

## The Ideas Book for London



POLICY IN THE MAKING

£10

## **About the Bow Group**

The Bow Group has three aims:

*- To create new and thought-provoking research for the Conservative Party*

*- To provide a forum for its members to meet each other socially*

*- To provide opportunities for its members to meet senior Party figures to discuss the issues of the day*

The Group has no corporate view, which allows it to approach each issue on its merits and with an open mind. Accordingly, the views expressed in Bow Group publications are those of the authors, and do not represent a statement of Conservative Party policy, or the views of other members of the Group.

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THE BOW GROUP  
**IDEAS  
BOOK**  
The  
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GROUP** FOR  
**LONDON**

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# INTRODUCTION

GILES TAYLOR

## SOME KEY IDEAS FROM THE IDEAS BOOK FOR LONDON:

- give the GLA tax-raising powers
- introduce local income tax to pay for local government
- introduce elected transport and police commissioners
- form a separate traffic police
- abolish national pay scales to allow schools and hospital in London to recruit staff on their own terms
- abolish the Government Office for London (GOL)
- reduce the number of London Boroughs

**‘If you always do what you always did, you’ll always get what you always got.’**

Publishing on public policy in London is currently likely to be viewed as delivering a verdict on the Greater London Authority, and more specifically, a mid-term report on the Mayor. The scope of *The Ideas Book for London* is different in two respects. Firstly, we aim to spur debate and policy renewal within the Conservative Party. Secondly, our canvas is drawn wider than the GLA. Although undoubtedly important, there is no assumption that its current remit is the most appropriate one for effective government and administration in London.

Our focus is not to knock the Mayor into a cocked hat over the minutiae of his administration (although we’d be happy to have a go). We want to illustrate the problems of living in London, being ill in London, being a victim of crime in London, being stuck on a Tube in London. More importantly, we want to illustrate some ways we feel the Conservative Party can make a difference.

### Why write now?

We have produced *The Ideas Book for London* now for a number of reasons.

The first reason is simply one of timing. Put simply, the candidates for Mayor for London must now begin to grasp the kernels of their respective policy approaches and are or should be beginning to cast around to organisations like The Bow Group for ideas.

Secondly, the Conservative Party must learn to win in London again, just as other parties must consolidate their holds here. London is crucial to national political success for any party, not least the Conservative Party. Herbert Morrison might not have succeeded in building the Tories out of London. However, the Tories have fallen into the trap of talking themselves out of the Capital in the quite recent past, or of assuming that cities are not politically conservative territory.

Finally, many of the problems witnessed in London apply equally to urban (and some not-so-urban) areas up and down the country. This exercise is not therefore an end in itself. Instead, it will

form the first phase of The Bow Group’s programme of research and events on ‘Urban Conservatism’ which will draw together some of the Group’s research themes for the year. This will identify wider lessons for the country at large, with policy papers on the inner cities, social deprivation, transport and development.

### GLA: Strangled at birth?

As mentioned above, the novelty of the Greater London Authority should not necessarily dominate any thoughts about what London needs. Its advent has, however, changed London’s political landscape and has prompted a range of questions about the role of both Mayor and London Assembly.

The GLA had an unhappy birth from the government’s point of view. Having been viewed in Labour circles as a bit of a ‘shoe-in’, the prospect of a Mayor with Ken Livingstone’s political CV had two effects. The Mayor’s powers were watered down from the original prospectus for devolved government and, in the context of a lack of clarity about powers, political differences became driven predominantly by personalities. The GLA has not, therefore, grown into a problem child from the government’s perspective but rather, in line with its other devolutions, progressed straight into teenage lethargy.

As our section on reform of London government shows, few of the electorate have an idea of its purpose. The government’s current treatment of London encapsulates its style of administration. Its attempts to micro-manage mean that London politics becomes simply an extension of national politics. I might argue that all governments are tempted or challenged by the power base on their doorstep, but the effect on a nascent GLA has been to rob it of purpose and direction.

One aspect of *The Ideas Book for London* is that the GLA’s second term should see its maturity as an institution. However, the signs are that central government will seek to exert continuing control or even circumscribe the GLA’s powers further. Use of a devolved body as an extension of central government is an unsatisfactory situation, and one that Conservative policy should resist. As most of our sections point out, if devolution is worth doing, it’s worth doing properly.

## Two themes for Conservative policy

Conservative policy must spell out to the London electorate (and indeed beyond) that it has a considered alternative for the Capital. Two main themes of better service provision and greater accountability emerge as threads running through the areas we have looked at. Across London, there is little connection drawn between failing local services and bad administration. Party policy should accept the reasons for this, and demonstrate an alternative situation in which central government relaxes its grip, both fiscally and administratively.

While all parties would probably agree the worthiness of these aims, none so far has shown commitment to the necessary localising instinct. The government could point to the creation of the GLA: We point to the inconsistencies in establishing a devolved body and maintaining a heavily centralised governmental structure. Instead, what we propose is the decentralisation to match. This may take the form of elected individuals, for example, a transport or police commissioner to provide one person responsible solely for ensuring better performance of a public service. This would give Londoners a more direct say in performance than a letter of complaint. Or they may be headmasters or hospital managers, given the power to do the job they would like to, if only they were given the scope to by Whitehall.

*The Ideas Book for London* is bad news for central government. In most areas, our contributors have identified central government as obstructing transparent delivery of public services, whether in a reluctance to allow Foundation Hospital status or through continued interference in the policing of the Capital. Where we have identified a need for service provision to be more transparent or for an area of policy to achieve a greater clarity, we have detailed the level at which such services should be managed and held accountable.

This accountability takes two main forms, fiscal and electoral, which should be directly linked, but which are currently held apart by the tendency for public services to be supported by direct grants from central government. For example, the government Office for London (GOL) administered a budget of £2.1bn despite a direct overlap with the GLA. Taxes should be raised by the bodies that spend the revenue from them. Londoners need a basis for their calculation of the cost and quality of a service. Until they are given a meaningful stake in local choices about services or some of the priorities attached to solving local problems, choices made at the local ballot box will have limited meaning.

Electoral accountability need not be confined to a single position or institution, or to the Mayor and London Assembly. There are areas where service provision would benefit greatly from not being so heavily politicised, for example, health. However, the quality of some services like transport and policing would benefit greatly from a clear point of accountability, with the proviso that these appointments should be clearly part of a GLA 'stable'.

If you agree or disagree and wish to challenge or augment the arguments put here, I would welcome that input. An email to [research@bowgroup.org](mailto:research@bowgroup.org) will suffice to start the contact! The quote at the start of this editorial was written by my predecessor Damian Hinds at the front of his Ideas Book produced in 2000. It applies as much to Party policy as it should do to London's government: The Conservative Party should seize the initiative and use the opportunity to show how we could make positive improvements to the lives of Londoners.

## Note to the reader

The comment 'if you always do...' could apply to the devolved system of government that London has seen unveiled. However, this is certainly true of some aspects of policy research – which is why *The Ideas Book for London* marks a departure for Bow Group research. Taking a geographical starting point for research we have been able to look holistically at how the Capital is affected by public policy at a variety of levels. We hope that you'll find ideas contained stimulating and worthy of further policy development.

The particular format of *The Ideas Book for London* requires a brief explanation as to what you will not find. First, we have concentrated on producing a book of ideas rather than a book of exhaustive research across a range of policy areas. Consequently, analysis is used as much to shed light on problems rather than to provide a detailed critique. Secondly, *The Ideas Book for London* is not a cohesive programme. Since the Group's policy is not to hold a single corporate view, it offers a mix that, while mostly consistent, is not intended as a manifesto. Finally, the ideas do not examine the savings or costs of their implementation on the basis that much policy detail is yet to go in. In this book, we aim only to add grist to the policy making process, not to complete it.

## Acknowledgements

My thanks go primarily to the various Bow Group members listed on page one who, through much hard work, have contributed their thoughts to *The Ideas Book for London*. Their patience in dealing with my suggestions, whether small and pettifogging or advocating major 'surgery', has been admirable. Also, the advice of the Editorial Board, Damian Hinds, Jocelyn Ormond and Guy Strafford, has ensured that the book reflects the additional benefits of experience and objective criticism. I would also like to thank Edward Evans for his skill in typesetting and his patience in waiting for my copy, and Sherin Aminossehe for her design expertise. However, I reserve special thanks for Katherine, my wife, for her razor-sharp proof-reading – any typographical errors that remain are, however, mine only!

# LONDON GOVERNMENT - THE STATUS QUO

JAMES BARRATT

*This section is intended as a briefing for readers on the political and executive 'geography' of London's government. As such, it aims to provide the backdrop against which the discussion of policy ideas must take place and to explain the delineation of responsibility between the component parts of government brought to bear in the Capital.*

Labour first promised a new strategic authority for London in their 1992 manifesto, a mere six years after the abolition of the old Greater London Council (GLC), calling for an elected body which would be responsible for strategic planning, policing, public transport and fire services. In their 1997 manifesto, this had extended to establishing a directly elected London Assembly, with a separately elected executive Mayor. The Greater London Authority (GLA) Act of 2000, the lengthiest Act in Parliament's history, made the GLA a reality as of May of that year, when Ken Livingstone became the first directly elected Mayor of London.

