

challenges to local government

Barry Quirk
chief executive
LB Lewisham

where I am from

- responsible for 100 schools and owns some 20,000 social homes for rent

- has 4,000 core staff and 700 temp staff

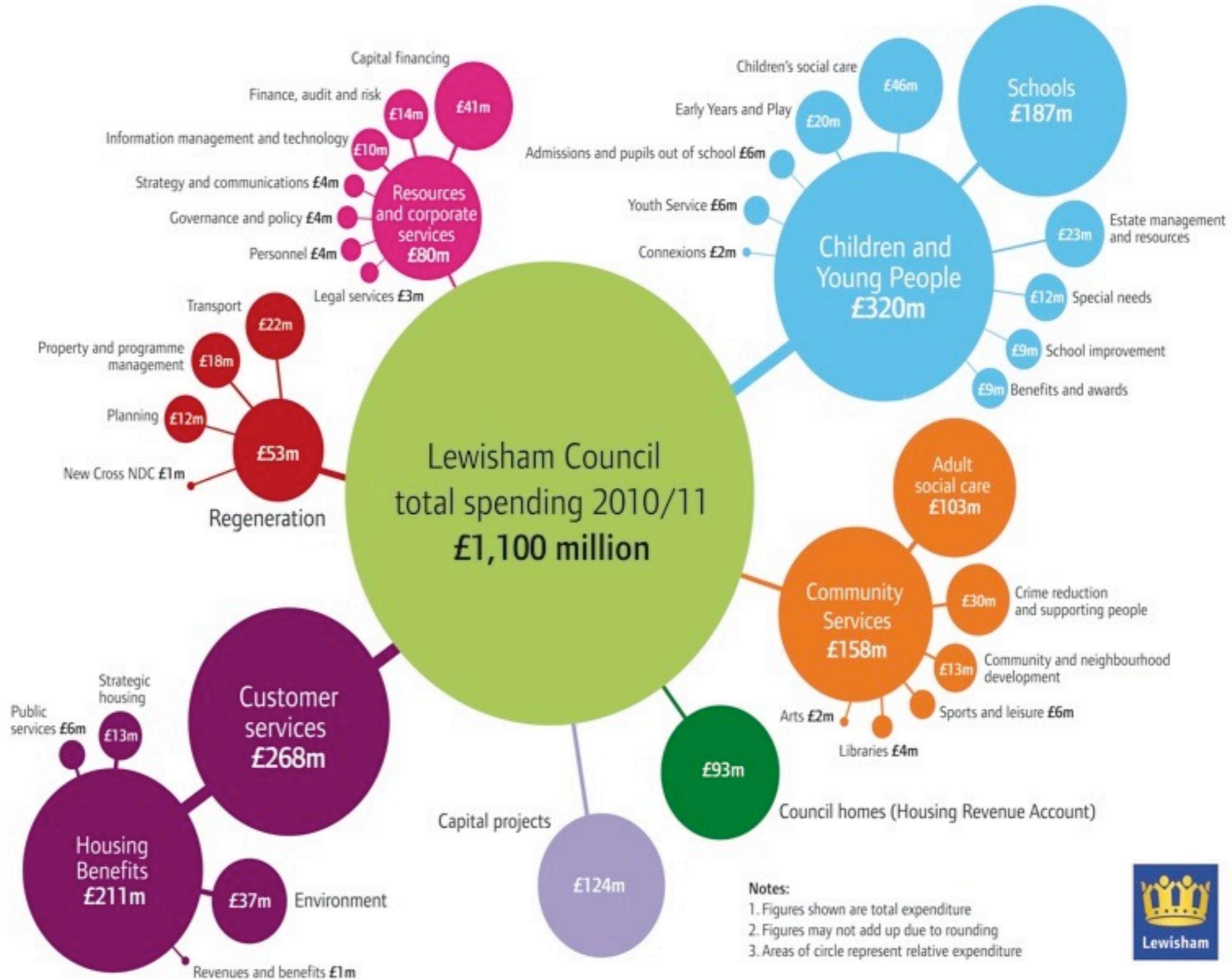
Children & Young People
(1,000 staff)

Community Services
(1,200 staff)

Regeneration
(390 staff plus 80 agency)

Customer Services
(900 staff plus)

