



Japan Local Government Centre, London

Monthly Report for September 2009 (England) – Public sector efficiency

Over the past decade, since Labour entered government nationally in 1997, the Conservative Party have emerged as the largest party in local government, with 9,540 councillors in England, Scotland and Wales (compared to Labour's 4,435) and controlling over 200 local authorities in England (including all but one of the 28 county councils). The party now leads the Local Government Association and controls the Greater London Authority, as well as leading Birmingham and Leeds city councils under coalitions. While the Conservatives began to eclipse the Labour Party in local government following the 2001 general election, which saw Labour re-elected nationally, this situation was largely replicated under the Conservative government of 1979-1997, when Labour was effectively the party of local government when in opposition at Westminster, owing to the tendency of the British electorate to use local elections to protest at the performance of central government.

On the national scene however, the political mood is largely defined by the pressing need for cuts in public expenditure owing to the expansion in the size of the British state under a growing economy over the past decade and a half. All three main parties now agree on the need for cuts in public spending as a result of the differential between expenditure and receipts and the growing debt commitments in the now nationalised banking sector, differing only on the scale, scope and timing of the reductions. A general election must be held by June 2010 and the Conservative Party has enjoyed a consistent opinion poll lead since late 2007, with few doubting anything other than their entering government.

It was against this backdrop that Shadow Chancellor George Osborne spoke to a meeting of the Conservative Councillors' Association, echoing Labour minister Anthony Crosland's infamous 1976 "the party's over" speech to councillors, claiming that a future Conservative government in the "age of austerity" would learn from its experience in local government: *"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,"*

It is understood that London mayor Boris Johnson and other Conservative local government leaders have approached the shadow local government ministerial team with a view to negotiating extra powers (once in government) over housing, planning and transport in order to take advantage of the decentralising mood now present within their party. Both Osborne and party leader David Cameron have recently

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outlined massive cuts to the number of quangos in existence in order to scale back central government expenditure, which presents an opportunity for local authorities to bid to take over many of their functions and responsibilities. The Conservative London mayor's policy to publicly itemise any spending over £1,000 by his authority is one of the cost-cutting measures cited by Mr Osborne as something a future Conservative government would adopt. He also praised a number of neighbouring Conservative-run district councils who have combined senior staff in order to scale back their salaries bill. In particular he drew attention to Wandsworth and Hammersmith and Fulham councils in London, both of whom have attracted national reputations for cost-cutting efficiency and low taxes.

However, under questioning from journalists, the Shadow Chancellor ruled out any immediate reform of local taxation, suggesting that this would be left to a third or fourth term Conservative government. Observers also noted that Mr Osborne did not mention Barnet Council in London, which has hit the headlines in recent months owing to its pioneering pilot scheme to operate a reduced service for residents coupled with new charges for extra services. The council has vowed to emulate the 'no-frills' business model of budget airlines easyJet and Ryanair in response to predicted cuts in government grants. Critics likened the move to an attack on the most vulnerable residents and as proof that the Conservatives remain "the nasty party" in British politics.

A council spokesman informally dubbed the proposals 'easyCouncil' after the budget airline, but council leaders are understood to not favour the comparison. The council said that it could emulate the budget airline's practice of charging customers to use the toilet on their low cost flights by allowing people to pay to jump the queue for planning consent or by tailoring their own social care needs according to the budget allocated to them. Under the new 'Future Shape' policy on local service reform, the council's workforce would be hugely scaled back as private firms and charities take over most services.

Following coverage of the tentative 'easyCouncil' policy, London daily paper the *Evening Standard* revealed that one councillor from the ruling Conservative group had remarked disparagingly about the expectations of local residents living in council housing, saying "it has been a lot of 'my arse needs wiping, and somebody from the council can come and do it for me.'" In response to the story, Communities and Local Government Secretary John Denham said: "While it is one thing to put up with Ryanair's level of service for a couple of hours, no-one wants to live in a Ryanair world, where you have to pay extra, even for the very basics."

Furthermore, when the council outlined its plans to cut residential wardens in sheltered accommodation for the elderly earlier this year, a protest group soon mobilised and in September 2009 was successful in halting the proposed cut by gaining a High Court injunction which gives them permission to seek a judicial review of the council's actions.

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