## **The Mayor**

The Mayor is the executive branch of the Authority and head of the GLA 'Family.' He is there to lobby the government on London's behalf, to act as a 'voice' for London and provide strategic thinking. This role includes the wider task of bringing together the various government agencies, London Boroughs, voluntary groups and the public and private sectors to work to strategic goals.

The Mayor sets the budget for the GLA, which has a total budget of £4.7bn. £481m is collected through the 'GLA Precept', an amount set by the Mayor but collected by the Boroughs with Council Tax, which is then passed on to the GLA. £875m is raised through income generation, for example, transport fares and policing of football matches. However, the vast majority of the budget, over £3bn or nearly 70%, comes from the Home Office, the Government Office for London (GOL) and other relevant government departments and agencies.

He is required by statute to produce eight strategies; planning, transport, economic development, biodiversity, municipal waste management, air quality, ambient noise and culture. He is enabled to add an energy strategy to this list. More importantly, the Mayor can speak on any issue affecting London.

The Mayor has extensive planning powers and can refuse a major planning application in any London Borough if he feels it out of keeping with his pan-London planning strategy. He cannot make a Borough accept a plan. He can influence the development of the Borough's Unitary Development Plans.

He appoints the Chairs of the London Fire and Emergency Planning Authority (LFEPA) and the London Development Agency (LDA) and is allowed to Chair the Transport for London Board himself. He appoints twelve of the 23 members to the Metropolitan Police Authority (MPA).

## **The Assembly**

The London Assembly is the scrutiny body in the Authority, comprised of 25 members. Fourteen are 'Constituency Members', elected by a first past the post system where constituencies contain two or three London Boroughs and have a population of roughly 350,000 each. The other eleven are 'Londonwide Members', elected under a form of PR designed to ensure that a

Party's share of the London vote is reflected in the total number of seats it holds. In May 2000 the Conservatives won eight Constituency seats and Labour won six. Although the Conservatives also polled 33% of the vote in London, they only got one additional 'Londonwide Member' so their total number of seats on the Assembly was closer to their share of the vote. The Liberal Democrats secured four seats by this method, the Greens and Labour, an additional three each. In effect, this system means no single Party can control the Assembly, unless it wins 13 Constituency seats.

The Assembly Members scrutinise the Mayor's strategies, appoint the senior officers of the 'Core' GLA, question the Mayor on relevant London matters, serve on many of the GLA Family's functional bodies and produce their own reports into matters of concern to Londoners. The Assembly has produced reports on subjects as diverse as 'Public transport in outer London', 'Green spaces in the Capital' and 'Economic regeneration'. The Assembly has the opportunity to question the Mayor on any subject pertaining to London, of a constituency or a strategic nature, ten times a year in what have become known as 'MQTs' (Mayor's Question Times).

Although a scrutineer of the Mayor and lobbyist for London, the Assembly's only real power is to reject or amend the Mayor's budget. However, it needs a two-thirds majority of Members to do so. The current composition of the Assembly means this can only be achieved if the nine Labour Members and the nine Conservatives on the Assembly vote together.

## **The Core GLA**

Together, the Mayor and Assembly make up the Core GLA, the central administrative and strategic body which oversees the central London government. The Core GLA can focus its resources on any problem in London, even if the Mayor and Assembly do not have direct powers. For example, although the GLA cannot intervene in the NHS, it has set up a London Health Commission. This is aiming to give advice on improving healthcare in London and to raise awareness of the health problems affecting certain minority groups, for example Bangladeshi groups living in East London. Likewise, an Education Commission is proposed, run in conjunction with the London Development Agency, to help improve skills training in the capital and to try and suggest solutions to the under-achievement in inner city schools.

## **Functional Bodies**

Together with the Core GLA, the GLA Functional Bodies make up the GLA Family.

The Metropolitan Police Authority (MPA) was modelled on the structure of other police authorities around the country but uniquely is made up of 23 members. Twelve are Assembly Members, four are Magistrates appointed by the Home Office and seven are 'independents', one of which is appointed by the Home Secretary and the other vacancies advertised openly. The

Chair of the MPA is chosen by its members. The MPA's remit is to be accountable for the police budget, to listen to the concerns of Londoners, to set targets and priorities in an annual policing plan and to monitor those targets. The MPA does not make direct operational policing decisions, which are left entirely to the Commissioner and the Metropolitan Police Service. It controls a budget of £2.36bn (2002/03), 16% of which is raised by Council Tax and the rest made up of various government grants.

The London Fire and Emergency Planning Authority (LFEPA) is made up of 17 members - nine from the Assembly and eight from the London Boroughs. The appointments reflect the political balance of the Assembly and from across the boroughs. It runs the Fire Brigade, and Members are nominated to make decisions on policies and financial matters. Again, the remit does not extend to operational matters. The Chair of LFEPA is appointed by the Mayor. It controls a budget of £373m, £78.9m, or 21%, of which is funded through Council Tax, with the rest coming from central government grant.

The London Development Agency (LDA) Board is made up of business representatives, local government and GLA Members. Three out of its 15 Board members are Assembly members. It is responsible for furthering economic development and regeneration, promoting employment, enhancing and developing the skills of local people and contributing to sustainable development. It is also charged with promoting business efficiency, investment and competitiveness. It currently controls a budget of £300m, none of which is paid for by the Council Tax payer as it is funded entirely through government grant.

The Transport for London (TfL) Chairman is the Mayor himself and he appoints board members. Members include academics, trade unionists and Susan Kramer, the failed Lib Dem candidate for Mayor of London. Steve Norris was a member of the board until sacked by the Mayor earlier this year, mainly because of his opposition to the Mayor's congestion charging scheme. TfL is responsible for the capital's transport system, implementation of the Mayor's Transport Strategy and management of the services on London's Buses, The Docklands Light Railway, Croydon Tramlink, London River Services, Victoria Coach Station and London's main roads, the so called 'Red-Routes.' TfL spends £1.65bn a year, but only £35.8m, or just 2%, is funded through the precept. £615m comes from fares and other income sources, with just over £1bn coming from central government grant.

### **The Boroughs**

The 32 London Boroughs (33 including the Corporation of London) exist to provide the day-to-day services that residents need in their areas. They continue to provide the Social Services, Housing, Education, Environmental and Leisure Services. The Mayor and GLA are not allowed to offer alternatives to the Boroughs' provision of these services or take over delivery of them, as the old GLC did. Together they control gross budgets of over £10bn, with between, on average, 15% and 20% raised through Council Tax. The rest is raised through businesses rates, which are set nationally, and local government grants.

Although the Mayor may produce strategies on Planning and the environment, it is still the Boroughs which have the responsibility of implementing them. Thus a close degree of co-operation is required to ensure that any targets set in Mayoral strategies are obtainable by local authorities.

The population of London Boroughs varies, from about 144,000 in Kingston to about 345,000 in Barnet. The Corporation of London has only 7,400 people living within its boundaries but is somewhat an exception. There are 1,858 Councillors in London (866 Labour, 650 Conservatives, 309 Liberal Democrats and 33 Others), with Hammersmith and Fulham having the fewest Councillors (46) and Croydon the most (70).

### **The Government Office for London**

The Government Office for London's website states, 'The Government Office for London aims to make London a better place by working with partner organisations to promote achievement of the Government's policies and planned outcomes.'

GOL controlled a budget of £2.1bn in 2001/02, with running costs of £13.2m. They mainly acted as a filter for government money from departments such as Trade and Industry and Transport, to the GLA and the Boroughs. The GLA Grant and GLA Transport Grant are still passed on through GOL. Specific schemes controlled through GOL include: the Neighbourhood renewal fund, Environmental Action Fund, Career Services, Enterprise Grants and Neighbourhood Warden funding.

# MAKING LONDON'S EDUCATION ACCOUNTABLE

ANNE WRIGHT

## BACKGROUND & ANALYSIS

Londoners are deeply concerned about education. 31% of Londoners think that better education is one of the top three priorities for making London a better place to live and 17% see education as one of their top three priorities for making London a better place in which to work.<sup>1</sup> Londoners are quite correct to be concerned: London has some of the worst academic results, teaching shortages and discipline problems in the country.

London's children are suffering because London's schools lack teachers, discipline and freedom:

- teacher recruitment and retention is difficult and teacher vacancies are unacceptably high.
- truancy and exclusion rates are at higher levels in London than in the rest of England.
- London schools are dominated by the bureaucratic and inefficient Local Education Authority (LEA) structure which wastes money that could be spent on teachers.

All these problems result in poor educational standards. Londoners are being sold short and many London children will suffer socially and in the job market because of educational failure in London. Address these problems and London education will thrive.

### School Numbers <sup>2</sup>

London has nearly 3,000 schools, 60,000 teachers and over one million children within the public sector.<sup>3</sup> There are also 450 independent schools with 11,555 teachers and 118,447 pupils (10.2% of all London schoolchildren).

