possible when such services are solely in the control of other, more remote, public bodies.

In Westminster we are fortunate that we have developed good relationships with NHS Westminster and our local police chiefs. We are working closely with them and other public sector partners to see how and where we can unify public services to deliver better, more efficient services for our residents. We are doing this despite a lack of support from central Government. I hope that this will be a road that the future Conservative administration will encourage local authorities to travel down. I was encouraged by David Cameron's speech recently, on the future of Parliament, in which he said "We should start by pushing power down as far as possible, wherever possible. But it's not always possible to give power back to individuals, and in those cases, we need to do the next best thing: redistributing power to neighbourhoods and local government."

The Government would argue that such an approach could create a "postcode lottery" with residents in a borough with an impressive local authority receiving better health and police services than those elsewhere. However, is this really a bad thing? It is no different from the current state of play whereby performance depends on the leadership of police commanders or PCT Chief Executives except that we, as councillors, are accountable to our local electorate and can be sacked come election day if we are not perceived to be doing a good job. Surely this is what localism should be about? Increasing local accountability and involvement in decision making while driving up standards of public service.

Conservatives are serious about localism and, here at Westminster City Council, we have targeted services in order to address local issues. Unfortunately local government has continuously been unfairly portrayed

by this government as incompetent and not to be trusted despite a wealth of evidence to the contrary. I look forward to the day when a Conservative Government redistributes back to local authorities the massive amount of power and money that has been sucked away from ordinary people and into Whitehall so that localism can exist in practice rather than just in theory.

## 2 *Why localism works*

### **Justine Greening MP, Shadow Minister for Communities and Local Government**

Local government under Labour has become an oxymoron as a term – it is government, but not that local anymore. Instead all too often government happening locally is dictated by Whitehall. Whether it is disastrously ineffective top down housing targets or a myriad of required strategic plans that have to be sent up to Whitehall, over the past decade it is increasingly central government that sets more and more priorities for local services and not local government. This has been the wrong direction of travel because in its place should be local communities setting their own priorities and local authorities responsible for delivering them.

Under a Conservative government, local government would once again truly become local. Gone would be the plethora of regional government that suck powers away from the communities and their elected councillors best placed to take decisions. No more Regional Assemblies and a cull of the voluminous regional quangos. Under Labour people got more government. In fact what they really want is not more, but better government. The cost of Labour's failed regional government experiment has been massive – regional government costs £13bn a year – a huge rise since 1997.

It is time to have investment directed and decided right at the grass roots level. It's the only way that we will get better balanced decisions that work for the long term. Britain today is more diverse than ever before and communities and priorities change faster than ever before. It's simply impossible for the Whitehall centre to retain its grip on what it believes to be best for communities, even if it wants to. That's why Labour has failed. In its desperate attempt to try to work out and justify which communities are most needy and most deserving, it has come up with ever more complicated initiatives and formulas to apportion the cash. Putting the government machinery in place both at local government to provide the data and outcomes and at Whitehall to monitor what's happening costs the taxpayer

a fortune – and all because Ministers have no trust in local democracy to debate and decide on local issues and then see local authorities deliver on them.

Just as bad for councils, funding has become a zero-sum game – if councils don't make their case for more money to Ministers, they lose out. If councils actually deliver some improvement for their communities and regenerate areas, then their reward is to stop ticking the deprivation indices boxes – and with Ministers, fewer ticked boxes means less cash. Councils are effectively means tested and ultimately penalised for doing better and improving their communities. It isn't therefore surprising that with less and less ability to tailor decisions locally, and penalties for doing well, that we haven't seen more of our local authorities and their communities enjoy the regeneration potential that some have across the country.

What is needed is a complete change of ethos. We need an ethos for local government that will set local authorities free. Local authorities will be freed from the frustration of constantly being told exactly what to do by Whitehall. The new ethos will set some real challenges, but with that comes huge opportunities.

With the regional tier government slimmed down and decisions pushed to the local level, communities will at last get a chance to take their own decisions and strike a balance of priorities that suits them, not the politically driven priorities of Ministers.

However, with more power for local authorities also has to come more accountability. For councils that don't stay in touch with priorities, residents and communities will have more ability to hold local authorities to account. That's why an incoming Conservative government will let residents have a vote on inflation-busting council tax rises – it should be their choice whether or not to cap, not the Local Government Finance Minister's. We will also give residents more ability to change decisions through local petitions.

