

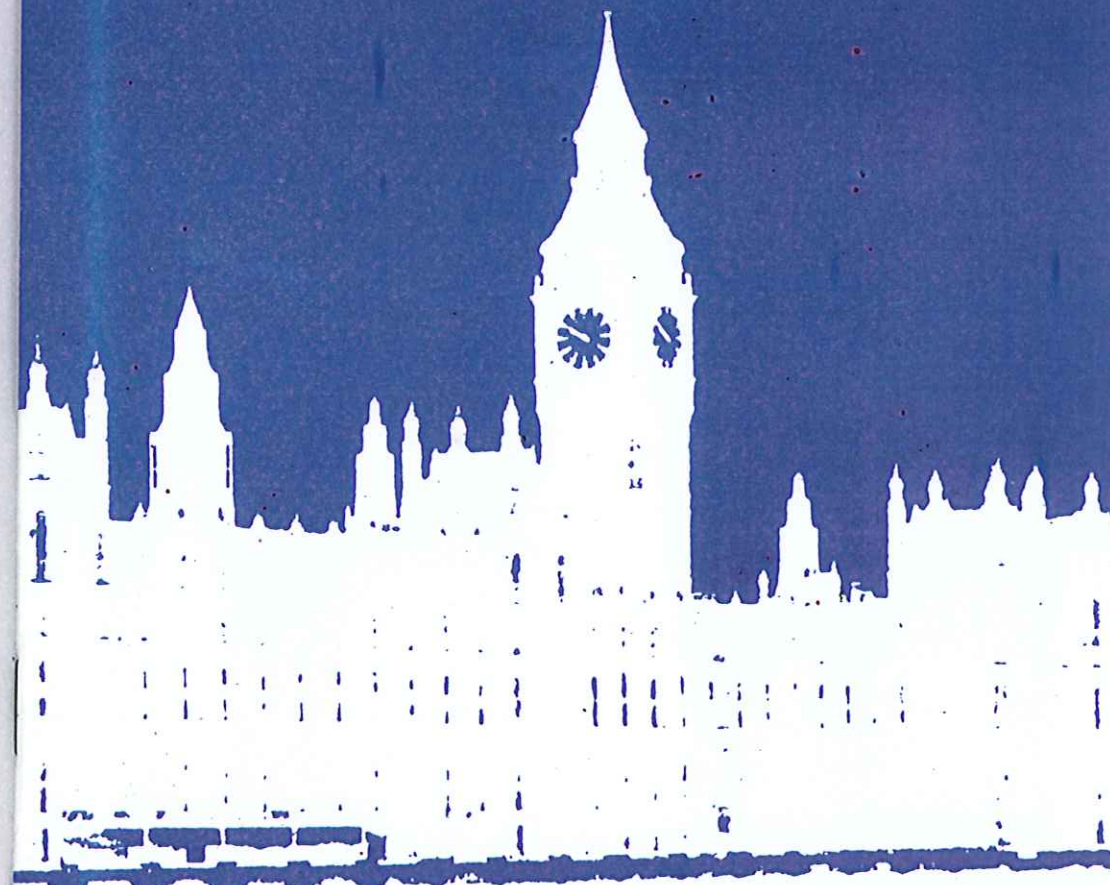


Policy Study No 142

Local Limits

Cutting the costs of good councils

Edward Lister



CENTRE FOR POLICY STUDIES

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1995

The author

Councillor Edward Lister has been leader of Wandsworth Council since 1992 and a member of the council since 1976. His first pamphlet for the Centre was 'LEAs – old and new' written while he was chairman of Wandsworth's education committee. Councillor Lister pioneered many of the radical policies which put Wandsworth at the forefront of reform – with the lowest council taxes in the country and amongst the highest standards of service.

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Introduction

Local government today appears no longer to be the great political and ideological battlefield it was in the 1980s. To those who run it – elected members and officials – to political commentators, and even to ministers, discussion is couched in terms of ‘consolidation’, on the basis of where we now are and of the managerial direction for the future. The changes of the past decade are now in place; and the basis for the future is perceived to be development of the existing framework.

The apparent consensus is misleading. The future of local government is a far more difficult and fundamental issue, as is evident from discussion about the changes themselves: the delivery of services by quangos; the balance between central and local government; the very size and extent of local government and its democratic basis; the question of finance. These are symptoms of the long and continuing battle for efficient, accountable and effective local government. The great advances of the 1980s – and the real victories for local accountability which best secures flourishing local democracy – are in danger of being reversed as authorities press for wider remits and higher spending without considering what safeguards are essential for chargepayer and business ratepayer alike. Indeed in some cases, from left and right, the pressure is to return to the status quo and is anti-reform.

This pamphlet will consider the changing rôle and perceptions of local government. It will argue for continued momentum, not consolidation, in areas where reform has proved effective; it will describe in detail Wandsworth’s experience and policies and propose future reforms – suggesting measures local authorities could institute to encourage greater diversity among service-providers, thus giving users greater choice and curtailing costs borne by the public purse.

The pamphlet will also consider the financing of local government and the increasing demand that capping should end and the uniform business rate be abolished. The danger of councils exacting what they please from chargepayers and businesses has not disappeared, despite the measures introduced in the 1980s to protect chargepayers from profligate councils. Finally, if local government is to play its proper rôle, it must be truly local and not remote. Only thus can it effectively perform its sole task – enabling local people to have the best services, at the best cost to the taxpayer.

1.

Local institutions – elected or appointed?

The focus of discontent today in much discussion about local government is a perceived reduction of its powers. Much is made of the quango and its growth; the diminishing size and responsibility of local government; the alleged 'democratic deficit'. Have such institutional changes made for more efficient and more accountable services? Do the grievances stand up to dispassionate scrutiny, or are they part of the political battle between those who want large instead of small local government, and high instead of low expenditure? The developments should be examined in the light of that often overlooked but fundamental characteristic of local government: the power to raise taxes.

Councils are now one among many bodies providing, or taking responsibility for, local services – from waste collection to adult education. Responsibilities in some cases have been devolved to smaller institutions, like grant-maintained schools; other tasks are increasingly being carried out by council agents or contractors. A variety of quangos (some separate central agencies and some, such as 'Next Steps' agencies, offshoots of government departments) have become directly responsible for much expenditure previously controlled by local government.

Part of the reason for quangos flourishing while councils decline is that local authorities have been seen as wasteful and inefficient, often too doctrinaire and partisan to be entrusted with the successful execution of nationally-set policies. It is difficult for central government to rectify failure to provide high quality services efficiently and the regulation of local government has become utterly confused. Legal challenges pass between central and local authorities, and vice versa; the problem is compounded by the approach favoured by the Audit Commission. By contrast, quangos and agencies are perceived by central government as being a reliable means of executing centrally-set national policies. They are thought to operate reliably within their cash resources, command a useful variety of technical and commercial expertise, take decisions relatively quickly and be reasonably consistent in their policies throughout the country.

A further challenge to local autonomy is the control still vested in central government. In education, for instance, reforms devolving power

to schools and their governors to restore mechanisms of accountability between parents and school, make central government's powers appear excessively entrenched and anachronistic. For example, only the Secretary of State can authorise the opening or closing of a school, changes to a school's size or character, adding a nursery class, alterations to local formula funding schemes, terms and conditions of teachers' employment (still set nationally), capital allocations above £2m, and all capital for voluntary-aided schools. Perhaps we should consider how to counter the centralist trend through greater local flexibility. Few can doubt the damaging consequences of excessive control in terms of cost, delays, erosion of accountability, and the stifling of embryonic choice systems by too much regulation.

