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The London Borough of Barnet: *The "easyCouncil" approach*

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By most counts local government services have had a pretty successful run over the last 20 years. While restrictions from the centre have meant that the great municipal gestures of the Victorian age have been kept to a minimum – with all respects to my peers, I have yet to meet this generation's Joseph Chamberlain – the quality of services to the public and the demonstrable value for money of those services has increased tremendously.

During the last ten years the model of the Audit Commission's reporting on local government has developed from coruscating attack on incompetent councils in the old CPA ratings to the bland spongy consensus of recently published Oneplace report. This seems broadly to be a series of expensive watchdogs concluding that locally delivered public services are, well, you know, alright.

Nice to know of course but then in the private sector "well, you know, alright", usually means going out of business.

In some ways the increased efficiencies of local government can be put down to public oversight. The nature of council tax, particularly the multiplier effect, means that minor increases in spending will have an disproportionate prominence. This is coupled with a tax system so complicated that council tax is pretty much the last remaining tax where someone can tell you how much they pay. In effect it has, in the public mind, become a kind of income tax de jour.

The interest the public used to have in the budget day update on income tax was, for most of the last 10 years or so, put into the annual announcement of council tax. Even today in the run up to the election local authorities are competing to be first to announce a zero rate

increase – long before the budgeting process is even complete.

But local government finance has, I have argued elsewhere, followed a Henry Ford model: a single product produced each year with an ever increasing efficiency, allowing for salami slices in the overall price. Eventually of course, you have cut to the bone and we need another business model if we are to continue to deliver improvements in services within an envelope of public expectations.

"The public definition of value for money has changed, the public expect more for less"

In other areas business models have moved on, in particular moving power away from the provider of services and back into the hands of the consumer. Difficult as it may be for politicians to come to terms with, we now need to follow a similar path.

In Barnet we have received a lot of attention for our Future Shape proposals to re-organise how we structure our services. In part this is because of our interest in the business model of low cost airlines which has led to us being awarded the title Easy Council. Interestingly enough this really resonates with residents.

Put simply where Alitalia would once have had the best landing slots at Rome and charge you £250 to fly there, defining exactly what services you would receive in the process. You would arrive at a set time, 20 minutes after take off you'd get your mediocre meal and half an hour before landing your warm white wine. Almost always a desultory experience where the customer truly was serf.

However new entrants to the market revolutionised this. Now your flight was cheaper - you could save huge amounts or you could decide to spend some of your money checking in later. You can decide whether or not you want to eat on the plane or at the airport, whether you want to keep some for your savings or spend it on extra luggage. In short you are in control of the budget.

Most of the attention this model has received has focused on financial saving and there is no doubt that

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this level of flexibility has scope to generate efficiencies. The budget model of Easy Jet for instance means that they do not have to budget for every passenger to carry luggage with the space and fuel that demands. Similarly they do not assume that every passenger wants a meal with similar savings.

“We need another business model if we are to contribute to deliver improvements in services within an envelope of public expectations”

We have seen a similar response where we have brought in greater personalisation of budgets. In adult social care we would have once had to create an infrastructure of staff and day care centres to support, say, respite care. Now residents are able to choose when and how to take respite care. If they want to save it up to go on holiday, frankly that is their choice – would you honestly want to be told that you had to take your annual leave one day at a time in an environment constructed entirely of linoleum?

However cost savings are only part of the Future Shape model. Perhaps a better example is online retailer Amazon – if you buy a book from Amazon you get a book from Amazon – but how it comes, and how much you are prepared to pay for personalising deliver is pretty much up to you. Prepared to wait a few days – post is cheap – want to combine a couple of orders but get things delivered five days from now – it is free. Want a rush job – pay extra get it the next day – in fact now, if you expect to make a lot of orders you can pay up front and get unlimited next day deliveries. The customer is king.

The challenge for us is how to bring this model into the public sector.

Even as our services have improved, public satisfaction with local government has been modest, but noticeable decline. In the wider political sphere, the consensus of the public duty to take part in the democratic process is beginning to fade. In part I suspect this a general plague on all your houses’ attitude of the public to the political process. But I can’t help but feel that the

awareness of service in exchange for taxation has been broken. In large part this is because government has avoided the changes that business has made in redefining the relationship with the customer/citizen. The public definition of value for money has changed – the public expect more for less – they expect larger TV’s for less than they paid last year, they expect a more exotic holiday with a lower bill and they expect to speak to their bank in the middle of the night.

This democratising of consumption raises real challenges for organisations that depend upon the democratic process for legitimacy. In particular, in a less civically ordered world, many of the people who actually pay for the bulk of our services are not the same as the people who consume them – local government does not get the quick hit sugar rush legitimacy of a service for a fee.

