

# Towards efficient and effective local government in Britain

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# Previous drivers of the politics of efficiency and improvement

- The need to deliver better outputs/outcomes with limited resources
- Public expectations always run ahead of plausible tax/spend increases
- Successive governments' expectations of local government
- Council tax – visible and disliked
  - ◆ Scotland's council tax 'freeze' and potential reform
- The electorate and press

# Government initiatives etc

## ■ New Labour's interests, eg

- ◆ Best Value, inc Public Performance Reporting
- ◆ New Localism
- ◆ Gershon/efficiencies
  - Procurement, Use of IT
- ◆ City regions/single tier LG (not Scotland)
- ◆ PPPs, PFIs, Contracting out (less in Scotland)

## ■ The quality of local government services

- ◆ Recent CPA suggests local government in England is now remarkably improved
- ◆ But, need to keep moving onwards.....

# Drivers of efficiency

- Britain now has powerful agencies in support of improving local public services
  - ◆ Audit Commission/Accounts Commission
  - ◆ Inspection
  - ◆ LGA/COSLA
  - ◆ I&DeA; Leadership Centre for LG/Improvement Service for Scottish Local Government
  - ◆ DCLG/Scottish Government research and publications
  - ◆ Think-tanks etc
  - ◆ Professional institutes etc

# Contexts

- Taxation had reached a level no major party wishes to exceed
  - ◆ UK public expenditure up from 37% to 43% of GDP in 8 years
  - ◆ Post-credit crunch likely to rise towards 50%
- However, demands for services rise
- Many of local government's services are not judged to be No 1 or No 2 public priorities (these being NHS, schools)
- Recession will create a 'big squeeze'
  - ◆ Spending up...income down

# 'Efficiency' thus inevitable

- Need for £110-worth of services for £90, not £100-worth for £100
- “Sweden’s services with America’s taxes”
- Efficiency and ‘improvement’ are inevitable demands
- Though ‘improvement’ is probably something all public services should aspire to
  - ◆ Need to secure taxpayers’ willingness to pay
  - ◆ Consistency and ‘joined-up’ services
  - ◆ Current government’s drive for public service quality

# Britain compared to other countries

- Probably among the most efficient and effective public services in the world
  - ◆ 30+ years of efforts to improve them, leading to.....
  - ◆ Huge improvements in openness, transparency of decision-making and value for money
- Continuous debate about quality of provision and public/private boundaries
- Scotland and Wales have pursued divergent approaches since 1999

# Tools and mechanisms - 1

## ■ Scrutiny

- ◆ By council's own members
- ◆ Need to strengthen this function

## ■ External challenge

- ◆ Limited, short term, review of practices and spending patterns

## ■ Constructive use of public opinion

- ◆ Offer the electorate options for resource use
- ◆ Create understanding of 'trade-offs'

## ■ Use of external evidence of best practice

- ◆ Evolution of Audit Commission/Accounts Commission, inspectors' evidence

# Tools and mechanisms - 2

- Re-consider the need for each service and best ways of delivering it
  - ◆ Eg: 'introduce trams' vs 'find a way of moving large numbers of people'
- Use of charges – encourage public understanding of costs of services
- Customer choice
  - ◆ Allow people to 'exit' council services via 'vouchers'?
  - ◆ Not just a 'centre-right' idea these days...
- Re-consider major Budget items

# Conclusions - 1

- Comprehensive Spending Review 07 started a 3-year period of zero growth in real local public spending and for Scotland's funding
- Need for major development in the way councils deliver services
  - ◆ Effectiveness and efficiency is a continuous demand
  - ◆ SR2010 will lead to three years with even lower funding
  - ◆ Local government to face possible cash reductions after 2011?

# Conclusions - 2

- General Election in June 2010?
  - ◆ All three major parties have broadly the same spending/tax policies
- Demands for 'improvement' and 'efficiency' will, whatever happens, continue
- Local government has a good record, but this simply creates demands from Whitehall/Holyrood for more
- Such demands will intensify in the next 5 to 8 years

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