

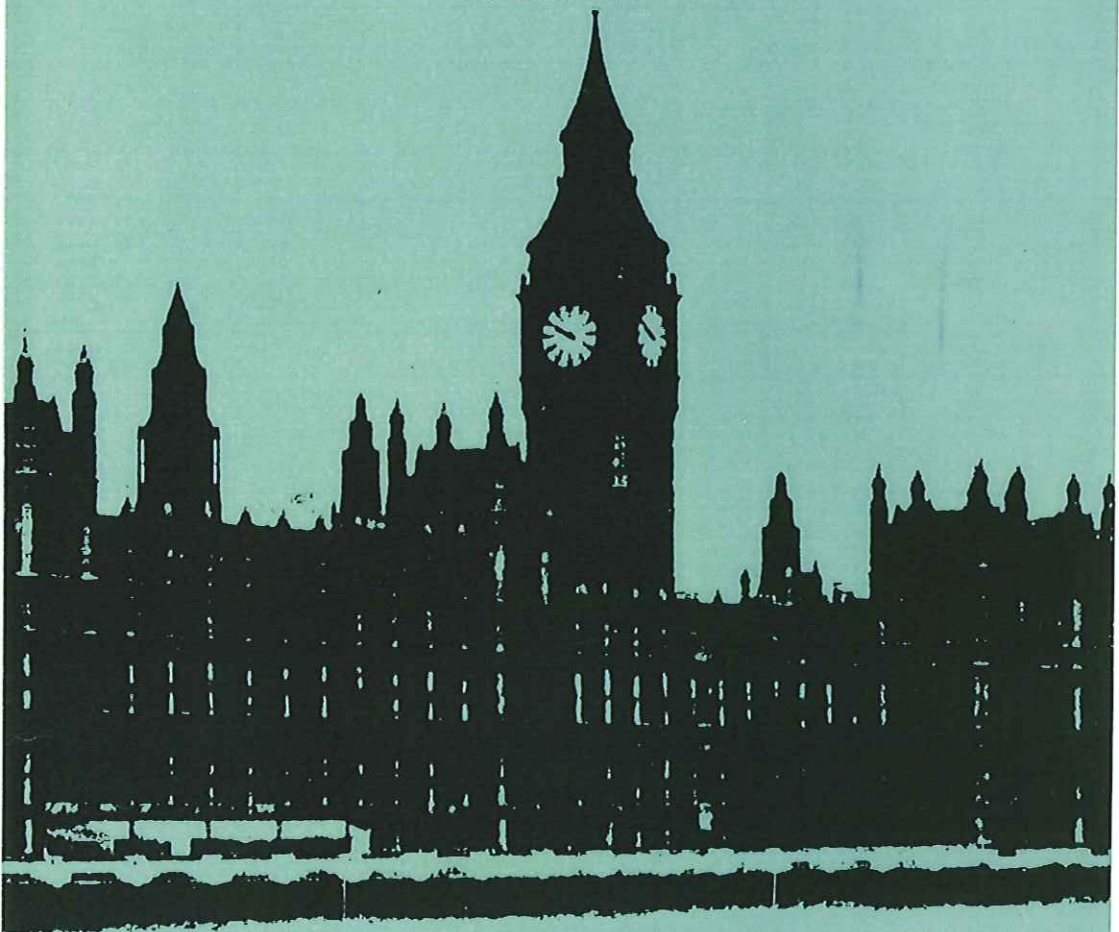


Policy Study No. 84

# Good Council Guide

Wandsworth – 1978-1987

Paul Beresford



CENTRE FOR POLICY STUDIES





Policy Study No. 84

# 'Good Council Guide'

Wandsworth – 1978-1987

Paul Beresford

CENTRE FOR POLICY STUDIES

8 Wilfred Street, London SW1E 6PL  
1987

## The author

Paul Beresford is New Zealand born and bred. He qualified at Otago University as a dental surgeon, arrived in London on Decimal Currency Day, and was given a further year's dental specialist training in London. He first practised in the East End of London before moving to Wimbledon, and now practises in the West End.

Goaded into politics in reaction to the left-wing activities and expensive mismanagement of the 1974-1978 Labour Wandsworth Council, he joined the Putney Conservatives and was elected to Wandsworth Council in 1978.

He has held a wide variety of positions as a Councillor:-  
Vice-Chairman, Social Services Committee;  
Chairman, Public Accountability Sub-Committee;  
Deputy Chairman, Policy and Finance Committee;  
Chairman, Housing Committee;  
Chairman, Policy and Finance Committee; and  
Leader of the Council since January 1983.

## Acknowledgements

The Wandsworth success is ultimately due to the teams of Conservative Councillors deciding policy and to the Wandsworth Council officers' implementing it since May 1978. My thanks also to their husbands, wives and families who tolerated the hours spent by those Councillors. Also, thanks to my wife for her *extra* tolerance; and to Mrs Duke for the many hours of her own time spent typing.

*The Centre for Policy Studies never expresses a corporate opinion in any of its publications. Contributions are chosen for their originality of thought and vigour of expression.*

ISBN No. 1-870 262-05-X

© Centre for Policy Studies April 1987

Printed in London by G. Donald & Co., Osiers Road, S.W.18.



# Contents

	<i>Page</i>
Introduction	4
1 Strategy	5
2 Efficient management of services	8
3 Sales policy	11
4 Capital investment	15
5 Staffing control	18
6 Competitive tendering	20
7 Administration department	29
8 Finance department	34
9 Social services department	41
10 Housing department	46
11 Technical services department	57
12 Leisure and amenity services department	61
13 Crime prevention	66
Appendix	68

# Introduction

Over the last nine years, Conservative Wandsworth Council has reversed the downward spiral so typical of the inner city.

They did not use the Labour Party's techniques of yet more central funding and higher rates.

They did not use the Bishops' 'Faith in the City' package.

They did it their way – by using pragmatic common sense.

The electors voted them to power in 1978. Since they liked what they saw, the electors put them back in 1982, and again in 1986 against the national trend.

This booklet is a quick canter through the approach used by the small Conservative team working with Wandsworth officers.

Obviously, not all methods will apply to all authorities, but it is hoped that the pragmatic approach may help some struggling councillors.

It produced low rates, good services and a high capital programme for Wandsworth.

A handwritten signature in black ink, appearing to read "Paul B. B. B.", written in a cursive style.

## Strategy

Conservative Wandsworth Council has proved that it is possible, by using ordinary commonsense, to produce high quality services at relatively low cost.

This contrasts and repudiates the Labour Party approach of high borrowing, high central funding and high rates. The effect of this approach may be measured by the Conservative success, first in attaining power from Labour in 1978, then in being re-elected in 1982 and 1986.

The hint to Council big spenders was given by Antony Crosland in 1975 with the often quoted remark that 'the party is over'. Nevertheless, between 1979 and 1986, local government increased its spending from £13 billion to over £24 billion, which was 12% in excess of inflation. Worse still, many inner city Labour authorities, while contributing greatly to this increased expenditure, have allowed their services to decline dramatically. This has been mainly due to simple inefficiency but also to the channelling of their funds into regions previously untouched and unconsidered by local authorities, such as funding the activities of homosexuals, massive units of researchers, strategic planners, police monitoring units.

Rural authorities, if by no means such outrageous wasters of resources, have nevertheless been relatively slow in their attempts to improve efficiency.

This quite often appears to have been due to the enormous push required to overcome the immobility of Councillors and officials who, aided and abetted by local government unions, have enjoyed years of the status quo and are consciously, or unconsciously, resistant to change and the pressure for modern business efficiency. The arrival of the SDP/Liberal Alliance has also contributed to the problems since they, like Labour, appear unable to manage efficiently; and show a distinct tendency to excessive and expensive public consultation and discussion as an alternative to decisions and action. The true nature of the SDP/Liberal Alliance is probably best demonstrated by their partnership with Labour in the London Grants Committee. This Lib/Lab pact has, in opposition to the Conservatives, produced a pattern of grant-aid virtually indistinguishable from that of the left-wing Labour GLC from which it inherited its remit.

Fortunately, Mrs Thatcher's administration has put considerable pressure to bear on such excessive spending and created, for example, the

Audit Commission to assist local authorities in achieving 'Economy, Efficiency and Effectiveness'.

In Wandsworth, since the Conservatives assumed control in 1978, the Council has taken up this movement with determination, yet without sacrificing the interests of residents. Their success in the election of 1986 showed a deviation of some 8% from national pro-Labour trends – a success surely, to quote the *Sunday Times* (10 August 1986), the result of the fact that 'on almost every count, Wandsworth provides a better service than Lambeth – yet it still charges its residents half the rates collected in Lambeth'. The article went on to pose the question 'How is it done?' Our three key strategies have been:

- (1) The efficient management of services:
  - to cut out waste;
  - to ensure high quality; and
  - to test all Council services, where possible, against the private sector, and to contract out, where appropriate.
- (2) A vigorous sales policy, involving:
  - (a) the sale of land and buildings where such action proves economically efficient; and
  - (b) the sale of houses to families on low incomes, thus breaking up enormous housing estates and providing a stimulus to the maintenance of such housing.
- (3) Major capital investment, using capital receipts from sales and capital allocations to rebuild the local commercial and industrial infrastructure. This has included the renovation of rundown estates, the betterment of owner-occupied and privately rented stock by means of grants, the provision of major facilities for leisure pursuits and various environmental improvements.

Such a strategy, it may be added, has proved attractive to private sector investment in the borough.

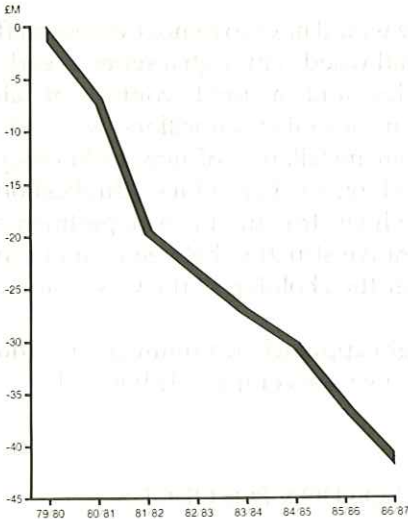
The dramatic impact of Wandsworth's approach can be seen from the following graphs showing the savings achieved since 1979/80, and the net annual revenue expenditure after some of these savings have been ploughed back into improved services, debt charges on capital investment and staffing of new projects.

The cumulative savings to date are about £40 million per annum, representing a staggering 95p rate or 50% off the Council's original net spending. However, the second graph shows that only half of these have

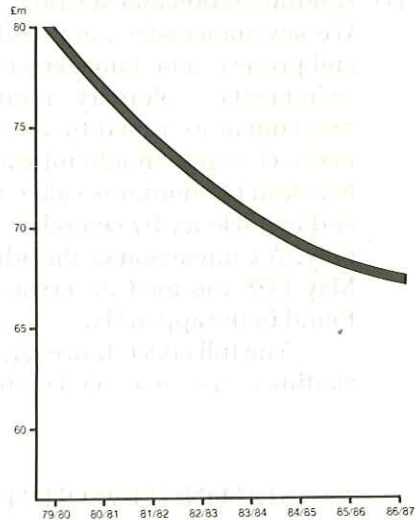


been passed on to ratepayers as reductions in net expenditure - the remaining half having been used in improving services.

**WANDSWORTH CUMULATIVE EFFECT OF ECONOMIES AND EFFICIENCY (1986/87 PRICES)**



**WANDSWORTH REVENUE EXPENDITURE IN REAL TERMS (1986/87 PRICES)**  
(excluding GLC transferred services in 1986/87)



The story of how these savings have been attained, and the initiatives and capital developments which they have permitted, is given in the following chapters.

