

# Big Ideas

Building on Conservative fundamentals



Edited by Stephen Greenhalgh  
and James Morris



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**Localis** is an independent not-for-profit research and policy making organisation which was set up to develop new ideas for local governments and those who engage with them. It organises seminars and commissions research relating to all aspects of local government.

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*The views expressed in this publication are those of the authors and do not necessarily reflect the views of Localis.*

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# Foreword

Eric Pickles MP

The challenge for the Conservative party over the next 18 months is to prove to the British public that we have the ideas and the solutions to address the problems our country faces. It is not enough for us to wait for Labour to lose the General Election, we must show that we are capable of governing the country. In short, we must demonstrate we are worthy of their trust and our success in local government provides us with the perfect opportunity to do that.

Today Conservatives control 213 councils, we have almost 9,900 councillors across Great Britain, 44 per cent of all councillors, and the party's greatest total since 1985. We have more councillors than Labour and the Liberal Democrats combined. Across the country, Conservative politicians are in government – they are in Town Halls, making decisions that affect the lives of the people they were elected to represent. They are the Conservative Party that voters interact with on a daily basis.

But it is not enough to just win power, we must use it responsibly to deliver our promises. Our Conservative councils will demonstrate how we would run the country – trusting people, giving them greater control over their lives, supporting families and delivering lower tax and value for money.

It has always been the case that Conservative councils deliver value for money and good quality services. But the challenges facing councils today are greater than ever; an aging population, a failing economy, and more unfunded burdens and responsibilities foisted on them by this Labour government make meeting the needs of our local residents and sticking to our Conservative principles a demanding task.

In addition, as a party committed to localism, it is essential that Conservative councils continue to deliver in order to prove that we can safely devolve power through them to the people they serve.

True localism means empowering our communities by trusting our councils, but our councils must be up to the job. Much good work is being done, but we need to accelerate that work and quicken the pace of improvement and innovation.

It is for this reason that I asked Stephen Greenhalgh to head up the Conservative Councils Innovation Unit. In Hammersmith and Fulham, Stephen and his team have delivered a reduction in council tax of 3%, and astonishing improvements for local residents who are struggling with rising petrol and utility bills and ever higher prices at the supermarket. Over the coming months, Stephen and the Innovation Unit will be working with Conservative colleagues, business leaders, academics and third sector organisations to develop and hone the good work that is already being undertaken across the country. Their door is open to anyone with ideas or suggestions.

This first publication sets out some of the challenges we face and the ethos behind good Conservative councils, and raises many questions about how we meet the demands of providing quality public services. It also highlights some exciting and interesting ideas that are really making a difference in communities throughout Britain. Over the coming months, the Unit will be publishing further publications on key issues. I am hugely grateful to all the contributors, and particularly to James Morris and Localis, who have been instrumental in bringing this project to fruition.

As a Party we are in an exciting position to prove to the public that we can be a government that can deliver the change our country needs. Local government and the work of the Innovation Unit will help provide the tools to do the job.



Eric Pickles MP, Shadow Secretary of State for Communities and Local Government.

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# Introduction

Stephen Greenhalgh

The need for innovation in local government has never been greater. Councils are faced with tight grant settlements and unprecedented economic and social challenges. Council tax bills are the third highest monthly bill after housing bills and fuel bills. As the credit crunch bites and the cost of living rises remorselessly, Conservative councils must deliver high quality local services at the lowest cost to the taxpayer.

## Conservative council fundamentals

Over thirty years this is exactly what Conservative Wandsworth Council has done. Wandsworth Council have defined the Conservative fundamentals in local government. In the first chapter of this pamphlet Cllr Edward Lister charts how Conservative Wandsworth Council got things done by concentrating on the services that matter such as getting the bins emptied, the pavements fixed, the streetlights working, the libraries open at the times people want them and getting rid of the dumped cars, the mindless graffiti and the anti-social tenants. Year on year Wandsworth have consistently delivered the lowest council tax in the country as well as cleaner streets, safer streets and a neighbourhood their residents can be proud of. In his second chapter Cllr Lister highlights how Wandsworth embraced the Right to Buy policy which gave 50% of their council tenants the opportunity to own their own home.

## Conservative council big ideas

The next chapters outline a number of innovative policy ideas being pursued by Conservative councils. Cllr Mike Freer embraces the nudge approach and outlines the behaviour change pilot on littering in Barnet.

Barnet are also looking at how to reduce carbon footprint, waste minimisation and the complex area of fear of crime.

Cllr Stephen Greenhalgh then describes Right to Buy Part 2 which sets out how you might reinvigorate the Right to Buy by offering council tenants slivers of equity of up to 10% of the value of their home, the Right to Buy part (50%) of their home with the purchaser paying no rent on the unsold equity but paying the full service charge due and Family Home Buy which aims to encourage the family unit to work together to ensure that the family home stays in the family for the long term and that the family connection with that neighbourhood continues.

#### Fixing our broken society

As part of “Breakdown Britain” analysis the Social Justice Policy Group identified a number of different factors that contribute to poverty and identified 5 key ‘pathways to poverty’:

- Family breakdown
- Economic dependence
- Educational failure
- Addictions
- Indebtedness

The Centre for Social Justice followed this up with “Breakthrough Britain” and outlined the steps to fix our broken society.

#### Family

The importance of two parent families vs. being brought up in care. Cllr Colin Barrow, the new leader of Westminster City Council sets out their “Thinking Family” pioneering approach to repairing broken communities.

## Economic independence

The need to reform of an overly complex benefits system that is full of perverse incentives. Breakthrough Britain identified “Back-to-Work” and argued that support must be tailored to the individual and that “Back-to-Work” services should be state determined not state delivered. Training for Life and SPEAR are two charities that provide personalised programmes to get people into work. Breakthrough Britain also highlighted the need for greater opportunity for flexible working in the local workplace. Slivers-of-Time is a social enterprise that is actually delivering this.

## Education and skills

There has been very little improvement in the educational outcomes of disadvantaged children since 1997. The CSJ encouraged the policy focus to shift to “every parent matters” and for pioneer schools to be set up by parents and committed voluntary groups, better school leadership and creating a culture of learning. Sam Freedman provides a synopsis of the role of the 21st century LEA whose primary purpose should be to represent the interest of parents. He also encourages LEAs to co-ordinate the development of schools in partnership with new providers who have expressed interest. Cllr Paul Carter provides an overview of Kent County Council’s 14 to 24 Innovation Unit which is responsible for professional skills and training to ensure that young people reach their full potential.

This first pamphlet covers the Conservative fundamentals, showcases some big ideas from Conservative Councils and most importantly how councils are working together with charities and social enterprises to fix our broken society.

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# 1

## Conservative fundamentals - how Wandsworth delivered them

Cllr Eddie Lister

### Taking Control from Labour

Wandsworth Council represents residents in an inner city borough in South West London. When the Conservatives took over control in 1978 from Labour, Wandsworth had a range of services, problems and shortcomings that would almost certainly have placed it at the bottom of any league table of residents' satisfaction. At that time surveys of such things weren't required, but the local elections gave a verdict of total dissatisfaction with the result of years of Labour maladministration: one of the highest local taxation levels in London; poor services blighted by strikes (all under municipal operation and trade union domination); unrelieved monolithic Council estates in poor condition; and an aggressive acquisition programme of street properties, many of which had merely been boarded up awaiting repair.

### Wandsworth Conservatives' Vision

A determination to rectify this dreadful state of affairs, and to run the Council on efficient businesslike lines, motivated the Conservative Group to project a new vision of the Borough to residents and to win control. There was no detailed master plan at that time, but we had a clear overarching vision which we planned to achieve in a pragmatic way, using common sense and ensuring at each stage that residents were happy with what they were getting.

## Keeping Close to the People

We started out by believing people wanted and deserved better services, and we were determined to always tap into local views on what was felt to be important. We spent a great deal on market research too. Broad surveys showed that residents were concerned first and foremost about local quality of life issues. They wanted above all safe streets and parks, clean streets, reliable refuse collection where the refuse teams never went on strike or demanded tips at Christmas, and services that were accessible at their convenience, not that of our staff. Working with the Police, we managed to deliver the lowest crime rate in Inner London. By increasing our street sweeping frequencies on 5 successive occasions we have kept cleanliness high. We prioritised our graffiti removal service which we offered free to private residents. We consulted on opening times and charges and found Sunday opening of libraries was popular, as was a moderate subsidy level on swimming charges. Well-informed decisions such as these, reasonably based on residents' views, were a major element of our success.

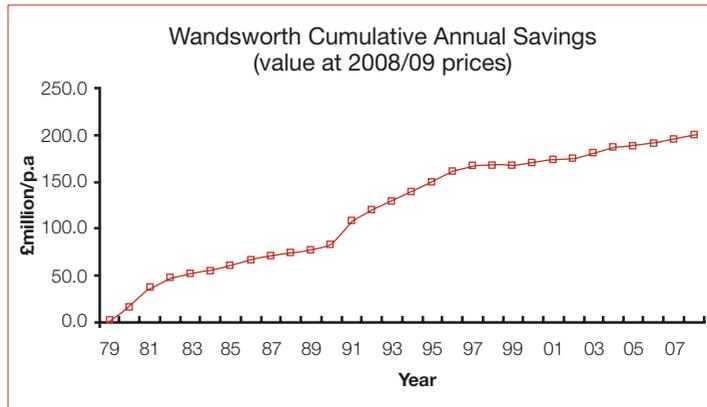
## Our High Quality/Low Tax Mission

Over the ensuing years, one of the great features of Wandsworth has been its stability at both officer and Member level, which allowed for development of a strong and clear central mission, which can be simply described as “distinctively high quality services with the lowest possible Council Tax”. It also allowed the development of the structures and procedures to achieve the mission.

## 30 Year Track Record

The achievements over the 30 years are clear enough. The graph below of cumulative annual savings shows we are now £200m each year better off than if we hadn't started down this road – enough to almost halve our Council Tax. This hasn't quite happened, because we've reinvested some of the savings in new services or

picked up new demands. Nevertheless we do have a pretty distinctive result from sticking to our guns for so long – a track record of improvement only a couple of blue chip companies could seek to rival – and the lowest average level of local taxation in the UK over the last 20 years (as well as the lowest this year).



### Sorting Out Services with Tendering Out

Initially the emphasis was on making savings and putting services right, given the mess we'd inherited. Within a couple of years we began to develop a more systematic annual approach to reviewing services to achieve efficiencies and make savings. Then, by 1982, we realised we were not going to achieve what we wanted from our services by the then traditional methods, and became one of the first authorities to put the blue collar services out to competitive tender, against a clear and tight specification. This development was anything but easy, with tempestuous industrial relations marking handovers from municipal teams to contractors. However gradually the practice spread to other Councils, political and union opposition subsided, and strikes became a thing of the past.

### Competitive Tendering Benefits

By the late 1980s all our blue-collar services had been competitively tendered with major savings and vastly improved quality that was quite apparent to our residents. About a third remained in house, after having undergone reorganisation to achieve competitiveness. By 1990 we'd begun to write specifications for white collar services and tender these as well. Huge savings were again produced – typically around 30%. Of course, at first TUPE did not apply to these outsourcing transfers, and so changes in the staff terms and conditions made a difference. Nowadays, with transfers giving protection on salaries and even public sector pensions, savings would be smaller.

### Non-Financial Benefits from the Tender Process

Nevertheless, we usually did find a significant non-financial benefit as well – from the discipline of drawing up a tight specification based on our required standards (often based on market research of what residents wanted). There were also benefits in reduced demands on our management (which could hence be streamlined) and from being able to monitor service standards via a client operation that was clearly separated from the service provider. Of course separate providers are now a generally accepted aim and the Labour Government is even now trying (with limited success) to separate NHS services into client and provider, and has even injected some externalisation.

### Other Procurement Efficiencies

So what we started out with in the early 1980s has now passed into fairly general usage, but we have retained a very tight focus on what we now refer to as the whole field of procurement. Efficiencies can still be made by tendering properly, with clear specifications and tender appraisals based almost entirely on price – quality having been built into the specification and the monitoring and penalty

regimes. We have also extended procurement efficiencies to supplies as well as services via e.procurement, consortia procurement and the like: these approaches have now also passed into common use.