### Teacher Vacancies

Vacancy rates in London compare unfavourably with the rest of the country.<sup>4</sup> In January 2002, the percentage of teacher vacancies was (actual numbers given in brackets):

	LONDON - %	ENGLAND - % (excluding London)
Nursery and Primary	2.4 (600)	0.8 (1,200)
Secondary	2.9 (680)	1.1 (1,770)
Special schools	4.7 (90)	2.0 (210)
All schools	2.7 (1,360)	1.0 (3,180)

The percentage of temporarily filled posts was (actual numbers given in brackets):

	LONDON - %	ENGLAND - % (excluding London)
Nursery and Primary	2.4 (600)	0.8 (1,200)
Secondary	2.9 (680)	1.1 (1,770)
Special schools	4.7 (90)	2.0 (210)
All schools	2.7 (1,360)	1.0 (3,180)

### Pay

Teachers' pay consists of the national pay scale (including management allowances, etc.) plus a London allowance.<sup>5</sup> The main pay scale ranges from £17,595 - £25,713 (spread over six 'spine' or pay points) and the upper pay scale ranges from £27,861-£32,217 (over five 'spine' points). Headteachers' pay ranges from £34,542 to £85,671, dependent in part on the size and type of school. The Inner London allowance is £3,105 and the Outer London allowance is £2,043.

### Retention

Teachers have a poor standard of living in London compared with other professionals and their counterparts in the rest of Britain. Increasingly, experienced teachers are leaving the capital in search of a better standard of living: the vacancy statistics above indicate how badly London is suffering as a consequence. This can become a vicious circle – the more vacancies the harder it is for other teachers to provide cover and the greater the disruption to children's education. The greater the disruption, the less structured education becomes and discipline problems increase. And so teaching in London becomes increasingly unattractive.

### Truancy and Discipline

London has the worst truancy record in the country. In 2000-2001, the 14 boroughs with the worst level of primary school unauthorised absence were all London boroughs and 18 London boroughs had an above-average truancy rate at secondary school.<sup>6</sup> London has the worst record for permanent exclusion from secondary schools.<sup>7</sup> London also has a higher percentage of children being educated at Pupil Referral Units (PRUs) than elsewhere in London (0.18% compared to the England average of 0.11%).

### Social Challenges

Social factors ensure that London faces distinct challenges compared with the rest of Britain. Poverty (as judged by free school meal entitlement) is more common,<sup>8</sup> the percentage of children with Special Educational Needs (SEN) is higher<sup>9</sup> and, reflecting London's position as a cosmopolitan city, nearly one third of London schoolchildren have English as an additional language.<sup>10</sup> All of these factors bring their own distinct demands both for children and teachers.

### Academic Failure

London has some of the worst academic results in the country – 27 out of the 32 London LEAs achieved below average 'A' level results, 21 London LEAs achieved below average 'GCSE' results and four out of the ten worst boroughs were London boroughs.<sup>11</sup> 15 London boroughs are below the English average of pupils achieving Level 4 or above at Key Stage 2 in English, 14 boroughs are below average in Maths and 15 in Science.<sup>12</sup>

## THE LEA AND FINANCE <sup>13</sup>

### Income

Funding for education is provided through a combination of local and national government funding. Local funding is raised from council tax and national government provides a Standard Spending Assessment (SSA). Essentially, the SSA is a top-up fund provided by the government which varies in value according to the wealth of the borough. Poorer boroughs raise less money from council tax and poorer areas face greater base costs per child (for example, a higher proportion of children will be entitled to free school meals, etc). The average total sum spent on education per pupil in maintained schools is £3,182 in England, £3,162 in metropolitan areas and £3,774 in London.<sup>14</sup>

### Administrative Waste

A large amount of government money intended for education is spent on administration. Over £570m is kept by LEAs and not given directly to schools – or £220,000 per school.

The LEA may retain up to 15% of the Local Schools Budget (LSB) for administrative costs, provision of special services, etc. In 2002-2003 the government intends that a minimum of 87% of the delegated LSB will be passed on directly to schools. However, because the government allows LEAs to 'exclude' certain sums from the LSB (generally for Special Educational Needs and Pupil Referral Units), the percentage of the education budget 'delegated' to schools appears higher than it actually is.

- Haringey 'excludes' £138 per pupil from the LSB of £4,024 – it therefore delegates 84.4% of all schools' income, not 87.3%.
- Hackney 'excludes' £58 per pupil from the LSB of £4,163 – this means that the delegated budget is 85.4%, not 86.6%.
- On average, London LEAs retain considerably more of the total education budget (14.5%) than Metropolitan area LEAs (13.5%).
- This represents 16.9% of schools' budgets withheld (or £547 per pupil) compared to 15.6% (or £426) in Metropolitan areas.

Even when all SEN/PRU costs are removed from budget calculations, LEAs retain £285m from schools – or £110,000 per school. Most of this is spent on hidden administrative costs. Supposedly, a maximum of £70 per pupil is to be spent on administration in London (£60 in the rest of Britain).<sup>15</sup> This means that in London £73m will be spent on administration, or around £28,000 per London school. Again, these figures are misleading. They refer to 'core administration costs' only. The explanatory notes to the LEA LSBs for 2002-2003 reveal that administration costs are also included in the School Improvement budget<sup>16</sup> and the Fair Finding Access block.<sup>17</sup> As these two blocks cost, in London, on average £41 and £65 per pupil (compared to England average of £28 and £48 and Metropolitan average of £27 and £51) it is apparent that a considerably greater sum is being spent on administration than the general public is aware.

### The Need for an Alternative Model

Do London LEAs earn their money? Would schools fare better if they received their full funding and ran all of their own services?

### Autonomy

London schools which are not directly run by LEAs are more successful. 52% of London secondary schools are 'community' schools (run and financed by the LEA) and 28% are Voluntary Aided (VA, where the governors control appointments and admissions). But of the top maintained secondary schools in each

borough, 53% are VA and only 25% are community schools.<sup>18</sup> The closer the micro-management of the school, the better run it is. LEA schools are not micro-managed and are demonstrably less successful than other schools.

### Quality

LEAs do not necessarily provide the best services, nor is the amount spent by the LEA on administration a guarantor of educational success – Lewisham LEA retains 15.4% of total educational funding and is the seventh worst LEA in terms of educational performance, whereas Barnet retains 12.0% of all educational funding and is the fifth best London borough.<sup>19</sup> Council services that exist as monopolies have no imperative to deliver immediate, quality services. What is needed is an alternative structure that can challenge the monolithic LEA, thus ensuring that quality services are available to schools and quality education to children.

### Accountability

LEAs are not sufficiently accountable to parents. Although there are examples of well-run LEAs that produce good exam results, such as Barnet or Redbridge, far too many LEAs are unresponsive to the wishes of parents and are content to preside over failure. Voters need to have an open and accountable education system.

## POLICY IDEAS

### THE LEA AND SCHOOLS

#### Improved Provision of Financial Information and Measurement of Budget Deployment

It is rare for either parents or teachers to have ready access to details of how local government spends the Local Schools Budget (LSB) in their borough and surrounding boroughs. If voters and taxpayers had more understanding of how their council spends its education budget and the return they receive, they would be in a greatly enhanced position to compare and contrast successful and unsuccessful boroughs. With knowledge comes power, and the chance to demand change.

Finance is a key element in LEAs: parents may have different priorities from council education officials as to how LSBs are spent and whether the council provides a good service. The publication, preferably on the council website, of the breakdown of financial spending for each LEA should be made compulsory.<sup>20</sup> It should be clear at a glance exactly where money is being spent. In particular, administration costs must be highlighted, not disguised as 'Access' or 'Development'. Similarly, the percentage of government money that is deducted from the Gross Schools Budget by the LEA should be published in all school league tables.

#### Improved LEA comparisons

A league table should be produced that demonstrates which LEAs are most efficiently run (i.e. do not spend a large percentage of the total education budget). London LEAs are already allowed to spend an extra £10 (17%) per pupil on administration to reflect the increased costs in the capital and the fact that inner-city boroughs require a greater level of internal co-ordination (owing to higher than average levels of movement of children between schools, for example, asylum seekers, children in hostel accommodation, etc.). All administration costs must be made apparent, not hidden under different sections.

#### Transparency as LEA Credit for Results

Many LEAs appear to have high scores in league tables because of the presence of high-achieving independent schools in their

boroughs. LEAs do nothing to help independent schools and are certainly not responsible for their pupils' success. LEA averages in league tables must accurately reflect what the LEA itself has done. Therefore the independent schools should be listed in a separate section and the average points for the LEA schools must not include independent schools.<sup>21</sup> It would also be highly instructive to provide averages which compare schools run directly by the LEA with VA and foundation schools.

### **Providing an alternative to the LEA**

Parents, councillors and taxpayers may be faced with the fact that, despite years of investment, their borough schools still continue to under-perform. Consequently, schools may fail in their duty to serve the interests of their charges. Parents must be given the opportunity to deal with this, rather than watch a system that is highly resistant to change ruin their child's chances. They need to be given the chance to influence schools directly rather than relying on elections. Turnouts are poor in local elections and decisions taken by councils rarely receive a wide audience, even in the local press. Haringey, with some of the worst educational standards in London, has resolutely continued to elect Labour council after Labour council.<sup>22</sup> The voters of Haringey presumably do not connect political control with administrative efficiency.