## Efficient management of services

The Council's policy on managerial efficiency may be analysed under two headings:

### (1) Administration and staffing

We saw immediately, in 1978, that we would have to remove excess staff and prune senior management of dead wood. Through a series of early retirements, voluntary redundancies and a tight control of all recruitment exercised by a small team of senior councillors, we made many changes. In administration, our installation of new technology has been of enormous value, and we have further reduced duplication and inefficiency by centralising the whole structure in six departments only. A comparison of the administrative structure between Labour in May 1978 and the Conservatives after the abolition of the GLC, can be found in the appendix.

The full effect, however, of a tight approach in administration and staffing is best seen in relation to the levels of comparable boroughs.

### STAFFING LEVELS IN INNER LONDON BOROUGHES

	1985/86 Estimates			
	Population '000	Total Staff	Central Bureaucrats per 1000 pop.	Staff for ex-GLC services
Wandsworth	252	5,300	2.28	141
Lambeth	244	10,500	4.22	400
Southwark	210	9,051	Not declared	365
Islington	157	6,662	4.12	Not known

We have helped directly by reducing the number of committees and sub-committees. Wandsworth has, on average, twelve instead of the norm of about thirty in comparable Labour authorities.



We have made further savings simply by having the Council confine itself to areas within the true realm of local government, so avoiding the compulsion to produce lengthy papers on such topics as nuclear disarmament, and political life in Chile or South Africa. The Audit Commission (reported in the *Sunday Times* on 21 December 1986) drew critical attention to the fact that eight London Labour Boroughs were employing too many staff on such matters, which have no direct relevance to the ratepayer.

## **(2) Reviewing and testing of services against the private sector**

It is a standing policy requirement in Wandsworth for all services to be regularly reviewed by the Service Director and, where appropriate, to be considered by the relevant committee for open-market testing.

This technique has permitted a continual cycle of review of services, frequently leading to completely new approaches and the assurance of value for money through competitive tendering. Some 32 white collar and blue collar services have been checked against the private sector. Many of these have been placed out for competitive tendering, approximately two-thirds of which resulted in privatisation. The success of this policy can be seen both in the improvement in services and their control, and in savings which are running at about £6 million annually.

The vital steps in successful competitive tendering are:

- (a) A comprehensive, practicable contract must be drawn up.
- (b) The first stage of tendering must involve a selection of competent contractors.
- (c) All tenders must be submitted by a set date in a closed form by all selected contractors, including the direct labour force if appropriate.
- (d) All contracts should be compared openly on equal terms.
- (e) There should be no negotiation with the direct labour force unions after the closing date for tenders.
- (f) If redundancies are made in the direct labour force, the payments should be staggered, using a "good behaviour bond" to ensure a smooth handover.
- (g) If the contractor fails to meet the terms of the contract, the service should be re-tendered. Any excess costs incurred should be borne by the first contractor.

Details of the procedures followed in Wandsworth are given in a later chapter.

## 5-YEAR SAVINGS FROM COMPETITIVE TENDERING

	Expenditure £'000	Saving £'000 (after allowing for severance)	%
<i>(1) Services Privatised</i>			
Refuse	16,893	7,546	45
Mobile maintenance unit	2,706	670	25
Street cleansing	6,000	1,447	24
Agency punching	250	100	40
Battersea Arts Centre	1,150	660	57
Estate management (contractors)	5,425	755	14
Cleaning/Attending at public halls	1,136	464	41
Litter picking	570 (national)	153	27
Mechanical workshop	3,520	1,489	42
Public conveniences	2,036	547	27
Housing caretakers	17,437	3,177	18
Social Services - catering	3,156	418	13
Cleaning	1,917	785	41
Office cleaning	1,000	440	44
Libraries - cleaning and attending	877	360	41
	64,073	19,011	30
<i>(2) Savings through competitive testing against private sector where work remained in-house</i>			
Mechanical workshop	7,880	2,250	29
Latchmere Leisure Centre	2,610	225	9
Street lighting	1,140	480	42
Estate Management schemes (building works maintenance)	6,915	1,268	15
Social Services transport	5,555	1,430	26
Gully cleansing	426	65	15
Print unit	1,220	140	11
Skips and abandoned vehicles	463	31	7
	£26,209	£5,889	22
TOTAL	£90,282	£24,900	26

**NOTE:** The mechanical workshop correctly appears twice. In 1981, a tendering exercise produced 29% savings and the work was kept in-house. In 1984, a re-tendering produced further savings of 42%. (The union, incidentally, was claiming that the pre-1981 service was efficient!)

## Sales policy

The Sales policy has played a large part in building the success of the Conservatives in Wandsworth. Not only are the many thousands of aspiring home-owners satisfied, but key development areas have been freed following the Council's rationalisation and sale of their own vacated sites. The greatest success of our policy, however, has lain in the releasing of large capital sums for the purpose of reinvestment in the borough.

### Home Sales

We have led the country in home sales, of which six major types can be singled out:

1. Site sales. Reorganisation of services has released a number of Council sites, which have been redeveloped to the benefit of the local economy or for private housing.
2. Right-to-Buy sales. Initiated by the Council prior to the 1980 Housing Act.
3. Sale of individual vacant properties. Such properties were mainly acquired from private home owners during Labour's huge municipalisation programme. They absorb a disproportionate amount of repair funds, and are difficult to manage because of their scattered locations.
4. Partnership schemes. Redevelopment with private sector and housing associations providing homes for sale, again with the Council having the majority, if not all, nomination rights. The majority of these schemes have been undertaken on estates built pre-war. Because they have effectively been untouched since they were originally built, the state of the properties has degenerated.

Although structurally sound, the standard and quality of the homes were far from modern and the external joinery was rotten. Renovation, repair, and modernisation was long overdue and, consequently, extremely expensive. Funding for the works was completely undertaken by the housing associations (generally through the Housing Corporation) or the private sector. Speedy action both by the housing associations and the contractor, (once the scheme was accepted), was remarkable in comparison to the bureaucratic delays frequent in local government.



The incoming home-owner nominated from the Council's sales list effectively paid the contractor for his work and the Council for the property, through the partnership.

On one particular, once notorious, estate, the partnership is tripartite. The Council and the private sector are affiliated to the Government through the Urban Housing Renewal Unit (UHRU) pump-priming funds. Despite initial doubts that even a single flat could be sold on such a run-down estate, one block will be in almost complete private ownership by next winter. (We are well on our way to 40% private ownership of the whole estate.)

5. Portfolio sales. These are straight sales of empty blocks to contractors or associations to renovate and to sell in their turn. The Council again retains most of the nomination rights.
6. Sales Areas. These are designated areas, or estates, where vacancies which occur in the normal course of events are sold to purchasers on our own priority-group sales list. Consequently, most of the new owners are ex-Council tenants or those on the waiting list to rent.

Wandsworth was the first authority to sell an entire vacant estate in need of modernisation ('Battersea Village' in 1981). Again, in 1985, it was first to sell a complete high-rise estate (Livingstone Estate), the first flats of which the developers refurbished and sold within nine months.

The equity sharing has been a feature of our sales of both houses and flats. We were amongst the first authorities to offer this facility on a large scale to allow low income families to get a foot on the housing ladder. Under our scheme a purchaser can opt for a 25%, 50% or 75% stake in the equity of the dwelling, paying a pro rata rent for the residential share. Extra slices of equity can be bought later, when income permits.

### **Selling Flats**

Our programme of sales of flats might have been handicapped by the nature of the stock inherited in 1978 from Labour and later from the GLC. About 84% of dwellings are flats, of which nearly 70% are above the third floor. (Of the London boroughs, Wandsworth has the greatest proportion of stock over ten floors high.)

Nevertheless, we have sold over 9,000 dwellings, 80% of them to borough residents and 60% either to tenants or to aspirants on our Priority Group Sales scheme. Our sales of flats which constitute about 60% of the total sales, amount to roughly one-sixth of the total sales of flats by all Councils in the country.

We thought that consideration should be given to this growing new generation of leaseholders; and so we have assisted in the development of leaseholders' associations along the same lines as tenants' associations.

Our sales campaign has made use of all the usual publicity methods – newspapers, Council publications, vehicles, noticeboards. Also a number of local campaigns on estates have employed door-to-door questionnaires. A special section co-ordinates sales and has direct responsibility for any major capital repair and renovation in the 'sales areas'. This section, working with, and learning from, the private sector, has led to the adoption of new designs, notably of entrycall systems and other security devices, as well as to schemes which make housing blocks more attractive.

It is due to the success of the sales policies that the monolithic estates, so common in the inner cities, now have an increasing number of home owners. These *interested* people are improving the management of estates by their own sense of commitment - they closely scrutinise services, charges, and the general efficiency of the borough's housing management.

As the Council's programme of house sales progressed, there was a noticeable shift in the attitudes of those seeking housing, especially among the young. Would-be tenants approaching the Council were placing their names on the list to buy, as well as on the list to rent. Many, however, were opting only for the list to buy; as a result it was decided that both lists should be computerised, leading to a better match between need and allocation.

The necessity for microtechnology had become apparent early. While the 'list for rent' dropped by 12% during the first eight years of Conservative control, the list to buy grew exponentially until it reached its present level of 25,000 applicants.

The special team in the Administration Department which manages house sales, also has some direct control over major works undertaken in the estates which are designated as sales areas.

Closer contact with the private sector, especially in partnership schemes, has shown to Council officers how the appearance of our dwellings can be dramatically improved, to the extent of removing many of the looks typically associated with inner city Council housing. This is now the declared ambition of the Housing Department and its consultant architects.

The success of mixed tenure on estates was noticeable early in the sales programme. There came a point when tenants' associations approached the Council requesting 'sales area' status with the result that more and more people on the estates have come to care for them.

The change of attitude of the majority of tenants who became owners, whether under the Right-to-Buy or not, was remarkable – and gave new hope to the majority of tenants who had striven for better living conditions.

In other words, the co-operation obtained from harnessing human nature greatly exceeded that gained by previous Labour administrations (for all the professed benevolence of their theories). Far and away the majority of Council tenants would prefer to own their homes, with the immediate control and responsibility which that gives to them.

### Other Sales

Sales of sites have also made a major contribution to the Council's receipts. Early on in the administration it was realised that Council land holdings were very under-used. A progressive rationalisation of offices, depots and all other holdings was followed by rapid sale.

Some redundant children's homes and other facilities were also sold – including two imaginative deals whereby under-used old persons' homes were sold with some occupants *in situ*. The Council, as the registering authority, operates a strict control of standards to ensure good care of its elderly clients.

The majority of residents were happy to remain in the sold homes under the new management.

The opportunity to sell the Part III homes (i.e. homes for the elderly and frail elderly) was primarily created by the massive capital programme for sheltered housing undertaken by the Council.

### COMPARATIVE SALES STATISTICS

Borough	Housing Stock (Approximate)	Right-to-Buy as % Stock	Total Sales as % stock	Capital Receipts 1985/86 to augment H.I.P.
Wandsworth	35,000	10.0	21.1	£36 m
Lambeth	49,000	2.5	2.5	£4.5 m
Southwark	62,000	1.7	1.9	£1.8 m
Islington	41,000	1.6	2.1	Not known



## Capital investment

Wandsworth combines the highest capital programme in London, with the lowest rates in London.

The success of the sales programme has given us massive capital receipts which have promptly been reinvested in the borough. Furthermore, the great number of equity-sharing properties sold has enabled us to optimise the reinvestment (in spite of the Government's 20% restriction on re-use of capital receipts).

The combination of low rates and high reinvestment has helped Wandsworth to achieve the top (or rather bottom) position in the Inner London unemployment league. The money has been invested in housing stock, both in the private and public sectors, and also in the local commercial and industrial infrastructure.

The construction involved in the capital programme has directly provided jobs. Our encouragement, however, to local businesses, present and potential, by usage of the capital on works of infrastructure and by minor grants has assisted indirectly, too. We have sought to increase the borough's general attractiveness and to make under-developed sites accessible by a combined programme of road improvements and redevelopments. Pavements have been re-made in a more attractive manner, using patterns in different coloured bricks and paving stones.