“There is no reason why residents cannot exert greater control over the budget, covering the maintenance of the public space”

Broadly speaking we need to define the nature of a council’s transaction with its residents and look at ways in which we give the power within that relationship to residents. While a five yearly validation seems oddly old hat.

We need to look at how people consume our services and how we can introduce choice. Not just choice of supplier, but choices in the very design of the services they receive.

In many ways technology will help as the web, soon to be accessible from pretty much any electrical device, changes everything. Automatisation of many services is already underway - Barnet’s parking permits or instance now follow the budget airline model of allowing out print of documents out at home.

Information is more readily available. Shortly we expect our resident to be able to rate some of the services they receive from the council on-line, in the Amazon/E-bay

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model, to allow choices over services to be more informed.

At a difficult time for the public sector, we need to ensure that the public can weigh up decisions in the round, or else we will fall into competing cliques of interest given everyone has a vested interest in at least on public service.

In Barnet we believe that legitimacy for change, and legitimacy for down scaling some services, will be achieved by ensuring that we provide good services for those who need them but that all of our services are flexible enough to meet individual needs.

“Government has avoided the changes that business has made in redefining the relationship with the customer/citizen”

For many of the disadvantaged this change in services cannot come a moment too soon. The state has been notably poor at dragging people out of dependency. We provide support for people to continue with lives defined by housing, poor health and limited job prospects.

Our research for Future Shape outlines just how much the state can spend on some of the most disadvantaged members of society. The example of “Lizzie, a 20 year old victim of childhood abuse, who has spent several years in foster care and children’s home may already have costs the state £800,000.

If she never works, and in some parts of society, unemployment is the family business, passed down through the generations, her direct cost to the state, and the losses of her being out of the workforce could reach £4.9 million.

Spending has failed Lizzie – she needs a very different kind of support.

Other work carried out as part of Future Shape discovered that some families have as many as 31 contacts with the state over the course of the year. Only five of these contacts may provide any new information, other changes are largely for the administrative convenience of the state. In other words the majority of

contacts, and the associated costs, could have been avoided by more joined up working on the different parts of the public sector.

“Even today, local authorities are competing to be the first to announce a zero rate increase, long before the budgeting process is complete”

It was these facts that led us to the Future Shape/“easyCouncil” model.

This sees our work governed by three key principles:

- A relentless drive for efficiency –taxpayers have the right to expect that we will make every one of their pounds work as hard as possible;
- A one-public sector approach – we shouldn’t expect citizens to do the joining up between service providers. If those providing public services to Barnet residents work together more effectively, we will be able to provide better services, more efficiently, better tailored to citizens’ needs.
- A new relationship with citizens. Barnet residents are not passive recipients of services – and we can no longer afford to treat them as such – they are part of a highly qualified, civic minded community. The public spending climate means we need to ask hard questions about what we do, and what we expect residents to do for themselves, perhaps enabled or supported by us.

Waste and recycling is a good example of why we need to create a new relationship with citizens - and reshape our service provision at the same time. We know that it will soon cost us millions of pounds more each year simply to dispose of the same quantity of waste of landfill tax. Yet we could, with our current contracts recycle 72% of our household waste if residents played their part to the full – removing this fear of rise in our/ their cost base.

In future, we need a service whose main aim is not the effective, efficient collection of two waste streams of landfill and recycling, but waste minimisation. And we

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need to work with our citizens to change behaviour, education will become as important to us as collection.

I also believe that our programme of personalisation can be extended to cover neighbourhoods. I see no reason why residents of a cluster of streets cannot exert greater control over the budget covering the maintenance of the public space, be it parks or pavements, in their neighbourhood. Residents could then decide if they want to look after a couple of green spaces collectively, spending any saving on street cleaning for instance.

And returning to my opening point, this is where the innovation of the 21st century is now coming from. Not from great corporate or municipal gestures, but from small networks of individuals free to exploit their own ideas and energy. Maybe it is time to stop arguments about big government and small government and look to community start-ups to reinvigorate our polity.

He is the Conservative candidate for Finchley and Golders Green. He also serves as a non-executive director of the London Development Agency and is Lead Member for the Health and Adult Services on London Councils.

For more information

For more information on the "Future Shape" model please visit, www.barnet.gov.uk.

Localis is an independent think-tank dedicated to issues related to local government and localism. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

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Main points

- The "easyCouncil" approach re-organises how the London Borough of Barnet structures its services;
- They seek to bring a greater personalisation to their budget;
- It is the council's response to the public's definition of value that has changed, the public expect more for less;
- It attempts to define the nature of a council's transaction with its residents and looks at ways in which they give the power within that relationship to residents;
- They look to: drive efficiency, a one-sector approach better tailored to citizen's needs and to build a new relationship with citizens.

Biography

Mike Freer was leader of the London Borough of Barnet between 2006 and 2010, having previously led the Conservatives back into power in the 2002 elections.