### **The Right to Opt Out**

Parents should have the right to demand a vote for their child's school becoming an independent charter school which receives the full government allocation of funds without the LEA taking its cut. If parents and teachers were in a position to act independently of the council then they would have the power to force educational standards to rise, particularly if combined with the incentive of total budgetary control. It is this uncoupling of local government and school management that is so urgently needed. As the bulwark against this change, the LEA needs to be tackled head-on in order to empower local parents, taxpayers and teachers.

### **Service Provider Status for LEAs**

Charter schools should be given the right to buy into local council services as provided to other schools. If the LEA services are as excellent as the advocates of the LEA maintain, then charter schools would be glad to choose those it felt were necessary and well run. This would enhance the prestige of quality LEA services and expose those that were inefficient or unnecessary.

### **Introduction of LEA competition**

Schools should be allowed to buy in services from other boroughs. Many children already go to schools in boroughs where they do not live, causing considerable resentment to local parents who feel that their child has a greater right to that place. If schools in one borough could make use of the well-run services of another borough whilst paying for them, this would spread good practice far more effectively than LEA conferences.

These options would make LEAs genuinely accountable to parents. Parents would finally have a chance to influence directly the way their school was run and to ensure swift changes in the attitude and ethos of that school. The school would be genuinely independent to pursue its own aims and objectives. In theory, parents across a borough could effectively abolish the LEA if it was seen not to be providing a valuable education to the borough's children. LEAs would thrive where well-run and decline where inefficient.

## **PAY AND RECRUITMENT**

### **Abandon national pay-scales**

The government must abandon national pay scales. London schools face conditions and demands which the rest of the country does not. London must be free to attract and keep the best teachers by offering good pay. In London, that means more than a £3,000 top-up. Would this result in competition between London schools and the rest of Britain? Yes. Is there a problem with this? No. London is disadvantaged by the existing system – as vacancy rates show, the rest of Britain is a more attractive place for teachers than London. London needs to break free from the stranglehold of central pay-bargaining and offer realistic wages. Otherwise there will continue to be a brain drain from all except the very best London schools.

### **Extra pay – and responsibility – in poor schools**

To offer higher pay would not just help end teacher vacancies, it would also improve dead-end LEA schools. If, for example, Hackney schools were to offer each teacher £10,000 more, and tie this pay increase into distinct and definite targets there would be greater accountability. The deal would be explicit – no results, no pay rise. Many teachers would not want to take up such a challenge, but there are plenty of enthusiastic teachers who would relish the chance of turning around a poor school. Approaching a poor LEA school by school is the best way to tackle the cycle of underachievement and resultant deprivation, rather than expecting it to change spontaneously without pressure from parents.

### **Discipline**

Schools must be in a position to tackle discipline problems firmly and to exclude children where necessary, not according to the numbers proscribed by the LEA or central government. Class sizes in London are not a problem in London but discipline is.<sup>23</sup> Bad behaviour in class affects all children - a small minority can wreck the work of an entire class. A school is undermined if it cannot uphold discipline.

### **Multi-agency Exclusion Units**

Some children with discipline problems come from desperately disadvantaged families and need considerable amounts of extra care and attention, others are frustrated in an academic environment in which they cannot thrive. Such children need to be offered different challenges which they perceive as worth doing, whether computer-aided design or car maintenance. As London has a large population in a small area, it is an ideal position to test multi-agency exclusion units, where social workers, police, teachers and psychologists work together to improve behaviour. That way 'difficult' children can get a beneficial education and other children can be allowed to work in peace at school.

### **Freedom from the LEA**

If schools are set free from the LEA and become genuinely accountable to teachers and parents there will be a rise in morale. Give schools the money at present retained by the LEA. Let them decide how to spend it and which priorities to pursue – pay, class sizes or administration. Let schools set their own achievement criteria and stand or fall by them. Give schools the freedom to concentrate on basic literacy and numeracy if that is what the parents want. Encourage schools to demand rigorous attainment targets – there is no excuse for sending a functionally illiterate child on to secondary school, nor ought secondary schools be forced to accept them. Let schools set their own discipline standards and give them the freedom to expel disruptive children. If there is a genuine choice between teaching in an LEA school and a charter school it will soon become apparent where teachers prefer to

teach – and where parents want to send their children. Improved conditions will do more than anything to keep teachers teaching in London.<sup>24</sup>

#### FURTHER POINTS

##### Faith Schools

In the maintained sector, there is only one Muslim primary school in London (and only one more in England) and no secondary schools. This is not a reflection of the religious make-up of London. If it is acceptable to have Roman Catholic, Church of England, Jewish (15 primary, three secondary) and Sikh schools (one primary, one secondary) in the maintained sector then it must be acceptable to have Muslim, Hindu or Buddhist schools.<sup>25</sup> There is a concern that, because statistically there are few white Muslims, Muslim schools would in practice increase racial segregation. The same argument applies to Sikh and Jewish schools, although they are few in number. However, while faith schools of any type exist it cannot be right to deny Muslims access to Muslim schools. As with Church of England schools, (where children who are not Church of England can attend) it should be possible for non-Muslim children to attend Muslim schools. Parents will send their children where the education is best and where they feel that they can prosper.

##### Special Educational Needs (SEN)

London has a large population in a compact area so is the ideal place in which to organise and maintain a wide range of special schools for children with SEN. At present SEN are catered for by LEAs. However, there is a strong case for a London-wide SEN strategy and Authority, paid for by the money at present allocated to LEAs for SEN. Less than 3% of London schoolchildren are stated as having SEN and it is difficult for one LEA to provide the full range of services needed. If a SEN Authority was created with the responsibility of running a London-wide SEN service this would ensure greater co-ordination and efficiency. Administrative delays in statementing would be reduced and there would be an improved provision of services.

##### Specialist Schools

Not only should London have specialist schools for children with specific health or learning difficulties, there ought to be more specialist schools in general. Instead of having only five City Technology Colleges, London deserves a wide range of specialist arts, music, sports and technical schools. With over 400,000 secondary school children in London there is enough talent to support such schools. Give charter schools the right to specialise in certain fields and give talented children the chance to excel.

#### CONCLUSION

There are too many London children whose chances in life are at present sacrificed; too many who leave school illiterate and innumerate; too many who drift into crime because their education left them unfit for work. Only truly radical ideas will transform London's education from a patchwork of success and utter failure to a high-achieving service fit for a capital city.

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ANSWER: A, B and C

# LONDON ISN'T MOVING: TRANSPORT IN THE CAPITAL:

MARK WHEATLEY & PATRICK KIDD

- About 1.1 million people are estimated to enter central London on any given weekday between 7am and 10am and around 84 per cent of them use public transport.
- The average travel time to work for those who work in central London is 56 minutes – twice the national average.
- Around 29,000 vehicles use London's roads every day.
- In 2000, there were around 6.8 million parking spaces in London.
- Bus passenger travel increased by 23% in the last seven years (4.7 billion passenger kilometres in 2001).
- Tube travel is 21% higher than a decade ago (7.5 billion kilometres).
- Around 30,000 people travel to work by bicycle or motorbike every morning.<sup>1</sup>

## BACKGROUND & ANALYSIS

London has an aged transport network that developed largely by accident and with little 'grand vision' planning. As a result it takes just as much time to travel through today's city by car, bus and tube as our forefathers did in their carriages and carts. Our roads, unlike those of the USA or of many cities on the continent, developed from traditional routes into London that served drovers in centuries past. The Underground network was the first in the world, its development marked not by strategic planning, but by commercial non-cooperation. Our airports, for the most part, developed on unsuitable sites that served early 'flying clubs' and that now place flight paths over some of Greater London's most heavily populated areas.

The age, and chaotic state, of our infrastructure leaves major challenges for London's transport policymakers. The first challenge is that it is in dire need of renovation to cope with the effects of age and greater demand. This means large amounts of capital investment. The second problem is that the current infrastructure developed to service historic needs, for example, the expansion of London between the wars. A proper overall strategic vision is needed to make sure that the transport network not only serves the centre of the city but also the densely populated outlying areas. Our suggestions are aimed at addressing both these challenges: of funding and of vision.

Neither of these points is controversial to most normal people, but recent discussion of future plans for London's transport requirements have been dominated by three connected private political battles. The first is the undignified spat between the Mayor and central government over proposals for a Public Private Partnership on the Underground network. The second is the political monster the government unleashed by giving the London Mayor the power to tax people who drive on London's roads without giving him any extra funding to improve public transport. Both these battles stem from the third, most entrenched position, which is that transport has become primarily driven by the demands of the Treasury. These tensions, often very publicly aired, have hidden a key issue that needs to be resolved, namely, whether private capital offers a competitive alternative to public expenditure, given the scale and long-term nature of the infrastructure investments required.

This section of the Bow Group's Ideas Book seeks to put forward some sensible, clear policy suggestions to get London's streets and transport moving again. We believe that certain fundamental principles should underlie transport provision for London:

**Authority** - there should be clear lines of authority to enable strategic planning and oversee tactical execution of the vision. We believe this should be set by a democratically accountable power that has as its overriding concern the welfare of Londoners.