### Six Keys for Continued Savings and Effectiveness

Over the years, only perhaps a quarter to a third of our savings have come from procurement and competitive tenders. Other key elements are harder to describe as clear and simple processes, but they perhaps fall into six categories:-

- a) keeping the organisation lean, taut, and well managed. This involves good performance monitoring and management, high staff motivation and productivity, sensible staffing policies and (very importantly) clear management accountability for performance;
- b) an analytical, businesslike approach to planning our services. This starts with demographics and research to estimate the customer/client base, coupled with market research when needed to check what level of service is wanted by residents and their satisfaction levels;
- c) regularly reviewing if we can change the delivery method in any way;
- d) working our assets effectively – keeping utilisation of buildings up, carving up sites to split off unused parts and selling them, and generally optimising our use of capital through the whole organisation;
- e) effective financial systems backed up by clear budget responsibility, with codes and practices to prevent abuse, fraud, overspending and unforeseen problems; and
- f) finally, continually looking at our charges and ensuring where possible specific service users pay for what they receive, at a price which is ‘what the market will bear’ – even if there

isn't any market level, there will be a level beyond which charge increase will be counterproductive i.e. when negative price elasticity kicks in.

### Our Annual Review Cycle

The sum total of this approach, which evolved over the first part of our pursuit of effective management, has now become a general business ethos or culture in Wandsworth. This means all officers at a senior level, and Members, are conscious of what is needed, and where to go for the support and tools to deliver these elements. A number of structures and procedures support it, and over the last 15 years a continuous annual review cycle has been used as the best way of ensuring political control of the process. Some more examples of this and the various details are as follows.

### The Cabinet's Role

At the top, the Leader holds a regular Cabinet meeting once a fortnight. This covers all portfolio holders, and expects them to monitor their performance and budgets and report on problems and issues. The Cabinet also gets regular top line performance figures once a quarter or more regularly for problem services. It also must give informal agreement to any major policy changes, capital projects or revenue developments over £50,000 pa. Sensitive areas are always reported on to the Party Group for discussion and approval before being fed into the formal approval process.

### Savings/Review Groups for Each Portfolio

Budget review sub groups are set up in the late summer each year where each Cabinet Member reviews their whole portfolio for potential savings and changes under each of the above 6 topic heads. Officers are obviously very much involved in the donkey-work for these reviews but the savings/quality ethos is sufficiently

well understood that there is none of the service protectionism we used to get in the very early years of seeking efficiencies. Around the beginning of the next year, the Cabinet puts the results together, takes overall priority decisions, timetables all the necessary consultations and approvals, and discusses it in detail with the full Party Group.

### Sound Organisational Principles

Turning now to details of the 6 basic components of the approach, organisational issues are key. We developed early on, and have carefully adhered to, a fairly rigid approach to the classical rules of an effective organisation:

- Clear responsibilities and reporting lines.
- Sensible ‘span of control’ for each manager or team leader.
- No dual responsibilities, so that each employee is responsible to one person only.
- Clear expected performance, with performance related pay (and appropriate monitoring and review) for the majority of staff – this is now progressively being extended down to all staff.
- Clear rules and codes for staff: disciplinary, behaviour, sickness, etc.
- Pay in the upper quartile wherever possible, to make staff feel valued and motivated to “go the extra mile”.
- A firm new procedure for sickness monitoring and reporting (introduced in 2000) brought in new terms and conditions which included monitoring limits on high sickness cases, requiring them to normally ‘work back’ the sickness absence or give up pay instead. Over 60% of our workforce is now on these new tight terms and conditions.
- A tight and regular performance management regime across all services, so that where the performance or standard of a service falls below target, focus can be quickly brought to bear to try and remedy the situation.

Over the years we have organised all our services on the above lines and it gives an enormous benefit to productivity. This can be shown to be as much as twice as good as comparable Councils where it can be readily measured and compared. Each year a few cases come up in our savings reviews where reorganisations are needed to downsize or change the structure. We are careful to scrutinise the new structure and make sure it fits all our standard requirements in all such cases.

### Planning the Right Size of Service

With the best part of 200 separate services to deliver to the public (although perhaps only 30 or 40 could be termed key major ones) it is not surprising that at any time there will be a few where demand will have changed significantly since a positive policy decision was last taken on what level of service to provide. Changes can occur for a number of reasons – demographic changes, legislative changes, new alternative services provided from elsewhere, and changes in residents' preferences. So, at least every few years, it is important to look at the current demand and use, and unit costs, and ask questions about whether the current levels are still justified in relation to other competing priorities for resources. Market research may be useful to see how much users need and value the service. Quite often a decision must be made to downsize or significantly alter the nature of the service.

### Changing Delivery Methods

A review of the nature of the delivery method may follow from the above review of demand and need, or it may be a free-standing exercise. How and why should delivery change? There may be a whole host of reasons. Technology may have provided new approaches. New contractors or providers may have appeared on the scene. There may be an opportunity to combine delivery with another service, or even go into partnership with another organi-

sation to gain economies of scale. Finally, it may simply be felt worth testing the market again if it is some time since tenders were sought from the private and/or voluntary sector. Examples of these in Wandsworth have been under 5's children's centres, where 6 day centres for children in need were closed, with care capacity being relocated into primary schools. Two were changed into family assessment centres, and the other 4 are sold or available for disposal, giving considerable benefits and savings. Other examples came in social care where for some services for mental health and learning difficulty clients, we found via a review that it was worth specifying the services for tendering, as over the last 5 years new providers had entered the market. Again there were savings and benefits to the clients.

### Optimising our Capital Assets

In the early days opportunities for disposal of underused sites and buildings were easy to find. Some services were obsolete and were simply closed. We gradually moved to centralised offices for social care and housing management, releasing unneeded district offices.

We could also see unused parts of depots and annexes to buildings and schools that could be sold off. We developed a Property Sales Committee that oversaw this whole process, as well as our home ownership initiatives (described elsewhere). As time went on, we did obtain huge capital receipts from selling off these surplus sites and were progressively able to reduce our non-housing debts to zero, and to fund a sizeable capital programme of improvements as well. Perhaps surprisingly, although sites for sale are not now so easy to find, there are still major opportunities. These arise through rationalisation of operational properties and depots, closing schools as birth rates decline in localities, closing day centres and hostels as institutionalised care is downsized, and from more thorough searches of backland, derelict estate and school buildings, garage blocks, etc. All these still can yield either sites for

sale and development, or our own 'Hidden Homes' programme (see the Home Ownership chapter).

### Effective Financial Systems

These are necessary so that managers can be held accountable for managing their budgets, and up to date accounts for income and liabilities are available to check performance. In some areas this is simple, but for Adult Care for example, to keep all residential care and domiciliary services accounts up to date for commitments, and all outstanding debts to a reasonable level, can be quite challenging. Effective IT is obviously important, but the basic systems are equally important to give prompt information to managers and to Members to track performance. This will allow annual reviews to look at areas of cost pressure as well as under spending and consider if savings or adjustments need to be made. It may seem obvious that these systems need to be absolutely fit for purpose in an organisation with a turnover of several £100ms per year. However, as good financial information systems are so vital to sound decisions, it is essential to put considerable effort into design and procurement to ensure effective systems are in place. Also important are initiatives to prevent fraud, theft and inadvertent overspending, and regular monitoring of progress on these.

### Review of Charges

Each year, as part of our budget review cycle, we will expect each Cabinet Member to bring forward proposed changes to the charges built on a quasi-commercial approach. Generally, we will look to increase charges as far as possible beyond inflation, so that the consumers of the service are bearing the full cost without any hidden subsidy from the other Council Tax payers. If demand is buoyant, we will expect managers to use their knowledge and feel of the market to suggest higher increases. It is worth taking a trial and error approach to see just what the market will bear in some

cases. We will often want to look at across London to see what other boroughs are charging and use this market intelligence as part of the review process – a sensible business-like approach.

#### Political Cohesion Across our Group

Although the Cabinet and the individual portfolio holders oversee the annual budgetary review process, and also any important policy reviews that will obviously arise, it is vital to ensure these are fully supported by the whole political group. They, of course, have a feel for what the public want and will accept, and also have a spectrum of views from the progressive to the ‘ultra dry’. Hence the need for full discussion and debate to reach agreement, particularly when significant changes are made that will bring in their wake hostility from vested interests, trade unions and other political parties. Successfully managing PR and the media will be important for these high key changes which may involve closing schools or shutting down facilities which are well loved by their users and families. In major cases, a carefully thought out campaign will be needed to win the day.

#### Communications with the Public

Just as important as a cohesive political approach is fully effective communication with the public. Despite the overuse and over-prescription of ‘consultation’ and ‘participation’ by the Government, sensible consultation is actually of vital importance to a successful Council. Analysis by MORI of satisfaction levels with Councils has shown repeatedly that satisfaction is strongly correlated with residents feeling fully or well informed by the Council.

This shows how important it is to put major effort into developing a viable and effective network of groups, regular meetings, newsletters, bulletins and a Council newspaper or magazine to pump out the information in ways that the public can absorb. Each area will be different in what will suit it best. However, it

is likely some channels will be area based, i.e, focused at ward or neighbourhood level, some will be service/function based, i.e, focussed on tenants/leaseholders, parents, sports users, older people, etc, and finally some will be Council wide.

### Conclusion

Over 30 years, Wandsworth has been transformed from a decayed and down market area into the Council with the highest residents' satisfaction score, lowest Council Tax and top-scoring service quality in the country. This has been achieved by sticking to a simple pragmatic process and taking a business-like approach to understanding what residents want, and delivering it at an effective cost. We have made minimal use of consultants and learnt very little from inspectors.

At all times it has been seen important to maintain political unity, especially on controversial policies, and work tirelessly to keep a two-way communication with the public so they are well informed, and we are kept in touch with where they want change and improvement.

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# 2

## Are we all nudgers now?

Cllr Mike Freer

Sometimes an idea comes along that captures the imagination and starts people thinking in new ways. Sometimes an idea comes along that captures a whole lot of thinking that has already been going on but simplifies it in a way that makes that thinking easily accessible.

Thaler and Sunstein's Nudge fits into the latter category and though there has been much recent publicity about the DCLG "Nudge" grant that we have received in Barnet Council the truth is always a little more complex.

As delighted as I am that the government is supporting us in this research, it's important to clarify that our position in the council on adaptive behaviour was already well developed prior to the publication of Nudge in the UK. Indeed a Cabinet report considered in May this year gave the green light to an ambitious research project (The Future Shape of the Council) which is examining how we as a local authority will deliver services into the future. The report suggested that the council needed to change radically in order to "address the non-traditional challenges of how to get people to change their lifestyles and adapt their behaviour to tackle difficult societal issues such as obesity and waste minimisation and generally self-rationing of natural and manufactured resources".

So it seems we were already tapping into the zeitgeist as part of our day to day work in Barnet. Our thinking has also been informed by two other authors/academics Professor Robert Cialdini from Arizona State University and Ron Heifetz the influential leadership thinker from Harvard. Put together with the authors

of Nudge we have found a trilogy that have been helping us think around the difficult issues outlined in the Cabinet report.

Cialdini's work most popularly understood focuses on the power of persuasion but we are more taken with his work around social norms. People do what other people do more readily than what governments tell them to do. The power of social norms impacts a whole range of areas important to local authorities. Litter, for example, is an interesting area of research. When did it become socially acceptable for (a) people to drop litter on the street (b) others to accept this or decide not to intervene? In the natural world birds flock, fish shoal and social insects swarm. Human beings are no different. For us as an authority the messages are clear. Of course, we have to make sure that we pick up the litter, but we also have to assist in creating an "anti littering norm".

Cialdini's research suggests that "the more the act of littering violates the focal anti-littering norm, the less likely that act should become" (Cialdini, Kallgreen & Reno, 2000) So providing a street cleaning service is one area the state can intervene but only our residents (with our support) can create and enforce the anti littering norm. Littering norms are therefore the focus of one of our current pilot projects which we are undertaking with Futerra Communications. When we understand more about littering norms in our various and diverse communities we can engage and communicate in different ways that may well involve "nudging" people to behave in a different way. The Nudge authors themselves seem quite excited about the possibilities: "The council is being very forward-looking here in a way that shows a great deal of creativity. Local authorities can and should use choice architecture to protect the environment. This is one of the most important waves of the future and the council might well help spur new initiatives all over the world." (Sunstein, C., 2008)

It may be useful to ask the question here what has led us to the point where we are searching for new ideas and approaches to

complexity in the public sector. A short review of the past decade illuminates the point and I would rehearse our argument in Barnet for the need for Nudge like approaches as follows.

Local government modernization under New Labour has been, and continues to be heavily managerialist. And this, despite the recommendations of Sir Michael Lyons that, “Central government should not expect to do the things which local government is better equipped to do, and vice versa” (Lyons, 2007). We exist in an increasingly frenzied world of targets, which have undoubtedly been of assistance in improving local government performance but which, by now, have surely served their purpose as the sole improvement mechanism. Their intent was supposedly measuring “outcomes for people” but in reality they measured “outputs” and though, difficult and challenging, local government has done well at this game. The Audit Commission recently reported that “Results from the first two rounds of assessments under this regime showed that councils across the country continue to improve the services they provide to local people” (Audit Commission, 2007).