Resources
(430 staff plus 50 agency)



from Crunch to Squeeze in the UK

6 per cent reduction in private economy to 2008/2009

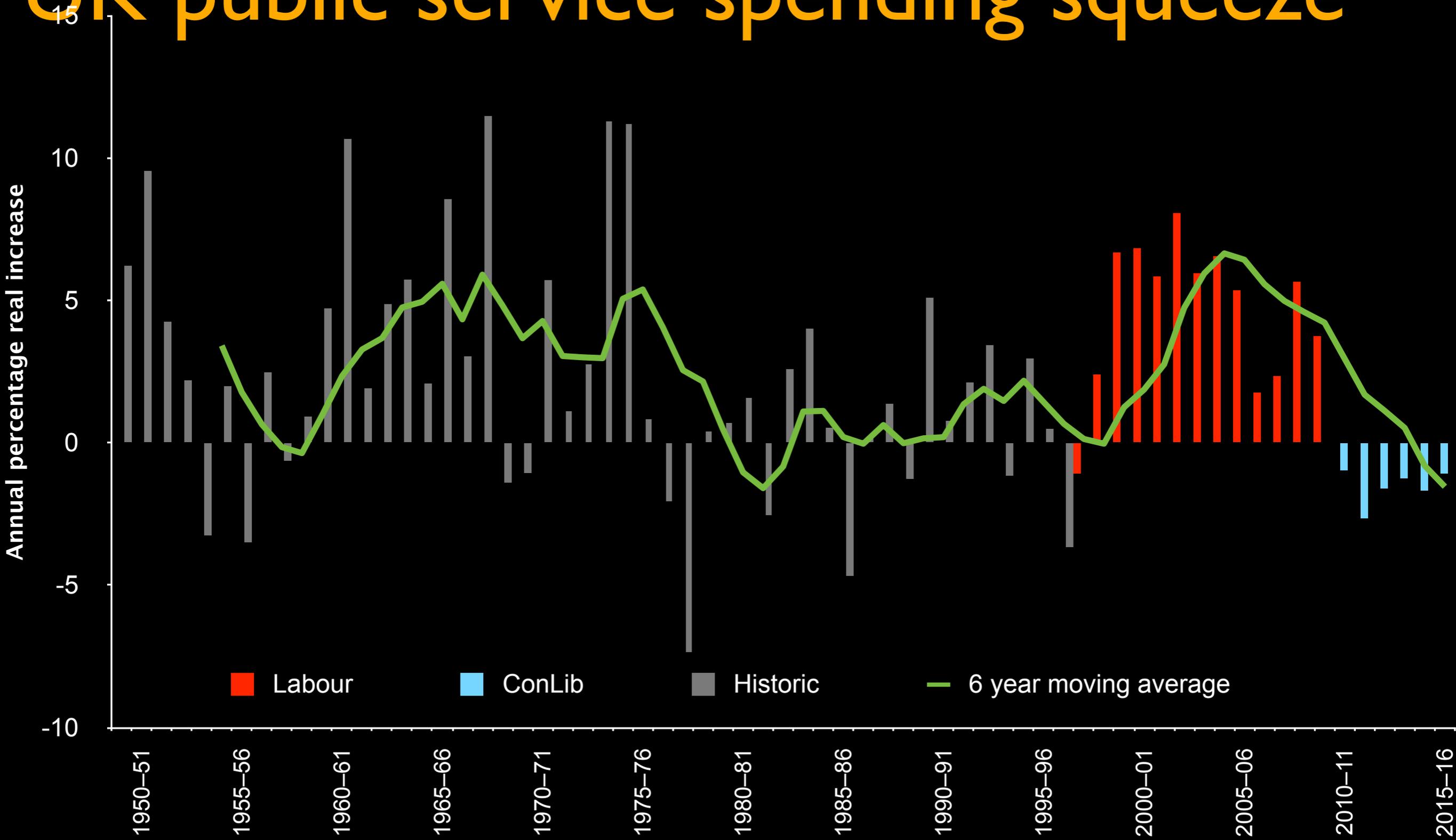
public debt is high relative to GDP (70 per cent) -
although Govt debt is mainly financed from UK investors

public deficit is high (government spending is 20 per cent
less than forecast national revenues)

fiscal tightening is a balance between tax rises, welfare
benefit reductions and spending reductions (73 per cent)
public spending reductions over each of next six years

from big state to small state: funding to local govt?