We introduced the now moderately well-known 'Brighter Borough' programme, using some of the funds from the capital programme for imaginative and decorative environmental developments of rundown areas. For relatively modest sums, we have been able to improve many small areas, and brought about a radical and attractive change to the borough as a whole.

We have also realised how important it is to provide leisure facilities. Chapter 12 shows how Wandsworth now has some of the best and most modern swimming and sports facilities of any borough in London, if not the country.

It is in the area of housing, however, that the most dramatic effects of our capital programme are to be seen. The remarkable improvement on many Council estates, has ended the queues of tenants which once formed to leave what were typically dilapidated inner city estates. These – now attractive – properties have inspired further taking-up of the Right-to-Buy, boosting the funds for further reinvestment.

Perhaps the most interesting change has come through the selective and concentrated use of grants for private housing repair in Wandsworth's rundown inner city areas. This has perhaps been the major factor in the conspicuous turnaround in inner city decline, in contrast to neighbouring Labour authorities.

The Social Services Committee, through the housing capital programme, is dramatically shifting resources in the field of care of the elderly. The Council is now approximately two-thirds of the way through a £26 million capital programme providing 400 extra sheltered units for the elderly and frail elderly, giving a total of 1,500 units. Sheltered units are not only preferred by the elderly; they cost less than old people's homes. So we have considerably reduced expenditure for care in such homes.

Set out below is a table indicating the spread and use of capital allocation receipts and leasing which underlines the importance of their prompt utilisation.

CAPITAL EXPENDITURE BY COMMITTEE 1978-1986  
(not including IAP and UDG)

	<i>Establishment</i>	<i>Housing Policy</i>	<i>Leisure &amp; Amenity IAP &amp; Services</i>	<i>Policy &amp; Finance</i>	<i>Social Services</i>	<i>Technical Services</i>
	£000	£000	£000	£000	£000	£000
1978/79	1,316	25,667	646*	74	794	214 \$
1979/80	1,374	22,615	589*	199	859	100 \$
1980/81	765	24,797	890*	223	846	743 \$
1981/82	297	21,936	1,351	220	1,138	701
1982/83	111	28,485	2,143	693	364	716
1983/84	319	36,033	1,830	1,738	468	643
1984/85	1,434	42,836	2,871	1,059	582	1,009
1985/86	788	46,126	4,824	1,346	621	2,848
1986/87 (Est.)	999	50,152	4,284	1,412	937	8,216

NOTE: There were changes in committee names.\* In 1980/81 and previous years:

\* = Expenditure of Recreation Committee

\$ = Expenditure of Town Planning Policy and Transport & Technical Services Committees

## SOURCE OF CAPITAL 1978-1986

	Borrowing	Capital Receipts	Leasing/ Reimbursements/ Capital Fund, etc.	Total (incl. IAP & UDG Schemes)
	£000	£000	£000	£000
1978/79	27,623	208	880	28,711
1979/80	24,966	12	758	25,736
1980/81	26,801	966	497	28,264
1981/82	22,720	2,736	187	25,643
1982/83	26,379	5,967	166	32,512
1983/84	29,608	11,058	365	41,031
1984/85	22,640	26,856	2,777	52,273
1985/86	25,176	29,138	5,427	59,741
1986/87 (Est.)	23,905	41,621	3,549	69,075



## Staffing control

The Conservatives have treated the control of staffing levels as vital. A target of £8 million savings was set in the year 1980/81 alone which resulted in the offer of voluntary early retirement to staff over 50, and of voluntary severance for those under 50. Generous allowances were approved for both categories amounting, in the former case, to the sum currently payable for early retirement through ill-health (with up to 6 added years permitted on pensions) and, in the latter case, about twice that payable under the statutory scheme for severance.

It was thought that if their members were ready to accept these terms, the opposition of unions to a cutback of some 700 staff (part of which figure would be taken up by natural wastage) might well be overcome.

We promised that there would be no compulsory redundancies of officer staff. Directors of departments were instructed, first of all, to identify the posts they were to abolish, whether by reorganisation of establishments, or by simple cutbacks in overmanning. Some employees requested early retirement or severance, some were redeployed, some put on a central list for eventual redeployment. A team of three senior officers was set up to coordinate the operation (under the direction of the Chairman of the Establishment Committee); for some months, recruitment was frozen, and each vacant post considered by this team for:

- immediate appointment, if urgent and specialist;
- redeployed appointment, if applicable;
- continued vacancy, if considered inessential.

The option of redeployment was assessed by the employing Director, and remained subject to the sanction of the Chief Executive. Finally, severance pay for the few staff remaining after this exercise was specially negotiated.

The scale of the cutbacks in manual staff was too great to allow us to offer them the same promise of no compulsory redundancy.

### Preventing renewed growth

There remained a need to screen any requests for new staff, and to monitor productivity levels. Proposals for any new post had to be accompanied by detailed justification, and were then vetted by the Establishment Committee Chairman, with the aid of his independent team of three senior officers.

### Use of temporary agency staff

Most departments in local authorities respond to fluctuations in workload by seeking approval for a permanent new post – a lengthy and wasteful procedure. Wandsworth directors were, on the contrary, given authority to engage temporary or agency staff wherever necessary. The advantages are:

- the Council can respond rapidly to growth in workload; and
- productivity is maintained, since unnecessary new posts are not created, and the temporary staff can be dispersed with when appropriate.

Permanent new posts have been created only after careful scrutiny and then filled as soon as possible (since temporaries are prone to leave without ado).

## Competitive tendering

In Chapter II, the importance of reviewing and testing all services against those provided by the private sector was stressed. This chapter sets out in more detail the process both of going out to competitive tender and of managing a service contract.

The table of savings in Chapter II showed the financial importance of these exercises in Wandsworth – the annual savings are equivalent to almost £6 million, now that severance costs have been paid. When the effect of Block Grant is taken into account, this amounts to an 18p rate. So a very significant contribution to our total savings have come from this source.

With legislation imminent making it mandatory to test services against those in the private sector, authorities are concerned about the likely impact on their industrial relations (especially since the Labour Party and the Trade Unions are mounting an expensive publicity campaign against this extension of free competition). The means of ensuring a smooth transition when the services are privatised deserve consideration.

### **The Street Cleaning Tender – the first ‘contract out’**

Trade Union intransigence on street cleansing and refuse collection left Wandsworth Council with no alternative but to embark upon competitive tendering. Street cleansing was not only overmanned, but many ‘beats’ were left unswept for weeks, if not months, due to Unions’ refusal to adopt flexible working practices. This was particularly true in the Tooting area where chronic sickness and absenteeism left whole swaths permanently unswept.

In desperation, the Conservative leadership announced that they would invite private firms to take over the service. Since Union intransigence continued, it was decided that a proper contract would be drawn up and tenders invited. A specification for the required level of service was agreed. The contract included a penalty scheme, to operate whenever the contractor failed to achieve the required standard in a particular street or block of streets.

Simultaneously, a short list of interested firms was drawn up via public advertisement, and subsequent financial vetting. Tender documents were then sent to the short-listed firms, and to the Direct Labour Organisation (DLO) Director, who was instructed to furnish the Council



with a comparable 'bid' for the cost of his direct labour workforce carrying out the same work.

The bids, including the DLO bid, were all subject to our normal 'tender box' (i.e. deposition of sealed bids) procedure and given careful financial evaluation. All bidders had been asked to consider taking on the redundant Council workers for their own workforce, and those not offered work by the contractor were offered attractive early retirement or severance terms, or else redeployment within the Council. Despite the generosity of this offer, the unions still vigorously opposed the move and there were attempts to intimidate both workers and management of the company who had gained the contract for sweeping. As this was the first privatisation exercise in an inner city area (the only previous one of any significance having been in Southend), it did attract strong Labour Party as well as Union opposition. But eventually this died away, and the new service operated reasonably smoothly. There were, as is the general rule with such contracts, ups and downs in the contractor's performance, particularly in the early days when he was building up a stable workforce. But with the financial penalty system included in our contract, poor performance was soon remedied. And the contractor knew that he would incur continued penalties if the service could not be kept up to scratch.

### **Wandsworth's next move – Refuse Collection**

The next area to be tackled was refuse collection. The Council had been struggling for many years to bring down the costs of this service. The Conservatives had inherited from the Labour Party a typical union dominated service; union control over recruitment, 20 hour (maximum) week, thriving sidelines in 'totting', intimidation of households who refused to give a Christmas tip, poor service in winter weather, high absenteeism, abuse of bonus systems and consequent high wages and costs.

The District Auditor had repeatedly drawn attention to the high cost of the service, but the Labour Party had obtained nothing of substance from the Unions. After two years of 'hard slog' negotiations, the Conservative Council managed to agree a cut of 7 out of 35 collection rounds. Management told the Council that this was the maximum attainable, and that it should be pleased with these achievements.

Matters rested there until, by coincidence, the 1981 Christmas produced a rash of complaints about intimidation for tips, and an extremely long period when crews would not go out to work because of 'icy conditions'. In some areas, no collections were made for four consecutive weeks.

An offer in writing to run the service from the new street-sweeping contractor decided the matter. The Conservatives went into the 1982 local elections in the throes of a strike, having just put the service out to tender. The voters seemed keen to be rid of the dustmen forever and returned a Conservative Council to office.

The strike collapsed forthwith. The bids were opened. The winning tenderer was selected. On this occasion, the Council had not offered redeployment to the workers within the Council, but instead a set of attractive severance terms were drawn up, which the workers accepted. They were about three times the statutory redundancy level, but had strings attached.

Fearing disruption of the service and a disorderly transfer to the contractor, the Council held half of the severance pay back, and agreed to pay only after a smooth transition had been achieved, and the new contractor was up and running. This 'good behaviour bond' was highly effective and the take-over was virtually painless. Surprising perhaps - given the violence that had erupted between contractors and dustmen a few months previously in the strike! The successful contractor (Wastecare) purchased the Council collection fleet and also leased the existing depot, thus enabling him to make an early start on efficient operation of the contract.

### **The general policy in Wandsworth**

With very significant benefits achieved in terms of assured quality of service and financial savings in these two important fields, it was decided to embark upon a general policy of putting all appropriate services out to competitive tender. A policy paper was therefore carried by the Council, instructing all Directors to test the competitiveness of all their services against the private sector. Accepting that this would not happen overnight, the Conservative leadership introduced a methodical programme of tendering over a period of years. It was thought important to establish the general principle to show the officers the importance attached to this approach. Because, inevitably, officers are rarely keen to see their services go out to tender, the key to the implementation was the involvement of the leader and committee chairmen in drawing up a programme, each chairman being involved in what was called the 'feasibility stage'.

This merits explanation. Because the investment of staff resources required to produce a contract and specification is heavy, it was agreed that (except in those cases where the advantage of going straight to tender were obvious) each exercise would be preceded by a feasibility study, for which



management would draw up only brief outline requirements. This would then be discussed with one or two firms who were thought to be in the market, on the strict understanding that these talks were exploratory, and were not negotiations. Generally, potential contractors were able to indicate whether or not they would be interested in operating such a contract, and took the opportunity to make useful points about the way it was proposed to issue the tenders. Contractors were also generally willing to give an indicative cost figure which could be used as a guide to assess the likely benefits of tendering. In many cases, however, experience showed us that when it came to actual competitive tendering, totally different and generally lower figures would be submitted. But the initial quote did serve to show the order of magnitude of the potential saving.

In some cases, extensive preparatory work was needed even to put a feasibility study in hand. Therefore, a policy decision was taken that Directors could engage consultants at this initial stage – particularly for help in preparing detailed specifications.