The balance of responsibility and authority between central and local government must continue to evolve. Central government should regulate the performance and efficiency of local authorities and those agencies charged with specific tasks; it should set clearer standards in areas where national uniformity is needed, especially in meeting the challenges posed by fresh regulations from Brussels. Central government must also promote efficiency and competition in its own house: purchaser has yet to be separated from provider in many facets of central government operations. Next Step agencies are merely an internal reorganisation of the civil service; they do not of themselves bring about any competition or improved efficiency. They too must take on an enabling rôle and put service delivery functions to competitive testing.

For its part, local government should accept the new rôle of enabler, with councils becoming more efficient and business-like. This implies more than mere acceptance of Compulsory Competitive Tendering (CCT) and its extension to white collar areas. Councils must give up their obsession with providing services direct and in future compete for a variety of tasks – such as health purchasing, training, regeneration, and partnership with the police in community safety. As monopoly purchasers of many public services with public money, they should ensure high quality services at reasonable cost. If they fail to do this, they must expect intervention by bodies, like the Audit Commission, established to protect the interests of the taxpayer.

Finally, if councils are to become more efficient, strategic enablers, and perhaps larger than now, there may need to be changes to the internal management of councils and the arrangements for remunerating members. This could imply fewer councillors and possible devolution of certain functions (e.g. planning) from larger councils to local area sub-committees.

There is nothing particularly sacrosanct about the current arrangements; the current portfolio of services held by local government is an historical accident. Local government in the United Kingdom once took some responsibility for the utilities: water, sewerage, electricity, gas, etc., and for health. These were locally administered (at least partially) in the past, and still are in some countries. In contrast, functions often not operated by local authorities abroad, but still largely under local control here, are: housing, education and public transport. At the same time there is a trend to greater central government control. The careers service is shortly to be put out to competitive tender under central control; the licensing of landfill waste sites is shortly to be transferred to the new Environment Agency. Yet local authorities were recently entrusted with the very significant extra duty of community care. So traffic is still two-way.

Local government has the unique power – and responsibility – to raise local taxes. Its local nature is the key to power and influence. It is better placed than national bodies or specific agencies to respond to what the local community considers important: good street lighting, dustbins emptied, clean pavements. The council's strength, quite rightly, ultimately rests on how it well it responds to such concerns.

2.

Making local government better: lessons from Wandsworth

Despite the impact of reform during the 1980s, there remain three general weaknesses inherent in local government:

- Operational inefficiency
- Poor management
- Weak decision-making

The first arises because many public services are natural monopolies. The second occurs where councils operate without anything resembling the management systems which the commercial sector finds essential for success. The third is usually the result of operating through committees, which too often sacrifice swift and imaginative decision-taking for the sake of consensus; this means spending programmes are agreed which reflect neither the needs nor wishes of local communities, either in terms of size or priorities. Major schemes are often damaged by poor decision-taking.

All three weaknesses can be overcome through resolute reform, along the lines Wandsworth and a few other authorities have pioneered. The prerequisite for success is strong political commitment coupled with top-class management skills. Where such a commitment exists, as in Wandsworth, the key advantages of local government (proper local accountability and representation) are not undermined by inefficient management. Central government can play a major part in reform and strengthen the hand of councils tackling the three weaknesses by, for example, instituting voucher systems and other customer-led mechanisms to counter monopoly provision of services. Target unit costs are useful to ratchet upwards overall performance in local government, by setting cost levels progressively closer to those of the best-performing councils.

Wandsworth's detailed record over the last 15 years demonstrates how the three weaknesses can be overcome through action at local level:

- Operational inefficiency can be overcome by a combination of three key measures: specifying services carefully, vigorously pursuing

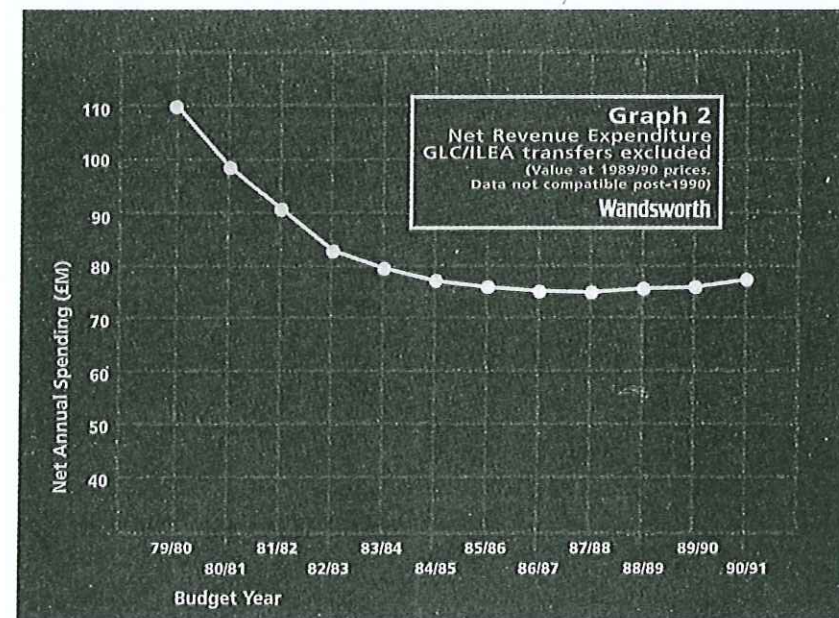
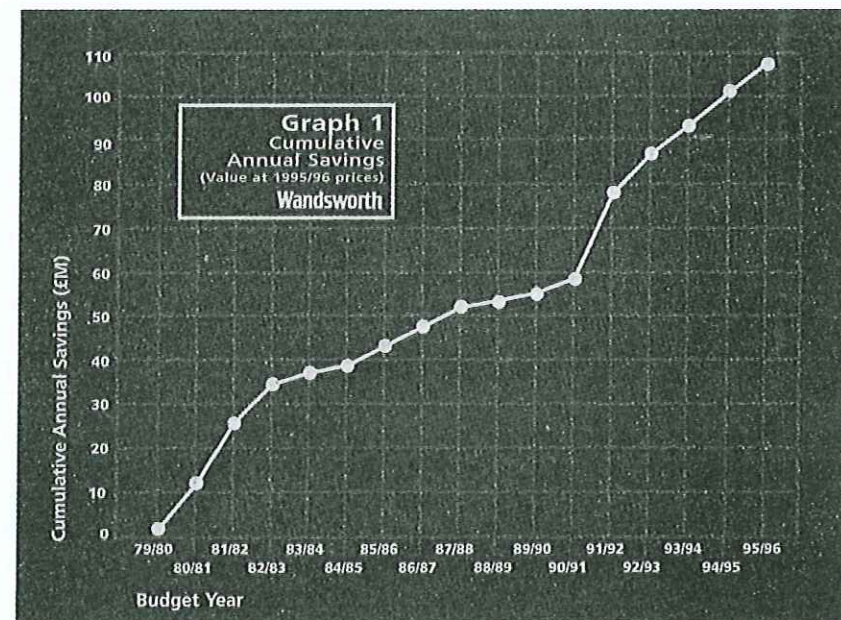
competitive tendering and using surveys to assess quality and to ensure customers are getting what they want (no more and no less).

- Poor management ethos can be replaced by dynamic leadership if the right climate, focusing on value for money and success, is established. The new ethos must be 'top-driven' with a strong political commitment; it may take several years to secure a competent team of managers, but it can be done.
- Weak and consensus decision-making is more difficult to tackle in some authorities, particularly those which are hung politically. A reduction in councillor numbers could help but the main answer is to create frameworks and structures which compel councils to make themselves fully accountable for their results.