**Adequate and stable funding** – considered in a pragmatic fashion, free from political dogma that clouds the debate and drives advocates of both private and public solutions to do little more than snipe.

**Transparency** – whenever possible information should be freely in the public domain. This works both in terms of allowing Londoners to appreciate strategic plans in the offing and for them to have adequate daily information to plan their journeys.

### Authority

When laying plans for the Greater London Authority the Government hinted at granting the devolved assembly wide ranging powers over transport matters. However, once the Treasury and Downing Street appreciated that Tony Blair's nemesis, Ken Livingstone, was likely to triumph in the first Mayoral contest, they ensured such power would be largely restricted to limits devised by the Government to reduce the scope for initiating radical change.

### Funding

The single biggest problem facing transport policy analysts is the fact that the state of transport infrastructure in London has been allowed to slide so far. Successive Conservative governments in the 1980s and 1990s facilitated major transport infrastructure projects in London such as the Docklands Light Railway, the Heathrow Express, the Jubilee Line extension and the Croydon Tramlink. In the last four years of John Major's government, transport spending in London was over £1bn a year. That figure has since collapsed and the majority of the tube network is in desperate need of renewal, while the roads are repeatedly dug up for

short-term patching work and by utilities. The scale of works that are therefore required to bring London's transport network up to an acceptable level would mean a substantial amount of capital investment.

This inevitably then brings the questions of 'who will pay?' and 'what rewards will they expect as a return on their investment?' Few users of public transport would wish to pay higher fares or council tax, while the furore over the Mayor's congestion charging scheme shows how few pips are left to squeak within the motoring population. New forms of revenue and getting the best use out of transport are therefore needed.

### **Public versus Private Capital**

The orthodoxy for some time within Conservative thinking suggests that 'private enterprise is good – public service is bad'. This is seen as politically flawed by some people who identify private enterprise with the recent problems of Railtrack. Comment on the subject ignores the current Government's mishandling of Railtrack, which was as much to do with its downfall as any structural problems, as well as the benefits that private investment has brought about in the creation of new transport networks in Manchester, Newcastle and the London Docklands. Nonetheless, the Conservatives should not be wholly wedded to the idea that the private sector can solve all ills. Practically, as well as politically, a certain role is necessary for the public sector.

### **Public Private Partnership**

The Government's answer to the investment conundrum is Public Private Partnership (PPP), resisted at every step by the Mayor until he was recently obliged to abandon his fight. Yet he was elected on a mandate to oppose the PPP, and every single poll of Londoners since the election also seems to be against PPP. It runs contrary to the spirit of devolution that the one issue which the public is most set against, is the one that is kept out of the Mayor's powers and maintained as part of the Treasury's armoury.

The government's PPP proposals for the Tube envisage the private sector managing track maintenance and signalling. Meanwhile, the public sector will retain responsibility for dealing with the customer end of the network. It is assumed that the profit motive will act as an incentive for efficient service provision above that offered within the current public sector environment, while transferring the capital risk of investment to the private sector. There remain key problems with the use of private involvement in public transport:

- Cost/benefit analysis is bad at assimilating the benefits to London's businesses, tourism and population at large that arise from an efficient, publicly-funded transport system.
- Incentives for more efficient service provision may not derive from the potential to make a profit in a business where subsidies are necessary. Instead, the level of subsidy may become a greater determinant.
- Underground lines remain essentially monopolistic and consumers are not often able to exercise an alternative route for their journey. They remain dependant on one provider – whether public or private. In either case, external performance monitoring is necessary.
- Full commercial risk is often not transferred to the private sector. The government may favour 'bailing out' a failing operator rather than see its policy fail – this has already been demonstrated with regard to National Air Traffic Services Ltd. (NATS).
- Horizontal separation of responsibilities for track maintenance

and train services allows each to blame the other in cases of failure – a situation that hinders accountability to the user.

## **POLICY IDEAS**

### **Municipal Bonds & Securitisation of Fare Box Receipts**

The alternative of allowing the Greater London Authority to raise bonds in the market seems preferable. Clearly these could be redeemed over a fairly lengthy period rather than satisfying the shorter term imperative of the stock market. The revenue stream from fare box receipts should fund the bonds, as could the pre-cept. Fare box revenues should be securitised, given that their security value has been estimated at approximately £2-3 billion. Backed by a government guarantee, such bonds might represent a cheaper form of borrowing. Public demand for municipal bonds should be stimulated to levels similar to those in the United States. It would in turn help to develop self-financing cities that forge closer links with their citizens, with the broader benefits that follow from this (see Mark Nicholson's chapter of the Ideas Book on financial accountability).

### **A directly elected Transport Commissioner**

London residents currently have very little say over transport policy decisions and scarce way of checking performance. We believe that in order to push transport higher up the agenda of policy makers and to allow voters a stronger say on what many consider the most pressing aspect of London policy, there should be a directly elected Transport Commissioner.

Among the Commissioner's responsibilities should be the power to determine how to raise money to invest in the network and how to ratify performance targets for operating units and staff. Also there should be a duty to present the success or failure of these targets to the electorate. Day-to-day management responsibility would remain with the existing management structures, but the Commissioner would have the power to hire and fire.

Ideally the Commissioner would not be tied to a political party. Transport in many ways should be divorced from day-to-day party politics. Indeed, Norm Mineta, the US Transportation Secretary, is the sole Democrat in George Bush's cabinet – proving that transport can be above party loyalty. There is a need for some form of consensus and dedication to improving transport rather than someone seeing it as a stepping stone to political advancement. Directly elected transport commissioners work successfully in many American cities.

## **THE TUBE & MAINLINE TRAIN SERVICES**

### **Driverless trains**

Technology similar to that employed upon the Docklands Light Railway should be introduced as soon as possible to bring about driverless trains, run from a manned control centre. There is little need, beyond passenger reassurance, to have a driver on the Tube. Perhaps, as on the DLR, drivers should be redeployed as 'train captains' roaming throughout the carriages to improve passengers' feelings of security.

### **No Strike Agreement**

A bonus of having driverless trains would be a removal of the spectacle of union leaders holding Londoners to ransom with strike action. The Tube is an essential public service and should be open for Londoners every day. The strikes that have hit London in recent years have been more to do with power-flexing than any alleged desire to preserve safety. Barely a quarter of those eligible to vote have actually supported strike action in most of the strike ballots. We feel that there is more that the man-

agement and workforce can do to resolve their differences without going to industrial action. A no-strike contractual agreement would go some way to resolving this.

### **Greater performance incentives for transport staff**

To improve management of the network we suggest that there should be a healthy bonus scheme introduced that rewards all Underground and bus workers and line or route management for achieving demanding targets on efficiency, cleanliness (such as a clamp-down on litter, graffiti and vandalism) and reliability. There should be significantly greater rewards for the service providers than presently exist in order to improve morale, and to establish a clear community of interest with those who use the service. The benefits of increased reliability and staff retention would justify introducing this on top of standard pay settlements in the future.

### **New signalling technologies**

On some Underground and surface lines the service is often both infrequent and unreliable owing to the saturation of traffic capacity. This results from a technical inability to accommodate more trains safely on a specific section of track. Operation at maximum line capacity hinders the free flow of rail traffic from station to station without being held at signals in between, thus extending journey times. New Safety Cell technologies have been tested recently to allow bubbles around individual trains to be calculated by computer rather than operating a fixed block system. These should be implemented across the network as soon as possible and would facilitate the introduction of driverless trains.

### **Extension of Underground opening hours**

London is now recognised as a 24-hour city but with an underground network that closes not long after midnight. This is not only impractical for shift workers but wholly inconvenient at weekends when many clubs and pubs are open later. Of course, the night time is often used for repairs but we believe the Underground network could remain open slightly longer, commencing service an hour earlier and ending the working day between 1am and 2am with more repair work being scheduled for occasional Sunday closures. Increasing mechanisation of routine work should decrease the amount of closure time necessary. We especially believe that on Friday and Saturday nights the Underground should stay open until at least 3am, with perhaps a slightly later start on Saturdays and Sundays to compensate. The Transport Commissioner should also be given powers to direct later opening on mainline train services that serve outer London.

### **Simplification of some Underground routes**

Some Underground lines are too complicated, reflecting their history as often uneasy amalgamations of more than one privately built line. We believe there should be a study into the feasibility of dividing some of these to simplify timetabling and increase the potential capacity of Underground lines, with improved interchange stations.

#### ***Northern Line***

The City and Charing Cross branches of the Northern Line should be divided. The Camden Town junction is complex and leads to long and irregular train intervals. A new station for Camden Town is desperately needed anyway, and improved interchange facilities here and at Euston would boost the capacity. Similar changes could be made at Kennington, and an extension of the Charing Cross branch to Peckham, Dulwich and beyond would improve links to a poorly served area of London.