Today the need for feasibility studies is somewhat lessened. Previously, in very many cases, no contracts existed for the kinds of services being considered for competitive tender, and there was no one to turn to for practical advice. The situation is different now. Authorities should be able to move directly to tendering in most cases. The order in which services are tackled should be dictated by local factors – for example, giving priority to areas where costs per head are above the norm, or where restrictive practices by Trade Unions flourish.

### **Specifications**

The specification is, as much as the contract document itself, the key to a successful tendering exercise. As mentioned, its preparation can devour a lot of time and resources so that one obvious answer may be to employ consultants. Management, however, will have extremely valuable local knowledge, and should be identified with, and held accountable for, every stage in the tender process, thus ensuring that they remain responsible for the delivery of the future service. In many cases, managers will be able to produce a specification either by themselves, or with the help of temporary staff who can help with work measurement or field observation (or indeed cover for staff while they spend their time on the specification).

The specification will contain details of tasks necessary for providing the service, maps and plans showing where they are to be carried out, with details of frequencies both of regular tasks and of periodic and special ones

which may arise from time to time. For example, a street sweeping contract specification should make provision for leaf clearing as a special task. The specification may also include details of methods to be used, if these are important. For instance, on refuse collection, the use or otherwise of plastic sacks should be specified. Materials and their quality and standard may also need to be included.

It will be seen how complex the specification can become. But experience has shown how important it is that all specifications be approved by the relevant committee. Not only does this narrow the scope for arguments later, but in most cases a political decision is necessary on the level of service to be included. For example, in a street cleaning specification there will be many streets where a case could be made for a twice-weekly or even daily sweep of very intensively used areas. Management will have a view on a sensible compromise specification, but ultimately a Committee decision is needed.

Generally, the act of producing a specification is an extremely enlightening one for both managers and members. It is an indictment of local government today that it is running services costing thousands of millions of pounds, yet in most cases there is no specification for what is supposed to be done, no adequate inspection of quality of work, and no consideration whether the service is pitched at the right level. Drawing up the specification automatically raises key questions on the level of service required and provides the framework for monitoring the achievement and quality of that service on a daily or weekly basis.

### **Inspection and default systems**

In the Wandsworth system of service contracts, the contractor is expected to achieve the level of performance set out in the specification. The success of execution of the contract is assessed daily by a team of Council inspectors, covering either the complete contract area, or a random sample. They will also investigate any complaints of non-performance from the public or other Council sources. The contract provides for a financial deduction if, on inspection, tasks have been inadequately performed. Generally, the specification will divide the work into tasks for each small area – a street, office block, estate block, or garden for example. This requires the contractor to price the specification in detail, enabling the cost of each element of work to be seen. If the work is inadequately done in any area, then the appropriate amount of money will be withheld. Generally, if there is a second failure the next day, financial damages will be applied as well as a further withholding of the cost of the work not done properly. The damages cannot be punitive,



but even small amounts are adequate to ensure that it is in a contractor's interest quickly to put shortcomings to rights.

In addition to financial deductions and damages, contracts should contain a system of penalty points for poor performance which can be 'totted up' over a period of time and used as a criterion for determining the contract. For example, it may be that a total of 200 penalty points in any 4-week period will be written into the contract as grounds for determination. Such an arrangement ensures that the contractor cannot persistently under-perform with impunity. The contract should also include a clause which requires a contractor to indemnify the Council for excess costs incurred right up to the end of the contract, if it is determined for poor performance. So, if there are any temporary or permanent extra costs due to failure, the Council can recoup them. Such costs would include those charged by a new contractor for taking over and running the tail-end. This gives the original contractor a very powerful motive *not* to fail.

In our 15 fields of contract, Wandsworth has had to determine only one for poor performance, despite thorough and regular inspection in every case. This illustrates the success of procedures of inspection and penalty, working in tandem to provide an assured level of service. It also shows how, when performance is not up to standard, immediate action can be taken under the terms of the contract, in contrast to the prolonged and difficult process of dealing with direct labour.

### **Length of contract period**

Normally, Wandsworth has adopted five-year contracts. The period must be long enough to justify a contractor's investment not only in plant and equipment, but also in management effort in staff recruitment, training and familiarisation with the terms. Another most important consideration is that too short a contract period will result in a bias in favour of direct labour bids, as they will generally not have severance costs counting against them.

In cases where investment in plant, equipment or property is significant, a seven-year contract may be more appropriate. Otherwise, however, the costs for a seven-year contract are unlikely to be more than a few percent below a five-year contract.

The argument that a long contract is dangerous as it may lock a council into a poor contractor is spurious. If the clauses for default and determination have been drawn up properly, then, as explained previously, any such contractor can be readily removed.

### **The in-house bid**

A great deal of hope and attention will be focused on the in-house bid. The Conservative Group considered from the outset it was fair to proceed only if contractors and direct labour submitted tenders under equal conditions. The Council's direct labour bid, therefore, had to be framed in parallel by the Director concerned, and submitted through the tender box with other bids. Once submitted, no negotiation would be allowed on the in-house bid. The Council held fast to this, despite predictable trade union attempts to try to negotiate their bid down when they saw that it had lost. The importance of this is that any losses on a direct labour bid are carried by ratepayers, whilst a contractor must honour his price (and the contract standards) come what may. There is therefore the possibility, indeed in some cases the very real temptation, for trade unions and Directors to concoct a direct labour bid which is unrealistically low, with ratepayers having to carry the 'loss' later. To safeguard against this, it was made very clear to the Directors that they were being held accountable for achieving their bid through proper trading accounts which would clearly show any profit or loss. Also, they were to take into account in framing their bid *realistic* improvements in direct labour productivity, and translate these into appropriate manning levels. The table in Chapter II shows that, although the savings achieved when direct labour bids were accepted were below those obtained when switching to contractors (26% as against 30%), there was still ample room for improved efficiency, and no reason why a properly thought-out direct labour bid should not win.

We insisted, however, that the direct labour savings and the manpower to match were at once removed from the budget, which was kept under close review. In some cases (e.g. building maintenance), the profit on trading account has been considerable, despite competitive tendering for neighbourhood housing maintenance contracts, showing that efficient direct labour can flourish, at least in Conservative Wandsworth.

### **Sale of assets and appraisal of tenders**

Generally, it will be sensible to offer tenderers the Council's own plant, equipment, etc. at current value. If a depot or office is needed, it may also be sensible to offer to lease the current direct labour depots, etc. to the contractor. Although this might be inappropriate if he already had a presence in the area, in most cases time will be saved if a contractor has the contract 'ready made', and does not have to order vehicles and search for depot sites.



Accordingly, the tender documents will include a section allowing the contractor to bid a price for all these items, and this will be a further credit on the contractor's side when evaluating his costs. Equally, if the contract is placed outside the Council rather than with direct labour, not only will a saving be made in future depreciation provisions, but depreciation monies already set aside by the Council (e.g. for vehicle replacement) can be released. These effects must be taken into account in the financial appraisal of direct labour *versus* contractors.

From this, it will be seen that the appraisal of tenders is a critical and complex matter, where undue advantage can be given to direct labour bids if the exercise is not carried out with scrupulous fairness. For example, it is important to include in the costs for contractors' bids, the need to inspect and supervise the contract. With an in-house bid, inspection will normally be built into the management structure of the workforce. A difficult area to assess is the extent of avoidable overheads. If the contract goes out, some overheads will be reduced (for example, with a large workforce, payroll costs may be significantly less if the service is privatised), and others will be largely unaffected; typically central support services and even departmental management. Other overheads will shrink, but only in the longer term. Wandsworth, having been able to cut its manual workforce by approximately half, has now been able to realise some savings on depot administration, and even on time-off for trade union activities, because of the present, much smaller scale of in-house blue-collar services.

The complexities inherent in the field make it prudent for Councillors to seek a thorough explanation of the methods of appraisal which have been used (particularly if the tenders between direct labour and contractors are at all close).

### **Timescale of tendering operation**

Much will depend on the complexity of the service under consideration, but allowing for all the necessary approvals by Committee and Council, and for consultation with staff concerned (for which 21 days are allowed at Wandsworth) our typical timetable might be as follows:-

- |  |                                    |
|--|------------------------------------|
| (1) Feasibility study (if appropriate)   | 4-8 weeks                          |
| If decision is taken to go to tender, staff notified at this point.                |                                    |
| (2) Draw up specification and contract documents                                   | 8 weeks                            |
| (3) Consultation period with staff   | 3 weeks                            |
| (4) Assuming no delay in waiting for a Committee,<br>but wait for Council approval | 4 weeks say,<br>could be 1-7 weeks |

- |  |                                 |
|--|---------------------------------|
| (5) Preliminary advertisement for interested contractors, followed by financial vetting                                | 6 weeks, but in parallel to (2) |
| (6) Issue tender documents   | 0.5 weeks                       |
| (7) Allow contractors and direct labour to prepare bids  | 3-6 weeks                       |
| (8) Tenders returned via tender box  | -                               |
| (9) Analysis of tenders, including interviews with leading contractors to probe proposed contract methods and figures. | 2-3 weeks                       |
| (10) Final consultation with staff   | 3 weeks                         |
| (11) Committee decision on successful bid  | -                               |
| (12) Average wait for Council approval   | 4 weeks                         |
|  | range (1-7 weeks)               |
| (13) Lead-in time for contractor to set up workforce, etc.   | 8-12 weeks                      |

The maxima shown would apply to the more complex activities, such as refuse collection and vehicle maintenance. Shorter times would be appropriate for office cleaning, simple caretaking and catering etc.

The result, as is clear from this chapter and the chapters on administration, leisure, technical services and housing, is to give good services at a price the ratepayer can afford.

## Administration department

The Administration department proved ripe for pruning. It is, quite often the home of units which do not fit readily anywhere else, and it is important to question their real value and achievements. Though Wandsworth in 1978 had no 'police units', 'women's units', and 'gay and lesbian units', it did have a Community Development Team which, although only six in strength, was mainly intended as a stimulus to others to criticise the Council or pressurise for more public spending. It had no place in our view of democratic local government, and was summarily wound up.

We found also that research was too often duplicated in various departments. In 1978, several groups existed for the purpose, including a unit of fifteen in Social Services, most of whose energies were devoted to proving the need for more 'free' services. We cut these groups down to:

- a single management information post in each department;
- a compact central unit designed to monitor all our policies and to provide central information and research, as well as service reviews with finance staff.

Later, we encouraged all Directors to adopt an information system called MINDER (Chapter 8), and the SUPER-MINDER system derived from this gives leading Chairmen a comprehensive view over progress towards our objectives, service standards and use of resources. These were minor adjustments compared to the reformation of the bureaucracy. The administration now consists of the following divisions, which will be considered in turn:

### (a) Professional support services to the whole organisation

Legal

Valuation

Personnel

Offices and telephones

Press, public relations and reprographics

### (b) Minor administrative services

Registrar of Births, Marriages and Deaths

Electoral registration



Land Charges Searches

Mayorality

(c) **Central Council Committee Secretariat**

(d) **Direct Services to ratepayers**

In Wandsworth's case - Environmental Health

Trading Standards

House Sales

### **Professional support services**

Such services are likely to be overstaffed and ineffective. They do not have the benefit of consumer feedback, nor do they have any incentive to operate profitably or run 'trading accounts'. The general methods we used to manage them effectively were to:

- keep staff down and workload high. Staffing was cut by some 15% on average in 1980, with further minor reductions thereafter;
- check costs against the private sector wherever possible. For Valuation and Legal, this was not too difficult (care was taken to include adequate recharges of overheads in making a fair comparison);
- insist on regular production of measures of output, and farm out excess work to private practices rather than recruit more staff; and
- monitor carefully the quality of work.

Printing is an interesting case in point. Council printing had been done for a long time in-house, and was managed by the Borough Engineer. This somewhat inefficient unit was then placed in the Administration Department alongside the graphics and public relations functions under a new Graphics Manager, with instructions that it should be reviewed and tested against the private sector. The management overhauled manning levels and machinery, and produced cost savings of 20% which, we discovered, were better than we could have obtained from outside printers whose wage costs were so high. The in-house unit was therefore geared up to do about 70% of the work (the small and simple jobs) and the large jobs and peak loads were sent out to private contractors. The lesson to be learned here is that a competitive tendering operation can stimulate great improvements in the in-house service.