No council shows more clearly than Wandsworth how the intrinsic weaknesses of local government can be overcome. By establishing similar systems, other local councils can transform their reputations – and acquire the attitudes and disciplines essential if local government is to regain its position as a vital component of government in this country. Despite intense political propaganda to the contrary, Wandsworth's success as a low-tax/high-efficiency authority is not due to the vagaries or generosity of government grants, but to a consistent and long-term pattern of change which made low taxation and high quality its over-riding objectives. Graph 1 below summarises the story. It shows that Wandsworth's low local tax is the culmination of a decade or more of sustained efforts to achieve value for money, which enabled the council to raise standards of service progressively at carefully calculated levels of quality and lower costs. This achievement, if turned from cost reduction to 'profits', would be a credit to any commercial company. The average annual percentage saving on each year's net budget has been over 6 percent per annum in real terms. Cumulative savings are now running at the rate of some £108m per annum.

Wandsworth's policies have not been simply about achieving savings. The savings – and capital receipts – have been reinvested in new services and in urban regeneration schemes. What this has meant in practice can be seen in Graph 2 which shows the actual net revenue expenditure per head in real terms. After an initial dip, much of the savings was ploughed back into services and infrastructures.

The Wandsworth approach to value for money has two elements: the introduction of the right formal procedures and techniques on one hand,



and the development of a general management culture on the other. The first stage in 1980 involved a fairly general search for efficiency savings. After a number of confrontations with trade unions, competitive tendering was tried in 1981. The initial successes – financial savings and the ability to define and deliver service quality – led to its adoption as a general policy in 1982. All services – both white and blue collar – were required to make themselves subject to competition wherever practicable. Wandsworth became perhaps the first authority with a formal and comprehensive commitment to an ‘enabling’ approach to its service provision – even though the phrase had not yet been coined! From these changes in the early 1980s stemmed a broad-based search for both savings, quality and the progressive development of a distinctive management ethos, making possible the trends illustrated in the graphs.

For the past decade, instead of the traditional local government approach of listing bids for growth in budgets, directors in Wandsworth council have been required to try and match savings in some areas with growth in others and to produce a list of options to deliver services more effectively, along with other proposals for generating budget reductions. Competitive tendering has made an important contribution; so has income generation, including a sizeable element from marketing and rents. We also acted across a broad front: rationalising premises, increasing staff productivity, making structural reorganisations, introducing cost-reduction programmes, and eliminating low-priority work. Formal competitive tendering, which probably represents less than a quarter of the total savings, was particularly significant in the mid-1980s but thereafter tailed off, although it has recently returned to prominence with the transfer of education to Wandsworth in 1990, after the abolition of the Inner London Education Authority, and with the formal introduction of white collar CCT. As a result, educational transport, school meals and school cleaning have recently been exposed to competition with significant savings.

After 1989 there was a renewed emphasis on CCT as traditional white collar professional services – such as architects, surveyors, lawyers, valuers, accountants and computer staff – were subjected to the competitive testing process in the same way as the blue collar services had been. Although such professional contracts can generally only be handled by larger firms, and the problems of specifying and monitoring quality and productivity are considerable, significant savings can be made, as Wandsworth’s experience shows:

<u>Contract</u>	<u>per year saving</u>	<u>percentage saving</u>
	<i>£000</i>	
Computer mainframe	971	47.6
Valuation	414	43.9
Legal – conveyancing work	110	46.0
Payroll services	117	19.0
Non-domestic rate collection	153	51.9
Lithographic, etc., printing	78	20.5
Housing management	531*	*
Graphic design	6	2.9
Premises management	488	32.0
Bulk mailing/printing	70	29.5

* This was a complete reorganisation in addition to a pilot CCT scheme

Extra income and rents account for a significant part of Wandsworth’s total savings. A clear principle was established of consumers being charged for specific services – rather than those costs being spread over all chargepayers. Wherever possible, standard commercial marketing techniques were used to sell services as widely and efficiently as possible. And using a little imagination, other sources of income were maximised: in services ranging from software royalties to the renting of premises to film crews.

Savings have been secured more generally by applying straightforward commercial principles of good management. The case for long-established services is rigorously questioned. Regular and searching reviews of existing arrangements are now part of the general management culture, central to which is the continuous search to maximise financial benefits without harming service delivery. This is done by such means as keen procurement procedures and equipment-leasing when economic to do so. A difficult balancing act is involved to ensure customer needs are met and a ‘caring’ approach is retained.

This has been evolved progressively. The trend has been to devolve budget accountability to service departments and lower-level managers. Careful monitoring from the centre has been retained, with the right to intervene in exceptional circumstances. It is Wandsworth’s proud boast that cost reduction has not been achieved by service reduction or poorer quality – which is what often happens when cost pressures are applied to public sector organisations that work woodenly to purely budgetary objectives, without commercial flair and imagination.

Wandsworth found early on that quality improvement from contract-tested services was as large a benefit as the cost saving. This was because the contractor was working for the first time to a clearly specified level of service – including its quality. In September 1991 Wandsworth became the first metropolitan authority to publish a Citizen's Charter setting out quality standards in all key areas. In 1992 a corporate 'Quality Initiative' was devised which introduced improvement plans for all services, training for all staff, a programme of customer surveys, and successful bids for quality awards, such as the Government's 'Chartermark' and BS5750 for flagship services.

The search for high quality continues, with the emphasis on the importance of balancing cost reductions with service output of good quality. Wandsworth's success in striking the right balance means that it consistently features among the best authorities as measured by Chartermark awards, BS5750 awards, and other independent quality validation tests.

Wandsworth has overcome the third weakness, which has so greatly lowered the esteem in which local government is held, by sticking to a clear and stable political objective to deliver prime value for money and quality. For most of the past 15 years we have had a cabinet-style of political management by the majority party group. The 'cabinet' has provided: stable political leadership; vigorous support for innovations and reform in order to achieve objectives; and a framework in which managers manage (and poor management is restructured or retired).

The conclusions emerging from this thumbnail sketch of recent history suggest Wandsworth's success came through the political will and pressure applied by the majority party, accompanied by a central control system. CCT and benchmarking were essential weapons in tackling operational inefficiency in that control system. It is important to assess the extent to which the current CCT regime can be relied upon when local determination is lacking.

The future challenge to the Government is how to make CCT work in an environment where, in general, the necessary resolve is lacking. The gap between CCT's potential and what has been achieved arises from the difference in attitude and approach between councils that are working to obtain maximum benefit from CCT, and those that want to retain direct labour and keep private contractors out. Opponents of CCT adopt underhand tactics to avoid being condemned as anti-competitive by the Department of the Environment (DoE). For example, compare boroughs like Wandsworth, Bromley or Westminster that have consistently made savings in cost and quality from CCT with Labour

councils that have generally achieved lower cost savings and more often retain direct service organisations (DSOs). The national average saving from CCT is around 6 percent; in Wandsworth it is well over 20 percent (see tables in Appendix). Wandsworth started competitive tendering in 1981 and there is no evidence, from 80 or more tendering exercises, that 'loss leaders' contribute to the high percentage savings. Average savings at the re-tender stage have been around zero, although recently the position has started to improve as a result of specifying contracts carefully.

Despite strict DoE regulations, with the Secretary of State able to serve notices in cases of anti-competitive behaviour, marked differences do occur under the CCT process. There are many subtle ways in which CCT can be sabotaged; for example, over-complex contracts, large contract packages, unreasonably high standards (never subsequently met by direct service organisations (DSOs)), poor performance by in-house DSOs continuing unchecked, rejection of 'inadequate' contractors for financial or other spurious reasons, failure to select private contractors on 'quality' grounds despite their winning on price, and deterring contractors by excessive monitoring or over-zealous default tactics by the client. The result has been that many Labour authorities have avoided real competition and kept their DSOs.

Analysing the results of CCT for London boroughs (using data provided by the Local Government Management Board which compared contracted-out services with in-house DSOs) proved interesting. For outer London the average estimated costs in 1993/4 for street sweeping and refuse collection were:

Both services carried out by DSO	£15.36 / 000 pop.
Both services contracted-out	£ 9.76 / 000 pop.
Mixed (one service contracted-out, one DSO)	£16.10 / 000 pop.