UK public service spending squeeze



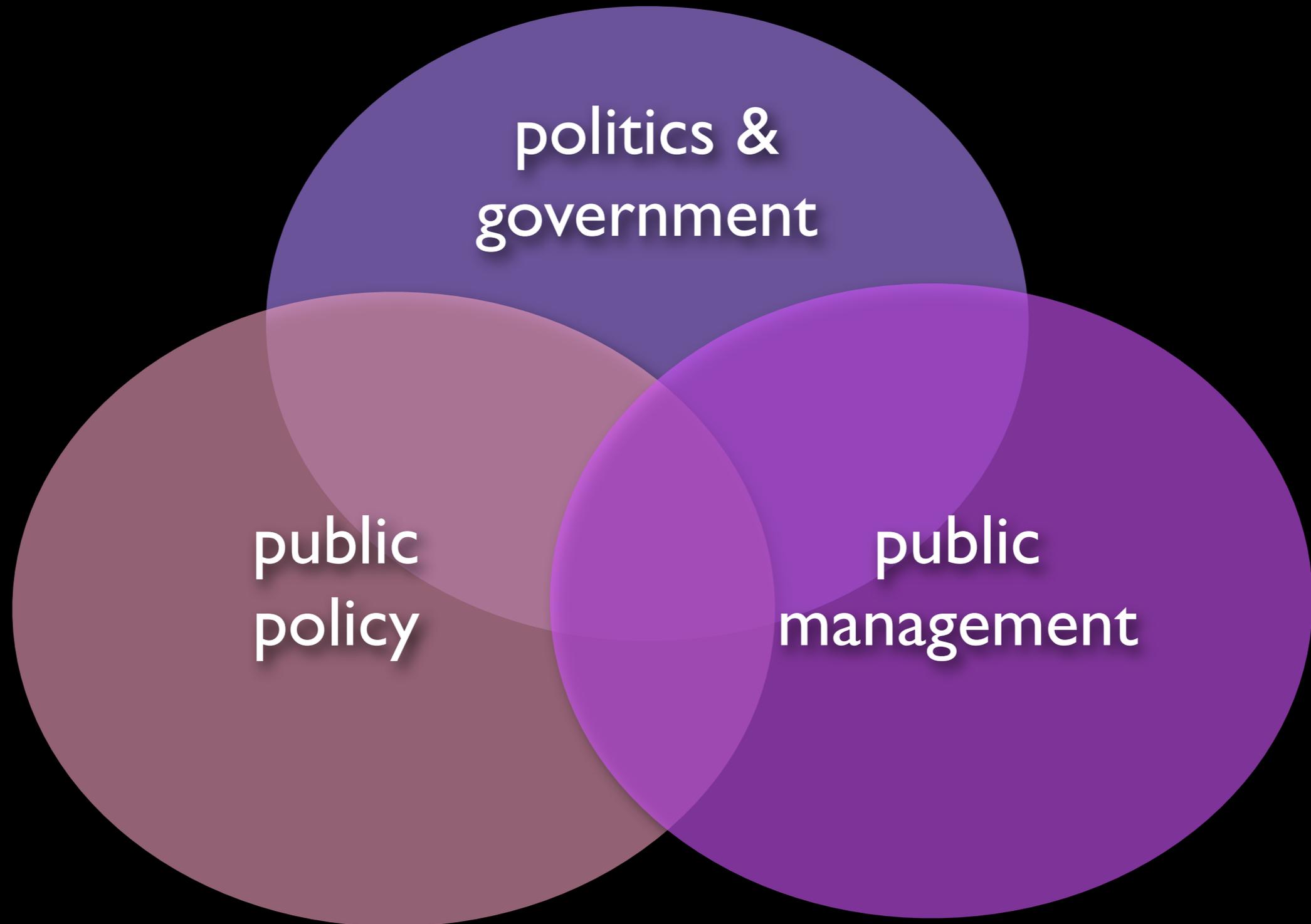
Note: Figure shows total public spending less spending on welfare benefits and debt interest.