#### ***District/Metropolitan/Circle/H&C Lines***

The amalgamation of these four lines reflects the existing operational difficulties. The District Line should be divided at Earl's Court, with a flying junction constructed west of the station to avoid conflicting train movements. The Circle Line and the Hammersmith & City Line represent more difficult (and more expensive) problems to solve, given that the northern half of the Circle Line is one of the busiest stretches of railway in the world. Capacity should be doubled from the current two tracks to four, with improved junctions at Praed Street, Baker Street and at Aldgate.

### **Adoption of the CrossRail proposal & development of a 'RER' network**

The Réseau Express Rapide (RER) model used in Paris would work well in London, to avoid the historical problems caused by nineteenth century restrictions on the siting of railway termini. This tends to offload main line passengers onto the Tube network at particular points (usually around the Circle Line), leaving them few options for interchange.

We also believe the CrossRail scheme should be advanced immediately. CrossRail was first proposed in the late 1980s to address public transport over-crowding in Central London. With the onset of the recession, plans for CrossRail were temporarily shelved and then resuscitated in 1996. Labour have however been slow to take the plans forward, even though these original problems of congestion and crowding on public transport are now even more acute.

CrossRail would run 14 trains per hour each way from Shenfield in the East through Liverpool Street to Paddington and out to the West with Central London stations at Farringdon, Tottenham Court Road and Bond Street. Four trains per hour would run to Heathrow. It is expected to accommodate an extra 600,000 passengers per day, adding some 15 per cent more public transport capacity in London.

The Government needs to work with the Strategic Rail Authority and the Mayor to fast-track the proposal. The Corporation of London's believes that the City can contribute substantially to the funding of the project, which would be self-financing from revenue stream within 30 years.

However, CrossRail represents only the start of the steps necessary to reduce the peak burdens on the tube network and on bus routes. We also believe that concerted efforts should be made to find funding for the extension of the East London Line and a new tube line running through the centre of the city.

### **Rail links to airports**

Generally speaking, the airport links between central London and Heathrow, Gatwick and Stansted are well managed and efficient. The overland rail connections, when operating, are regular and well provided while buses and taxis offer decent alternatives. However, the dedicated high-speed rail link between Stansted Airport and the city closes around midnight, meaning that people who arrive back in the country late at night face difficulty in getting to London. Given the enhanced passenger loadings to Stansted as the result of the boom in budget airline travel, the rail link should be upgraded to a dedicated high-speed link.

### **ROADS**

The major problem facing London road users is the gridlock that besets many of our roads for much of the time. Gridlock is a feature of too many cars attempting to use an inadequate network –

one that has insufficient capacity and which is poorly maintained and consequently in disrepair. Indeed, it has recently been reported that traffic speeds have reduced to below 3mph on some London roads.

It is impractical to consider wholesale major road building in London. There is simply not the space to build any new roads without massive compulsory purchase and destruction of property. Any proposals to create tunnels for cars to travel through the city – as has happened with ‘the big dig’ in Boston – is attractive but not feasible given the huge cost involved. Therefore our policies must deal with improving road efficiency, rather than capacity.

#### **Minimising the impact of repairs on daytime traffic**

A concerted effort is required to address the traffic chaos that is caused by the backlog in road maintenance that has deepened under this government and this Mayor. Roadworks are, of course, essential at times but it seems these days that they are conducted with little concern for the effect on road users. Trafalgar Square in particular has become a tangled mess of construction that delays not only car owners but taxis and buses as well. If road based public transport is to be a more viable option than travelling by private car or the overcrowded Tube then it needs to be quick and efficient. The proliferation of roadworks only adds to longer journey times and higher operating costs.

We believe that our proposed Transport Commissioner should take a proactive role in strategically planning a programme of roadworks for more than the odd month in advance. He should liaise closely with utilities companies to see what their future plans are for excavation and try and encourage (with fines if need be) some form of co-operation so that the same stretch of road isn’t repeatedly dug up.

Roadworks should also generally be undertaken at night with an emphasis on short possession of a particular stretch of road. To encourage this and speedier work generally contractors should be obliged to purchase licensed access for roadworks from local authorities. A set of tariffs reflecting to the time and extent of disruption – higher for daytime hours and reduced for weekends and nighttime, and scaled according to the closure required – would provide the necessary incentive for timely completion.

#### **Congestion charging**

Charging motorists for driving on London’s streets is the Mayor’s intended solution for addressing the problem of too many road users in the city centre. We see no problem with the theory of congestion charging: using the tax system (and we should be honest about it being a tax rather than the nicer sounding ‘charge’) to influence road user behaviour and reduce congestion, particularly by the use of variable tariffs to encourage people to travel at off peak hours.

However, the scheme that has been proposed by the Mayor is chaotic and destined to fail. The main stumbling blocks are the sheer quantity of access roads that the scheme must cover and the fact that there is no extra public transport capacity to house those drivers who leave their cars at home. Indeed, because the Mayor’s public transport plans depend upon the tax for their revenue it seems likely that this is a charge to maintain congestion rather than reduce it. A recent report estimated that the number of people on the public transport networks would only increase by two per cent – hardly a ringing endorsement of a policy designed to reduce congestion.

We believe that there should be a moratorium on congestion charging until the underground network is improved and expanded and until Crossrail is constructed. This will add an estimated 15% onto London’s public transport capacity and make it a more attractive option for those who currently drive. This admittedly kicks the issue of congestion charging into the long grass for the best part of a decade but that allows more time for technology to be developed along the lines of the electronic road pricing system that operates in Singapore which would provide road users with a choice between fast access (but tolled) roads into the centre of London and alternative more congested (but free) routes. This would retain some element of choice and give the road user a sense of getting value for their money and therefore should meet with less opposition from motorists than the blunter approach of our Mayor.

#### **BUSES & TRAMS**

There are many simple ways in which usage can be made more attractive. We welcome some of the measures that the Mayor has already brought in, such as allowing people with London Transport travelcards to use buses in any zone, rather than that for which their card is valid, and the introduction of the higher capacity ‘bendy buses’. These, however, represent only the start of the necessary efforts to improve service provision.

#### **Service contracts based on the number of passengers carried**

Bus providers should have a contractual provision that rewards them for the numbers of passengers carried rather than simple operation of the service. In some areas of London, the funding scheme is such that it can actually be of an advantage to companies to carry fewer passengers, if it means that their journey can be quicker. Changing the rewards regime will encourage efficiency of service scheduling and a greater ‘demand led’ attitude.

#### **Auditing of Bus Lanes**

There is little more frustrating than being stuck in traffic next to an empty bus lane. Bus lanes should be audited by the Transport Commissioner’s office to ensure that they are frequently used. Those that don’t see, say, fifteen buses an hour in peak time, and five at off-peak, should be turned over for the use of other traffic. However, attention should also be given to how frequently they are used by taxis.

#### **Better ticketing efficiency & conductors**

We should examine the possibility of encouraging people to purchase their bus tickets in advance thus minimising the time that buses spend stationary. People could use ‘smart cards’ with swipe technology that can be recharged at local newsagents and train stations, and also purchase tickets from machines at bus stops.

There is an acknowledged need for conductors on major routes. Not only would this improve security, especially on night time services, but it would speed up journey times by allowing the driver to drive rather than waste time collecting fares.

#### **Preservation of two-man crew, Routemaster format**

Opinion surveys have revealed that people prefer the flexibility and ease of boarding that ‘Routemaster’ buses provide in London (where the passenger boards at the back and is served a ticket by the conductor) but they are being phased out. We see encouraging Routemasters as a way of making urban bus travel – not just in London – more attractive. Routemasters have been replaced largely for cost-effective reasons – the companies have to employ two members of staff (driver and conductor). However, the net gains in increases in journey times offer significant gains to oper-

ating companies. London Bus Services Ltd. have estimated that replacing open platform, crew-operated buses with one person operated vehicles has increased journey times by between 12 per cent and 20 per cent. Our policy will speed up journey times.

### **Extension of Tram Provision**

Trams have long been recognised as superb vehicles for use in certain urban situations and have proven their popularity and success on the Continent and in the United States. They are large and can prove exceptionally useful and economic, carrying passengers along busy traffic corridors in an effective fashion. Plans are underway, through Transport for London and the Mayor's office, to extend tram provision, currently most highly developed in the Croydon area. These include consideration of a link to Lewisham, a West London tram running between Uxbridge and Shepherd's Bush and a Cross River Transit scheme from Kings Cross and Camden to Brixton. We welcome this.

Tram provision should be extended further throughout London, in particular along some of the wider streets in Central London, and ones where there are either large bus loadings or overcrowded tubes or railways. Particular examples might include Euston Road and Marylebone Road, the Strand and Holborn. Where there is room for a bus lane, a tram should be considered.

### **TAXIS**

#### **Abolition of the higher evening tariff**

We believe that the higher 8pm fare tariff for black cabs should be abolished. The Mayor introduced it to try and encourage more cabs to come out at night, but it seems that it has had the opposite effect: fewer people want to use night-time cabs, choose the less safe option of unlicensed minicabs and this depresses demand for black cabs in the evening or at night-time. There also seems to be widespread discontent within the trade about the raised tariffs after 8pm.