The target regime is littered with phrases such as “Driving Delivery” “Measuring Performance” and “Reward Grants” but what good are these things in addressing the new “giants” to borrow Beveridge’s metaphor such as climate change, pensions crisis, community decline, obesity? What are the chances that any politician could be party to setting an obese person a government target for being less overweight? How bizarre would it be if we were to apply hierarchical models to achieve good health in our communities?

The reality is of course that individuals who are overweight need to accept that they have a weight problem, need to understand why this is not good for them and ultimately not good for society and agree that collectively we might do something about this? This is Nudge territory for sure, so public policy makers need to look at how choice architecture can assist with tackling obesity and Thaler and Sunsteins example of the configuration of a school canteen

is instructive here. That physical configuration needs also to be combined with informed approaches to communications that do not simply tell people what they should do but seeks to understand currently accepted social norms around eating and exercise patterns and the means by which norms could be changed over time.

In Barnet alongside our behaviour change pilot on littering we are also looking at how to reduce carbon footprint, waste minimisation and the complex area of fear of crime. What might choice architecture have to offer in the latter case? Van Swaaningen (2002) has an interesting perspective when she suggests that crime is used “as a label for quite general feelings of anxiety, dissatisfaction and irritation. These feelings are the most common in areas with a high level of social deprivation, and can mostly be traced back to relatively small annoyances and social rather than crime problems...crime in the strict, legal sense of the world, is undeniably a part of the problem, but because tackling the crime problem has such a high place on the political agenda, all misery is translated into a crime discourse”. If we can provide platforms for our residents to tell us how they feel about their areas, and can do this in an open and conversational way, we might unpick some of these small annoyances and social rather than crime problems and deal with them in a different way. I suspect, for example, that the demonization of many young people in the ASBO age, means that even innocuous activities such as young people gathering together at a bus stop feeds into the crime discourse as described by Van Swaaningen. Shouldn't we as an authority be communicating the norm that the majority of young people are just as they always were and pose no more threat to society at large than their predecessors i.e. ourselves? Could a sustained and intelligent communications campaign around this issue nudge an attitude change in the general population that would create more positive reinforcing images of young Britons in the UK today?

It's important too to sound a note of caution about the political context which needs to exist if the kind of innovation suggested by the authors of Nudge is to have any chance of success. Heifetz is clear about the challenges that adaptive behaviour change poses in a society where “residents crave solutions, not trial efforts or pilot projects, and therefore put a great deal of pressure on politicians and public servants to overstate the promise of new policies and programmatic instruments (Heifetz, 2003). This was evidenced by the recent media flurry around Barnet’s attempt to put some of these behavioural change projects into action. In the world of targets and performance measurement all that counts is success and delivery. In the brave new world of Nudge and adaptive behaviour, all that counts is experimentation and learning through trial and error. Most forms of adaptive failure are “a product of our difficulty in containing long periods of experimentation and the difficult conversations that accompany them” (Bentley and Wilsdon, 2003). The real question therefore is are we prepared to become the kind of politicians who can lead residents into this difficult terrain where the future is uncertain and trial and error is valued over quick wins and red, amber, green systems of performance measurement. We are moving this way in Barnet. Whether this becomes an embedded political approach at national level remains to be seen.

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# 3

## The 21st Century LEA

Sam Freedman

Under the current government the role of local authorities has become increasingly confused. Their purpose has become one of the defining battlegrounds between Blairite modernisers in the Labour party and traditionalists. For Blair and his education guru Andrew Adonis (now Lord Adonis) the monopoly control of community schools by authorities is a key reason for persistent failure in the school system. It inhibits innovation and prevents competition between schools – a key driver for improvement. The academies programme was set up by Lord Adonis (following the model of Kenneth Baker’s City Technology Colleges) to farm out failing secondary schools to non-authority providers who would run the schools with relative freedom over staffing, admissions and curriculum. There are now around eighty academies open, with over hundred in the pipeline and plans for at least 400 –and so far they have been successful with results improving twice as fast as other schools year-on-year. Adonis’ ambition, though, is to go far beyond this limited goal. As he explained it to *The Observer* earlier this year: “The academies are at the leading edge of a trend that’s been spreading across the whole state system. What do I expect to see happen? Progressively more schools having progressively more independence, and local authorities increasingly becoming commissioners of education, rather than providers.”

This view is contested within the Government. Since the arrival of Gordon Brown protégé Ed Balls as Secretary of State for Children, Schools and Families, and Lord Adonis’ boss, in summer 2007, there has been a significant shift in academies policy. At last year’s Labour party conference he spoke of bringing academies

back in to the “local authority family of schools”. A significant number of new academies planned for 2009 and 2010 are “co-sponsored” by authorities – which clearly negates their original purpose. Perhaps even more importantly the construction of new academies has been sucked into the Building Schools for the Future programme. BSF is a £45 billion PFI scheme to rebuild or refurbish every school in the country over fifteen years (though it is already considerably behind schedule). It gives immense power to local authorities as all new capital expenditure is effectively allocated through their BSF plan; working to reinforce their monopoly over education provision and stifle the plans of academy sponsors with different ideas. Furthermore, planned changes to the post-16 education and skills landscape will see the closure of the national Learning and Skills Council with their funding re-allocated to authorities. So while Adonis envisages removing authorities from the provision of education, Balls has given them more control.

There is no question whose side the Conservatives are on. Michael Gove has made it clear that a Tory government would accelerate Adonis’ reforms. Money would be taken out of BSF and allocated to non-state providers to build schools wherever they see demand. Failing schools would be taken into the academies programme even without the consent of authorities (as is currently required by the government). Funding would go direct from government to schools without being reallocated by authorities as happens at the moment. Policy Exchange has argued that these reforms should go even further so that, over time, no schools were run by authorities. Ideally all schools would be federated in non-geographical groups run by non-state providers, so that they could compete locally to drive up standards through innovation, but also collaborate with other schools in their group. We have argued that local authorities that wish to continue acting as providers (with the consent of schools) should be required to develop arms-length trading companies which could operate across authority borders

in the same way as any other provider. This is not as far-fetched as it may sound – a number of authorities like Hackney and Stoke already plan to relinquish control of all their secondary schools to other providers (it is not coincidental that the education services of both these authorities are themselves contracted out - to the Hackney Learning Trust and SERCO respectively – because they were previously failing so badly).

Even if the reforms do not go this far a Conservative government would clearly see a major shift in the role of authorities. This should not be seen, though, as a diminished role, just a different one. The primary aim of authorities in this new landscape should be to represent the interests of parents. Ironically, given that “local democracy” is the rallying cry of anti-academy campaigners, this is much harder for authorities to achieve when they also have to run local schools. They often end up defending failure because they are partially responsible for that failure. If asked to resolve a dispute between parents and a school there is a clear conflict of interest. In the future we see authorities supporting parents and children in three ways: commissioning new provision to create a genuinely diverse set of school choices; regulating local schools to ensure quality and co-ordinating services that operate between schools.

How authorities will commission new provision is a complex question – and one which divides Adonis’ version of reform with the more radical Conservative plans. Adonis envisages authorities running a formal bidding process whenever they decide that a new school is needed; whereas the Tories would allow new providers to build, regardless of whether an authority considered a new school was necessary, as long as they met certain conditions.

In the long term it makes sense for authorities to co-ordinate the development of schools in partnership with new providers who have expressed interest. Land, especially in urban areas, will not be easy to find without authority support and new schools will not want to have an entirely negative relationship with their local regulatory body.

In the short term though the radicalism of the Conservative plans is necessary to break through the inertia created by the numerous authorities who have refused to accept a shift to a commissioning role. Adonis' plan has already been tried; and so far it isn't working. The 2006 Education Act – piloted by Adonis and pushed through by Blair with Conservative support – saw new commissioning rules introduced. Now whenever an authority wishes to open a new secondary school they either have to build an academy or hold an open competition amongst providers (though they are allowed to bid).

Unfortunately very few authorities are prepared to allow a new school to open if there are any surplus places at all in existing schools – even if they are failing – so the new rules have only been tried out a few times (school rolls are also falling at the moment in many authorities). Where the new process has come into play, typically in urban areas with high-levels of immigration, the results have not been impressive. Several authorities in need of a new school – such as Camden – have decided to avoid a competition and go for an academy, as long as they can co-sponsor.

Other authorities have found other loopholes. One of the very few open competitions to date was in Haringey, where the authority submitted a bid along with several respected non-state providers with experience of running academies and independent schools. The 2006 Act states that when the authority enters a bid the decision will be made by the Schools' Adjudicator but the bidding *process* is still run by the authority. And Haringey, unsurprisingly, skewed the process in its own favour to such an extent that it was criticised by the Adjudicator. They still won though, leading a number of the other high profile bidders to wonder aloud whether there was much point in them going through the process again.

So for radical reforms to work in the short term it will be necessary to allow new entrants into the system without the support of the local authority, with the understanding that a mutual system would be preferable. In the long term one would hope that more

authorities, following in the footsteps of Hackney and Stoke, would want to actively pursue proven sponsors or innovative new projects, especially where existing provision is failing. This kind of commissioning should involve monitoring parental demand to assess what sort of new provision would be welcome (it is likely that sponsors/providers will increasingly specialise in developing, for example, schools for areas with high concentrations of ethnic minorities, or special educational needs); and helping providers find suitable sites. Where schools are failing, authorities may want to invite other providers to take over to prevent closure or help find places at other schools for the children affected.

The end result of these market reforms will be an increase in competition between schools. As with any competitive market this will require regulation to ensure quality. Some of this will come from the centre; there will be a list of criteria that new providers would have to fulfil, for example, and there will still be an admissions code. It is not feasible though for central government to keep track of the activities of 23,000 schools. Authorities will, as now, have to monitor compliance with the admissions code, make sure parents have the necessary information to make choices between schools, ensure adequate SEN provision and child safety. All of this will be easier and more transparent when there is clear separation between the school operator and the regulator. The government's Every Child Matters agenda, which has seen local authority education and social services departments merged into "children's services", has led to a general confusion of goals within the school system between academic performance and children's wellbeing. Taking away the responsibility for managing schools from authorities will lead to a clearer delineation of roles.

Finally authorities will remain responsible for co-ordinating certain services between schools, a role that will become increasingly important if schools are run by competing providers. For example, the specialised diplomas qualification that was launched

this year requires students to move between schools to take different vocational courses (no single school will be able to provide the facilities to take all fourteen diplomas). Thanks to the rushed implementation of the qualification this is likely to turn into a logistical nightmare –authorities will be crucial to making it work by ensuring transport is provided and payments correctly allocated. The same is true for exclusions.

Authorities will have to make sure that schools do not try to secure a competitive advantage by excluding excessively. They will also have to co-ordinate cooperation between schools through, for example, managed moves to avoid permanent exclusions where possible. Where children are permanently excluded authorities will have to ensure alternative provision is available to avoid children slipping through the net. The existing network of pupil referral units for children excluded from mainstream education are typically very poorly managed. A recent government white paper heralds a shake-up of these services with (surprise, surprise) the focus on authorities co-ordinating and commissioning alternative provision rather than trying to run PRUs themselves. Here active commissioning will be even more crucial as it is likely to be much harder to find high-quality providers prepared to run PRUs than mainstream schools.

By now it should be clear that the radical reforms to the school system, proposed by those of us who believe in the value of competition to drive up standards, should not sideline local authorities. In fact these reforms should bring clarity to their role: supporting parents and children in their authorities, not schools. 21st century authorities will need to ensure that the range of schools in their territory is suitable; that the market is properly regulated in the interests of all parents and that schools co-operate constructively when necessary. One can only hope that all authorities will learn to appreciate the importance of this role.

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# 4

## 30 years of homeownership in Wandsworth

Cllr Eddie Lister

The Wandsworth sales story started with the change in political control at the Council in May 1978. Within days of taking control the new Conservative administration rescinded the previous council authority aimed at municipalising large swathes of the borough by acquiring street properties for inclusion within the authorities housing stock for tenants. The municipalisation policy had always been flawed. There was a vast backlog of street properties which needed to be repaired, adapted and made suitable for occupation by council tenants, needless to say at considerable expense to the Wandsworth rate payers.

In addition to the street properties, the new administration also took over a number of new built estates from the former GLC, where new council housing was either just completed or nearing completion.