The DSOs were 58 percent more expensive. This shows convincingly the advantages of CCT. Councils that prop up costly DSOs by obstructing the tendering process, do a marked disservice to their chargepayers.

A similar analysis on Inner London (excluding Westminster, where costs are not comparable) produced a similar picture:

Average for DSO services	£31.96 / 000 pop.
Average for contracted-out services	£25.30 / 000 pop.

Here DSOs are 26 percent more expensive, for exactly the same reason: anti-competitive practices leading to retention of in-house DSOs at higher

costs to local chargepayers.

Councils and the private sector need to consult carefully to see how contracts can be improved to mutual advantage. This should not in any way compromise the competitive process. Certainly the council must keep its distance from the contractor, but it can still learn from the contractor what kind of specification changes will optimise a contract. There may be scope for some joint experimentation with a contract – by agreement – with a sharing of savings. On re-tendering, the council's management will build in those mutually beneficial changes, creating a new blueprint on which all contractors will bid. Wandsworth's street-cleaning contract provides a case study. Street sweeping was first put out to tender in late 1981 – in desperation because of the appallingly low quality of the DSO workforce and its high costs. There were huge immediate savings. For the first time Wandsworth had a reliable, quality service which council officers could properly monitor and enforce. Two further tender exercises followed in which standards were progressively enhanced:

- *Stage one*

In 1982 the first contract started. The streets (nearly 550 km) were swept weekly at a cost of £1.78m in today's prices – a saving of some 33.6 percent on the DSO budget. Complaints dropped dramatically.

- *Stage two*

It became clear by 1987 that even though the contract had been enforced vigorously, it was not delivering the standards the public wanted. On re-tendering in 1987, therefore, street cleaning in the denser residential areas (80 percent of the borough) was increased from once-weekly to twice-weekly. Other improvements, such as early morning sweeping, special Sunday sweeping and daily litter bin emptying, were introduced. With these changes, not surprisingly, the re-tendered contract price went up (by 18 percent) but the equivalent work schedules increased by almost 100 percent. Unit costs, therefore, showed a reduction (at constant prices) of a further 33 percent overall.

- *Stage three*

When the contract came up for re-tender in 1994, arrangements complying with the new standards under the Environmental Protection Act were written into the specification. Amazingly, the

tenders produced a further saving of 21.6 percent, taking the cumulative saving over the 12 years to 74 percent – expressed in unit cost terms (ie, allowing for all the enhancements in the specification).

This shows just how far services can be improved when political will and private sector expertise are harnessed via CCT and infused with positive enthusiasm. However, it also highlights the alarming gap between good and bad councils, which the present rather blunt DoE controls are unlikely to close.

White collar CCT, now being introduced in metropolitan areas, may produce very different results. If anything, the process is going to be harder to police, but it will undoubtedly create highly beneficial pressures on all authorities for cost savings. In many white collar services the potential is as high, if not higher, than in blue collar contracts; often there are considerable economies of scale as, for example, in information technology services. In other professional areas, savings come from improving productivity, which is far more significant on the white collar side than with manual processes. The lessons are clear. Wandsworth's success owed much to its three-pronged approach: resolute pursuit of efficiency, good management and political will. Where these are absent and councils fail, other courses may be necessary.

At present the only way central government can ensure local services are provided efficiently is by sending in commissioners; this has never been done in recent years, not even in Clay Cross or Lambeth when councils failed so disastrously.

Where the political will to obtain value for money is lacking, central government must intervene. The Labour Party's idea of diluting CCT and introducing annual 'plans' to be agreed with civil servants, will only put the clock back to the days when inefficiency was widespread. A strengthening of the control system is essential. Publication of benchmark data by the Audit Commission provides the opportunity to create a more commercial ethos – but this merely sets the scene. If central government actually begins to remove or transfer services from councils (or even simply acquires the power to do so), it will put every council under greater pressure to perform well. Not only would the removal of failing services actually reduce costs to local chargepayers, but the councils against whom action was taken would suffer a far greater loss of standing and reputation than through rate-capping or any general controls.

Intervention could be devised as follows:

- *Scope*

Initially the services would be those subject to CCT under the 1988 Local Government Act – that is, refuse collection, street sweeping, vehicle maintenance, etc. As CCT is extended to white collar services (from 1996 onwards under the current timetable) they would come within the scope of the intervention system.

- *Criteria*

A basic limit would be set in terms of quality (if possible) and, more easily, unit cost. This might initially cover the worst five or ten percent of authorities in each group.

- *Regulation*

The regulator (who could be the DoE, the Audit Commission via the External Auditor, or a new local authority regulator) would issue a formal 'warning notice' to authorities below the limit and, after a fixed period (say, one year) the regulator would have power to take a service out of the council's hands. An authority on warning notice would not be able to re-let a contract without the regulator's agreement. If a service was removed from a council's control, the regulator would appoint a client agent and a contractor to run it independently with the power to recoup the cost from the authority.

- *The regulator*

The Audit Commission is a leading contender for this rôle, particularly if reforms recommended later to end its preoccupations with legal challenges, are carried through. Initially, the DoE could be responsible, but only until longer-term arrangements were settled. A new regulation agency is another possibility, but creating an entirely new bureaucracy seems unnecessary when the Audit Commission has already proved an effective watchdog and its remit already covers much of this area.

- *Running confiscated services*

The new regulator would put confiscated services out to tender. Because of the growing market in agencies or consultancies that can handle the actual competitive tendering process itself, and subsequently act as the substitute client in place of the failed local authority, there would be no difficulty in dealing with a service taken out of a council's hands.

Such a course would involve changing present arrangements; these preliminary suggestions may help stimulate debate.

3.

Controlling spending

One great 1980s' victory was a philosophical one – that high spending by government was not in the interests of either taxpayer or country. Neither the Government nor Opposition parties now like to boast of high spending. In local government the twist was, and remains, different because high spending appears to give political and electoral advantages because of the smaller proportion of those who pay for the tune. The community charge attempted to redress this imbalance; when that was abandoned, capping by central government became the means to curtail spending.

Today there is a clamour from right and left to abandon capping. Some Conservatives believe it will show them to be prudent and their opponents spendthrift. Others think that while capping curbed 'loony left' profligacy, it restricted that accountability which is the basis of good local government. Middle-of-the-roaders oppose capping because they believe local government must have proper independence within its sphere. The left, which resents all controls, is attracted by the prospect of redeveloping their empires and will seek to avoid censure for high charges by blaming central government for 'underfunding'. The alliance is an unholy one. The problem remains as potent as ever: how can chargepayers be protected from excessive levies where they are not in the electoral majority?

Capping was introduced as a rather desperate, last-ditch attempt to curb the over-spending of councils which had thwarted other measures designed to instil reasonable prudence. It has had some effect on the most extravagant councils and was particularly useful when local businesses needed protection from high-spending Labour councils on which they had no representation. But questions have lately re-emerged. Is capping an effective procedure, given the errors and uncertainties that inevitably result from applying national formulae (ie, the standard spending assessment (SSA) formulae) at local level? And is it necessary, given the availability of more sophisticated and flexible controls that can be applied at individual service level – CCT to test efficiency and, if necessary, the subsequent 'confiscation' of chronically failing services?

A 'looser' capping regime (say, 15 percent or 20 percent above SSA) might be introduced as a first step. Loosening would be preferable to the current very tight capping regime, but could still do more harm than

good by affecting only a very few determined high spenders, while weakening the accountability and independence of all. Capping could eventually be removed altogether – but not until an effective mechanism of accountability and protection for the chargepayer is in place. Much of local government expenditure now comes from central government, but the small proportion that does come from the council tax does not fall on the entire local electorate. While that state of affairs lasts, left-wing councils will always have a strong incentive to blame central government for their problems.

Capping is not the only topical subject, nor the most important. Two other vital issues are: first, control of capital spending – now kept very tightly within Treasury-set limits by statutory rules; and second, the control of business rates – nationalised and pooled since 1990 and called the National Non-Domestic Rate (NNDR).