### **Offices**

We had reduced central white-collar staff, and so decided to rationalise our offices on a central site. Expensive outstations were relinquished, and

directorates generally reorganised. We were able to move the entire Leisure Department to the central site from an office three miles away, and subsequent minor economies derived from:

- energy saving measures;
- water meters;
- a productivity scheme for messengers, couriers etc; and
- office cleaning and window cleaning.

These last services were privatised because the in-house labour costs were so high that the existing cleaning force could not compete with contractors paying market wage rates. In other words, the in-house unions had priced their members out of a job. The director concerned complained bitterly that, much as he wanted to retain his much-loved labour force, it was impossible to do so at wages (then) of £2.73 an hour compared with those of contractors offering equal or better productivity at £1.80 - £2.00 an hour.

We made, finally, the incidental discovery that significant income could be generated by leasing the council offices as film locations.

### **Telephones**

Wandsworth had an old, inefficient telephone switchboard. Specialist consultants were employed to replace it and to bring hitherto excluded offices onto the chosen system. Our £1 million investment in a new exchange paid for itself by obviating the need for operators at all outstations, and by the use of direct dialling which halved the number of central operators needed (altogether 15 of them were let go).

Further benefits were:

- the increased speed of dealing with the public;
- the introduction of a central information point to help callers with any enquiries;
- the ability to limit long-distance calls to senior staff only; and
- the logging of calls on all internal extensions, so that abuse of the system could be prevented.

### **Publicity**

Press and Public Relations are vital. We improved communications with residents in five ways, by:

- the introduction of two regular news-sheets - a Tenants' News and the 'Town Crier';
- the regular production of press releases;



- careful planning of the publicity on major policies, launched by press conferences;
- high quality annual reports and other documents relating to improved services; and
- the 'Brighter Borough' theme with its own distinctive logo, drawing attention to all areas and projects where the Council is improving the borough.

### **Minor Administrative services**

These include electoral registration, registration of births, marriages and deaths and the like. We found that reductions in staffing of between 10% and 20% were possible without affecting the service.

### **Committee Secretariat**

Here again, we were able to cut about 15% of staff. It is worth pointing out that in Wandsworth the committee secretaries have a special role, as they work very closely with their Chairmen in the management of their Committee workload. The Chairmen keep a tight rein on their programmes, without excessive involvement in detail, through regular progress meetings are held outside the formal committee timetables at which they see management data on all important matters.

### **Services to the public – environmental health**

We regard environmental health as possibly the most vital public service in maintaining the quality of civilised life. None, therefore, of the statutory functions in this area have been cut back, though there have been the usual savings on administration and productivity of around 10%. In 1982, we brought improvement grants under Environmental Health (instead of Housing) when the spending limits on grants were increased by the Government. Our programme of urban renewal, thus integrated, had topped £40 million worth of improvement grants by the end of 1986: this, in turn, stimulated private investment in housing improvement. Chapter 10 goes into more detail.

Other matters concerning environmental health, such as licensing, food and drugs inspection, pollution and pest control, were not ignored. By comparison with surrounding boroughs, we have ensured that services in Wandsworth have been amongst the best in London.

## Trading Standards

In 1980 we pulled out of an ineffectual and expensive consortium with some Labour-controlled boroughs and set up our own service. This has been a success, and confirms our doubts about the value of consortia, which are difficult to manage and are not directly accountable.

## Finance department

Local government finance is highly specialised. In Wandsworth, the expertise of the department has been employed, not only in the usual areas of general collection and dispersal of funds, but also in rent collection, economic development, and value-for-money surveys of the various service departments.

The MINDER system was first introduced in the Finance department and, once tested, applied to the other departments. The system is a development of the Department of the Environment's MINIS system, and its functions may be summarised:

### Management

- (a) Analysis of the functions of each section on an annual basis.
- (b) Allocation of staff for each function.
- (c) Target performance standards.
- (d) Programme of key tasks to be achieved during the year.
- (e) Continual monitoring during the year of:
  - (i) progress on programmed tasks;
  - (ii) performance in relation to standards; and
  - (iii) effective use of staffing resources.
- (f) Annual review of performance of each section which identifies weaknesses and plans changes for the following year. The system was introduced for all the sections of the department, and has since been extended to sub-sections and even to individuals in certain areas.

Once or twice a year, the department heads make reports to the Board of directors, which are an important instrument of communication for all from the most junior staff to committee chairmen.

### Rate and rent collection

#### COST OF RATE COLLECTION

<i>Authority</i>	<i>Cost/Head population 1985/86 Estimate</i>
Wandsworth	£ 3.62
Lambeth	£ 4.81
Southwark	£ 6.24
Islington	£10.04

The department has improved efficiency in rate collection by introducing improved organisation, early billing, and prompt action on arrears.

In 1982, Wandsworth, along with other inner London local authorities, had more and more Council tenants falling in arrears with their rents and rates. The responsibility for rent arrears collection belonged to the Housing Management Assistants, whose role included advice to tenants on a whole range of matters regarding their occupation of Council-owned property. These included advice and assistance on matrimonial difficulties, action against anti-social behaviour on our Council estates, and efforts to ensure that the Council's terms of tenancy were followed by all residents, and that the Council itself carried out its obligations under those terms. They were, in short, the first contacts for tenants wishing to avail themselves of the management services of the Housing department. It was understandable, therefore, that tenant rent and rate arrears were not accorded a high enough priority amongst the HMAs' duties to contain the rising trend, and we decided in 1982 to transfer the whole collection and arrears function to the Finance department.

We tried to achieve three objectives:

- (1) up-to-date information about individual rent payments giving early arrears warning;
- (2) maximum use of welfare benefits and debt counselling; and
- (3) early and firm action against those who could pay but refused to do so.

In less than two years from the transfer, arrears had fallen by almost half. In comparable boroughs, they have, on the contrary, risen.

Tenants themselves benefit from the new system, for they can see their recent and current accounts immediately on visiting a payment office, and receive regular statements similar to those of banks. The previous Labour administration had encouraged tenants to pay by National Giro. We found this built in a delay which varied from days to three weeks. Because of this, tenants were encouraged to pay by post – directly or through commercial banks.

### **Welfare benefits and debt counselling**

Special training in these important services was given to the new team of arrears officers in the Finance department, who are, by and large, better equipped to assimilate the complicated details of DHSS benefits and Housing Benefit systems. They sought close contact with DHSS officials for assistance in sorting out awkward problems. They were also located in the same office as the staff dealing with housing benefit to ensure quick answers to any problems over claims.



Tenants have been made more aware of their entitlements by these means, and their receipts of higher benefits have greatly assisted in reducing arrears. When required, simple debt counselling has also helped in cases of persistent rent arrears, and has often eased the worries and burdens of both tenants and the Council.

### **Firm action on non-payers**

High priority is given (exploiting computers) to contacting tenants for payment when they are only two weeks in arrears: if a tenant does not respond quickly to written requests, an official visits him, and agrees the sum of arrears owing. Any benefits applicable are arranged, and the outstanding balance requested, perhaps over an agreed period.

If the tenant defaults, the Council considers further action. In the end, threat of eviction or distraint usually prompts fast payment. The Council has only had to take distraint goods on two occasions for rent arrears. In general, the attitude of tenants has changed with the knowledge that the Council means business, and so they are prepared to pay more readily.

They are aware, too, that the Council acts in their interests, reducing hardship for many people by careful investigation of means and entitlements, and by counselling.

The case for the Council's stance was well put by a disgruntled tenant who complained on a television programme that Wandsworth Council's attitude to rent collection forced him to consider his rent before he went for a drink in the pub.

Wandsworth's introduction of 'Speedtills', along the lines of bank automatic cash dispensers, are also worth mentioning. These machines accept cash and dispense a 'receipt', and have now been installed in a number of libraries, sports halls and so on. Their gradual acceptance has enabled us to reduce staff and close a superfluous cash office.

All in all our policies have reduced arrears for 1983-86 by £2 million, a figure which contrasts strongly with those of Labour boroughs.

### **RENT AND RATES ARREARS IN VARIOUS BOROUGHES**

<i>Authority</i>	<i>Rent/rate arrears Council tenants £m</i>	<i>Arrears as per cent gross</i>
Wandsworth	2.8	4.2%
Lambeth	10.0	24%
Southwark	13.36	24.4%
Islington	6.17	18.2%

### **Housing benefits**

The assessment of Housing Benefit was transferred to local authorities in two stages: first, in November 1982, came that of Council tenants in receipt of full housing benefit, and second, in April 1983, that of private tenants and Council tenants with non-dependants.

This transfer was a huge task, but because we had the use of computers and well-trained staff, it was effected with remarkable success.

Because of the delays with National Giro, the Council approached its own commercial bankers for cheques relating to housing benefits. To the bank's credit, they co-operated even in spite of doubts brought on by the enormous turnover and low or negligible profit.

Eventually, it is understood that the bank benefited by the increase in customers, because many who had, until then, never ventured inside their doors became their customers.

### **Internal Audit Section**

We have used the Audit Section not only for its probity duties, but to undertake investigations into problem areas and make comparative studies. To use auditors only on 'internal accounting policies' is to underrate them, as they can often be a source of new ideas in the analysis of the various services.

### **Employment of the private sector**

*External Auditors:* Our purpose in appointing a firm of external auditors was to couple private sector expertise with that of the public sector in seeking guidelines for improved 'economy, efficiency and effectiveness'.

*Bailiffs:* We have made extensive use of independent bailiffs on a continuous comparative basis with over in-house bailiffs.

*Investment Managers:* Two competitive external investment management firms were appointed in February 1983 for the Superannuation Fund. The results are monitored by the presentation of an annual report and more regular meetings between the managers and the Members' Investment Panel.

*Council Mortgages:* Buyers arranging mortgages are generally advised to see building societies, to which, where possible, council mortgages have also been transferred. In December 1986, the sum thus released for reinvestment was over £3m. We have been greatly assisted by most societies and banks in this policy, though they have been disappointingly reluctant to give mortgages to potential purchasers of leasehold flats.

### External role

The Finance department has been a part of inter-departmental teams working on specific problems, and has also assisted the management of service departments. Trading accounts, for example, have been introduced in many areas, which should give help in further DLO tendering as well as in evaluating external tenders. Frequently, such trading accounts give both members and officers their first ever understanding of a particular area of service.

The department both assists and assesses the Council grant-aided bodies which have doubled in number over the last eight years. There are now 223 receiving a total of £6.4m annually. The department gives them financial advice and, together with staff from the Administration and the appropriate service departments, submits reports on their activities to the Grants and IAP sub-committee. This sub-committee of Policy and Finance is deliberately kept to a small membership of five councillors because of the detailed nature of its reports.

### Economic development office

The international and national economic difficulties have had a marked effect on inner city unemployment. The problem in Wandsworth, though severe, is markedly less so than in comparable inner London boroughs (see table).

#### UNEMPLOYMENT IN INNER LONDON BOROUGHS

	<i>Population</i>	<i>Rates average/week</i>	<i>% Unemployed December 1986</i>	<i>Under-18 unemployed</i>
Wandsworth	252,000	£ 5.65	11.4	290
Lambeth	244,000	£10.32	19.6	496
Southwark	210,000	£ 9.36	19.2	405
Islington	157,000	£10.61	19.7	293

Low rates have attracted private investors to the borough - they injected £36m into Wandsworth in 1985, creating many new jobs. There has, in fact, been a small but significant fall in overall unemployment and a marked improvement in the position of the young unemployed, whose numbers have dropped by 35% since October 1985. Despite Labour arguments to the contrary, it would even appear that a reduction in the numbers employed by local authorities, lowering costs thereby, has helped to boost other local employment (see table opposite).