The death of Labour municipalisation

Apart from bringing an end to the municipalisation programme element, the new administration immediately introduced a wide ranging sales policy. The first element was to allow sitting tenants of council houses the opportunity of purchasing their property with a discount. All eligible tenants were contacted and numerous applications followed. Our first sale was achieved in July 1978 just two and half months after the election. A second limb was our more controversial “Vacant Sales” policy, which was to offer many of the unrepaired and unoccupied municipalised street properties

for sale. Those in very poor repair and in need of major refurbishment were offered on the open market usually at auctions or via a homesteading scheme. The latter was quickly dropped due to the bureaucracy involved. The street properties that were in better condition were offered for sale to first-time buyers from within the borough with the aid of discounts. First-time buyers only qualified for a discount if they entered into a legal agreement to use the property for owner-occupation by themselves and their family. A third limb to the sales policy was the introduction of a shared ownership scheme (in those days called equity sharing) on some of the newly constructed estates, where, due to legislative restrictions (the cost floor), discounts could not be offered. The shared ownership properties were also offered to first-time buyers from within the borough.

#### A Home Ownership Unit

Another critical element to our sales success was the creation of our dedicated Home Ownership Unit. This Unit was put in place from day one – significantly located in our Administration Department outside the mainstream Housing Department. The Unit also celebrates its 30th anniversary this year and continues to provide a one stop shop for all the Council's sales activities. The Unit obtained a Charter Mark in 2005 and has been consistently commended for its outstanding service to the public. In my view it is critical to keep the sales function separate and it has its own dedicated reception away from those who are the mainstream visitors to a typical housing department

#### The Coming of Right to Buy

In 1980 the Conservative Government introduced the Right to Buy. Many authorities sought to put off tenants from purchasing their properties and a particular favourite technique for Labour Councils was to deter tenants with fearsome estimates of major

repair liabilities, which were often coupled with high management charges due to inefficiencies. Wandsworth however fully embraced the scheme, with the intention of both raising capital funds to reinvest into the repair and updating of our various council estates, but also with the purpose of creating mixed communities on the estates. Over the years both objectives have been met with startling results. The council's housing stock is now in such good condition, as a result of the investment achieved through sales, that it was among the first to achieve the Government's Decent Homes Standard well ahead of the government's deadline.

#### Mixed yet cohesive communities

In terms of mixed communities many of our estates now have well over 50% owner-occupations and there is no doubt that owner-occupiers have a much greater interest in keeping their blocks and estates in good condition. Whereas previously, tenants rarely reported vandalism and other anti-social activity, we rapidly discovered home owners will contact either the council or the police very quickly to put a stop to such behaviour. The result is that our estates are now much nicer places to live with residents taking a real interest in their surroundings.

#### Making service charges manageable

Because of the profile of the Wandsworth housing stock which includes a large proportion of high rise tower block flats, the council needed to find ways of making flat purchases attractive. Apart from the obvious incentive of discounts, it was important also to ensure the on-going running costs for leasehold properties were kept to a minimum. With this in mind the council introduced a scheme of having block by block cost centres for expenditure on flats, so that leaseholders could see precisely what their service charges were being spent on in the immediate area of their block.

We introduced easy payments for service charges. Routine service charges could be paid by 10 monthly instalments, alongside the council tax and with no interest payable on outstanding amounts. For major works charges we allowed leaseholders to repay over a period of up to 10 years. Interest was however charged on outstanding major works accounts.

We also fully embraced the discretionary service charge relief arrangements when they came into force in 1997. These arrangements enable the council to waive major works charges over £10,000 in cases of hardship and in a limited number of other circumstances. Additionally, we had an ongoing and active policy of keeping service charge costs to a minimum, largely achieved by outsourcing cleaning, gardening etc. via competitive tenders to a tight specification. None of this was easy: the accounting regime was difficult at first, we had to develop greatly improved billing information to keep our leaseholders satisfied, and staff had to learn that, as customers, leaseholder's expectations for service and value for money were higher.

### Winning over Mortgage Lenders

Another critical issue enabling us to achieve large numbers of leasehold flats was our ability to ensure mortgage finance was available. Initially mainstream mortgage lenders were excessively cautious about lending on many council blocks particularly those made of pre-cast concrete. The Chief Executive and I had several meetings with the Council of Mortgage Lenders, whilst officers toured the country visiting the head offices of the major lenders, to ensure arbitrary impediments to lending on local authority stock did not apply to the Wandsworth blocks. We were largely successful with our campaign although at times when the property market is difficult the lenders will be all too ready to turn off the tap on council lending well before it affects mainstream mortgage availability.

### Selling Vacant Properties – the Sales Area Concept

Reverting to vacant sales, it became apparent in the early 1980s that the interest in purchasing vacant properties from the council, by first-time buyers living in the borough, was such that we could not meet the demand from the sale of the former street properties. We therefore introduced our “sales area” policy. Close to a third of the council’s estates were declared to be sales areas, where, when any property became vacant, it was offered for sale under our Priority Group Sales Scheme to applicants on a waiting list for a property. Applicants for this scheme had to be first-time buyers and were financially appraised to ensure they required a discount from the council. The scheme was a rip-roaring success with literally hundreds of people viewing properties advertised for sale. One particular unexpected feature of the scheme was how popular it was with existing council tenants who could purchase under the scheme, thus releasing their rented property back to the Housing Department for re-letting. Also we discovered the children of council tenants were active purchasers of properties under the scheme. This was good news in that it overcame, to an extent, any resistance to our policies from those council tenants who acknowledged they were unlikely ever to be in a position to purchase under the Right to Buy.

### Audit Challenge

It was of course the sales area policy, when adopted selectively by Westminster, which led to the house sales scandal in that borough. Consequently, the Wandsworth External Auditor undertook an extremely lengthy investigation into the Wandsworth scheme but ended up giving us a clean bill of health. Our scheme was borough-wide without any particular wards being targeted and hence deemed a reasonable exercise of our voluntary powers to sell properties.

### Labour's Spanners in the Works: Lower Discounts

Regrettably since the Labour Government first came into power in 1997, they have systematically set about making sales of residential properties by local authorities less and less attractive. Whilst Tony Blair's government consistently claimed to be in favour of home ownership, they made the right to buy almost unworkable, by first of all reducing the discounts available, and then, in turning the previously easy to understand discount repayment arrangements into a bureaucratic nightmare. So far as vacant property sales are concerned, they changed housing subsidy arrangements in such a way as to make it extortionately expensive for local authorities, like Wandsworth, to sell vacant properties in our 'sales areas'. Our sales area policy had to be suspended as a result. I should add that in addition to the financial strait jacket applied by Labour to sales, their extra requirements to house ever wider categories of homeless, asylum seekers and refugees meant we were also soon subjected to the further problem that we could only justify a very few sales each year, needing all our vacant properties for these newly created need categories. We still sell former vacant acquired street properties but only because their valuations are much higher and therefore overcome, to an extent, the subsidy deficit problem.

### Too Many Initiatives

Notwithstanding Labour's interference, Wandsworth has continued to promote home ownership despite rather than because of the government position. However, any decent sales person will tell you that, your product has to be straightforward and easy to understand by prospective purchasers. The Labour Government's initiatives on home ownership are far from that. At present they appear to be marketing something like 7 or 8 incomprehensible schemes which go under names such as:

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My Choice Homebuy	Own Home
Open Market Homebuy	Social Homebuy
New Build Homebuy	First-time buyers initiative
Rent to Homebuy	

### Over-complicated schemes

All of these schemes have their own quirks and complexities and are almost impossible to market to the public in any meaningful way. Not only do the public not grasp the nuances between the schemes but even our specialist home ownership staff also struggle to understand how the schemes operate and, most importantly, so do the lending institutions, who are of course a key to the marketability of property to first-time buyers. Of course the situation has now been made even worse by virtue of the Government's recent schemes for equity sales etc. for mortgage rescue.

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# 5

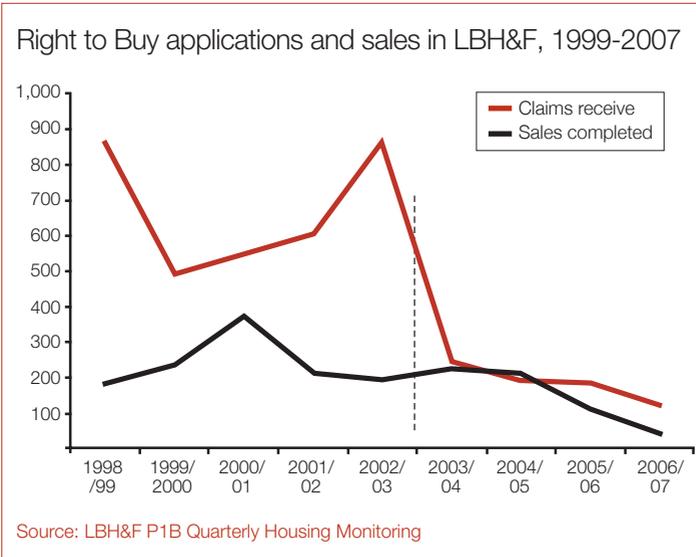
## Right to Buy Part 2

Cllr Stephen Greenhalgh

### Right to Buy

The Right to Buy helped hundreds of thousands of families to increase their wealth and to obtain a stake in their own homes. However, the effectiveness of the RTB scheme in England and Wales has been hampered by the reduction in maximum discounts. Maximum regional discounts introduced in 1999 have been further reduced to just £16,000 by local maximum discounts applied in 2003, a fall £34,000 less than the maximum discount which applied in 1989 at a time when property prices were significantly lower.

Conservative Wandsworth embraced the Right to Buy policy. Since 1978 they have sold 23,700 properties out of a total housing stock of 41,000 tenanted properties. Labour Hammersmith & Fulham (H&F) were not as enthusiastic. Since the Right to Buy policy was introduced for council tenants in 1980, there have been 5,456 completed RTB sales in Hammersmith & Fulham, 28.6 per cent of total council housing stock. Generally around 25% of properties on our larger estates have been sold under the Right to Buy with sales levels varying by estate. However there has been a significant decrease in the number of RTB applications received and Sales completed in H&F, subsequent to the discount reduction introduced in spring 2003. There were a total of 34 completed Right to Buy sales in 2007/08 compared to 43 in the previous year and 116 before that.



The changes to the Right to Buy discount regime over recent years one of the main factors in influencing people's ability and willingness to buy the property they live in. According to a recent Right to Buy Homeownership Survey in Hammersmith & Fulham around 65% of those who did not complete RTB sales stated that the reason for that was 'price too high' or 'not enough discount'.

The Labour Government's mean spirited reduction in maximum discounts and the changes in eligibility in 2005 killed RTB stone dead. The changes were particularly skewed against sales in London. When Labour came to power the average discount in London was £34,000 (53% of the value of a property). It has now fallen to just £16,000 in all but 2 London boroughs (5% of the value of an average London property) at a time when property prices have rocketed. The lack of incentive can be seen by looking at the ratio of lower quartile incomes to house prices. In late 1990s typical earnings would have been around £12,200 per annum or 5 times the property value at the time before any

discount was applied. In 2007 typical lower quartile earnings were £16,692 some 21 times the average property price in London. The combination of rising house prices and reduction in maximum discounts has killed off Right to Buy. An incoming Conservative Government should reinstate the old RTB discounts.

### Social Home Buy

Social Home Buy was introduced by the current Government in the spring of 2007 for council and housing association tenants. Essentially it is a scheme which encourages part purchase of a tenant's social rented home. One of the main benefits for Councils to support this scheme is that the Council retains 100% of the receipt achieved (Right to Buy sees 75% of the receipt being pooled by Government). The scheme when it was originally developed in H&F allowed tenants to purchase 25% or more of their home and to pay a rent on the unsold equity proportionate to their former Council rent. The H&F scheme (unlike most other schemes developed) also worked on the basis that the part purchaser would also only pay a proportion of any major works bills.

In its first year of operation the scheme was not successful and no sales were achieved. This is not unusual and the other pilot authorities involved whilst identifying significant interest have thus far achieved very few if any sales. The H&F target of achieving 20 sales in the first 1-2 years of operation will not be met and therefore any receipts that were anticipated from these sales will not be achieved. The main reasons for this seems to have been the complexity of what was being offered, even with discounts households found it difficult to afford to buy so that social renting was therefore a more attractive option and that people would have preferred to buy a property outright.

It is clear that the majority of Council Tenants of working age do want to purchase a property. It is also of significant benefit to the Council to encourage and support purchase particularly under

Social Home Buy as the Council retains 100% of the receipt and can reinvest that receipt in maintaining and improving stock and investing in housing. The main barriers to homeownership remain cost both in terms of purchase and in relation to ongoing costs including service charge commitments. The average income and savings for all social housing tenants on Hammersmith & Fulham Council's Homebuy Register is £33,603 and £10,000 respectively.