For councils and communities we also need to change the financial environment that councils work in and their relationship with national government. Instead of Labour's top down targets, used as sticks to beat

local authorities, we will move to local incentives, that reward councils and communities for taking responsible decisions.

That's why we will be matching the extra council tax that local authorities get when they create more housing to meet their community needs. The days of forcing housing targets on communities should be over. When it comes to regenerating communities and creating jobs, we need to make sure that extra business rates can be kept by local authorities that are successful in getting new businesses and jobs into the area. No complicated formulas as we have right now with the Local Authority Business Growth Incentive Scheme. Instead, sensible, understandable incentives that allow local authorities to keep more of the extra business rates their areas generate in the first place.

Best of all, the areas that stand to benefit most from these changes are those that have the greatest potential to regenerate, and surely that is the smart local government framework to give local authorities the freedom and incentive to encourage businesses to create jobs and local facilities.

All of this will produce a steady sea change in local government. It will empower local representatives and empower local communities. We will see best practices emerge as different approaches are tried in different communities. We will also see greater pressures on local authorities to come up with innovative, balanced proposals to deliver services and improve local quality of life. For some local authorities it will be a brave new world having no more comfort blanket of top down Whitehall targets, but overwhelmingly the councillors we talk to say they are desperate to be allowed to get on with delivering excellent services free from interference. A future Conservative government will put its faith back in local government. We know that we can only expect to see local government make the difference local communities want if we once again place real trust in it, and that's exactly what we plan to do. Local communities do know best, and that's why localism works.

### 3 *Localism and Economic Development*

**David Parsons CBE is Leader of Leicestershire County Council, Deputy Leader of the LGA's Conservative Group and Chair of the LGA Improvement Board.**

For those people who don't know Leicestershire, it is a county of small to medium sized towns and hundreds of villages with Leicester City at its centre. Leicester is a unitary authority of nearly 300,000 people while Leicestershire has a population of some 660,000 and is two tier with seven district councils.

Leicester and Leicestershire is a single functional economic area with the city's travel to work and housing market areas encompassing most of the county. This interdependence requires a joined up policy response to drive improved outcomes for many areas particularly economic development, transport and housing. Unfortunately the cooperation between the city and county councils has not been sufficient to deliver these improvements effectively until recent years.

My colleague Ross Wilmott was elected as Labour Leader of the City Council in May 2007. Despite our political differences we have been able to jointly lead a process of much closer working that has put in place new joint arrangements to improve the economy of the sub region.

The recently completed Warwick Consortium Inquiry visit found:

*'The leadership shown by the two council leaders in Leicestershire and Leicester City and the mature relationship they developed has helped the Multi Area Agreement (MAA) development. There is also a good team in place in both councils and the vision of the leaders is supported by the councillors who are now on the Economic Development Committee (EDC) and by lead officers in the two authorities.'*

At the head of the new arrangements is a Leadership Board jointly chaired by Ross and myself which sets strategy and agrees the commissioning

framework and funding allocations. Five strategy and performance groups develop policy and design services for transport, employment/skills, business/enterprise, housing/planning/infrastructure and rural areas.

The Leadership Board held its first meeting in October 2008. It has five other members: one district council leader chosen by the district councils; representatives from Homes and Communities Agency, East Midlands Development Agency (emda) - our Regional Development Agency - the voluntary sector and the business sector. A crucial element has been the establishment of a business council bringing all the business organisations together.

The Coordination Group is the executive arm of the Leadership Board. It has the chairs of the strategy and performance groups, a representative from the EDC and is jointly chaired by senior officers from the county and city council. The role of the group is to provide the support function for the Leadership Board and oversee the preparation of the sub-regional strategy, the MAA and the commissioning framework and to consider projects for funding.

A joint Support Unit hosted by the City Council co-ordinates activity across this structure. A new economic development company - PROSPECT LeicesterShire is one of our main delivery vehicles. The EDC comprises three principal delivery arms:

- Regeneration: delivering masterplan-led regeneration in Leicester, our five Sustainable Urban Extensions and town centres.
- Inward Investment promotion and marketing: links will be maintained with emda's regional investor development project, which will co-locate into shared office space.
- Business Services: promoting enterprise development and innovation, ensuring (through direct development or project management) an adequate supply of serviced workspace and incubation facilities.

So what lessons for national policy have I learnt during this journey over the last two years?