#### **Indicative pricing for cab journeys**

Minicabs, and possibly black cabs too, should be obliged to indicate the likely fare in advance of the journey. Obviously fares can vary because of traffic conditions, but passengers should be given an estimated journey cost and the power to demand a refund should it noticeably exceed the advice for no obvious reason.

### **CYCLES AND MOTORCYCLES**

#### **Shared moped/cycle lane access**

All low powered, two wheeled vehicles are vulnerable to other traffic. We believe that mopeds under 50cc that have a maximum speed of 30 mph should be allowed to use cycle lanes where there is space to achieve this safely. In a similar fashion we believe that cyclists, mopeds and motorcycles should be allowed to use all bus lanes.

#### **More formally defined cycleways**

Cycleways could be integrated into roadways with separate traffic lights for cycles and cars, as in Amsterdam. This would be particularly feasible in urban centres and may encourage more cycling – relieving congestion at rush hours.

#### **Moped & motorcycle friendly tax measures**

We oppose the introduction of charges for the workplace parking of motorcycles as these vehicles make a minimal contribution to congestion and relieve the pressure on other forms of transport. We would like the Treasury to examine with sympathy, for similar reasons, a scheme of tax relief for mopeds and motorcycles.

### **Accessibility Hire**

Also, we feel there should be easier access for the elderly who may require buggies for mobility in the centre of London. Buggy centres could be opened at major overland train stations such as Victoria with sufficient cheap and reliable machines available at reasonable rates. These could be provided by charities and need not receive significant public finance.

### **The Thames**

The Thames is perhaps the most obvious, and under-utilised, route through the centre of London. Until relatively recently it was a major artery of freight shipment and travel. However, with the decline of the port of London, the river is no longer an active highway. We believe this could and should be remedied.

River taxis proved unsuccessful in the eighties at a time before Canary Wharf was fully developed. We should re-examine the possibility of bringing in more river taxis at a reasonable price to transport people from the Waterloo terminus to Canary Wharf and back. These should be integrated into the London Transport network, and to some degree be publicly funded. The river could be regarded as a distinct additional 'zone' with its own charge for use. We may need to invest in opening up new docking points and ensuring that the services are marketed adequately.

### **CONCLUSION**

Improving London's transport networks is, we feel, the most urgent task facing policymakers. Over 1.1 million people travel into London in the mornings; most of them experience jams and delays several times a week. This is bad for productivity and bad value for money. London needs massive cash injections, from either private or public sources, to create the 21st century transport system that the city needs. It is not our purpose to explain in detail where that money should be raised from, but nonetheless we do have strong views on the way existing money should be used and where future revenue should be targeted when it is raised.

Most of the ideas outlined above are plain common sense, the sort of views that any commuter would agree with. We feel that too often policy makers ignore common sense in the pursuit of dogma and winning small political battles. That is why we advocate a Transport Commissioner who is above party politics. That is why most of the policies also deal with taking power away from government and putting it back in the hands of the travelling public. The emphasis should be on value. Only when policy makers start looking at providing value and responding to passenger demand can we expect to get the Capital moving again.

# LONDON'S RESPONSE TO CRIME: A NEW MODEL FOR SUCCESS

GILES TAYLOR

## BACKGROUND & ANALYSIS

- Crime in London is worse than elsewhere – the incidence of violent crime (306 per 10,000 population) is double the average for the rest of England and Wales (129 per 10,000 population). London alone accounts for 28% of violent crime in the whole of England and Wales.<sup>1</sup>

- The pattern of crime across the Capital is changing – street crime across the Capital rose 38% in the year to March 2002.<sup>2</sup> A slight reduction from April to August 2002, has been balanced by a slight rise in car crime (1.5%) and domestic burglary (3.8%) in London.<sup>3</sup>

- Clear-up rates are low – that for street crime was only 8.7% in the year to March 2002.<sup>4</sup> There are two effects of this – crime ceases to be a risky activity, and the feeling is generated that the Police have lost control of a neighbourhood where there is a particular problem.

- London's average detection rate is the worst in the country (14%). It compares with an average for the rest of England & Wales of nearly twice that (26%). Its detection rate for violence against the person (26%) is less than half the rate for any other region, and compares with a rate of 69% for the rest of England & Wales.<sup>5</sup>

- Policing has become increasingly distant from the public. Demand for more foot patrols (59%) and more community policing (36%) topped the 'wish list' amongst the public in a recent survey.<sup>7</sup> Only 34% of Londoners experienced contact with the Police in 1999, dropping below the average for urban forces for the first time since records began.<sup>8</sup>

- Public sympathy towards the Police in London is worse than elsewhere. Police in London are more likely to be characterised as unfriendly or unreasonable. Although the majority opinion of the Metropolitan Police is positive, the sharp increase in discontent since 1998 suggests that approval for the Police is fragile.<sup>9</sup> This is against a background of a longer-term decline in satisfaction.<sup>10</sup> Although ethnicity and poverty are amongst determinants for discontent, its spread across all sectors of the London population is fairly even.<sup>11</sup>

The conflicting pressures brought to bear on the Police in London are severe. This analysis does not set out to claim that the challenges of policing London are any different to those nationwide, but it is clear that the mountain to be climbed is that much bigger. Its importance as a quality of life issue in London touches many people in London directly. The urgency of remedying the situation is all the greater by the suggestion that policing is growing more distant from the people it is meant to serve. Also, those the Police find it hardest to win the trust of are very often the most vulnerable to crime. This, combined with a faltering grip on law enforcement, leads to a situation where the public in turn are more likely to assume that Police are not interested. Examination of this 'disconnect' has only taken place in relation to specific communities, but there is now increasing evidence that it is more widespread.

The fulfilment of expectations is an important pretext for successful policing. Where public confidence is doubtful, complicity between public and Police suffers, with obviously damaging consequences for enforcement. Once damaged or lost, its recovery is a difficult task that requires treatment as a priority task. Rather than being seen as the means of guaranteeing the mutual protection of the law, the Police come to be seen by some quarters of society as a distant mechanism for punishing people or simply as failing local communities by others.

### A question of duty?

A change in the public psyche as outlined above is especially damaging where such great store is placed on intelligence-led policing. Such a strategy will certainly fail where a reasonable proportion of the populace feel disinclined to provide the necessary intelligence, either through antipathy to the Police or through fear of reprisal. Recent research citing reluctance of witnesses to come forward confirms this interpretation, although the conclusions drawn by the IPPR place too much emphasis on systemic problems associated with the criminal justice system rather than individual reluctance to play a part in upholding the law.<sup>12</sup>

### Structure

Neither the structure nor the lines of accountability for policing in London are fully understood by the electorate. The Metropolitan Police Authority (MPA) simply repeats many of the structural problems of Police Authorities nationwide. In common with other Police Authorities, there is a lack of direct public participation in the setting of policing priorities. With consultation used as a poor substitute for direct representation, public expectations tend to get dismissed as unrealistic, or as embodying ineffective means of combating crime. As shown below, these are compounded by the additional involvement of the Mayor and the way in which the MPA is appointed.

### Statistics

Crime statistics currently offer analysts little more than points of historical comparison and are released on a level and at intervals that obscure the study of true patterns of offending. They fail to

inform public decisions about the degree of Police success in tackling crime or to illustrate public faith in the Police's selection of tactics or of priorities. The Home Office's recent use of weekly statistical reporting in the Street Crime Initiative seems to have concentrated the minds of officers locally. However, initiating this as an instrument of centralised control distorts operational priorities, rather than informing and sharpening them. Priorities are forced to conform to national targets rather than to local priorities derived from those the Police protect.

### **Changing Crime Patterns**

The current Government has of late reaped the reward of Conservative policy in relation to tougher penalties, witnessed in reductions in some categories of offences. It is often unclear as to whether this heralds a lasting improvement in categories of offences like burglary. What is clear is that even if the 9% reduction in street crime in the Capital between April and August 2002 proves to last, this rate of decline will have to continue for another year to return to the levels of offending as at March 2001. All that can be safely said is that the pattern of crime in the UK is constantly shifting, but that operational priorities move insufficiently fast, and find themselves the target of prescriptive, broad-brush national initiatives. Violent crime, street theft and low-level disorder have continued their seemingly inexorable long-term rise, despite recent modest reductions. Most notably, however, the clear up rates for these offences remain low.

### **The Government's Response**

The Government's response to these changing circumstances has been a range of initiatives that do not amount to a coherent solution. Their impact has been diluted by the importance attached to press coverage for the administration, leading one to suspect that very often the course of action is shaped more by the need to be seen to do something, rather than by rational analysis of the problem. This incoherence has particularly affected London which has also seen institutional changes.

### **Crime & Disorder Reduction Partnerships**

Crime & Disorder Reduction Partnerships were designed to promote agreed strategies between local authorities and the Police. They were heralded as a major response to the problem of distance between public and Police. However, Home Office research has suggested that their methods of consultation have tended to ignore some of the most useful groups.<sup>13</sup> Indeed, liaison appears largely to repeat existing contact between institutions rather than reaching out to make contact with individuals. Their success in ensuring the transition from strategic contemplation to tactical action is therefore in question.