## EMPLOYMENT BY LOCAL AUTHORITIES

	<i>Population</i>	<i>Total Staff</i>	<i>Central Bureaucrats/ 1000 population</i>	<i>Unemployment % Dec. 1986</i>
Wandsworth	252,000	5,300	2.28	11.4
Lambeth	244,000	10,500	4.22	19.6
Southwark	210,000	9,051	Not declared	19.2
Islington	157,000	6,662	4.12	19.7

In order to tackle problems of the local economy directly, the Council established an economic development office within the Finance department in July 1983. It reported to the Establishment committee. Before that date, Wandsworth had already been designated a "programme authority" - that is, an inner city authority receiving special financial help under the Government's Urban Programme.

The office has a complement of 23 full-time and three part-time staff and a budget (excluding staffing costs) of £2.24m revenue and £2.3m capital for investment. Its functions are:-

- (1) Industrial and commercial development.
  - (2) Business development.
  - (3) Training and job access.
- (1) Industrial and Commercial Development:**

The aim here is to improve the business environment. This can be simple and localised to business areas, providing minor improvements such as our Brighter Shops Grants Scheme, our Environmental Improvement Scheme, or Premises Improvement Grant Scheme. All these schemes provide pump-priming funding to encourage private investment in the improvement of retail and commercial areas.

In addition, the Council has designated nine industrial and commercial improvement areas and has a programme to assist the private sector in the utilisation of the many railway arches whose potential in Wandsworth is considerable. In 1985, approximately 1,200 businesses stood to benefit from an integrated approach through a programme of facelifting schemes, improvement grants and other measures which assisted firms to meet the changing demands and trends in retail operations.

Wandsworth Council has worked closely in a tripartite partnership with the Government and private sector under the Urban



Development Grant Scheme to unlock underused areas such as the surrounds of Clapham Junction.

By making use of the Urban Development Grant, the Council's own skills in assembling co-operative bodies and the entrepreneurial drive of developers, many derelict and semi-derelict sites, neglected by previous Councils in spite of efforts by developers, have been transformed.

**(2) Business Development**

The Council has established the Wandsworth Business Resource Service to provide counselling and advice for established and developing small businesses. We have also set up a Youth Enterprise Centre, a Black Enterprise Development Agency and a Training Resource Centre. All these institutions aim to set firms and individuals on the path to success.

**(3) Training and job access**

The Council supports a wide range of job placement schemes; in 1985-86, 580 training places were assisted by an extra subsidy on top of the Manpower Services Commission grant, and financial assistance given to more than 300 places in the Community Programme. We have paid special attention to schemes linked to future jobs and to assisted placement with local firms. In all these, we have made efforts to ensure equality of opportunity for disadvantaged minorities.

## Social Services department

The prospect of making radical changes in social services lours with difficulties, such as:

- the adverse publicity attracted to change and the danger of being labelled 'uncaring';
- the complexity of legislation in this field; and
- the natural tendency amongst people in the services to demand improvement in care, and to give less weight to efficiency and management.

The Council has tried to be both efficient and caring. We inherited from Labour a budget which consumed about half of the net spending in 1978, and which was set to grow alarmingly.

In their last year, Labour recruited some 250 extra staff (an increase of about 15%) who demanded further expenditure and who were not kept in bounds by a proper budgeting system. Control was gradually established, and services were reorganised. In the last eight years, staffing has been reduced from 1,664 to 1,383, yet many new services have been initiated.

We inherited, furthermore, a projection of £1 million overspending which in our first year was gradually clawed back to zero. Monthly meetings to analyse budgets took place, and several new information and control systems were set up. We could then consider reshaping the services, making sensible economies, and imposing a proper management structure. Our main achievements are summarised below.

### General savings

With a department clearly carrying a lot of fat, it was thought that a general reduction of 10% in staffing could be made. Local management established within this guideline those particular posts to be left vacant and the work priorities. This exercise was accomplished in 1980 – very largely using natural rundown and early retirements as described under 'Staffing Control'. It had very little or no effect on the output of the service. Furthermore, minor general retrenchments were made in later years.

Higher utilisation of places, better control of overheads and running costs, higher staff productivity and the elimination of superfluous staff, all contributed.

	<i>Net expenditure Wandsworth</i>	<i>per resident Inner London Average</i>
Old People's Homes	£94/week	£125/week
Children's Homes	£264/week	£416/week
Day Nurseries	£13.64/day	£ 19.61/day
Mentally-ill – Residential Homes	£115/week	£151/week
Mentally Handicapped – Residential Homes	£148/week	£171/week

It can be seen that savings of 25% to 45% of the average Inner London average costs are regularly obtained. The contrast with the worst inner London boroughs rises to 100% – more in some cases.

### **The elderly**

Services for the elderly have improved under the Conservatives with the provision of sheltered housing, giving particular attention to the very frail. By working with Housing Associations, we were able to back these new schemes at low revenue cost, while obtaining the necessary £26m capital funding from capital receipts.

The Council is providing a further 400 units of sheltered housing mainly for the very frail, thereby increasing capacity by 40%. We were thus able to consider closing down some of the residential homes while making sure that full use was made of the others. A special privatisation tender was devised, whereby the homes could be sold as going concerns to private operators, who were to maintain the Council clients free of charge for the remainder of their lives. The operator deducted the anticipated cost from his bids. A home on the South Coast, the arguments for retention of which were very weak, was the first to be subjected to this exercise. It proceeded smoothly and subsequent monitoring showed that the level of care remained high. About a year later, a second operation was mounted: the two schemes resulted in savings of £0.5m revenue, and in capital receipts of £1m. Since the houses remained in use, no staff had to be redeployed.

Domiciliary services to the elderly have been improved: we decided not to charge for home helps, since 92% of clients were likely to gain exemption on the grounds of low income. The service costs £3m a year and has, indeed, grown by some 13% in real terms over the last eight years.

A large sum (£0.25m) is being invested annually in the provision of adaptations and aids for the elderly living at home.



Meals, whether on wheels or at lunch clubs, have not, however, been held sacrosanct. Labour had charged 6p a meal of either type, and had done so since decimalisation. We increased prices to sensible levels, and introduced routine checks to prevent discarding of meals at Council expense. We did not see lunch clubs serving the mobile active elderly as a vital aspect of care, and several were closed down or offered to local voluntary groups.

### **Care of children**

It was apparent in 1978 that Wandsworth's supply of children's homes exceeded the demand. We decided to close five of them and to maximise the operation of the remainder. Our policy on children taken into care was in any case moving towards preventative work, fostering and adoption rather than care in Council-run homes.

We were, at first, accused of ignoring the feelings of those children who would have to move in accordance with our plans, but since admissions had been run down before we made the proposal, we could show that by the time of closure few children would actually have to be disturbed. Not all the establishments closed were sold – some were used for other groups in need, such as handicapped children. The opposition to our proposals therefore collapsed.

The use of 'specialist' children's homes – which are traditionally extremely expensive because of the high staffing ratios required to deal with the 'difficult' children they look after – has also been reduced. Replacement has been via specialist teenage fostering schemes and intermediate treatment initiatives. Savings from closure of homes have gone towards expanding our adoption and fostering resources. Homes sold have provided capital for reinvestment. Overall the result has been a drop of over 50% - from 1,200 to 560 - of children in Council care.

### **Day nurseries**

We took over a massive half-finished programme from Labour, the aim of which was to double capacity in subsidised day nurseries. We decided to use all the new nurseries and close three others which were near to underused ones.

Wandsworth now has an excellent network of subsidised nurseries for those who really need them, and a wide range of other nurseries, both private and grant-aided. Total provision is, in fact, above the inner London average, but the cost per place at the council nurseries is among the lowest.

This fact clearly refutes the criticism that savings can be made only for the benefit of the ratepayer (see table below).

#### COST OF COUNCIL DAY NURSERIES

<i>Day Nurseries (1986/87 estimate)</i>	<i>Cost per day</i>	<i>Days of care provided/ per head population under 5</i>
Wandsworth	£13.64	9.6
Inner London average	£19.61	9.1

#### **Accountability of heads of establishments**

One problem encountered during these exercises in saving was that the heads of children's homes or other establishments had little incentive to save money because, due to the centralised budget system, any such money was taken away from them. We have decided to institute greater local budget control by putting more spending in the hands of the local warden or head. As an incentive, establishments are to be allowed to retain half of any savings made. A pilot study suggests that these proposals will be worthwhile, and that they will be welcomed by heads of homes. The scheme is therefore due to be extended over the borough.

#### **The mentally ill and handicapped**

In accordance with current Government policy of 'care in the community' there has been a run down of long-stay hospitals for these groups and we have been able to provide a network of homes and hostels to receive patients able to enter them. We have co-operated with Housing Associations in these schemes, and with management agencies who tend to be specialist voluntary organisations, national and local.

For the more dependent members of these groups, the Council has provided a more than adequate and supportive level of service at the same time as removing waste. The average figure for inner London in the table opposite illustrates the relative expense from overmanning and restrictive practices in many homes in other boroughs. For the mentally ill, our services are less than half the price.

Day care of the mentally handicapped and mentally ill has followed a similar course and, although care for the latter is at present below the standard desired, we are constructing a new day centre for them. It was also decided to close an adult training centre in 1980, partly because a new

## COST OF HOMES FOR MENTALLY HANDICAPPED AND ILL

	<i>Cost/resident/week</i>	<i>Residents/</i>
	<i>Children</i>	<i>100,000 pop.</i>
	<i>Adults</i>	
<b>Mentally handicapped –</b>		
Wandsworth Council Homes	£228	£148
Inner London average Council Homes	£449	£171
		36.1
		33.6
<b>Mentally-ill</b>		
Wandsworth Council Homes		£115
Inner London average Homes		£151
		26.9
		13.3

combined centre had just opened in the borough, and partly because the centre closed would have required extensive reconstruction. By 1985, however, demand for such training had increased to an extent that it justified the opening of a new centre at a cost of £0.75m, met out of capital receipts.

### **Community social work**

Although evidence often suggested that this service was overmanned, records of productivity were hard to attain. We decided to proceed with caution, but not to ignore the service in our drive for economy.

Staffing levels were, therefore, gently squeezed in 1980, and less gently in 1981 and 1982. By this stage the reduction achieved was less than the departmental norm of 18%, but more than 10%. We were anxious not to put at risk the range and quality of services by making any further cutbacks. The service management themselves have decided where and how to make those economies we have requested and, as usual, we have succeeded in providing cheaper services than the rest of Inner London (see below).

### EXPENDITURE ON COMMUNITY SOCIAL WORK

	<i>Expenditure per head</i>	
	<i>Wandsworth</i>	<i>Inner London</i>
Fieldwork (i.e. community social work)	19.0	20.2
Social Services administration	26.3	29.6



## Housing department

In May 1978, the condition of the borough's private and public housing reflected the decay all too typical of the inner cities.

The need was urgent to reverse this trend in Council housing, private rented housing and, where appropriate, in the home-owned sector. Where possible, the intention was to help individuals or groups to stand on their own feet and succeed. This, in time, would allow the Council to concentrate more specifically on those in need of more direct help.

Home owners and private tenants were helped with pump-priming repair grants. Extra professional aid was supplied to the elderly and disabled in the private sector to make proper use of the grants.

Council tenants were encouraged to become home owners under the Right-to-Buy and other, locally innovative, schemes promoting direct self-reliance. Co-operative tenants' associations, steering groups of tenants, and ultimately co-operatives, assisted individuals to improve their own and others' lives and dwellings.

New, sometimes revolutionary, housing management techniques were introduced and, after trial, approved for the benefits they brought.

Competitive tendering helped to introduce new ideas and programmes while ensuring value for money.

Capital receipts from sales were rapidly reused. The trend to inner city decay was reversed.