First, leadership is an approach, a culture. It is essential that the LGA, through the Improvement Board which I chair continues to provide a wide range of training to support Members in carrying out their leadership roles at all levels. We have been successful with this but less successful in putting in place good training programmes to develop the skills of senior officers to lead work in partnership across agencies.

In Leicestershire we have developed a Leadership in Partnership course through our sub Regional Improvement and Efficiency Partnership and in collaboration with the Warwick Business School. Places have been created for staff from the Police, the NHS, City, County and District Councils.

Second, I believe that the two leaders have created the right conditions for good partnership working. Credit where it is due, the Government's framework for change through its sub national review and supporting policy and legislation has assisted us in this endeavour. The common understanding of this clear direction of travel among our partners has helped get and keep them on board though the 18 month change process in Leicestershire.

Yet I agree with the Conservative front bench that national policy needs to go further still towards localising decision making. There is still no real delegation of funding from the regional development agency, emda in our case, which means:

- long delays while projects go through its approval system,
- a conflict between the Department for Business, Innovation and Skills driven outputs requirements of the RDA and the outcomes based approach that we are taking through our Multi Area Agreement,
- much slower speed of reaction locally than is desirable.

Similarly, although HCA is willing to align its funding, this still falls short of a situation that would allow us to create a single pot to allocate to local priorities.

Local priorities are the most important because in somewhere as diverse as

the East Midlands a regional approach cannot be effective in targeting the local opportunities and weaknesses. There is no need for a regional plan or the regional level if clusters of local authority led sub regional arrangements can have an effective direct relationship with Government as is now possible in Leicestershire.

As one of the pilots of the Total Place project we hope to be able to demonstrate again to Government that more local flexibility is desirable if real progress is to be made to tackle the 'wicked issues'.

Third, we have demonstrated that the clustering approach can work in two tier areas and in this case in a mixed two tier/unitary area. Leicestershire County council's Comprehensive Performance Assessment, which classifies us as 4\* improving strongly, has identified improving relationships with District Councils as our main improvement priority. I have worked hard with District Council leaders to improve levels of trust and support them in efficiency measures. However, the Warwick visit found:

*'The role of the district councils would continue to need attention if dissatisfaction was to be avoided. The attitude of enabling the districts to lead from the bottom up was excellent, but two-tier working remains complex and the issue will require to be continually addressed.'*

I will continue to work with my district colleagues and ensure that we demonstrate to them that the new arrangements for Leicester and Leicestershire deliver our joint priorities.

Fourth, it is essential that policy and funding decisions are under democratic control. The Leicestershire system has the Leadership Board playing this role while the EDC is a delivery body. However the process is iterative - lessons learnt in implementation are fed into the Leadership Board - on which the Chair of the EDC is a member - and into the five Strategy and Performance Groups.

Fifth, in an environment where we expect a continued pinch on both public and private sector investment, it is essential that we work efficiently and effectively. We recently completed an assessment of the infrastructure we

think is necessary to support planned new development and the funding gap is considerable.

Spending must be directed at our top priorities, which means hard decisions about what are and what are not our top strategic outcomes and what activities we should use, and what activities we should stop, in order to achieve those outcomes most effectively.

Our commissioning cycle starts with evidence based outcomes set out in our MAA, an assessment of the most effective projects and services to achieve these outcomes and performance management leading to review. We are already well underway in preparing an Economic Assessment which will be finalised in the autumn to inform the commissioning process for 2010/11.

Equally we need to develop shared services if efficient and effective working is to be realised. I share the Conservative view that district councils provide an important local democratic layer, but services being provided on a district by district basis will not be tenable in the future. In Leicestershire we are looking at shared services for planning, housing research and intelligence, industrial property and building control. Government needs to ensure that progress is made quickly to save money as the efficiency agenda increases in importance.

Efficiency also suggests that we should work through a single supplier such as the Prospect Leicestershire for delivery. Procurement arrangements may need to be reviewed to ensure this is practical.

Finally, I am determined to ensure that in Leicestershire we develop our priorities through engagement with the county's residents and businesses. The development of a Business Council has been an essential part of our new economic development arrangements. It brings together the Chamber of Commerce, the Institute of Directors, the Chambers of Trade and professional groups to ensure that the business voice is co-ordinated and effectively represented. The Council nominates two representatives to the Leadership Board – one of whom is the Chair of the EDC – and to the five strategy and performance groups.