It is unrealistic to expect the Treasury to relinquish control of local government capital expenditure which is such a large section of the Public Sector Borrowing Requirement (PSBR). What is needed is a reformed system in which controls are general rather than detailed; provide a reasonable incentive to local authorities to generate capital receipts; are flexible enough to accommodate business partnerships; and do not distort spending patterns artificially (ie, by preventing leasing where this would be more appropriate). The present Private Finance Initiative (PFI) has in reality introduced only a minuscule degree of extra flexibility.

Introducing the uniform business rate was another reform scheme of the 1980s. From industry's point of view, the NNDR removed instability and left-wing harassment which were features of its predecessor, the business rate. But the system was bureaucratic, expensive and complex, causing resentment among business leaders – some of whom left an area or closed down enterprises as a result. Under local control, a complicated national equalisation scheme redistributed resources from commercial areas in high rateable areas to poorer areas. Business rates also had the distinct disadvantage of not varying with profitability (like corporation tax) and being unrelated to the costs of local services received by commerce and industry. Recent dissatisfaction with the new system is partly driven by spenders who hold that an emasculated local authority sector, with a very narrow domestic tax base, makes 'gearing' far too high and renders council tax levels highly sensitive to small changes in total expenditure and grant levels. Other measures have resulted in local government becoming dependent on central government grants.

Sound business and investment are essential if a community is to thrive. If the business rate is the best means of establishing links between

local business and councils, would its restoration to local government restore those partnerships so prized by politicians of left and right? Should councils be allowed to retain sums raised by this means? Unless and until a proper mechanism can be devised to protect business from exploitative councils, the gains of the 1980s remain threatened.

Other detailed financial controls exist at central government level; many should be scrapped. In addition to the examples already quoted on education, ministerial consent is required for: grants for various specialist social services and housing schemes; any genuine *ex-gratia* payments (other than awards recommended by the Ombudsman); and for disposals below the best price for any site or premises. It is simply inappropriate that these matters are subject to detailed central control; certain carefully defined activities could continue to be inspected by the external auditor locally.

One of the greatest problems in terms of unnecessary cost, time and effort, for the smooth and efficient running of local government in accordance with the philosophy of the ruling Party is the politically inspired legal challenge to the proper exercise of authority which has become such a marked feature of local affairs recently. Often a complainant (assisted by legal aid) is no more than a stooge for a political lobby. The problems have been increased by the Audit Commission which has tended to interpret the law in an over-rigid manner. As a result, councils are finding their actions subject more and more to judicial review. The expense is considerable, particularly where, in addition to the council's own costs (met out of public funds), complainants have legal aid or, in the case of Audit complaints, the authority concerned funds both sides on an open-ended basis. This seriously impairs efficient discharge of the council's responsibilities.

Furthermore, the power of local authorities under the 1972 Local Government Act to decide how their functions can best be discharged is in danger of being whittled away as a result of a number of recent judicial decisions. For example, the outcome of a case involving North Tyneside has effectively ended local authorities' discretion to make redundancy payments over the prescribed statutory level. The case itself involved thousands of hours of work and cost millions of pounds – and in the end the Government had to bring in legislation to restore the status quo. Such cases have increased the Audit Commission's power over local authorities unduly. Most recently, the Audit Commission has sought to prohibit advance expenditure on local government reorganisation, and has objected to practices as diverse as compensation for the termination of contracts and leisure partnership schemes. A very significant amount

of time has to be devoted to checking legal issues, taking counsel's opinion and dealing with auditors. In Westminster (as its external auditor has confirmed) top management is having to spend 50 percent or more of its time dealing with these matters instead of carrying out the council's decisions. The debate and discussion about local authorities having 'general power of competence' to act for the benefit of residents in their area, should now be addressed, bearing in mind the basis for Conservative reform – the need for greater efficiency by the councils, their accountability to those whom they serve, and the need to protect chargepayers; such a power would, of course, be subject to well-trying and legally defined tests of reasonableness. The present situation may, in the case of some good councils, undermine the spirit of initiative essential to good local government. Wandsworth has succeeded because it possesses such a spirit. Of course, councils must work within a legal framework, but it must be one that is consistent with an enabling, strategic rôle if they are to make their full potential contribution to the quality of life.

The point can be expressed quite simply. Subject to the wider framework of law and government, it must be for the party in power to decide how to carry out its legal responsibilities. That is what electors vote for (or think they are voting for), not for a system in which the courts can be used to challenge and overturn decisions made under the very policies which councils have presented to the electorate to meet their responsibilities under law.

4.

Size and structure

Wandsworth is no stranger to the debate about size and structure. It was at the forefront of the battle leading to the abolition of the GLC and ILEA. Then as now the question was about what structure makes for a truly *local* authority, where efficiency, accountability and quality are essential to the authority's survival. Many of the criteria determining the structure of local government in the future – which should be based on unitary authorities – have been widely discussed in the context of the recent Local Government Review. It worked on the assumption that a population of 100-250,000 was sufficient for a viable unit.

The unitary authority does indeed have many advantages:

- Clear accountability to the public and an end to confusion over who is responsible for what
- Clear financial accountability – with precepts very largely abolished, no taxation without direct accountability
- Economies of scale – reduced overheads, better services, big enough to operate specialist services
- Enhanced ability to attract and retain high calibre staff
- Enhanced ability to attract high quality councillors, and make council work sufficiently interesting and rewarding for them to stand for re-election
- Ability to deal with issues and policies comprehensively – overlap between education and leisure, housing and social services, can be resolved more easily when all are dealt with by the same organisation
- Increased flexibility of operation – greater ability to switch resources between areas and between programmes depending on need
- Simplified and faster decision-taking on, for example, planning, traffic management and building control.

It is a matter for great regret that after all the energy and cost of the Local Government Review, little progress has been made towards a structure consisting predominantly of unitaries. There are a number of strong arguments for such a structure. The starting-point should be a larger basic size than the Review proposed. This should, for the most part, be in the range of 250,000-500,000 population with some exceptions being made, for example, to enable a country town to become a unitary authority with a population of 150,000. The case for larger unitary authorities immediately becomes apparent when one considers the key features of local government today.

Today's council is now much less of a provider (and future councils will be even less so), having distanced both blue collar and white collar management functions via CCT, along with detailed local management of schools (LMS) and opting out; it therefore has much more time and resources for policy-making and deliberation. It can focus on strategic and planning issues, and on formulating overall standards. Released from the relatively trivial and routine business of running basic services and dealing with all the minutiae of disciplinary and staff management matters on a large scale, authorities can be smaller in terms of numbers of councillors and larger in the area they cover without risk of being overstretched.

A large authority can achieve economies of scale through spreading central overheads over a larger range of activities, and negotiating better prices through its greater purchasing power. This will produce resources to create and develop the specialist units for client-monitoring, economic regeneration and development, policy advice, public affairs, research and strategic planning that would be uneconomic for an authority representing a smaller population base. Authorities that are too small may not have issues of sufficient range and depth to attract and retain both politicians and managers of high calibre. Larger authorities can pay reasonable salaries and allowances (particularly important to attract and retain the interest of first-rate members). There are also advantages for central government in fewer, larger authorities. Monitoring is easier, without the wasteful bureaucracy that an intermediate regional tier or offices involves. Resource allocation formulae would be more satisfactory: it is always difficult to reflect the fine detail of local needs in national formulae, but the latter will provide better results with larger authorities, because these will even out very small-scale variations best catered for by the local authority's own allocation of resources.