Many of those living in social housing are unable to afford to buy their own home, even under a discounted RTB scheme or shared ownership. This is supported by evidence that Shelter gave in the lead-up to the report, "Restoring Pride in our Public Services, launched in September last year, and current information on their website. They say that the average income for those in the social rented sector in 2006/07 was under half of that of households in all tenures - just £12,169, compared to £29,837. Worklessness and benefit dependency is also high, with Shelter reporting that 68% of social tenants were economically inactive, either through unemployment, retirement, with a similar percentage on housing benefit - and the Hills Report has identified a drop in employment levels for this group – a fall from 47% in 1981 to 32% in 2006. Added to this, the National Housing Federation's evidence to the 2007 report suggested that over 840,000 housing association tenants are unable to access ownership either via the Right to Buy or Right to Acquire.

Social Home Buy does not therefore provide the answer if we want to give large numbers of social tenants the chance to get onto the property ladder, create mobility within the social rented sector and also create the receipts required to maintain existing social rented stock and to reinvest in new housing for those low to middle income households who need it.

## Right to Buy Part 2

Hammersmith & Fulham believe that Right to Buy needs to be reinvented to become the life changing opportunity that it was for

social tenants in the 1980s. The answer is to give existing Council Tenants the *Right to Buy* part of their home and pay no rent on the unsold equity. There are 3 elements to the Right to Buy Part 2 initiative:

### 1. Slivers of Equity Reward Scheme

Robert B. Cialdini has stressed the importance of encouraging the right behaviour and establishing pro-social norms. Councils such as Barnet are receiving government funds to test Richard Thaler and Cass Sunstein's "nudge" philosophy to experiment with ways of encouraging people to reduce litter, recycle and lower carbon emissions. This philosophy should be adopted by Councils and RSLs to reward tenants with a clean tenant history over a particular period of time. The reward would be offered to help with the purchase of a property. This property could either be purchased on the open market, a shared ownership property provided by a housing association or the property they rent from the council.

Hammersmith & Fulham Council is currently looking at whether such a scheme can be taken forward in relation to current statutes and regulations particularly as to whether a reward and purchase scheme would fall foul of the current Secretary of State consent that limits the RTB discount where the tenant chooses to purchase their own home. The proposal is to offer a 2% equity stake reward per annum up to a maximum of 5 years. If you are an existing tenant of 5 years or more with a clean tenant history you would be entitled to a 10% reward offer automatically.

In taking this approach Hammersmith & Fulham are adapting and rolling out the Inclusive Living scheme initiative developed with Genesis Housing Group on a large new development in the borough called Factory Quarter. The initiative offers housing association social tenants an "equity stake" in their property of 3% after a fixed period of time with the ability to purchase and staircase by 1% tranches to 9%. This stake can then be cashed in

and used to purchase the home on a shared ownership basis. This initiative has now been adopted by the DCLG as a pilot.

Hammersmith & Fulham are also looking at the viability of establishing a tenant reward scheme that would aim at awarding those tenants who might not be able to purchase but have nevertheless a good tenancy track record recognising that many tenants will not immediately be in a position to purchase. The scheme might be similar to the Notting Hill Housing (NHHG) rent plus scheme where the tenant commits to save a certain amount and the Council match funds that amount from efficiencies achieved (e.g. that there is a low or no level use of repairs services for some items, that tenants commit to go on to direct debit to pay their rent, no NOSPs or ASB action is taken).

## 2. RTB Part

We need to keep things simple and the next element is simple enough. This is to offer those tenants that would have a 10% equity stake in their homes the *Right to Buy* part (50%) of their home with the purchaser paying no rent on the unsold equity but paying the full service charge due. The tenant could use the reward and purchase offer to buy their home under this scheme along with the proportionate discount that they are eligible for (£16K x 50% = £8K).

The approach being taken here is one that is similar to discounted market sale housing which Hammersmith & Fulham Council has successfully negotiated on a large new development in the south of the borough called Imperial Wharf. This type of housing provides an affordable and straightforward way into purchase for low to middle income households. In this case the occupier purchases normally 70% of the property with the unsold equity being held in this case in perpetuity by the Council. The initiative has proved very popular with local residents including key workers.

The two examples below demonstrate the impact of an RTB Part 2 approach:

**Figure 1 RTB Part 2 - cost to purchasers under tenant reward scheme with pro rata**

Cost to purchaser under SHB reward scheme - reward at 10% of pro-rata property value												
Property type	Value of property (average: 2007 RTB valuation(s))	Full discount	Purchase %	Purchase amount	Proportionate discount	Reward @ 10% property value: pro rata	Full service charge (annum)	Capital cost to purchaser (deposit not taken into account - assume covers legals, stamp duty, etc)	Ongoing annual cost to purchaser (loan + service charge)	Ongoing monthly cost to purchaser (loan + service charge)	Affordable to average P1 h&f HB applicant?	% of P1 HomeBuy List who could afford
1 bed	£216,000	£16,000	50%	£108,000	£8,000	£10,800	£690	£89,200	£6,024	£504	Yes	85%
2 bed	£248,000	£16,000	50%	£124,000	£8,000	£12,400	£690	£103,600	£6,906	£576	Yes	74%
3 bed	£287,000	£16,000	50%	£143,500	£8,000	£14,350	£690	£121,150	£7,959	£663	Yes	52%
4 bed	£385,000	£16,000	50%	£192,500	£8,000	£19,250	£690	£165,250	£10,605	£884	Yes	34%
<b>Average</b>	<b>£284,000</b>	<b>£16,000</b>	<b>50%</b>	<b>£142,000</b>	<b>£8,000</b>	<b>£14,200</b>	<b>£690</b>	<b>£119,800</b>	<b>£7,878</b>	<b>£657</b>	<b>Yes</b>	<b>52%</b>

Note 1: using RTB sales values from recent sales, using average service charge, loan rate of 6% and income details of social housing tenants taken from the H&F Councils Home Buy Register.

Note 2 - P1 (Priority 1) = social housing tenants on the Home Buy register who can afford to buy

**Figure 2 RTB Part 2 – cost to purchasers under tenant reward scheme where 10% of full property value is offered**

Cost to purchaser under SHB reward scheme - reward at 10% of pro-rata property value												
Property type	Value of property (average: 2007 RTB valuation(s))	Full discount	Purchase %	Purchase amount	Proportionate discount	Reward @ 10% property value: full	Full service charge (annum)	Capital cost to purchaser (deposit not taken into account - assume covers legals, stamp duty, etc)	Ongoing annual cost to purchaser (loan + service charge)	Ongoing monthly cost to purchaser (loan + service charge)	Affordable to average P1 h&f HB applicant?	% of P1 HomeBuy List who could afford
1 bed	£216,000	£16,000	50%	£108,000	£8,000	£21,800	£690	£78,400	£5,394	£450	Yes	98%
2 bed	£248,000	£16,000	50%	£124,000	£8,000	£24,800	£690	£91,200	£6,162	£514	Yes	84%
3 bed	£287,000	£16,000	50%	£143,500	£8,000	£28,700	£690	£106,800	£7,098	£592	Yes	64%
4 bed	£385,000	£16,000	50%	£192,500	£8,000	£38,500	£690	£146,000	£9,450	£788	Yes	41%
<b>Average</b>	<b>£284,000</b>	<b>£16,000</b>	<b>50%</b>	<b>£142,000</b>	<b>£8,000</b>	<b>£28,400</b>	<b>£690</b>	<b>£105,600</b>	<b>£7,026</b>	<b>£586</b>	<b>Yes</b>	<b>64%</b>

Note 1: using RTB sales values from recent sales, using average service charge, loan rate of 6% and income details of social housing tenants taken from the H&F Councils Home Buy Register.

Note 2 - P1 (Priority 1 clients) = social housing tenants on the Home Buy register who can afford to buy

Note 3: the justification for offering a full 10% property value incentive/reward would be in the increased sales achieved and therefore receipts achieved which would then be reinvested in property maintenance and improvement and the provision of new affordable housing.

### Family Home Buy

A recent Inside Housing Poll of social housing tenants published on the 12th September 2008 identified that the two main concerns for social housing tenants were anti social behaviour (35% identifying this as the “greatest concern”) and lack of housing for children (23% identified this as the “greatest concern”). One tenant quoted by Inside Housing identified that it was difficult to build a successful community if “...children of established families living on the...estate have had to move away from the area into private rented accommodation...”.

The final element of this policy is to encourage two generations of a particular family to club together to buy the home. This would encourage children of existing social tenants to purchase jointly with their parents. Family Home Buy will encourage the family unit to work together to ensure that the family home stays in the family for the long term and that the family connection with that neighbourhood continues.

### 4. Next Steps

At this stage Right to Buy Part 2 remains a policy idea. The intention is for Hammersmith & Fulham Council to launch this in the spring of 2009 having tested and sought appropriate advice as to the ability to run a tenant incentive scheme as detailed above. We believe that this new measure will expand access to home ownership, create mobility and free up space within the social housing sector at a fraction of the price of building new homes and achieve capital receipts which can be reinvested in council stock and help fund new build housing development.

The approach will also be supported by Hammersmith & Fulham’s ongoing work to improve leaseholder services, reduce leaseholder costs and to provide “one to one” assistance through its dedicated borough level Home Buy advice services for local residents wanting to own a home in the borough.

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# 6

## Thinking Family: Westminster City Council's pioneering approach to repairing broken communities

Cllr Colin Barrow

### Summary

Westminster's Family Recovery programme will use a combined public services team to address the needs of those families living in the heart of London who have the most chronic and complex difficulties; the families identified in *Breakdown Britain*.

There are up to 600 families in Westminster, around 3% of the total population with these severe difficulties. These are people who may never live contented lives with a good job, whose children fail at school and live in homes where rent payments are made irregularly.

This cycle of decline is bad for them and for their neighbours. They are responsible for a disproportionate amount of local crime and anti-social behaviour. They take time and effort from public services – particularly schools, social services and the police.

Westminster believes that joint action by local public services can help these families. We intend to help them recover their self respect by restoring a sense of personal responsibility through tangible incentives and the threat of sanctions. This approach will be delivered through a multi-disciplinary team of local public servants covering police, council and health services. This group is called a Family Assessment and Intervention Team.

The Family Recovery programme will help parents who have fallen foul of the law and are failing their children by offering them practical support to be better parents and giving them opportu-

nities gain skills to get good jobs and help to live healthier lives. We'll help their children do well at school with extra tuition.

If these parents and young adults do not reform we will use the law to ensure that they understand that the choices they make have consequences that may lead to sanctions including potentially eviction, withdrawal of benefits and in the case of criminal acts, prison.

The programme starts in autumn 2008, involves an initial investment of £800,000 and we expect to be able to deliver results by December 2009.

### Meeting the challenge of breakdown Britain

The *Breakdown Britain* report by the Centre for Social Justice (CSJ) identified challenging findings about the state of the Britain's communities. For Westminster Council its conclusions made us question whether our services were targeted effectively enough towards closing the classic gateways to poverty: economic dependency, addiction and educational failure. The study inspired us to do more to support society's most important building block - the family by introducing a new approach, entitled 'Family Recovery' to begin repairing acute social breakdown in the heart of London.

The questions raised by the Centre for Social Justice are simply too important for policy makers at all levels of government to ignore. In Westminster, there are pockets of the city where over half the children are financially dependent on their parents' unemployment benefits; where over half the residential population tell us that they live in fear of being mugged; and where residents can expect to die many years before their peers just a couple of miles away.

### Westminster's social breakdown

Those who face a future without hope, without a job and who find

petty crime a more profitable lifestyle than seeking work blight both their own lives and those of their neighbours. Westminster's own research conducted by the City Council in the wake of the CSJ report concluded that there are around 600 families, or three percent of the total families in the City of Westminster, who, exhibit multiple warning signs of being at serious risk of becoming socially excluded in the ways described by *Breakdown Britain*.

The following case – concerning a mother, father and two children - tells a depressing but typical story of these families in social disorder. Following a history of domestic violence and addiction, the father is no longer 'on the scene'. The children have a patchy history of school attendance, have been involved with the Police on a regular basis and one of them has now been placed in secure accommodation as a result. The mother's mental health and addiction problems have forced the City Council to provide foster care arrangements for the other child with little prospect of returning to the family home. The life chances of those children are abysmal. As if to compound that failure, the family will cost the council over £200,000 each year and will cost the state considerably more in overall terms. They are a sign of public failure to hard working, aspirational families whose neighbourhoods are blighted by the fallout that social exclusion brings with it.