### Housing under Labour

The pre-1978 left-wing Socialist Council set out to spread the hold of the Council in housing. Private tenancies and home ownership were more and more threatened by either compulsory purchase or municipalisation of properties for sale.

The tactics were often overtly political. Key wards were targeted for purchase of private homes and land. The bulldozers moved in. Dense Council housing construction followed, frequently after months or years of leaving properties empty and sites deserted. In one ward, co-operation between a Labour GLC and a Labour Wandsworth Council increased Council housing by 1,000 dwellings, with the Council itself adding hundreds more on its own. Political balance in this ward shifted to Labour

initially – although with Labour mismanagement the ward became a ‘rogue’ Tory victory in 1974.

Labour’s purblind municipalisation was, however, its undoing. While putting through their programme, they neglected: tenants’ housing repairs and renovations; proper management; basic needs of tenants and the municipalised but boarded-up, rotting homes.

Squatting was rife and uncontrolled, home ownership denied where possible, rent arrears out of control. The anti-social behaviour of a minority was left unchecked for years, and more and more Wandsworth tenants came to think that they were living under the control of an uncaring and inefficient housing authority. Feelings of neglect and unhappiness on the estates were widespread.

Dilapidation of the private housing stock and the effect of the Rent Acts on private landlords increased the demand for Council dwellings. Regrettably, the disincentive of the Rent Acts has all but obliterated the private rented market, but at least self-reliant home ownership has nearly doubled since 1978.

#### TENURE GROUPS AS A PERCENTAGE OF ALL HOUSEHOLDS

<i>Tenure</i>	1978	1981	1985
Owner-occupiers	27	35	48
Council tenants	40	37	34
Private rented	29	23	14
Housing Association tenants	4	5	5

Public and private housing stock is no longer in worse and worse repair. Since May 1978, approximately 75% of the Council’s stock has been, or is under contract for, major repairs and renovations. Whole estates have had new or repaired roofs, new windows (generally double-glazed), new doors, central heating and so on.

Close co-operation with housing associations is enabling us to provide more housing for the single homeless, the elderly, the disabled, and the mentally ill.

## SPENDING ON HOUSING REPAIRS/RENOVATIONS (CAPITAL)

<i>Borough</i>	<i>Housing Stock</i>	<i>Cap. spending per council dwelling £</i>	<i>Urban renewal cap. spending per private dwelling £</i>	<i>Cap. spending on repairs 85/86 £M</i>	<i>% Change cap spending - Housing 1982/83-85/86</i>
Wandsworth	35,000	786	245.40	27.432	+ 106
Lambeth	49,000	118	172.80	5.812	-20.8
Southwark	62,000	369	110.60	23.085	-35.4
Richmond	10,000	6	31.00	0.060	-23

Funding for programmes dovetailed with our receipts from the sales programme and caused few problems. Even under adverse economic restrictions, Wandsworth was able to raise its capital expenditure to some £70m for 1985/86 while reducing rates in real terms. This contrasted dramatically with similar neighbouring inner London Labour boroughs and with the adjacent, but on the surface more prosperous, Liberal controlled authority, Richmond.

## COMPARATIVE SALES STATISTICS

<i>Borough</i>	<i>Housing Stock (Approximate)</i>	<i>Right-to-Buy as % Stock</i>	<i>Total Sales as % stock</i>	<i>Capital Receipts 1985/86 to augment H.I.P. £m</i>
Wandsworth	35,000	10.0	21.1	£36
Lambeth	49,000	2.5	2.5	£4.5
Southwark	62,000	1.7	1.9	£1.8
Islington	41,000	1.6	2.1	Not known

### Council Housing

In May 1978, with the change of control, we inherited approximately 29,000 Council dwellings with more than another 2,000 under construction or renovation. In April 1980, a further 12,000 GLC properties were transferred to Wandsworth's control.

Not only was their general condition very poor, but years of Labour municipalisation left many thousands of the dwellings which they had acquired vacant, boarded-up and decaying or squatted (or, while tenanted, in a state of disrepair from such basic problems as dry rot and structural faults).



For the general stock, massive repairs were necessary – renovations to roofs, joinery, electrics, drains. Pre-war blocks needed to be modernised, lifts to be renewed which had reached the end of their useful lives. And, as the Conservatives soon discovered, difficulties over the 1950's and 1960's high-rise, speed-built blocks multiplied.

From the start, we made it clear that it was the elected members who had the mandate to manage the housing stock. We were not prepared to countenance the power which previous Socialist regimes had granted to those purporting to represent our Council tenants, such as squatter leaders, politically motivated tenants, and trade union officials. Power was summarily removed from their hands and voices and the ability to manage restored to the Director of Housing. He, in common with all our other directors, took his instructions from the relevant committees and the Council itself.

The Council foresaw the extreme difficulties that properties in a state of dilapidation would present in both management and repair. When vacated, they were at once placed on the open market for sale. In particular cases, homesteading was introduced for home-owners to rehabilitate by DIY, with a grant from the Council.

A Conservative Wandsworth Council version of the Right-to-Buy was instituted and well under way when the current RTB legislation was, some twelve or eighteen months later, passed by the Conservative Government. In addition, one of the larger newly-built estates was sold under a form of equity sharing, helping tenants to become home owners. Together with its major works on the dwellings the Council tackled the management problems by means of strong policies against bad rent payers, squatters and others acting in anti-social ways. It is reassuring that incidence of rent arrears and squatting is now amongst the lowest, if not the lowest, of any comparable borough in the country.

## **Management**

We consider that the relationship between the tenants and the Council is two-way. This has led to better understanding on both sides as living standards on the estates has continued to improve.

Tenants are regularly consulted and informed through a quarterly newspaper; through the decentralised area offices and on certain estates, local offices; through the area panels which work with the tenants associations; and through the Council officers and members in their frequent meetings with individual tenants face-to-face.

Administration department, and the bailiffs. Prompt, or pre-vacancy, letting of vacant dwellings, helped considerably. Where for some reason very prompt letting was not possible, specially constructed protective screens were applied to doors and windows to resist break-ins of vacant dwellings.

Individual squatters were identified and, where persistent, were prevented by Court injunction from ever squatting again in Wandsworth. By such means, the number of squatters was reduced from a peak of several hundred to about a dozen today. Success in greatly reducing the number of squatted properties brought to light a surprisingly large, previously unnoticed, phenomenon i.e. the unauthorised tenant. This is an occupant of a dwelling who pays the rent and rates while posing as the genuine tenant to whom the Council has originally let it. A few people on leaving their properties to live in other than Council dwellings, were handing over the keys to friends or relatives. Some even *sold* the opportunity to become the occupant. Detection proved difficult and eviction lengthy.

When there was evidence that unauthorised tenants were on an estate, the housing and rent arrears team descended. Use was made of comparisons between the rent roll and the electoral roll, information was collected from the caretaker patrols and neighbours. Personal visits by Council officials were made before action was taken.

### (3) Day-to-day repair service

The Labour repair service in Wandsworth was a shambles. Initially, we introduced a system of 'priority dates.'

This meant that, after we had accepted a report on the need for repairs, each tenant received a date by which that repair would, in normal circumstances, be completed. Both private contractors and the Direct Labour Organisation were required to conform to dates (or the work was withdrawn).

For the sake of this operation, the Council divided the stock into geographical areas or repair team 'patches'. Work on these was competitively tendered for by the DLO and private contractors, against the Council's normal schedule of rates for repairs.

Tenants reported repairs directly to local offices who passed on details to the contractors on site. Satisfactory completion was monitored by both tenants and the Council.

Savings of 15% or more were made against previous levels.



#### (4) **Caretaking, cleaning, estate garden maintenance**

In these three fields Council housing management, particularly in the inner cities, has been conspicuous by its failures. Certainly, this was true of pre-1978 Wandsworth. And for some years, we found it very hard to make progress, post-1978. Initial reviews and plans for improvements were thwarted by the more intransigent unions.

#### GARDEN MAINTENANCE

Finally, industrial action by the garden maintenance unit, over several months, led to a showdown.

Extremely detailed tenders were drawn up, which included penalty clauses in the event of inadequate performance. The first contractor, though better than the DLO, was sacked as he failed to fulfil the contract standards. But the firm accepted after the retendering has been remarkably successful. This new contractor is an agricultural and gardening specialist.

A simple measure of this success lies in complaints received by the Housing Chairman about garden maintenance. During the DLO reign, a constant stream of such letters were received from tenants. When the service was undertaken by the first contractor, these fell by about two-thirds. After the agricultural contractor undertook the work four years ago, complaints about the service trickled down to... one.

#### CARETAKING

This posed a much more difficult problem. Under Labour, the theory was that resident caretakers served on a rota system, with responsibility for general cleaning and caretaking, and an out-of-normal-hours emergency role.

In reality, while a small proportion of caretakers were extremely conscientious, the majority failed either to clean adequately, or to be 'found' when required, particularly after hours. Although the Council had given the caretakers free residential accommodation on the estates and provided them with their own free telephone, they too often locked their doors and went ex-directory. Tenants failed to gain access. All attempts to improve the deplorable standards failed. Negotiations with the Union were long and fruitless. Finally, the Council sought a radically new approach.

A consultant firm was employed to draw up a very detailed, itemised specification of regular cleaning requirements on the estates. This specification was used both as a programme of work by the cleaning service, and as a means of monitoring by the Council.



The monitoring force consisted of a 24-hour mobile, uniformed patrol group of Council officers.

Their duties were – and are – to:-

- monitor the cleaning service on a regular day-by-day basis;
- monitor the estate, checking for vandalism, abandoned vehicles, extra rubbish, squatters, empty flats, graffiti, and so on; and
- deal with emergencies, such as burst pipes, lift trappings, disruptive aggravation.

The patrollers have regular beats over the full 24 hours and so each estate in Wandsworth is toured three or four times a night, over and above demands from emergency calls.

Obviously, the communication between the patrollers and the central control, together with the mobility of response, is vital. Each patroller is supplied with a personal radio, and a small vehicle (also with a radio).

Because of the quick communication, the unit is able to respond promptly. A lift trapping brings one patroller to the lift within seven minutes and three within a quarter of an hour. The reaction of the tenants has been enthusiastic. Recognisable in their uniforms and vans and by regular beats, the patrollers have built up a close link with the local residents. They were never seen as an alternative to the police, with whom close co-operation is maintained.

#### CLEANING

Cleaning was put out to tender with two different firms who run a greatly improved service.

Thus tenants and leaseholders on Wandsworth's estates now enjoy a vastly improved service in all these three fields with 24-hour patrol cover, and savings of £3.2 million over the 5-year contract when compared with the Labour regime.

#### (5) **Anti-social disruption on estates**

We have always stood firm against anti-social and disruptive action on Council estates. Proven disruptive tenants are promptly warned, in person and in writing, by Council officers. Further and persistent misbehaviour, led to the Council seeking possession of the property.

The 1980 Housing Act, very properly, gave tenants security of tenure. But it also made it much more difficult for the Council to take action (especially eviction) in response to anti-social behaviour. Court proceedings, with witnesses, were required for repossession. In many cases, the disrupted neighbours were too frightened to assist as witnesses. The Council now monitors the disrupters.

Gradually the firm approach is winning. The police are now happy regularly to patrol the estates. They are accepted as 'home beat officers' and normal members of the community by the tenants – even on the few erstwhile difficult estates.

### **Private housing**

Since 1978, we have always thought it important to assist the private sector occupiers, be they home owners, private tenants, or housing associations tenants.

#### **i) Housing associations**

The Council has worked closely with Housing Associations to produce, in particular, special dwellings for the elderly, frail elderly and disabled. We have spent some £53 million on 900 homes up to January 1987 and a further 500 are planned.

In partnership with the Habinteg Housing Association and the Royal Hospital and Home for Incurables, the Council is providing sheltered and family accommodation for the severely disabled.

