

Strategy in a time of Uncertainty

Notes for presentation by Michael Ward

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www.michaelwardconsulting.co.uk

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2: Introduction

- “Local Government is the largest and most diverse employer in the UK and is responsible for a wide range of services which support people and communities.”
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3: What is local government *for*? I

- Service provision?
- Bulwark against national government?
- Advocacy of local interests ?
- Community governance?
- Agency for reform?

Beatrice Webb: the housekeeping state,
not the police state

4: What is local government *for*? II

- “to do for people what a group of persons, elected according to law by a majority of citizens, but on election becoming representative of them all, conceive to be good within the limit of their legal powers. The assumption is that good is something that can only be done, or can be better done, collectively.”

Herbert Commission, 1960

5: What is local government *for*? III

- “an all-round responsibility for the safety, health and well –being, both material and cultural, of people in different localities, in so far as these objectives can be achieved by local action and local initiative, within a framework of national policies.”

Redcliffe Maud Commission, 1969

6: What is local government *for*? IV

- “The modern role of local government can be described as ‘place-shaping’ – the creative use of powers and influence to promote the general well-being of a community and its citizens.”

Lyons Report, 2007

7: Historic tasks I

- ❑ Role of local government evolves
 - ❑ Changes in role in health, education, housing
 - ❑ Series of historic tasks – improvements delivered by local government, if not always advocated by local government
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8: Historic tasks II

- Public health/main drainage
 - Slum clearance
 - Post war reconstruction
 - Take over of Poor Law services/ anti poverty
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9: Strategic Challenges I

Examples of long term challenges which cut across service boundaries:

- Global economic change
 - Climate change
 - Demographic change/ageing
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10: Strategic challenges II

- Global economic change

- ❑ Question for every community in older industrialised countries: how will our citizens earn a living in 20 years time?
 - ❑ Growth of BRIC economies
 - ❑ European restructuring
 - ❑ Decline of manufacturing in UK
 - ❑ Skills
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11: Strategic challenges III

- Climate change

Wide ranging implications of climate change for places and communities:

- Transport
 - Building and construction
 - Energy use
 - Land use
 - Landscape
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12: Strategic challenges IV

- demographic change/ageing

- ❑ People living and working longer
 - ❑ Greater life expectancy at 65
 - ❑ Greater demand for:
 - Care at home
 - Residential care
 - Sheltered housing
 - New and different patterns of services, spanning NHS and local government
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13: Does local government have strategic *powers*? I

Has local government the power to develop innovative and interdisciplinary solutions to major challenges?

The local authorities we have are based on an accretion of distinct services: e.g.

- Refuse collection/disposal
 - Street cleansing
 - Parks & recreation
 - Education/children's services
 - Housing
 - Adult social care
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14: Does local government have strategic *powers*? II

- Each service based on specific legislation, including powers, duties, and discretions.
 - *Ultra Vires*
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15: Does local government have strategic *powers*? III

The long campaign against *ultra vires*:

- ❑ 1963 – power to spend product of 1d rate
 - ❑ 1972 – Section 137 – power to spend product of 2p rate
 - ❑ Power to promote well being
 - ❑ 2011 – Localism Bill
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16: Does local government have strategic *powers*? IV

The projected general power of competence

- (1) A local authority has power to do anything that individuals generally may do.
 - (2) Subsection (1) applies to things that an individual may do even though they are in nature, extent or otherwise—
 - (a) unlike anything the authority may do apart from subsection (1), or
 - (b) unlike anything that other public bodies may do.¹⁰
 - (3) In this section “individual” means an individual with full capacity.
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17: Does local government have strategic *powers*? V

Potential limits on the power of general competence:

- Duties
 - Budget pressures – council tax freeze/capping
 - Caution/risk appetite
 - 'reasonableness'
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18: Does local government have strategic *powers*? VI

The decline and fall of big strategy...

- ❑ Hard to plan transport infrastructure, employment, housing, skills on single-district basis
 - ❑ Previous Government transferred regional strategies to RDAs
 - ❑ With abolition of RDAs, only London now has strategic planning framework
 - ❑ So in practice decisions gravitate to Whitehall: HS2, Regional Growth Fund, etc
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19: Does local government have strategic *capacity*? I

- ❑ Traditional domination by professions: lawyers, engineers, accountants, planners, social workers
 - ❑ Until 1960s Town Clerks rather than CEOs; overwhelmingly legally qualifies
 - ❑ Slow and gradual professionalisation of local government management
 - ❑ 1960 local authority recruitment:
 - School leavers: 7907
 - Graduates: 786
- (mostly social workers, planners, engineers & librarians)
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20: What about resources?:I

“A decision now needs to be taken to place responsibility firmly either with the government or with local authorities. That means either adopting a financial system which frankly recognises a need for strong central direction or taking positive steps to increase the ability of local authorities to manage local affairs. If that is not done we believe that there is bound to be an increasing shift of power to the centre, but in circumstances in which responsibility for expenditure and local taxation will continue to be confused.” Layfield Report, 1976

21: What about resources? II

- Drift to Whitehall continued
 - Poll tax
 - Nationalisation of business rates
 - Transfer of FE costs to national government
 - Council Tax
 - Now 75% of council spending met from centre
 - Retention of capping powers
 - Council tax freeze
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22: What about resources? III

2011 Local Government Resource Review

- ? Retention of business rates
 - ? "free councils"
 - Long standing local government demand
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23: What about resources? IV

- ❑ As long as economic activity unevenly distributed, yield from business rates will itself be very uneven
 - ❑ Same likely to be true of any other potential tax base (incomes, sales, tourists...)
 - ❑ But without a dynamic tax base general power of competence likely to be of limited use.
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24: Where does strategy end and politics begin? I

- ❑ Politics = how choices are made in democracy
 - ❑ Most UK councils organised along party lines
 - ❑ Councils with long term party control:
 - Manchester
 - Wandsworth
 - ❑ Councils where radical group takes control:
 - Hammersmith and Fulham
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Where does strategy end and politics begin? II

Suffolk

- ❑ "virtual council"
- ❑ Aimed to disengage from direct service provision
- ❑ Change from service provider to enabler

...but overthrown by back bench revolt
April/May 2011

Where does strategy end and politics begin? III

Lambeth

- “Cooperative Council”
 - Working with communities rather than for them
 - “Putting co-operation and mutualism at the heart of how Lambeth Council delivers its services”
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