Westminster simply isn't satisfied that the public sector – as currently organised – can deal effectively with those multiple problems at an early stage and in a way that actually changes people's lives for the better and for the long term. Taking the example set out above, literally dozens of professionals will have intervened in this family's life in one way or another over the years but their efforts, whilst undoubtedly well meaning, have not been co-ordinated and have lacked persistence and assertiveness.

Meeting breakdown with joined up services

The services provided by the council and its partners in the public

and voluntary sectors are excellent and meet the needs of most of the population extremely well. However local services needed to acknowledge that sometimes our interventions with these exceptionally vulnerable families have lacked coherence. And law abiding citizens feel that the anti social behaviour exhibited by these individuals is not addressed, in the common parlance they 'get away with it' leading to a reduction in trust in public authority. At times there have been gaps or duplications in service, an incomplete appreciation of what might actually work for the family in question and sometimes ineffective responses to individual issues.

Local and central government have spoken the language of 'joined up' services and breaking down barriers between agencies and departments for many years. The evidence of achievement on the ground, however, is of patchy successes at best and, at worst, is a lesson in dysfunctional service delivery. We have learned that if we are serious about tackling the causes of social meltdown on our doorstep, we need fundamentally to rethink the way our services are structured as well as the ethos of our professional staff.

### Westminster's Family Recovery programme

Our Family Recovery programme is Westminster's response to the lessons of *Breakdown Britain* and local experience. We will launch the project this autumn, helping a few families at first, rising to up to 200 a year and subject of the lessons we learn and their response to the programme, covering the whole 600 over the next three years. We expect to show the results in terms of people getting jobs, getting off benefit, higher achievement at school and reduced anti-social behaviour by December 2009.

The cornerstone of the policy is the introduction of a Family Assessment and Intervention Team (FAIT). We are creating three FAITs overseen by a management team led by chief officers and a strategic oversight group lead by a senior councillor. The FAIT

breaks down those traditional barriers between service areas which had previously hindered us from making effective interventions into families' destructive patterns of behaviour. The team includes practitioners from Children's Services, Adult Social Services, drug and mental health professionals as well as housing officers, the Police, PCT and Youth Offending Team. Crucially, the FAIT also includes representatives from the voluntary sector whose expertise in working with vulnerable families and on complex issues will prove invaluable.

The FAIT is not put in place to allow a problem family to wallow in public service provision. It is a last chance saloon for the family involved. If these parents and young adults do not reform we will use the law to ensure that they understand that the choices they make have consequences that may lead to sanctions including potentially eviction, withdrawal of benefits and in the case of criminal acts, prison.

Together, the FAIT represents a 'team around the family'. The new structure means that the family will no longer be passed from pillar to post across council departments and other agencies with separate files opened for their various issues and a number of members of staff all becoming involved in an overlapping yet uncoordinated way. By its design, the FAIT will organise staff in a more efficient way, without duplication and overlap. And it will have many more tools at its disposal and information at its fingertips to tackle the social problems that affect Westminster's 600 'at risk' families.

The FAIT selects a single professional to the family's contact point - whatever service they need to work with. That lead member's interaction with the family can draw directly on the support, knowledge and intelligence gathered by a wide range of fellow professionals. The multi-disciplinary team, together, will then work with all members of the family to assess and intervene at an earlier stage than the traditional statutory interventions such as

care proceedings. The increased knowledge-base at the disposal of the FAIT means - quite simply – that we will be able to make the right decisions at an earlier stage than was previously the case.

### Voluntary partners and public intervention

We are determined to bring the voluntary sector into the mainstream of public services and getting them involved with the Family Recovery project is an ideal way to achieve that. Our partners in that sector, for example, already have an outstanding record of achievement in helping Westminster residents into work. They are comfortably on track to get 2,000 long term unemployed residents back into work over three years. It is a record of achievement with some of the most difficult groups of people that out-strips the success of the state. Westminster's Voluntary Sector, offers a wealth of untapped expertise and innovation that we are harnessing

Just as more focussed, intelligent approaches to treating cancer in the National Health Service have led to hugely improved services to patients as well as increased life expectancy, we expect the Family Recovery process to achieve similarly impressive results on a range of social issues. We want to take a spirit of innovation into those areas of public service which have traditionally lacked that ambitious edge.

Whilst Family Intervention projects have existed in various guises over the past few years, Westminster's ambition runs deeper. Firstly, the range of agencies and professionals involved in the team is much wider than in other pilot projects. Our aim is to provide a team whose expertise is broad enough to reflect and capture the complex and multiple issues confronting families. Secondly, we intend to make the Family Recovery process mainstream for all Westminster's core Children's Services and, eventually, we will ensure that all our People Services operate on this collaborative approach. We believe that these two aspects set us apart from most, if not all, other projects of this nature.

### Contracts with consequences

We are also determined that the Family Recovery ethos does not represent a soft option. It is on that basis that we have established a system of ‘contracts with consequences’. Those families who are referred to the team will – in return for support – have to agree to co-operate and play their part in making the intervention work. We will have no hesitation in using the enforcement powers at our – and our partners’ – disposal whether that relates to crime and anti-social behaviour, housing or any other area where we can take action.

A rigorous set of 20 performance measures are also in place so that we can monitor the impact of the programme on the families themselves as well as the wider community. Some of the measures we will be using include; the impact on the fear of crime locally, attendance rates in schools and improved health outcomes. We are clear in our determination that the Family Recovery project benefits whole neighbourhoods and not just the 3% of families in the city.

In essence, we are offering vulnerable families public respect but expect them to take personal responsibility for their actions. Our aim is to intervene not for intervention’s sake but in such a way that families’ natural resilience is strengthened and they are enabled to contribute positively to society, rather than be a burden on it.

We are also realistic about the lessons we are surely soon to learn about the nature of public service and the nature of the lives that are being led in our communities. It has been all too easy in the past to airbrush socially excluded families out of public discourse. This policy aims to take a new course which is based on honesty and a willingness to tackle – head-on - the problems that have dogged society for generations.

### Public costs and benefits

We believe that by making those right decisions at an early stage, we will not only achieve improved results for families, but we will also be able to reap the benefits of major cost savings across the public sector.

Anyone involved in local government will appreciate the extreme pressure social care budgets are under across the country. They will understand that traditional methods of funding and ways of delivering services are probably doomed. Moreover, as the current government is now appreciating, the cost of failure – both financially and socially – is exorbitant, and rising. Prevention is now the watchword of the National Health Service and we aim to take that ethos into tackling social problems in our communities. The economic and financial case for this policy change is, in our view, inescapable.

Given the radical nature of the changes we are delivering, the price tag attached to the Family Recovery programme is modest. So far, we have earmarked just under £800,000 over the first three years of the programme. We fully expect the Family Recovery project to recoup its costs rapidly and estimate that it will save the council, the benefits system and the welfare state as a whole a significant proportion of their budgets in the long term.

We are clear that a radically new method of delivering services should be supported by a new funding structure if success can be supported by concrete evidence. That is why we are simultaneously conducting an on-going audit of all public spending in Westminster by the council and other organisations. We want to map exactly who is spending tax payers' money in Westminster, where they are spending it and on whom. If the Family Recovery system realises major savings, for example to benefits budgets, we will lobby central government to restructure their own spending plans to take account of those changes and channel resources towards policies like ours that are making a real impact. Success in the public sector, just as in the private sector, should be rewarded and actively encouraged.

## Conclusion

The Family Recovery programme provides a model for a new kind of service; one that is targeted at those who most need it and it

is designed in a way that gives professionals the highest possible chance of succeeding.

The benefits of success will be measured in improved quality of life for residents, fresh hope for excluded families and in financial savings to the welfare state. Our aim is not simply to establish best practice, it is to deliver a new way of working that becomes standard practice across local authorities and their partners.

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# 7

## Kent County Council's 14 to 24 Innovation Unit

Cllr Paul Carter

The County Council has been working over the last 10 years on the transformation of secondary education, delivering diversity and choice appropriate to the ambition, aspiration and ability of our young people.

10 years ago the learning experience for young people across the country in secondary schools was generally uninspiring and failing to educate young people for a fast changing technological world.

In Kent we have been on a journey of secondary school transformation – giving broad curriculum choice, embracing technology through teacher support and the personal learning agenda, with a major goal to enable all young people to reach their full potential with only part of the journey being academic attainment.

As the government works on transforming education for 14 to 19 year olds, Kent County Council has gone one stage further with the creation of the 14-24 Innovation Unit to respond to the rapidly changing education and skills legislation and welfare reforms.

The unit has responsibility for professional skills and training, Educational Business Partnerships, careers guidance and vocational programmes to ensure that our young people reach their full potential and become the workforce of tomorrow bringing economic success to Kent.

Extending the age range to 24 will support the county's young people through crucial times of transition, leaving school, college or university, and provide extra help in careers and employment opportunities supporting the Kent economy and reducing welfare dependency.

Kent wants every young person engaged and motivated about learning and able to follow a pathway that meets their individual needs and interests, giving them the basic skills and more to prepare them for employment or higher education. The activity of the unit will also help to address the needs of the labour market and economic regeneration.

Preparing young people for the “world of work” is such an important priority for Kent that six of our 2010 targets (the ambitious goals set for the county) have been developed to ensure young people have the right skills to access jobs and opportunities. They are:

- Raise the expectations and aspirations of our young people by giving all 13-19 year-olds the very best careers guidance and by providing master classes presented by businessmen, entrepreneurs and professionals.
- Expand our pioneering vocational 14-16 programme to more than 4,000 students, offering real choice in a diverse and stimulating curriculum tailored to the needs of students and relevant to the real world.
- Double the number of participants on Skill Force-type programmes (see case study)
- Introduce a Kent Apprenticeship scheme, offering at least 1,000 apprenticeship opportunities across the private and public sectors
- Introduce the Kent Community Programme, building teams of apprentices to participate in community projects
- Build strong business-education partnerships that benefit both employers and schools

Case Studies:

Thanet Skills Centre

One size does not fit all when it comes to education and Kent

County Council is pioneering new and stimulating ways of providing vocational opportunities.

KCC is developing exciting and innovative vocational training programmes for 14 to 16-year-olds which tailor training courses to the job market and employers.

Over the past four years the county council has committed significant capital resources to develop new high quality state of the art specialist workshops and facilities. The total capital contribution is currently £13.1 million.

Twenty one capital programmes have been delivered over the past two years.

Over four thousand young people are now engaged in applied vocational programmes, rising to one thousand new apprenticeship placements over the next two years.

One excellent example is the flagship £1.5million Thanet Skills Studio that offers training in the construction, engineering, motor vehicle, retail sectors and hospitality and catering. It aims to inspire and motivate students, prepare them for the world of work and enable them to progress to further training opportunities and employment.

High quality careers education and guidance is an important part of the programme. Around 400 students in years nine to 11 from 14 Thanet secondary schools attend the skills studio one day a week as part of their GCSE option or vocational training. The centre will be able to cater for 500 at maximum capacity.

They are working with a range of employers such as Peugeot, the Royal Ballet School and the Fifteen Foundation (Jamie Oliver) investing in the future of Kent's young people. The centre is located in a modern industrial building on the Westwood Industrial Estate; it has attracted interest from other councils because of its innovative look and location.

The vocational programmes on offer at the studio allow learners access to a range of applied learning options in state-of-the-art

workshops and studios. This will not only help them in their career development but it will support business and commerce and sustain the regeneration of East Kent.

Skills studio manger Julie Field said: “It is a fantastic environment with state-of-the-art resources and equipment. We are preparing students with appropriate employability skills to meet the demands and challenges of employers and the world of work.”

### Skills Force

Innovative courses, such as those offered by Skill Force, enable young people to develop team building, problem solving and communication skills, discipline, motivation, self respect and resilience.

The aim of the project is to provide support to pupils in danger of disengagement, disaffection and possibly exclusion from eight Kent Secondary Schools by delivering a part-time programme of varied, practical and vocational activities, learning and accreditation opportunities.

Four hundred students are benefiting from Skill Force tuition. It has made a significant impact since its launch, helping many to find a purpose, raise self-esteem and has led to reductions in truancy levels.

Skill Force offers vocational qualifications, community work and life skills in a classroom and outdoor activities. Instruction and mentoring is provided mainly by ex-armed forces personnel, who develop a close working relationship with young people, building a culture of respect and mutual support.

The initial pilot phase of the programme was externally evaluated by the Institute of Education, University of London and was hailed a success.

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# 8

## Case study of a social enterprise: Training for Life

### Purpose and Objectives

Training for Life is a ground breaking charity that combines the best entrepreneurial initiatives, social enterprise endeavour and philanthropy to create a compelling business model that addresses some of the real social issues that blight local neighbourhoods.