types of large scale system reform



Source – Michael Barber, McKinsey & Co

inter-linked fields of study



there's more to politics than left-right

idealism

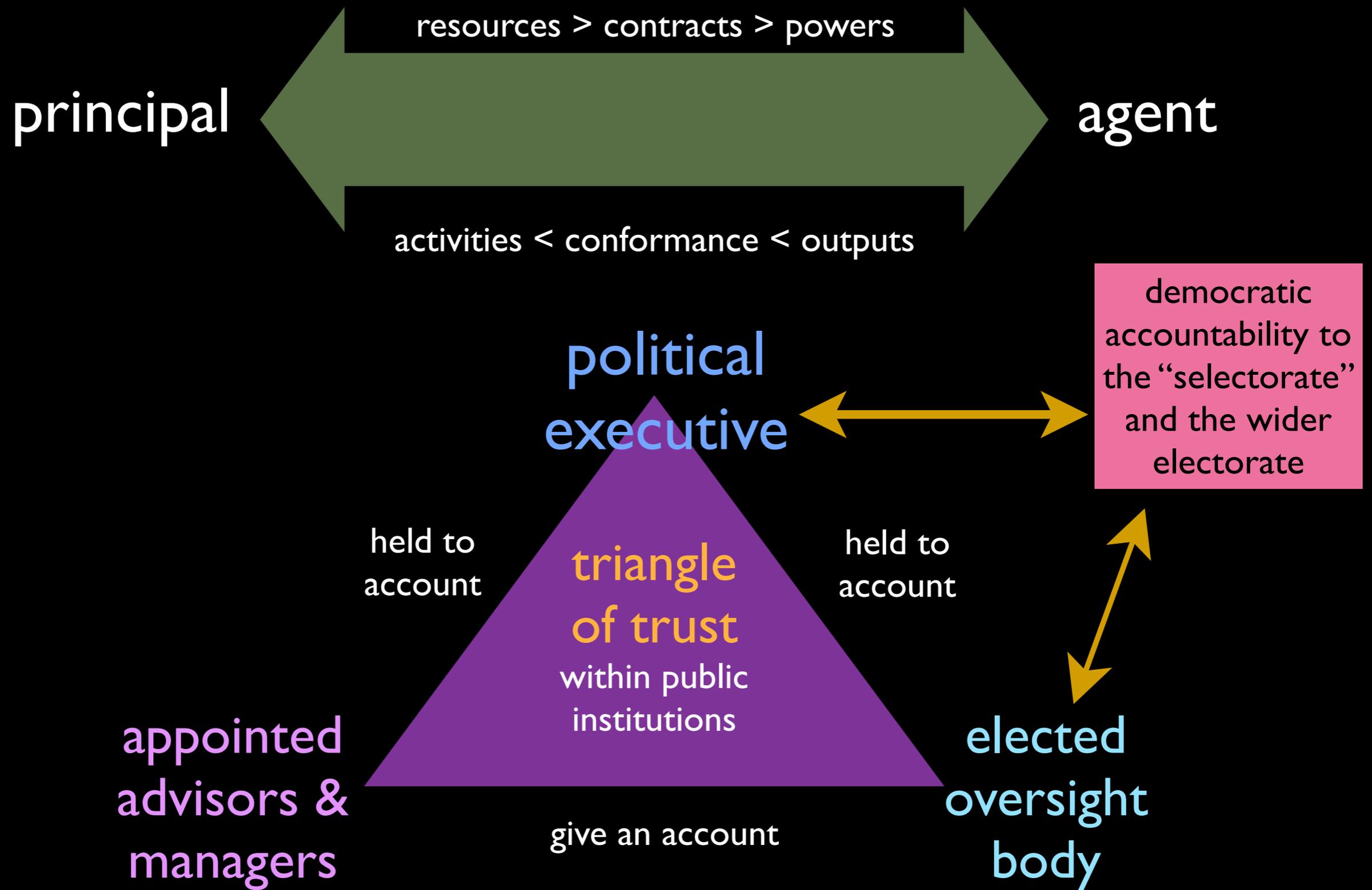
selfless pursuit of the
common good in the
overall public interest

realism

cynicism

competitive “rent
seeking” behaviour by
careerist elites

unpacking public accountability



organisational journey over past 15 years

FRAGMENTED

- service based departmentalism
- disaggregated decision making
- bid based partnerships
- “we are the innovators”

>>>>

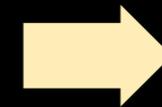
COHERENT

- teaming not scheming
- “one place” decision making
- Impact based partnerships
- let’s encourage innovation