The danger of a larger unitary authority becoming remote and unresponsive can be overcome. Technological and communication

changes constantly bridge distances and open up new links which create, for example, opportunities for much more local news via local radio, free local newspapers and local cable TV channels. Councils are already experimenting with INTERNET. These all permit two-way community information at local level on a scale completely impossible a decade or so ago. At the same time much more information is available about the local authority as a result of initiatives such as performance measurement, Citizen's Charter standards, Council Annual Reports and generally improved standards of consultation (eg. plans for community care and children). While electors gain greater information, local authorities gain savings, client satisfaction data and clear accountability. What is needed to enrich the two-way flow of information and help focus on the needs of small areas is the more frequent collection of census data. Central government should return to holding a national census every five years. With modern information technology and data handling techniques, it would not be unduly expensive in relation to the valuable data provided for today's more rapidly changing strategic planning framework.

One argument often used against a larger geographic size is that planning decisions would be taken by those remote from the area concerned and lacking detailed knowledge of it. This is not an insuperable obstacle. Planning sub-committees could be set up within the larger unitary authorities covering areas of, say, 50,000-100,000 people, on which local councillors would serve. Effective local government can be provided by reasonably large unitary authorities, which do not need so many councillors. For efficiency and effectiveness as councils become more *enabling* bodies, reform might simultaneously increase the functions of local authorities, enlarge the areas they cover, *and* reduce the number of councillors. But the basis for any change must be that councils remain truly *local* for that, ultimately, will remain their strength.

At first sight that may seem like a reduction of local democracy. It would not be so. Councillors in a typical London borough (where there are probably more people with professional and managerial backgrounds than some rural areas) fall into three categories: one-third to one-half are really interested in, and able to develop, their duties as ward representatives, school governors, members of voluntary body management committees, and so on; one-quarter to one-third have an interest in the direct and detailed management of a particular function; and a final one-quarter to one-third have the time and inclination to contribute to policy-making and review. As a result of the emergence of the enabling authority, there is no longer a rôle for those in the second category and there are now too many in the first for the work available.

Only those in the final category really have their hands full, and even then there is a danger of too close a political involvement in managerial initiative and accountability. There need be no fears about local councillors relying more on their managers, provided there is proper information for policy-making, performance and quality monitoring. Many other countries run their local government with very much smaller bodies; in this country there is a real danger that too many councillors are involved. The consequences are inevitable: debilitating and time-wasting debates far beyond what is needed to secure reasonable exploration of the issues on most topics.

5. Looking ahead

What then should our vision be of the future rôle and responsibilities of local government – of the new enabling authority? It is one which must accommodate the additional responsibilities and wider involvement – for example, with the police and on health – by shrinking the authority to a truly enabling rôle where it does not seek to manage all service provision itself. Competition is essential and its sensible introduction into each area will first be considered. Fresh responsibilities in respect of, for example, health or community safety, should not be automatically awarded, but placed with authorities able to prove (and compete successfully with other applicants) their competence in the area, a sound management record, and that they have successfully made the transition to an enabling rôle.

Many responsibilities for regulation and enforcement offer opportunities for an alternative approach: planning and development control or building control; entertainment and other licensing; enforcement of regulations on food hygiene, health and safety; housing; pollution control; enforcement of parking and traffic schemes; registration of day nurseries, hostels and old people's homes; and the police.

These services generally operate within local and national guidelines, inter-locking in some cases with a statutory national framework on standards and regulations. Where standards are absolute and there is no scope for local variation, or there is a particular premium on guaranteeing a *uniform* high standard, there may be a case for operating such services as national agencies. This has been proposed for the meat hygiene service (responsible for ensuring standards of meat hygiene in slaughterhouses, etc.); the rent officer service (responsible for setting and regulating 'fair rents'); and licensing waste sites (destined for the Environment Agency). In other areas there may be a specific *local* aspect – for example, planning applications – which fit more naturally into the responsibilities of local government. Such matters may not be ideal candidates for CCT to ensure efficiency and effectiveness, although that has been adopted in a few cases. The reason there has not been substantial experimentation here with CCT is partly because the professionals who do such work are, on the whole, already working for local government. There is limited scope elsewhere for routine work. Local knowledge and fine-grain detail on policies may be very important in some cases and there could be difficulty

in an outside firm taking on the work unless staff were transferred. In other cases, such as building control where the technical work is more straightforward and mechanical, external suppliers could be brought in if more cost-effective. Where clear performance standards have already been set (eg. for processing planning applications) the success or failure of in-house teams should already be clearly visible. In this area, the bedrock of local government, there is no reason why competition – up to a point and with much tougher performance standards – should not be developed. Where further candidates for centralisation are proposed, such as the rent officer service, rigorous analysis is needed and probably few valid cases remain. The twin pressures of higher and more refined performance targets, and greater competition for the larger responsibilities such as planning and environmental health, will make, ultimately, for greater efficiency and effectiveness.

Local operational services cluster round the core of refuse collection, street sweeping, highways and street light maintenance, open space maintenance, the cleaning, caretaking and attending of buildings, plus vehicle maintenance. This group is characterised by its operating simple, repetitive activities to a clearly specified standard. At the edges, the group expands to cover some management and white collar areas: management of leisure and public building facilities; housing stock management; operating library services, and other professional services. Since 1988 traditional blue collar services have all been progressively exposed to CCT. White collar areas are now being identified for compulsory tendering – such as housing management, professional property services, finance, computers, information technology, etc. – and should be entirely subject to CCT by 1998 (except for some reorganised authorities). Properly regulated, this will bring great benefits. A few areas, such as libraries, remain at the experimental stage, although one or two authorities have carried out pilot schemes. This is largely because there is at present a less highly developed market outside the local authority from which to invite contracts. However, as in other areas, a range of contractors can be expected to develop experience and come forward.

In its wider remit, the social and welfare service includes a range of social services, such as community care programmes for children and families, the elderly, the mentally ill and the handicapped – and education (with its special needs provision); housing benefit and its administration is really a routine operational service, although generally thought of as a welfare function. (The administration of housing benefit has now been specified for CCT as a white collar finance service to be tested competitively.) Social services activities may become open to

competition, although there are important differences between providing packages of care and child protection work. One central distinction is that most care services (eg. home care, old people's homes, hostels and day centres) are taken up voluntarily by those who use them, whereas the protection of children, which requires controls to be *imposed* (through the courts), *requires* parents to use services forming part of child protection plans.

In the more general community care a separation is emerging between the purchase and provision of care. Wandsworth is developing this model and is keen to extend it as rapidly as the market in providing care allows. The process can be accelerated by devolving some facilities to independent providers; once distanced (possibly after a certain period of protected workload) they must survive by competing successfully in the market. The purchasing side – as in the health service – can then be confined to assessing needs and buying the most suitable place in what is an increasingly competitive field. Already old people's homes can be separated, or distanced, to voluntary or commercial agencies and the existing private sector forms a complete market.

There are other examples where providers are distinct from purchasers – for instance, running children's homes or day care for the under-8s. Providers are often the more proactive larger voluntary organisations who are seizing the opportunity to expand from a traditionally marginal rôle. There is also a growing willingness for smaller local community organisations to take over the running of social clubs, day nurseries and lunch clubs. With hostels and daycare for higher dependency cases, the process is far more embryonic, but Wandsworth is pressing forward with a variety of methods to stimulate transfer of premises to independent, arm's length providers. Home care (ie, home helps and other domiciliary care) is at a delicate stage of development but is a potentially very large market. Over the next few years this will become a fairly competitive area and CCT could then be introduced by the government. Wandsworth has recently introduced voluntary competitive tendering (VCT) with encouraging results.

A more difficult area within social services is that of children and families, with child protection the most important. Day nurseries and even children's homes can become distanced from the provider, and places purchased as needed, but child protection work is more problematic. Such work involves intensive effort and high costs and the publicity connected with 'battered baby' cases (the risks of which can never be completely abolished, however large the resources provided) means most social services committees are extremely cautious about

pressures for efficiency and reluctant to allow competition – even from the long established and trusted church or children's charities with a proven record of successful and responsible care and support. Yet this area is a high consumer of resources (over £90 per head of population in Inner London) and the issue of efficiency, of encouraging dedicated and responsible alternatives, must therefore be tackled by injecting competition on the provider side, accompanied by more sophisticated monitoring of performance, exact analysis of resource consumption, and strong management on assessment and purchasing sides.