Core to Training for Life's business model is their commitment to help people and communities realise their entrepreneurial potential and talent as a way of tackling the multiple problems associated with poverty, unemployment and community conflict. They teach socially excluded people how to engage with society, how to compete and how to thrive in the work place. This approach assumes that people disengaged from learning, best learn through experience and not through being lectured to. They deliver their training, apprenticeships, and social enterprise programmes in Prospect Centres. Prospect Centres are an alternative for people who have failed to profit from school, further education and higher education. Prospect Centres are also buildings (often local authority or church owned) that are acquired, refurbished and retained as community assets. Prospect centres generate profit through social enterprises like the training restaurant, the Hoxton Apprentice that is now an award winning, Michelin recommended restaurant. The Charity dedicates itself to achieve against six key objectives:

- Training. Improvement to people's health and well-being that acts as a catalyst to their increased participation in learning and training and employment

- Apprenticeships are either in the health or hospitality industry and focus on practical learning in social enterprises that take people off benefits, provide a wage, a reference, a qualification (NVQ Level 2) and a job.
- Regeneration. Prospect Centre buildings, acquired and refurbished on government grants and through corporate philanthropy and are thereafter wholly self financing. They contribute to the regeneration of local communities through the restoration of public buildings and through the creation of new jobs for local people.
- Capital assets. Prospect buildings provide market rent accommodation for all training, apprenticeships social enterprise activities. The sustainability of the business model allows for the development of capital assets
- Social enterprises. The creation of practical learning environments delivered through social enterprises that generate profits
- Scale & growth. Licensed through central controls and managed through franchise or partnerships, a business model has been developed that supports the expansion of Prospect Centres and the “Apprentice” brand.

Since 1995 they have returned over 12,000 people back to full time education and employment, created over 150 new jobs as a business in their own right and restored several community buildings as valuable community assets.

The success of the business model has resulted in a significant demand from Local Authorities to scale their service pan-London and nationally. In order to better respond to this opportunity, Training for Life have recently re structured their organization to be in a better position to support expansion license. Training for Life is presently developing a franchise model that will capacity build local capability and social entrepreneurs for the purpose of rolling out and expanding the

charity's public sector service provision and social enterprise initiatives nationally.

### Operational structure and business model

The Charity delivers its services through three operational vehicles that separate its charitable, enterprise and development activities. The key business functions - training and apprenticeships, social enterprise, with its particular focus on health & hospitality, and development are managed through three separate legal entities. The "Group" of companies performs interdependent functions but by diversifying ownership through separate legal structures, they are able to minimise risk and contain exposure. Their business model assumes an operational structure that retains ownership and overall responsibility for quality controls and core back-of-house business functions with the parent Charity. This allows for increased efficiency, tighter quality controls and cost savings on administration and overheads.

Key to its approach to learning is Training for Life's partnership with employers. The partnership with employers stems from the conviction that shareholder or company interest is best served when business objectives achieve a synergy with community objectives. It is based on the recognition that tomorrow's employee and customer may well be today's unemployed individual; that the social and economic regeneration of disadvantaged communities has in this instance, shared mutual benefits:

- More people with jobs are more likely to be economically active consumers
- More people trained by industry for industry are more likely to sustain their jobs
- More people off benefits are more likely to mean less costs for individual and corporate tax payers through the in direct costs of the penal justice and national health system

Based on this simple synergy of mutual and shared need, Prospect Centres are developed and owned by local people, determined through local partnerships and commissioned to deliver against centralized benchmarks and quality standards. The key assumptions that underpin their business model are as follows:

Income Sources	Definitions & Assumptions
Social enterprise	Profit is the primary driver for the benefit of re investing 100% surplus income back in to the Charity ad is completely independent of government subsidy
Social business	Profit is a secondary driver; social benefit is the primary objective; activities will always be subsidised but will generate up to 50% of total costs
Charitable trading	Capital and revenue income derived through Government, European and statutory contracts support training programmes only
Charitable income	Income derived from Trusts, Liveries, corporates and philanthropists in support of entry level trainees that cannot secure government funds
Corporate sponsorships	Corporate sponsorship of Apprenticeships and social enterprise activity invested to achieve mutual benefit
Philanthropy	Individual and corporate social investment derived through philanthropic networks, events and the Philanthropy Club
Asset management	Income derived from building and thereafter realising the charity's capital assets

The business models predicated on the need to bring together public, private and voluntary sector in a value-added partnership that is mutually beneficial. Today, less than 20% of Training for Life's revenue income is derived from donations and charitable sources whilst over 80% is earned directly from social enterprise or charitable trading activity.

Outcomes and key milestones.

At present, Training for Life has created six Prospect Centres, all with either an industry focus on either health or hospitality. They are located in Westminster, Hammersmith and Fulham, Hackney, Southwark and now more recently, in Devon. Several other Prospect Centres are presently at planning stage, including the development of a Hotel Apprentice adjacent to the Olympic park in Stratford, in West London, in Brent and in Barking & Dagenham.

The following characterises the achievements of Training for Life thus far:

- Since 1995, Training for Life has returned over 12,000 socially excluded people back in to either full time education or employment. Over this period it has:
- Created over 150 new jobs as an employer themselves
- Acquired and refurbished abandoned inner city schools and church buildings and converted them into Prospect Centres
- The annual turnover has risen from £150K in 1996 to over £4m by 2008
- Developed a business model that allows for building a capital asset and endowment base. The book value of Prospect Centres is approximately with a market value likely to be in excess of £10m
- Created social enterprises such as the Hoxton Apprentice restaurant for example that derives 10% net profit on annual turnover since its inception in 2004. The brand value is estimated in the region of £10m
- Re invested through covenant, 100% of all social enterprise net surplus back to the charity

The recipient of several national awards for the organization, its staff and its trainees including Social Entrepreneur of the Year

(2003 and 2006), Charity of the Year (2006) and Social Enterprise of the Year (2006 & 2008), several industry awards for their corporate partnerships with Compass Group, Barclays and KPMG over several years and the charity's flagship the Hoxton Apprentice restaurant has achieved a Michelin recommendation in 2007 and again in 2008, a unique achievement for a charity.

### Conclusion

Training for Life is ultimately about moving people and communities from dependence, to independence to inter dependence. Successful individuals can only sustain their success as individuals if they belong to and are part of successful and thriving communities. It is about realizing the hopes and aspirations of people; not to be stuck in dead end jobs but to progress and excel and to achieve with whatever resources they have at their disposal.

Finally, from a business perspective, Training for Life has evolved over the last five years from being a charity that was wholly dependent on charitable grants and donations into an organisation that now derives the bulk of its income from either, charitable trading activity or social enterprise activity. Their story is made all the more remarkable because they have achieved their growth without ever achieving an adequate capital base to the organisation. The opportunity and the potential is therefore enormous but also, remains largely unfulfilled.

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# 9

## Slivers-of-Time Working: ultra-flexible local labour markets

Wingham Rowan

Millions of people want work but have to fit it around other commitments in their life. (e.g. caring, medical issues, starting a business, parenting, studying.) Tory Councils are acting as catalysts for ultra-flexible local labour markets. This brings new people into the workforce. That can cut costs for councils, improve service delivery and expand local opportunity.

### Article Summary

Central Government is striving for an ambitious 80% of working age adults in a job. What about the 20%? Everyone accepts they can't do a job, but many of them could do "Bits of Work" at times they were available, on their own terms. That's possible if they can access a local market where anyone can sell their spare hours to bona fide employers.

This kind of Personalised Working is only now viable. It requires a very sophisticated (but easy to use) local internet marketplace where anyone can sell the hours of their choice; today, tomorrow or at any point in the future. It could be that this is the only way they can ever work. Or they could be opting for a personalised ramp of increasing hours each week that ends with a conventional job.

These marketplaces give employers a diverse pool of individuals who are ranked by their reliability for multiple employers. Organisations already expanding their workforce using this new kind of worker include national retailers, catering giants, distribution companies, Primary Care

Trusts and Housing Associations. Many have inducted pools of individuals who can be called in hour-by-hour at peak times.

It's called "Slivers-of-Time Working"; it can start anywhere there is a supportive first employer. Local Authorities are ideally suited to that role. Tory Councils acting as a catalyst for this new way of working include: LB Hammersmith & Fulham, Kirklees, Kent, East Cambs and North Yorkshire.

13.7 million people

Research by Accenture identifies 13.7 million people who need "Bits of Work" at some point each year in the UK, not all traditional working age. Who are they?

Lino Omoboni is 70 and a retired bus driver. He wants to keep working but can only do so irregularly because of arthritis. On top of that he's doing a range of Adult Education Courses and hoping to start his own small scale business. What Lino wants is to be able to work day-to-day at times of his choosing. Until January 2008 his options were extremely limited.

To understand his problem: try calling a few local recruitment agencies, employers or Jobcentres and explaining "I'll do any work for which I'm qualified. I want to work this morning, I should be OK for this afternoon, I'll let you know about tomorrow after breakfast". Then explain this is always how you're availability for work will be. To test the reaction we asked a researcher to phone 100 contrasting recruitment agencies for blue collar work around the country. They will send you away.

This is the depressing reality for those who need work that fits around them. Some recent conversations I've had include: The mother of a disabled 11 year old. The boy has 5 consultants and needs 8 forms of therapy. She had tried repeatedly to hold down a job but successive employers had lost patience with the unpredictable need to ferry her son to a range of treatment centres. A former building site worker talked about the motorbike accident that ended his existing career instantly. He wanted a way back into

the labour market but it had to fit around the vagaries of learning to walk after replacement of both knees.

It's not just problems that keep individuals out of conventional work. A young woman ambitious to start her own home hair-dressing business had 3 clients this week with prospects of a few more next week. No employer would give her shifts around those arbitrary appointments. A freelance scaffolder talked about the Health & Safety regulations that ensured his earnings stopped whenever it rains, unfortunately his bills don't. He needs ad hoc employment for periods of bad weather.

#### Ultra-flexible labour markets

Lino's horizons widened after January because his Council, LB Hammersmith & Fulham, used part of its own contingent labour requirement to kick start a market for Slivers-of-Time Working. Having decided to proceed, the Council tendered for a recruitment agency to offer the new facility and the market was set up. Tasks within the Council best suited to a very flexible pool of workers were then identified and appropriate managers shown how to make bookings online.

The first problem Officers wanted to address was around transport supervision. Children in care need to be ferried to school and appointments by a CRB checked worker. Managers had been paying for conventional temporary workers or deploying staff on these runs. Instead, the agency approached local teaching and nursing colleges. Soon a pool of ready CRB checked individuals was selling spare hours around their studying for bookings typically lasting only 60 minutes.

Departments in H&F that now use Slivers-of-Time Workers include: Electoral Services, Environment, Archives, Parks and the Housing Centre. Authorised managers are able to input their requirement and see, instantly, a range of local people who want to do that booking (however short or immediate) and what each

would cost for each hour of that requirement. Some departments mandate fixed rates, others pick the individuals who are best value for each assignment because the times, locations and shift length correspond with their personal priorities.

Workers on a manager's screen are ranked by their track record of reliability. One click sorts them according to their relationship with the appropriate department, showing levels of induction for instance. The manager clicks on sellers who they want (within Council rules). Those workers are automatically contacted by SMS; if they don't respond as they said they would their reliability rating suffers. A timesheet is created for every booking that has to be accepted online by the manager to show the work was done.

This allows LBH&F to respond very precisely to needs and gives them hour-by-hour, penny-by-penny reporting. But it's having a wider effect in the local economy. The Council's buying has been sufficient to get a first pool of nearly 100 local people working at the times they choose. As some of those workers have proved themselves on Council bookings, the market has been opened to other organisations. A cinema chain has inducted a group of Slivers-of-Time Workers. When their multiplex in Acton finds itself with a movie that's taking off at particular showings, members of that pool who are available get pulled in to make sure queues are managed efficiently. H&F residents have also been trained by caterers, retailers and call centres who use them to cover peaks in business activity.

How did this help Lino? He started working for LBH&F doing ad hoc caretaking duties typically on bookings lasting between 3 and 5 hours. The H&F Primary Care Trust followed their council in buying Slivers-of-Time Workers. National No-Smoking Day was preceded by targeted promotion carried out, on days when it wasn't raining, at times of maximum footfall, across the borough. Lino was part of that group of Slivers-of-Time Workers deployed

very flexibly throughout the campaign. He's getting the variety, sense of purpose and experience he wanted in retirement and it's all fitting around his personal circumstances.