CPA and
organisational
effectiveness



CAA and
partnership
impact

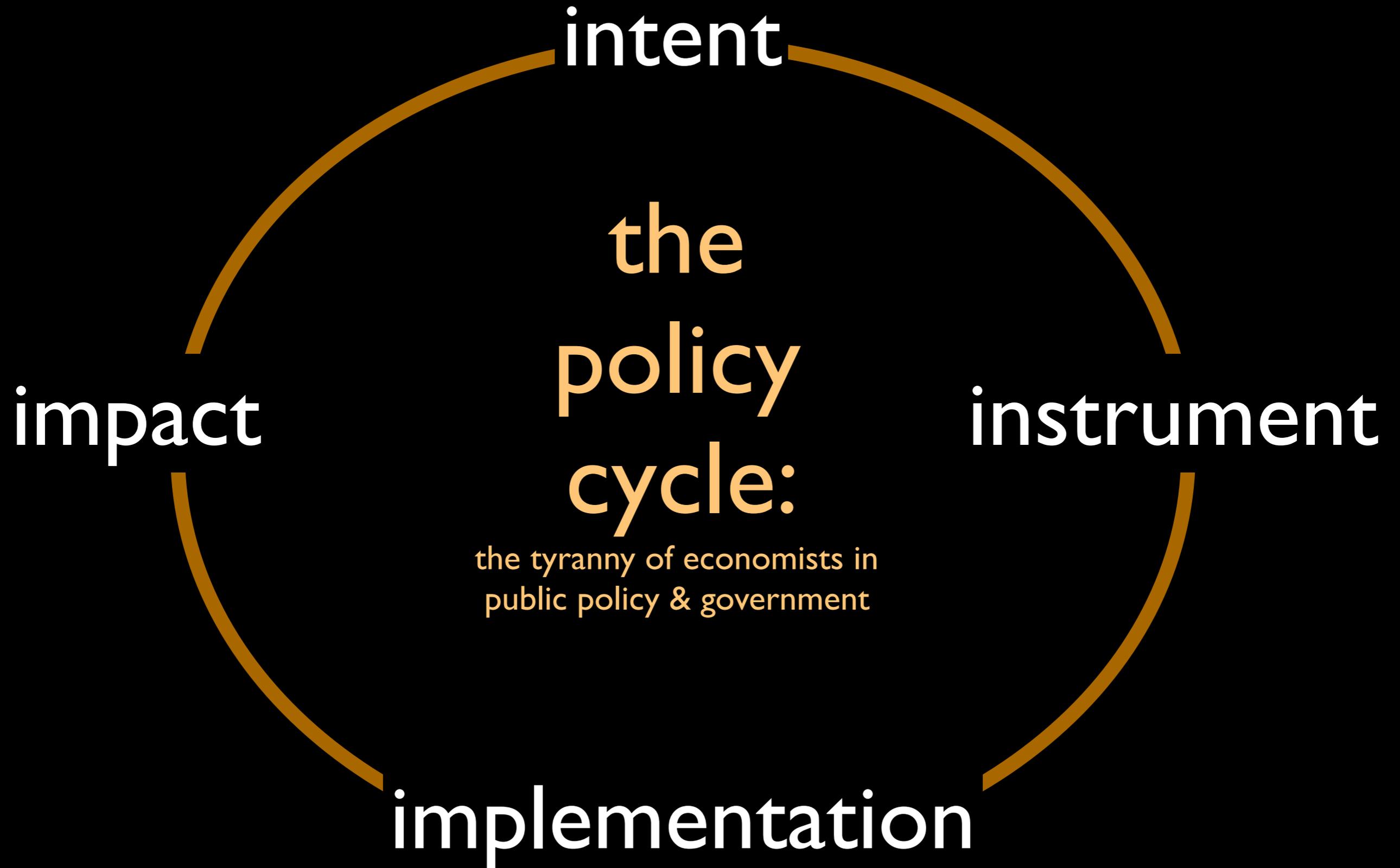


Retrenchment
and focus

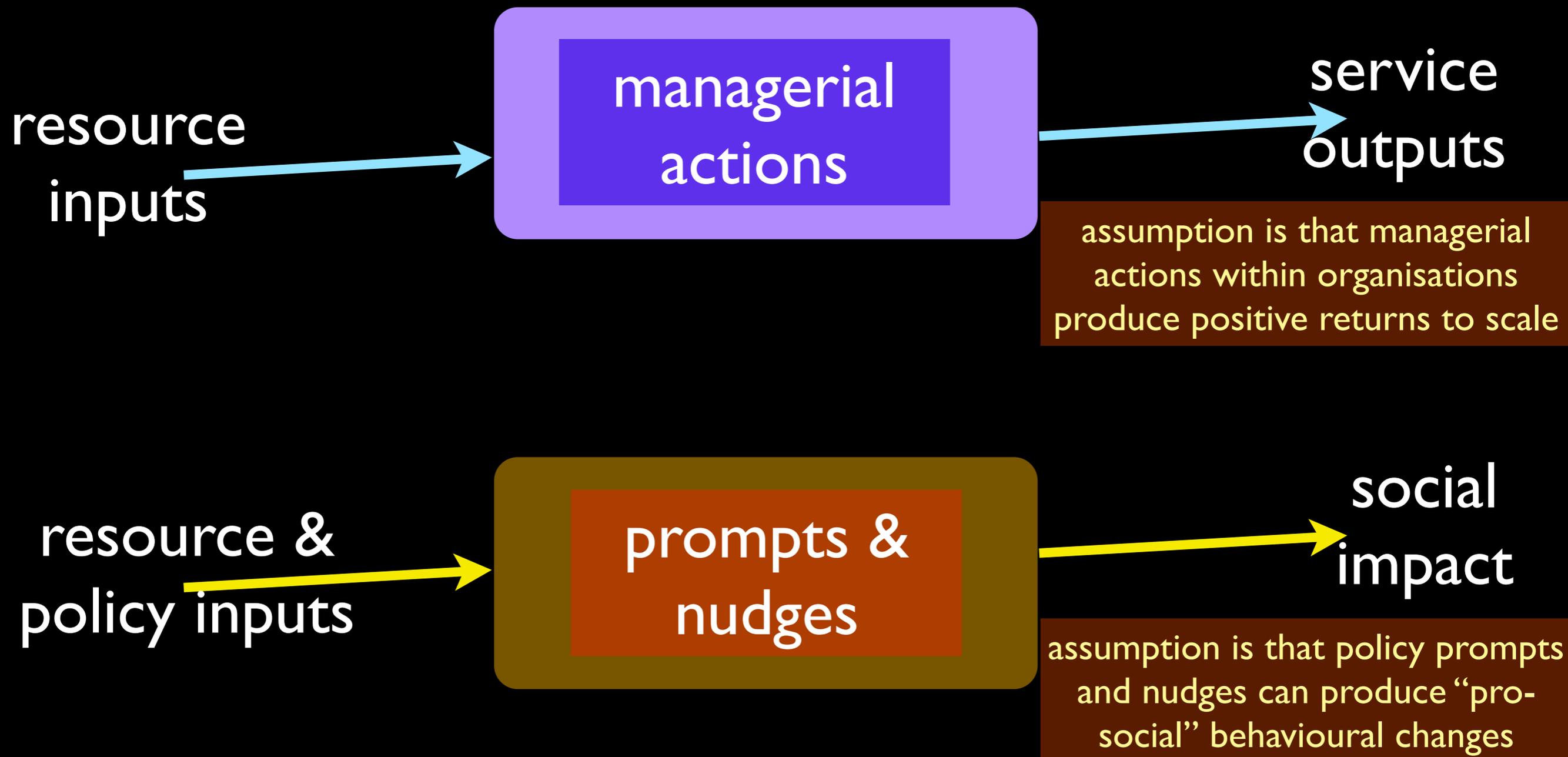
“best value” > local area agreements > total place > community budgeting

the argument of powers or the power of argument?

- degree of political devolution to local government:
 - quality of life services (infra-structure, environment, etc)
 - quality of life-chance services (education & social care, etc)
- degree of social segmentation in society
- degree of fiscal autonomy for local government depends upon:
 - degree of political centralisation and pluralism
 - degree of variety within and between localities
 - existence of spillover effects



improving public services or solving social problems?



the changing character of context

society

demography and migration

generational change

social diversity and the politics of identity

digital era government

systemic controls plus network effects

social media impact on politics and public sector

business models

brand management - what is local government's "residual brand"?

supply management and demand management

economies of scale, scope, flow and penetration

new organisational forms to capture new value streams

balancing the four biases

elected politicians decide:
the problem of machine politics and “clientalism”

all citizens decide:
the problem of mass populism and
tyranny of the majority

deciding in the
“public interest”

professionals decide:
the problem of unaccountable, career
enhancing, “rent seeking” bureaucrats

service users decide:
the problem of self-interested particularism
transferring costs onto general taxpayers

tigers, hawks and sharks



differing ways of thinking and operating;
and differing criterion for establishing “truths”

humanities - the world of meaning and
interpretation ... **semantics**

“let’s change the world through words”



social sciences - the world of
representation ... **schematics**

“let’s change the world through models”



natural sciences - the world of explanation
and prediction ... **mathematics**

“let’s change the world through science”