This raises the question of whether the purchasing side of child protection might be put out to tender – to those in the voluntary sector with a long history of knowing the problems and of caring for children. It is not impossible that contracts for child protection work could be specified and let. To have real competitive pressures would require some of the charitable agencies active in this field – such as the NSPCC, Welcare, Family Welfare Association, the churches and others – to expand their activities and bid for work with teams of those qualified to undertake this demanding and delicate work. Indeed, outside agencies have already carried out child protection work for local authorities, for example, Tower Hamlets and Camden, although in some cases only as a result of social worker strikes. The difficulty in establishing a contract with any external provider would be in controlling both the assessment function and the cost of services purchased. Whilst theoretically it would be possible to do so, and procedures are defined in various guidelines, the need to keep checks on the cost of care, services purchased, and the difficulty of getting a contractor to use the statutory powers required in the many court cases, make it exceptionally difficult – though it can, and eventually will be, made to work.

Pending more fundamental change to tendering, the assessment process of in-house teams must be made efficient. Unfortunately, effective management in this area poses difficulties because of the nature of family casework and the absence of clear expectations about outcomes on cases, and in identifying performance targets. Time can be absorbed by counselling, support and other attempts at intervention, yet the actual client contact time in this area is traditionally low – perhaps much less than 50 percent of a social worker's available time (70 percent in Wandsworth). Wandsworth has adopted a number of measures to try and ensure maximum efficiency of operation in this area and is working on more. At the heart of our approach is the introduction of proper management disciplines in an area where the profession is unaccustomed to them; resistance is to be expected. The basic steps may seem simple

to an outsider but in practice they are far from easy to introduce effectively. They would involve:

- proper monitoring to ensure cases are immediately allocated to those responsible and qualified to care for them
- allocating highest priority cases (child protection and 'children looked after' cases) first and ensuring these categories always have responsible and qualified support (much of which at present is in the hands of social workers)
- those responsible completing time-sheets, like lawyers and architects are expected to do, so that productive time on each case can be analysed
- independent case assessment by managers who allocate time to be spent on them and then monitor actual time spent and results
- ensuring that tasks are time-limited wherever possible and all cases are reviewed at key points to ensure they do not drag on unproductively.

The trend to centralisation in areas such as the national curriculum and the powers and functions of the Secretary of State for Education have already been raised. In other areas of education the framework has been established, making for greater competition between schools; the publishing of test data and other performance measures aim to enable parents to make informed choices. The whole structure of education economics has also been changed: the introduction of LMS in effect exposed LEA support services to competition by giving the money to schools to choose how to spend; some LEA services (eg. school cleaning, catering and transport) were subject to CCT – although, perhaps regrettably, one side effect of LMS has been to allow local authority schools to choose other than these competitively tested services; schools can opt out of local authority control altogether and assume grant-maintained (GM) status, being funded on a formula based on pupil numbers and a national formula adjusted for local spending. The next stages in education will be: the development of voucher systems to widen choice available to parents, encourage greater competition amongst schools and promote the direct accountability of schools to parents (there are major implications for taxation and spending policies here); the

encouragement of greater variety in schools available; the further refinement and development of test data to identify a school's 'value added' component and help parental choice; development of information centres to advise on the range of schools and relative specialisms available (replacing the old-fashioned admissions office of the local education authority (LEA)); and, finally, the reduction in the central bureaucracy at the Department for Education.

Since the Education Reform Act of 1989 there has been a marked shift of power from LEA to school. Until then, over-centralisation and over-management of schools by the LEA was chronic; recruitment, purchasing, school-budget management were all done by the LEA. That has now been stopped and schools can, to a very great degree, manage their own affairs under delegated budgets. There is no doubt that this arrangement has been successful and all schools function better for it. Unfortunately, at the next level in the management hierarchy – control of the LEA or GM schools by the Department for Education – there has not been a similar shift of power. The Department has, if anything, taken on more of the LEA rôle than previously instead of concentrating on macro-level policy-making and intervention in exceptional cases only. Regular central government involvement in matters that are properly local – such as school closures, changes of character, additions of nursery classes – must stop, with corresponding reductions in time-wasting, the size and cost of central bureaucracy. A move to a more market-based system, with flexibility to respond to changing demographic patterns and parental wishes, should be embraced by the LEA of the future as it develops its rôle as an enabler.

Functions such as strategic planning, economic regeneration, support for business and the wider task of civic leadership are relatively small in terms of expenditure except, of course, what is known as 'inward infrastructure investment' (ie, significant capital investment resources coming into the area from external sources for infrastructure and major projects). Local authorities are just beginning to understand the scope for working in this area and many government initiatives exist to promote partnerships – such as City Challenge, SRB, the relaxation of capital controls on partnerships. Returning the business rate to local government may prove to be the key to greater strength and success in this area.

Councils also have a major part to play in crime prevention and community safety. Wandsworth, for example, instituted a crime reduction programme in 1987 and has developed an increasingly active partnership with the police since that time. Many counties have traditionally worked closely with the police and more formal measures have now been put in

hand, with local authorities having legal powers to fund crime prevention schemes and grant-aid the police. Some of the specific initiatives developed in Wandsworth include improved street lighting; closed circuit TV schemes for town centres and housing estates; entryphones and 'defensible space' improvements on council estates; guidelines for developers in designing-out crime in new buildings; and environment improvements to reduce crime (eg. closing off back alleyways). In addition, Wandsworth supports neighbourhood watch schemes; sports facilities for the young; anti-crime programmes in schools. Uniformed parks police with special constable status have been introduced, as well as uniformed housing patrollers on housing estates, together with a 24-hour control centre for residents to contact. We have also introduced 'noisy party' patrols and joint 'anti-street crime' initiatives. Crime prevention could well become an important function of local authorities; Wandsworth has its own crime sub-committee to co-ordinate activities, which the police attend.

Some controversy surrounded suggestions that councils should actually set up their own uniformed patrol forces, as in Wandsworth and Sedgefield in Durham. Despite being in vastly different areas, the Wandsworth and Sedgefield initiatives are similar in that both show the local authority taking on significant patrolling/surveillance functions – primarily aimed at their own properties but in Sedgefield extending to all areas – possible because of the rural environment. This debate may be resolved by the local authority being given a more formal secondary security surveillance rôle, with highly-trained and expensive police manpower being reserved for more specialist public order and control functions, and for crime investigation. At present, such an extension is inhibited by the absence of any powers of arrest for a community force; by the difficulties of funding (local authorities receive no grant for financing such forces); and by the question of uniforms (can a uniformed community force be adequately distinguished from the police force?). These and other issues should be debated now and, ultimately, resolved by the Home Secretary and Parliament. In the meantime, it must be emphasised that before any local authority can even consider such steps, it must win the confidence of the police locally by proving, over several years, a willingness to support and co-operate with them and to respect both the authority of the law and the traditions of law and justice in this country.