### Launching Slivers-of-Time Working

This extension of the local labour market can happen anywhere a first organisation will commit some of their contingent labour requirement to get a service off the ground. There also needs to be some project management around the launch. Local Authorities have the work, the support mechanisms and the need to fulfil this role.

Slivers-of-Time Workers can do so much to make services more precise. Suppose, for example, there is a football match this Saturday. Currently that might be the cue to book five Street Wardens for the day to reassure residents. But the real need is actually 20 wardens for the hour after the final whistle is blown. It should cost about the same. Extra street cleaners on the day the leaves fall, instantly formed litter picking squads and call centre agents who ebb and flow hour-by-hour based on call volumes are other examples.

A particular application is homecare. Across Britain today there will be clients who received their lunch at 10.00 in the morning. Others will have to wait until 4.00pm. The meals are delivered by 9-5 workers; service users must fit around that fixed resource. But responsive homecare probably calls for a peak in workers early in the day, another at lunchtime and a third surge for evening visits. North Yorkshire County Council is piloting a Slivers-of-Time application for their ad hoc care workforce that aims to attract qualified individuals who need their own working pattern. It should also allow the needs of individual clients to drive the shape of the workforce at different times of day, not staff rosters.

The costs of launching this kind of market are negligible (it can be funded from a mark-up built into each hour purchased)

but there does need to be support from the top of the Council. Slivers-of-Time Working cuts across the Regeneration, HR and Procurement portfolios. Existing suppliers may have to be induced to amend their processes. It can quickly become embroiled in inter-departmental issues if there is no coherent push from Members.

Once that initial commitment is made other components tend to fall into place. The word can be spread to local work-seekers through Council programmes and communications channels. Some of these marketplace launches have resulted in significant press coverage for a local facility that, finally, tackles the problems of the forgotten 20% in the labour market.

As a pool of local ultra-flexible workers deepens, multiple possibilities begin to emerge. Selected Slivers-of-Time Workers can be inducted as peer-trainers, accredited to support hard-to-help individuals who need periodic support. A personal budget of 10 hours from a local trainer may be more effective than routine appointments with a centralised office bound advisor.

Ultimately this kind of marketplace could be used to devolve buying authority for low level workers. Imagine for example, a parish council that is given a budget of perhaps £7,500 a year to buy the time of approved street wardens and cleaners. They decide, day-to-day when and where wardens need to be deployed. Their spending decisions are reported automatically through the Council website.

### Leading the world

Britain is leading the world into this new era of high quality fractional working. The behind-the-scenes technology that makes it all work has been in development in UK think tanks and technology companies since 1994. The first market, in LB Newham, was started with funding from John Prescott's ODPM (now Department of Communities and Local Government). The

operation is now going forward as an independent Social Enterprise, Slivers-of-Time Ltd.

We're apolitical but have found it is Tory Councils who have taken the lead in launching Slivers-of-Time Working. The scheme allows individuals to interact with the labour market on their own terms and challenges a traditional assumption that "Job Creation" should be sole focus of employment policy.

One example of the unintentional barriers thrown up for people who need to work unconventionally: the rules for benefits claimants often allow small amounts of work so they don't become detached from the labour market. But the paperwork and complexity of secondary benefits didn't anticipate a world where anyone could work odd hours of their choosing for multiple employers.

This is an area any government could soon start to profitably examine. Government is the biggest employer in the economy. But it has surprisingly little in the way of mechanisms for assessing innovation in employment. That may need to be rectified. Responsive public service delivery is inevitably linked to greater flexibility in the labour market. But it should be achieved in a way that empowers individuals, not just employers. Perhaps it is time to look at what can be done for the 20% for whom "Job Creation" schemes are irrelevant. Perhaps future policymakers should explore a theme of: "Some work is always better than none". In the meantime, Local Government is taking the lead.

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# 10

## SPEAR: Igniting a vision of the possible

Tom Jackson and Jo Rice

SPEAR was launched in 2004 by The St Paul's Centre, a charity formed by a group of entrepreneurial congregation members of St Paul's Church Hammersmith. The programme tackles the underlying issues of underachievement among NEETs (Not in Education Employment or Training) by putting young people aged 16-24 on an intensive six-week training programme. SPEAR's mission is "to ignite a 'vision of the possible' in unemployed young people, to build their confidence and ability to affect life-changing choices and to develop their leadership potential within their local neighbourhoods."

Many programmes around the country help young people to pull together a decent CV or prepare them for an interview - all necessary work. However in some ways this is just glossing over the surface rather than dealing with the underlying causes of why so many young people have been unable or unwilling to find work.

SPEAR has gone further by trying to get to grips with the typical world view of the ever growing NEET population. We conducted a year's research before running our first training course, and then discovered a great deal more when we actually started running the programme. Of course family breakdown, poor parenting and a drug culture all contribute to the underachievement of many young people and simple encouragement has proved a powerful tool. However, we also discovered that most of these young people hold a world view radically different from the typical middle class view. These young people have little understanding of the 'hidden

rules' of the working world because most have never worked and many have never seen their parents in work either. This severely limits their ability to get and retain work.

Based on our findings, we structured the first two weeks of the SPEAR course to tackle three fundamental hurdles that were common to most of the people we were dealing with:

- Lack of communication skills, particularly in negotiating conflict
- Lack of confidence
- Lack of understanding about the relationship between choice and consequence

Communication - Most of us use different communication styles that we believe are appropriate to the situation. We might talk in a formal or casual register, depending on our surroundings. Many of the young people we work with don't make that distinction. They only have a casual register, a style of language that involves lots of slang and emotion - street speak. Great for the street, not so great for a job interview. At SPEAR we help the students become confident using different - and more formal - ways of communicating that are more appropriate to the work place.

Confidence - Most of the young people we work with are intimidated by much of life, even if their behaviour is good at disguising their lack of confidence. A central part of the programme is training our students to give a presentation in front of 40 people because it gives them an example of overcoming a major fear. This shows them that they have the ability to overcome other fears and insecurities, while giving the added benefit of voicing their progress and learning on the course, which helps create a binding commitment to the new skills and choices they are developing.

Choice and consequence - Most of us understand that the choices we make for ourselves result in consequences. We deter-

mine our own outcomes in life. To many of our students the concept of choice and consequence is almost unheard of. Many of them are resigned to existing in a victim mentality, where life is something that just happens to them. We help them understand that you always have a choice in life. It's not always an easy choice - but there is *always* a choice. This understanding is key to young people being both willing to take responsibility and able to take small steps towards more positive choices and higher expectations for their future.

Those first two weeks underpin the remaining four weeks of the course, which is where we get into the nitty-gritty of career planning, learning about business and some specific skills such as marketing and customer services. For each person we also incorporate two one-to-one coaching sessions with a trainer who will work with them on any particular issues they may have.

At the end of the course, each young person is assigned a volunteer mentor that is trained by the SPEAR team in coaching skills. These volunteers, generally young professionals wanting to invest in their community, are drawn from a variety of partner businesses and churches and provide the essential ongoing support each student needs after the end of the course. One week of unpaid work experience is also offered to each student that fulfils the strict punctuality and attendance requirements – a key incentive when potential placements include Coca-Cola, Diageo and the Mail on Sunday Sports Desk.

We have learnt a great deal while running the SPEAR over the last four years. With a maximum of 15 students on each course, our retention rate was originally 50% but gradually, as we've learned from our mistakes and restructured the course, we now have a retention rate of 82% which is hugely encouraging.

One thing we've improved at, and which has affected our increased retention rate, is learning the best ways of communicating with our students. We deliver the course as a form of

coaching, rather than training, the difference being that we encourage the students to reach their own conclusions rather than telling them how it is. If you can enable a young person to unravel problems for themselves, it is much more difficult for them to throw things back at you later! If you can help get them to a point where they say, 'I'm going to try this,' because they've come to that conclusion for themselves, then that is a big part of the battle won right there. They are moving away from the victim mentality and starting to take responsibility for the decisions they make.

We're very proud of how some of SPEAR's graduates have fared since finishing the course. We contact all graduating students at regular intervals after they complete the programme and more than 85% are still in work or education a year after leaving us.

Here are three case studies:

### Liam

Liam was one of the students from our second programme, soon after SPEAR launched in 2004. Liam was really bright. He had done his 'A' levels, but was doing nothing other than play computer games all day. He came to SPEAR, and when we asked him what interested him, Liam said: 'Games.' Ask him what he was good at, Liam said: 'Games.' He said he wanted to be a computer games designer, so we suggested for starters that he get a job at a high street store called, you guessed it, 'Game'. He became the assistant manager in the first year he was there. We didn't hear from Liam for a while but when he came in to visit SPEAR about a year later, he updated us on latest developments. One evening after work he had been online playing his favourite game, designed by a company called Blizzard. They were advertising for 'Gamesmasters', people to support players online in getting to the next level on a game, so he emailed his CV which he'd written at SPEAR, and had a phone call from Paris at 10pm that same

evening, asking him to come over for an interview. Liam sorted himself out with a passport, booked a flight to Paris, went to the interview, and was given the job of Games master for his favourite game. In a year he went from SPEAR to securing his dream job, and now works in Paris.

### Claire

When Claire joined SPEAR she had had a couple of jobs with nursery schools but had never managed to turn up on time, was low on confidence, and was so shy she couldn't look anyone in the eye. Not surprisingly, Claire wasn't all that keen on making a presentation to 40 people. In fact she damaged the door as she stormed out of the room! But she stuck with the course and graduated successfully from SPEAR. During the course she did her work placement at a nursery in Kensington and still works there four years later, now as one of the more experienced teachers there.

### Reuben

With his mother struggling to look after him, Reuben went into care aged 11. At 14 his wayward behaviour had landed him in a secure unit. When he left the secure unit, he had no qualifications, and further education colleges wouldn't take him on. Reuben was massively lacking in confidence, had no direction, and spent his time breaking into cars. Reuben attended SPEAR in 2004, then went on to do a foundation course in business at Hammersmith and West London College. His only qualification at the time was the CIM marketing qualification he had completed at SPEAR. Reuben continued his education at Hammersmith College doing a Business HND while supporting himself by working at a self-storage company in Battersea. He has now started at university to complete a year that will earn him a degree in Business Studies.

We believe SPEAR is a proven model for helping NEETs make a successful and lasting transition into the working world. Do we

believe it's a model that could be adopted more widely around the UK? Absolutely, but there are caveats.

The SPEAR model is well positioned for expansion. We have detailed coaching notes and a handbook on how to run the programme on a day-by-day basis, and our vision is certainly to expand beyond Hammersmith. However, while the material is good, it is the calibre of the delivery team that determines its success. Running the SPEAR course requires a high level of emotional intelligence. You need to be able to read the emotional temperature of the room, to sense the underlying feelings behind a conversation, and to control your own response to a situation. Those skills are not easy to come by and, where they do exist, require honing to work with the SPEAR audience. Training people to deliver the programme is a process that requires intense coaching over a prolonged period. Each new centre will require three trained staff, and with the right support, we hope to roll out a new centre every nine months.

Financially it's a different story. At a cost of £1300 per student we believe we deliver excellent value for the results we achieve. To date we've been privately financed through donations from partner companies such as Goldman Sachs and Land Securities as well as grant-making trusts and many very generous individuals. We have relished the independence that this has allowed us in forming and executing our vision but this isn't a model that can simply be upscaled.

Our plan for each new centre is to continue to seek a combination of corporate, trust and individual funding but there are a finite number of grant-making trusts, and we anticipate that some of the areas we would hope to serve don't enjoy the commercial activity and business investment that we have enjoyed in West London. We therefore hope to use a model where 40% of funding comes from the local authority, 40% from a consortium of local companies, and another 20% to be raised by the church or charity

we partner with. This model would enable SPEAR to ensure the ongoing quality of the project, so the local funding organisations wouldn't have to take any of the responsibility for the running of the programme. It would also secure the buy-in and support of the local community while achieving the desired outcomes for all parties, namely to get the young, long-term unemployed successfully off the streets, into the work place and out of poverty for this generation and the next.

# The need for innovation in local government has never been greater.

Councils are faced with tight grant settlements and unprecedented economic and social challenges. Council tax bills are the third highest monthly bill after housing bills and fuel bills. As the credit crunch bites and the cost of living rises remorselessly, Conservative councils must deliver high quality local services at the lowest cost to the taxpayer. This report from Localis in collaboration with the Conservative Councils Innovation Unit explores some of the big ideas emerging from Conservative's in local government and looks to learn lessons from the experience of successful Conservative Councils across the country. The book contains contributions from a range of Conservative Council leaders, policy analysts and perspectives from social enterprises and charities who are currently working with local authorities to deliver services in new and innovative ways.



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