People more generally get the opportunity to identify what is most important for their communities through 27 Community Forums. These local priorities are reflected in the Leicestershire Sustainable Community Strategy and supported through a £0.5m participatory budget fund as well as through the wider programme. We must move away from top down approaches towards a system where communities decide how much and where growth should take place.

## 4 *Delivering more for less*

### **Cllr Stephen Greenhalgh, Leader, London Borough of Hammersmith and Fulham**

Of course Conservative authorities should do more to reduce their amount of council tax. Nationally, on average, it is Conservative-run councils that charge the lowest council taxes, and Hammersmith and Fulham council has done more than any council in Britain to reduce the council tax burden by cutting council tax by 3% for the last 3 years. These council tax cuts have delivered an average £700 saving to the council taxpayer over 3 years compared to if the council had continued the previous average 7.7% rate of council tax increase. Interestingly the recently published Department for Communities and Local Government table on council tax increases shows that whilst Conservative Hammersmith and Fulham is bottom of the table, Conservative-run Plymouth and Trafford top the table once you exclude police authorities and small district councils.

#### **Band D council tax increases 2006-10**

##### **Top 5 Councils\***

Rank	Local Authority	2006-07	2007-08	2008-09	2009-10	£	%
1	Plymouth UA	1048	1100	1154	1210	162	15.43
2	Trafford	941	988	1036	1086	145	15.35
3	Bracknell Forest UA	973	1020	1071	1123	149	15.33
4	Dudley	963	1009	1058	1109	146	15.18
5	The Medway Towns UA	952	994	1045	1096	144	15.13

**Bottom 5 Councils**

Rank	Local Authority	2006-07	2007-08	2008-09	2009-10	£	%
407	Camden	997	997	1022	1022	25	2.50
408	Westminster	371	378	378	378	7	2.02
409	Hackney	998	998	998	998	0	0.00
410	Hounslow	1091	1091	1091	1091	0	0.00
411	Hammersmith & Fulham	917	889	863	837	-80	-8.73

\*Excludes police authorities and district councils

Source: DCLG Website

Above all, Conservative councils need to offer their residents the combination of low council tax and high quality local services. Of the councils with the top twenty highest 'overall satisfaction' ratings by residents, sixteen are Conservative and none are Labour or Liberal Democrat controlled. However there is a commonly held belief within the public sector that cutting costs inevitably means cutting services. Conservative Hammersmith and Fulham has shown that you can cut council tax and improve services and drive up resident satisfaction with the council. In the current economic climate this is a vital lesson that all local authorities can learn from – they can offer residents “more for less” by combining a low council tax with high quality local services.

When we came into power in May 2006 we had a clear mandate to cut council tax and deliver better value for money to residents. We have fulfilled this pledge by cutting council tax by 3% each year for the last 3 years and there will be a further 3% cut in our next budget. We have been able to provide residents with a measure of financial relief during hard economic times. So far the Band D council tax bill in Hammersmith and Fulham has fallen by some £80 compared with an average London rise of over £80 during the same period.

At the same time we have also improved services. In 2006 we inherited an Audit Commission Comprehensive Performance Assessment (CPA) rating of 3 stars “improving well”. In our first year we improved this to an excellent 4 star rating and in 2008 we gained the highest possible CPA assessment of 4 stars “improving strongly”.

These independent assessments by the Audit Commission show that Hammersmith and Fulham’s services are excellent and improving. More importantly, we judge our progress by what local residents think of our performance. We undertake regular local surveys which indicate that resident satisfaction with the council has been improving as a result of our approach. This rise in satisfaction in Hammersmith and Fulham is now confirmed by the National Place Survey.

Since 2006 satisfaction with the way local councils run things has fallen by some 4-5% across the country, while in Hammersmith & Fulham it has improved by 6%. We are one of the few improvers and are now ranked 5th best of the 33 London authorities compared with 15th three years ago. We also rank highly in terms of the percentage of residents who think we deliver value for money – in 2006 we were languishing in the bottom quartile in London. Satisfaction with the local area has also improved significantly, by 9%, and over 80% of our residents now satisfied with the locality. 74% say they “receive fair treatment” from local public services in Hammersmith & Fulham, which is well above the London average.