#### **ii) Private rented and owner-occupied properties**

We have spent £42m between May 1978 and May 1986 on pump-priming funding for repair of privately held stock. Another £9 million has been committed up to 1988. Between 1982 and 1986, when the Government promoted a system allowing grants of 90%, the Council recruited extra surveyors and officer staff, and employed computers to process some 7,000 grants – i.e. *one for every six private households in the borough.*

In 1985-86, in our House Condition Survey, the Council assessed in detail 11,000 properties over the borough, as a result of which we identified the worst areas for specific action. Small geographic pockets of deprivation were programmed as new Housing Action or Task Force Areas for specific works and grants. Assistance was given by a few housing associations which purchased a number of vacant properties in poor condition within these areas. After repair and renovation these properties were used to rehouse private tenants in the Housing Action Areas. Thus we created a rolling renovation and reletting programme in co-operation with the housing associations, as well as with private landlords.

The survey also showed the need for a special unit which we have now set up to assist the elderly home owner and elderly private tenant. It operates through the procedures of grants, estimates, and contract management. The approach is a very personal one, with the surveyors

visiting and surveying the state of the property in the presence of the elderly. A portable micro-computer is used to give on-the-spot calculations and estimates of costs.

When works are undertaken, the contractors are monitored by the Council's surveyors to ensure that the work is done with the minimum disturbance to the elderly inhabitants.

Our joint efforts with the Government, Housing Associations, landlords and home owners have produced remarkable improvements in the state of private housing in the borough. It is sadly apparent to us that other inner city boroughs have, for political reasons, rejected many of the worthwhile opportunities open to them. Whereas our situation is improving, theirs is deteriorating.



## Technical Services Department

The Technical Services Department we now have in Wandsworth is a far cry from the one we inherited from Labour in 1978. Then, it contained notoriously expensive direct labour organisations for refuse collection, street sweeping, public conveniences and vehicle maintenance. There was even a separate building maintenance and construction directorate. Now, only a slimmed-down building maintenance survives as a direct labour organisation, the remainder having been privatised. Such was the scope for savings in the department that the savings target set for it in 1981 was doubled because the original one was so easy to reach so promptly.

At present the department consists of only a very small and efficient direct labour workforce plus the engineering, planning and architectural functions. In the reorganisation, the old Planning and Building Works Directorates, each with their own separate bureaucracies, have been merged under a single Director, resulting in major savings. The amenity services - refuse, cleaning, laundry and conveniences - have been moved to Leisure and Amenity Services as contract management functions. What had been a tangled mess of continual industrial relations strife, dissatisfied clients and excessive costs, has now been put properly in order with the emphasis on quality.

### **Refuse and street cleansing**

The history of this is given fully in the chapter on competitive tendering.

### **Historical services**

These are so called because, although they were inherited by the Conservatives, we considered that they had no relevance to the needs of the 1980s and hence they were closed down completely with corresponding savings. They included:

#### **(i) Two Public Laundries**

Despite massive subsidies, plentiful commercial laundrettes and ever increasing penetration of domestic washing machines, their closure was resisted by a few people. Yet the usage had declined to such a point that the Council could have afforded to buy users a washing machine and still save money!

(ii) **Three Personal Baths**

The number of homes lacking bathrooms had fallen dramatically in the 1970s and was only 1.6% of the private-owned housing stock by 1981. Demand for public baths had almost vanished and the Council subsidy in 1980 was £2 per bath and rising.

(iii) **Disinfestation Centre**

For personal disinfestation of vagrants, usage had become so minimal that it was practical to rely on facilities in central London.

(iv) **Consumer Advice Centre**

This had been opened under Labour in 1977 but was scarcely used and we regarded it as overlapping Trading Standards and the Consumer Advice Bureaux. Its closure aroused virtually no public opposition.

### **Public Conveniences**

Wandsworth enjoyed an extremely high standard of public conveniences. They were manned to prevent vandalism, and also open long hours. Some were hardly used, having been built for estates or workers long vanished (indeed some were used only once or twice per *day!*). The first steps were to close two conveniences, and restrict opening at six to more sensible hours. This was based on a study of actual usage. Considerable savings were made at little inconvenience to users. Three further closures and further reductions in opening hours were made. In 1984, the service was transferred to the Leisure and Amenity Services department and put out to competitive tender – though full manning was retained in the specification. Considerable further savings were obtained (27% of operating costs). More recently, the French-style automatic public conveniences have been introduced in busy locations (APT's).

### **Highways and traffic engineering**

It was thought there was scope for savings in the highways budget even though this was an area of great importance to ratepayers and commerce alike. The highways maintenance DLO was slimmed down and is now highly competitive. Currently, expenditure on highways is almost half the inner London average, yet the standards are high.

	Wandsworth £	Inner London average £
Highways – cost per head	20.1	39.0
Engineering – officer staff/000 population	0.67	1.12
manual/000 population	0.46	1.78



It must be remembered that with highways there are more direct labour functions than in most other fields - surfacing, paving, sign painting and repair, white-lining, street lighting maintenance, etc. All need careful attention; as all are prone to overmanning and over-generous bonus payments. Careful packaging of several small services together to go out to tender proved to be sensible.

### Planning

Planning, though relatively small, held important room for economies. By squeezing the staff and hiving off Economic development to the Finance department (see Chapter 8), the staff was reduced by 40%, with a simultaneous increase in output at the same time. Activity was geared to development control, conservation, key sites and development briefs, with only a slimmed-down unit devoted to essential long-term land-use planning. The sorry state of other London planning departments is revealed by comparisons below:-

	<i>Wandsworth</i>	<i>Inner London average</i>
Planning staff/000 population	0.24	0.44
Planning expenditure/head	£11.3	£19.0

### Transport fleet and maintenance

Much of this was reduced automatically as services requiring transport were privatised. The Council was able to cut the number of its vehicles by about one-third. And by examining the working arrangements of the pool drivers, further savings were made, and efficiency improved.

By far the greatest savings, however, came from vehicle maintenance, which was a direct labour operation. On carrying out an initial review and making comparisons with commercial fleet maintenance, officers and members were astonished to find fitters earning top bonus rates, with pay (in 1981) of £11,000 per year, yet with productivity of only two-thirds to one-half of commercial standards. The previous Labour administration had built a huge new workshop, but random visits showed little sign of activity. It was discovered, for example, that on Fridays almost no work was done after lunch. The reason was that the men were scheduled to finish at 3.15 p.m. anyway, but the unions had claimed extra time off when payment had been switched from cash to Giro cheques, which had been granted so that 'staff could cash their Giro cheques'.

The bonus scheme was not to be based on manufacturers' standard times for the various maintenance items, since the unions held that 'these did not apply in the local government situation'. Instead the Council found that the generous bonuses were based on dubious work study times which the Council had accepted in the past rather than stand up to union



intimidation. This is, of course, a key activity. Working to rule can immobilise vital refuse vehicles or social services ambulances. The first attempt to tender the service in 1982 was sadly unsuccessful. Only three contractors were interested in running such a large fleet, and on close inspection none found it very complementary to their other activities. Nevertheless, we obtained a useful 29% reduction in operating costs through increased productivity offered by the in-house service.

Two years later a depot reorganisation made it appropriate to test the market for contract maintenance again. This time, the Council obtained a much better response. By now the fleet was smaller and a better depot management package was offered to contractors. A further 42% saving in costs were made.

### **Building Works**

Here we achieved the most dramatic turnround. In 1978, the Building Works directorate had an office staff of 104 and 834 workers on both construction and maintenance, and was losing millions of pounds annually. Now restricted to minor maintenance work, it has 19 office staff and 180 workers. It currently turns in operating profits of 4.7% of turnover against the inner London average of 1.4%. At the same time, work is won by competitive tender at a discount of up to 20% on standard schedules of rates.

Once a cost-effective size was attained, overheads had been pared down, and the workforce had accepted that they must perform efficiently to survive by winning contracts, then regular profitability was a natural consequence.

### **Depots**

Council depots were a fruitful field for economies. Firstly, many of the administrative and support staff (such as for supplies and stores) were under-employed; so savings here were effected through the general squeeze on white collar staff.

The most spectacular success was depot rationalisation. The slimming of Building Works provided four minor depots, which were sold. With further reorganisations and the rundown of our in-house fleet, the Council closed one of the two main central depots, thus releasing a town centre redevelopment . . . town centre redevelopment site which produced a receipt of several million pounds. Further dramatic revenue savings were obtained from the substitution of one depot for two; costs for security, cleaning, maintenance, etc. were halved. The overall revenue savings were in the order of £0.33m per annum, even after allowing for substantial new investment in the remaining depot.

## Leisure and amenity services department

The Leisure and Amenity Services Committee is responsible for a budget in excess of £12m for supervision of libraries and arts, parks and play, swimming pools and community centres and public halls. Demand for these amenities is increasing rapidly.

Since 1978, when the Conservatives took control, the change in these services has been enormous. On the one hand, the old restrictive practices of the direct labour organisations have been ended and, on the other, a massive capital investment programme has improved them out of all recognition.

For the first two or three years, the Recreation Department, as it was known then, concentrated on reducing expenditure by increased efficiency. In 1981 a new committee and departmental structure was established by combining the old Recreation department and the Amenity Services department, which covered the areas of refuse, street cleaning, cemeteries, public conveniences and the central laundry. The Committee set about a series of service reviews to test the competitiveness of all sections of the Leisure and Amenity Services department and the resultant privatisation is described in Chapter 2 and Chapter 6.

### Libraries

The record of Wandsworth's libraries is excellent. Despite very significant savings over the last eight years, the quality of book stock and the volume of issues has been maintained, and productivity has increased dramatically as the following figures show:-

<i>CIPFA 1986/87 estimates</i>	<i>Wandsworth</i>	<i>Inner London average</i>
Cost per head	£11.3	£20.0
Staff/000 population	0.57	1.13
Book issues/head (84/85 actual)	14.00	11.50
Issues/employee	24,096	10,348
Average opening hours/week	45	48
Cost/issue	£0.72	£1.78

It can be seen that productivity is more than double the inner London average, and the opening hours are close to the average, being tailored to



demands (one library has very long opening, including Sundays).

The savings achieved were by:

- general squeeze on staffing and deletion of superfluous posts;
- closing at 7.00 p.m. instead of 8.00 p.m. (except at district libraries);
- introducing charges at record libraries, and cutting out underused collections;
- merging a children's library which was 200 yards from an adult library;
- rationalising the mobile libraries schedules, thereby reducing the number of vehicles from three to two; and changing the vehicle type from an inefficient two-man to a one-man operation; and
- putting library caretaking out to competitive tendering with a 41% saving;
- closing a library which was used less and less (its catchment area largely overlapped with another area).

At one stage, lunch-time closing of libraries was tested, but found to be unpopular; so the libraries stayed open.

Vital services have not been cut at all. There is a special housebound service for the elderly and handicapped, and a prisons library service. One library includes one of the best collections of historic children's books in the country.

In addition, an extension to Tooting Library in 1985 for the Council's ethnic minorities library has brought to Wandsworth one of the largest and most successful services of the kind in London. Finally, a new Museum for Wandsworth opened in March 1986 which complements the local history collection in Battersea Library.

## Arts

Wandsworth Council inherited from Labour the Battersea Arts Centre – which was rapidly running out of financial control. Although we considered closure, we were reluctant to lose this useful facility to the Borough. So a forerunner of later privatisation exercises was engineered in 1980, and the Centre was floated off, eventually gaining some two-thirds of its funding from outside sources. It benefited not only financially, but in range of services. Initially, some £35,000 grant-aid was promised from the Council, but now with various additional schemes, this has risen to £87,500 (still only a fraction of the original cost of a Council-run centre).

The Council's Arts and Entertainments section has been totally reorganised. Area arts officers now take a comprehensive programme of events out into the community instead of relying on the traditional Council meeting places.