Wandsworth's general approach to health policy is to extend GP fund-holding to create a more effective internal market, and may put local community care budgets into the hands of GPs on a pilot basis. Such

moves could cut through layers of red tape and delays, to the benefit of the patient. In addition, the rôle of health purchaser for a local authority has been given quite an airing over the last year or so. This followed Wandsworth's suggestion in December 1993 that local authorities be allowed to bid for this rôle. Already independent trusts are providers in the health service's internal market, following changes which emphasise the distinction between provider and purchaser. DHAs are small (typically, 50-100 staff) and their rôle is becoming smaller as GP funding develops. Wandsworth put forward a strong case for a combined local authority health purchaser, based on savings of overheads, greater accountability, much enhanced scope for health promotion, and the removal of the artificial health/community care boundary. The model of a more direct relationship between the patient and the hospital or doctor can be developed *via* fund-holding GPs. What is the basis of accountability of the DHA – an unelected body? Unpopular decisions taken behind closed doors must be justified to those concerned – and the trend to economise by merging authorities, which gives larger but more remote health authorities, is not helping. Catchment areas and boundaries tend to provide further complications: the care of discharged patients may be the responsibility of the local authority and require co-operation across the boundary of two large, and often dissimilar, bureaucracies. Moreover, there may be an incentive for health authorities to promote early (and sometimes too early) discharge of patients to the community where the local authority picks up the costs. A unified health/community care authority would offer tremendous savings in this area and provide the scope for a 'seamless' spectrum of care with proper strategic planning.

Conclusion

In May 1995 the Conservative Party sustained massive losses at local elections, losing control of most of their councils to Labour and the Liberal Democrats. Throughout the country, various explanations were put forward – ranging from the Government's perceived unpopularity, to the proponents of big (as opposed to small) local government protesting against the changes imposed over the last decade. There is some truth in both these theses.

However, Wandsworth's experience since the 1980s has been victory at the polls because of success – and savings – in doing the job: finding and giving the best value for money, promoting the highest standards of service, and providing a practical example of effective and accountable local government, eliminating waste and reducing expensive bureaucracy. We have won elections in Wandsworth not because we promise or want to spend more money, but because we want to spend less.

This pamphlet has considered the nature of change in local government which has seen many of its responsibilities pass elsewhere. Far from being a source of hand-wringing, Wandsworth welcomes proper competition from bodies other than the local authority and now looks forward to the next stage of reform. Efficiency and savings must go much further in the drive for higher standards in every area of responsibility. CCT should be expanded to each activity; direct labour organisations run by councils for their benefit rather than of the public must go; and the purchaser-provider split must become automatic. The loopholes and deficiencies in CCT, so obviously exploited by councils avoiding real reform, must be tackled as a matter of urgency.

National government must move further and faster to create the best framework for local government; the debate about financing and capping must start from the need to protect the chargepayer and keep spending under control. Incentives must be restored to local councils so that efficiency and quality become the imperatives – not just for Wandsworth but every authority in the land. And central government should beware of increasing its bureaucratic or regulatory remit – of, in effect, taking to itself what it has taken away from the authority. Similarly with the various proposals for regional tiers of government; we need less bureaucracy; fewer tiers, not more. Only by promoting the move to a market-based system, and with it the direct accountability and responsibility between user and provider, shall we have the surest guarantee of quality and value for money.

SAVINGS FROM COMPETITIVE TENDERING IN WANDSWORTH

Year	Previous Budget £'000	Saving (-)/cost increase £'000	2 Saving (-)/cost increase
<u>EDUCATION SERVICES</u>			
Catering in schools			
Cleaning in schools			
Special Schools - Domestic Services			
1992	4,346	-2,043	- 47.0
1992	2,463	- 777	- 31.5
1995	735	- 90	- 12.2
1995	341	- 77	- 22.6
<u>HIGHWAYS AND TECHNICAL SERVICES</u>			
Gully cleansing			
Highways - street lighting maintenance			
Highways - street lighting and furniture maintenance			
1983	85	- 13	- 15.3
1983	228	- 97	- 42.5
1989	241	9	3.7
1995	1,713	- 98	- 5.7
Parking Control			
1994	1,196 (new cost)	-	**
Skips and abandoned vehicle removal			
1985	92	- 6	- 6.5
Transport - Social Services clients			
- Special needs pupils			
1984	1,111	- 286	- 25.7
1991	2,069	- 291	- 14.1
1991	1,321	- 192	- 14.5
Vehicle hire and maintenance			
1989	1,493	- 142	- 9.5
1994	- 953	- 76	- 8.0
Vehicle maintenance			
1982	1,576	- 494	- 31.3
1984	784	- 400	- 51.0

Year	Previous Budget £'000	Saving (-)/cost increase £'000	2 Saving (-)/cost increase
<u>HOUSING SERVICES</u>			
Caretaking Services			
1985	3,487	- 635	- 18.0
1989	1,572	594	**
Estate Heating systems - maintenance			
1984 onwards	901	- 394	- 43.7
<u>LEISURE AND AMENITY SERVICES</u>			
Cemeteries Maintenance			
1989	560	- 85	- 15.2
1994	609	- 270	- 44.3
Crematorium Management			
1995	- 169	- 27	- 16.0
Community Centres - Cleaning and Attending			
1983	227	- 98	- 43.2
1988	126 (new cost)	-	**
Horticultural Maintenance - School Grounds			
1991	520	- 201	- 38.7
1994	258	- 45	- 17.4
Horticultural Maintenance - Battersea Park			
1989	345	- 52	- 15.1
1994	370	- 139	- 37.6
Horticultural Maintenance - Other			
1990	987	176	- 17.8
Horticultural Maintenance - Housing Estates			
1984	438 (new cost)	-	**
1989	495	180	**
1994	1,126	- 507	- 45.0
Leisure Centres Management			
1989	1,864	- 656	- 35.2
1994 (1)	643	- 883	- 137

Year	Previous Budget £'000	Saving (-)/cost increase £'000	£ Saving (-)/cost increase
<u>Libraries - Bibliographic Services</u>			
1995	278	- 83	- 29.9
1985	103	- 32	- 31.1
1990	137 (new cost)	-	**
1995	433	- 83	- 19.2
<u>Cleaning and Attending (including Museum and Halls)</u>			
1984	78 (new cost)	-	**
1989	148 (new cost)	-	**
1994	318	- 118	- 37.1
1984	449	- 173	- 38.5
1991	244	- 11	- 4.5
1982	3,379	-1,509	- 44.7
1987	2,272	- 175	- 7.7
1994 (2)	3,471	- 923	- 26.6
1991	246	- 6	- 2.4
1982	1,200	- 289	- 24.1
1987	1,005	482	48.0 **
1994	1,998	- 447	- 22.4
<u>SOCIAL SERVICES</u>			
<u>Catering - Children's Centres</u>			
1993	260	1	0.4
1985	271	- 65	- 24.0
1992	189	- 28	- 14.8
1990 (3)	996 (new cost)	-	**
1993	730	- 255	- 34.9
1990	754	- 60	- 8.8
1995	260	- 14	- 5.3
1995	1,863	- 899	- 48.1
<u>Cleaning - Children's and Adult Centres</u>			
<u>Home Care</u>			

Year	Previous Budget £'000	Saving (-)/cost increase £'000	£ Saving (-)/cost increase
<u>Laundry - incontinent clients</u>			
1993	212	- 11	- 5.2
1994	112	1	0.9
1994	882	- 240	- 27.2
<u>Meals on Wheels (Food and delivery)</u>			
<u>WHITE COLLAR SERVICES</u>			
<u>Auditing - Internal Services</u>			
1995	782	- 3	- 0.4
1995	237	- 70	- 29.5
1994 (4)	155	0	0.0
1994	295	- 153	- 51.9
1992	2,041	- 971	- 47.6
1995	464	- 194	- 41.8
1990	360	- 120	- 33.3
1992	280	- 90	- 32.1
1995	240	- 80	- 33.3
1995	1,952	- 237	- 12.1
1995 (4)	1,027	0	0.0
1995	206	- 6	- 2.9
1992 (5)	265	- 46	- 17.4
1995	129	- 11	- 8.5
1993	240	- 110	- 45.8
1995	430	- 96	- 22.0
1993	211	- 133	- 63.0
<u>Graphic Design</u>			
<u>Health Screening</u>			
<u>Legal Services - Conveyancing</u>			
<u>- Litigation</u>			
<u>Office Catering</u>			