A key task is to continue to address the democratic deficit which exists in local government. Local independence and powers have been eroded over the last ten years as a result of a top-down, performance system imposed by Government. Despite the rhetoric about “local empowerment”, too many priorities and targets are handed down from above and too many bureaucratic processes are prescribed by the centre. This has been to the detriment of local democracy with some local authorities appearing to be more accountable to the Audit Commission and Government than to their local electorate. It is not surprising that the Place Survey shows a downward spiral of satisfaction with local authority performance, with less than 50% of people across the country expressing satisfaction with the way councils run things.

In Hammersmith & Fulham our aim has been to buck this trend and to strengthen local democracy and accountability. Our central policy is to “Put Residents First”, and we focus on delivering the key local priorities that residents voted for.

Improving value for money and reducing the tax burden has been a key theme. We have cut back on red tape and bureaucracy, and some £90 million of in-house services have been market tested, resulting in efficiencies and service improvements. Smart working is being used to reduce staff numbers and the demand for expensive office space. Our award winning customer access programme is an example of how services can be improved and costs taken out. Customer segmentation analysis and consultation with users revealed the benefits that would ensue from bringing a number of services together in a one-stop shop and increasing online access to services through the website. The increased proportion of customers accessing services online has reduced frontline staffing requirement and the one-stop shop enables us to focus scarce resources where they are most needed. Customers now have more choice and greater convenience at reduced cost. The reduction in staff has, in turn, reduced the need for office space and we have been able to vacate premises and realise the capital assets. This has helped us to reduce our debt by some £20 million over the past three years, thereby reducing the burden of annual interest payments to taxpayers by £1.5 million per annum.

The economic downturn presents us with a further challenge, and we are focusing on the delivery of major efficiencies in future years through the integration of public service back office functions. We now have an integrated management structure for the Council and the Primary Care Trust and this will deliver increased efficiencies as we integrate these functions. It will also deliver health improvements by way of fully integrated commissioning arrangements and by delivering services through a customer segmentation model rather than through a traditional care group model, which will present us with earlier identification of appropriate preventative and intervention strategies.

Another key local priority has been to crack down on crime and anti-social behaviour. We have worked closely with the police to reduce crime across

the borough and were the first to introduce 24/7 beat policing in our town centres. This is an area where we have increased funding, but we have also levered in resources from private sector companies that recognise the business advantages of tackling these issues in our shopping centres. The additional funds that have gone into this initiative have been raised from the same efficiency savings that have delivered the council tax cuts. The result is that last year there were 2000 fewer crimes committed in the borough than in the previous year. The Place Survey results also show a significant fall in local concern about all aspects of anti-social behaviour compared with 3 years ago. The survey also shows that local residents are aware that the council and the Police are really trying to make a difference – the results for “understanding local concerns about crime” and for “dealing with local concerns about crime” are both well above average.

Tackling key local issues such as crime and anti social behaviour are part of our ambitious programme for improving the borough. Our aim is to create a borough of opportunity for all. We are putting in place key building blocks of opportunity, which will enable all local people to have a real stake in the area.

Our priorities are to:

- Provide a top quality education for all
- Tackle crime and anti-social behaviour
- Deliver a cleaner, greener borough
- Promote home ownership
- Set the framework for a healthy borough
- Deliver high quality, value for money public services
- Regenerate the most deprived parts of the borough

This is a truly local agenda, and its success will be measured by the extent to which local residents agree that we are improving the area and providing

them with new opportunities for meeting their own aspirations. However, to deliver locally, councils must be free to focus on what matters most to local residents and not be forced to pursue an agenda imposed from above. They need support from central government and more freedoms and flexibilities to be able to get things done.

So what needs to be done at national level to assist local government to deliver? In terms of council powers, there needs to be significant change in the years to come – a genuine devolution of powers and responsibilities, as trailed in the Conservative Party’s Green Paper on localism, *Control Shift*. The burden of tick box, over-regulation need to be removed and that is why we intend to abolish Comprehensive Area Assessment. Councils should also be responsible for raising more of what they spend locally and be less reliant on government grants. I am not a fan of resource equalisation and the current grant system, which is manipulated by politicians in government. I have called for business rates to be returned to councils so that economic development is at the heart of council policy. The Conservative Party’s proposal to introduce a general power of competence will also enable councils to have more flexibility in respect of individual charging for services.





Conservative councils currently dominate the local government map and the party holds more council seats than Labour and the Lib Dems put together. With a General Election imminent, how might the ideas and practices of these local authorities be translated into a Conservative Government? This collection brings together leading Conservative politicians from national and local level to debate and discuss how localism can be at the heart of a future Conservative administration.