### **Metropolitan Police Authority**

The establishment of the Metropolitan Police Authority (MPA) was ostensibly geared towards improving accountability, by bringing London into line with the rest of the country and superseding the Home Secretary's direct supervision. It has however repeated the structural problems associated with Police Authorities, namely the tripartite London Assembly member, magistrate or independent composition. There is also no uniform mandate among the members of the board, as their basis of selection varies, as explained below.

The Mayor appoints 12 of the 23 members of the MPA Board from amongst the London Assembly. A further five members, consisting of four magistrates and one independent, are appointed directly by the Home Secretary. The remaining six independents are advertised openly. The Chairman of the MPA Board is then chosen by its members.

An overly complicated structure has created a situation where policing is driven more by abstract policy than by operational need. The political priorities in evidence are more responsive to the MPA's internal politics than to the need for transparency to the electorate that the MPA Board should provide. The effectiveness of the body is also compromised by the uneasy budgetary balancing act between the MPA and the Home Secretary.

### **Police Reform Bill**

The government's Police Reform Bill seeks to minimise local discretion at a time when 'broken windows', problem-solving and Compstat-led policing has worked so well in areas of the USA.<sup>14</sup> At a time when increased local and personal attention to winning back communities house by house, street by street, can be shown to bear results in preventing crime, the Home Secretary is looking to bypass local commanders' ability to decide their own policing priorities. Home Office research tends to suggest that local attempts to define targets for policing are already in conflict with the extent of central direction.<sup>15</sup> Also, the Bill seeks to put Community Support Officers into frontline street policing, one of the most challenging environments, even for officers with full Police powers.

## **POLICY IDEAS**

### **Abolition of the MPA & rescinding of Mayor's powers**

The Metropolitan Police Authority (MPA) would be abolished in favour of the directly elected Borough Policing Representatives. The Mayor's powers over policing would be rescinded. Both these measures would avoid the current 'dilution' of accountability that sees control over law and order issues buried amongst electoral concerns for the Mayor and London Assembly that are totally divorced from policing. It would also avoid the perception that policing representatives are too obscure or too remote.

### **Elected Police Chief & directly elected Borough Representatives**

An elected Police Chief for London would be instituted to act as a directly accountable figure in the running of London's police. Elected by Londoners over the same term as the Mayor, he would have control over London's police budget and would be accountable to a chamber of elected representatives from each Borough. The committee of Borough Representatives would have no power to influence operations on a short-term basis, rather relying on the planning process inherent in the preparation of the Annual Police Budget. Their main purpose should be to exert influence on the Police Chief to ensure that local priorities are represented.

### **Accountability for Metropolitan Police Commissioner**

The Metropolitan Police Commissioner would report directly to the Police Chief, justifying operational performance on a weekly basis. The Police Chief's powers would extend to influencing operational matters where he can justify such interference to his watching electorate.

### **A single Police force for London**

The City of London Police, British Transport Police and Royal Parks Police would be merged into the Metropolitan Police Service (MPS) so as to provide a consistency to police provision, a unified command structure and greater operational cohesion.

### **A greater role for HMIC**

The role of Her Majesty's Inspectorate of Constabulary (HMIC) would be expanded to ensure that the Police Chief and

Commissioner of the MPS were acting in the public interest and not ultra vires. The Police Chief and MPS, through HMIC, should feed back to the Home Secretary any requests for statutory changes required.

### **Improved statistical reporting**

These measures should be combined with an improvement in statistical reporting, with greater frequency and prominence afforded to the reporting of crime figures. These should be available down to a Basic Command Unit (BCU) level and should be reported both internally and publicly on a weekly basis. This should be accompanied by the creation of a strict hierarchy of officers ultimately accountable to the elected Police Chief for explaining fluctuations in rates of offending and the measures being employed to tackle particular problems. In turn, such explanations would be made public, although operational details would not where efficacy would be compromised. Clear up rates should be emphasised to encourage policing that is geared towards making crime a high risk activity again.

### **Discretion with accountability for local Commanders**

Home Office involvement should be returned to a situation where it provides guidance purely from a best practice point of view. The current fiction that what emanates from Queen Anne's Gate is solely guidance for New Scotland Yard should cease. The Home Secretary's intervention should not extend to the forcing of particular operational decisions and be confined to the following areas:

- *Best practice guidance;*
- *Enabling legislation;*
- *Cooperation with national agencies;*
- *Cases of negligence or criminality by the Police Chief.*

Faith should instead be placed in the level of accountability that local commanders have to their superiors, their Borough Representative and to local residents rather than in the current Home Secretary's target culture. The role of these kind of structural measures in persuading people that they have a stake in their local Police is essential and that they can demand action on a particular problem. They are, however, only part of the new policing model for London. The remaining policy suggestions relate to the operational implications of bringing the MPS's decision-making process about its priorities closer to Londoners, and alleviating some operational problems.

### **Engagement with the Community**

Community-based policing emphasises a high local profile for the Police and a permanent presence in the community, and in its best implementations responds to problems or concerns as they arise. It should be universally adopted, not just when relations have broken down – usually when this has happened it is too late to rebuild trust from anything other than scratch. Research suggests that community-based policing conforms more closely to what people want, thus safeguarding against a mismatch between the priorities of the Police and the local population. Police should resist the temptation to base community liaison upon institutions that tend to reflect the local community's views in a limited fashion. Individual contact goes much further in avoiding the impression that contact with the Police occurs only when something has gone wrong.

### **Emphasis on Individual Contact**

The MPS should encourage local commanders to ask their officers to canvass their Basic Command Unit (BCU). If politicians can canvass voting intentions in a meaningful sense, then surely the Police can canvass residents' views to extend their contact. By treating the people they serve as individuals rather than as a crudely segmented lumpenmasse, the MPS can obtain a closer

feel for what people see as policing priorities. To make this work though the MPS should spell out the need for commonality of interest if policing is to work.

### **Redefine the scope of police activity**

The MPS needs to address the chronic shortage of Police officers. This could be easily offset by the withdrawal of officers with full powers from traffic duty. Traffic duty is one of the most process based areas of Police activity and occupies nearly 10% of Police time.<sup>16</sup> Responsibility for traffic policing in London should be devolved to local authorities, using an expanded force of traffic wardens. The current delineation between traffic wardens and Police officers on traffic patrol no longer makes sense, particularly when the Home Secretary is considering the introduction of Community Support Officers.

This development has also been tested recently when the MPS Commissioner, Sir John Stevens, announced the temporary transfer of traffic policing to traffic wardens in the light of the additional policing requirements following the terrorist attacks on New York. The development of speed camera technology means that the time for separation of these roles from the MPS has come. Responsibility for investigating criminal offences relating to driving would of course remain with the MPS. The release of Police resources would be a welcome fillip to Police numbers. It would also absolve the Police from dealing with one of the most unpopular areas of policing.

### **Witness Intimidation**

London in particular suffers from appalling clear-up rates and from problems in obtaining convictions. Problems in obtaining convictions are well reported. They are, amongst other factors, the result of witnesses unconfident of their safety and criminals or associates emboldened to intimidate those who help the Police need. Tariffs for witness intimidation should match those for perjury and contempt of court. The damage inflicted on the criminal justice system by simple acts of menace is inestimable. An offence of being an accessory to witness intimidation should also be introduced.

### **'Semester' sentencing**

Prisoners serving sentences for certain categories of offences should be made to serve their sentences on a 'semester' basis. Achievement of a certain standard or an improvement in a particular endeavour, whether in education, in skills training or in counselling for behavioural problems, would allow prisoners to proceed to the next stage of their sentence. A refusal to train or to equip for the outside world would result in a prisoner's sentence being served at 'normal rate' or even at a 'decelerated rate'. The semester system would give sentences a structure and continuous purpose. Prison should be as much about criminals becoming a credit to themselves as about paying their debt to society.

## **CONCLUSION**

These proposals are geared at renewing trust and accountability between individuals and the police. A gap in this relationship is born of frustration (mistakenly placed or not) at Police priorities and low clear-up rates. Civil society cannot hope to win the fight against crime unless complicity between public and Police is strong. Policy must now reflect the fact that this relationship is more valuable to lasting success than unyielding central government control. If nothing else, London's problems of high offending rates and low levels of faith in the Police justify acceptance that policing in the Capital requires autonomy and local accountability if it is to succeed.

# A HEALTHY CITY? SICKNESS AND HEALTH IN THE CAPITAL

NICHOLAS VINEALL

## BACKGROUND AND ANALYSIS

There are seven million people in London, and the London health services consume about £7 billion of public money a year. Generally speaking the health problems facing London mirror those found in the rest of the country. High population density and a mobile population impose pressures on parts of the service but such pressures are not unique to London. London has a disproportionately large number of teaching hospitals. Retention and recruitment problems in London are acute: the proportion of medical staff expenditure on locums in the non-teaching London hospitals is higher, at 10%, than in any other category of hospital in the country.<sup>1</sup> The inability to negotiate pay locally causes particular problems in London, where London weighting is widely felt to be insufficient to compensate for the increased costs of living in the capital. Turnover of nursing staff in inner London hospitals can be as high as 38% a year, and 18 of London's 33 acute hospital trusts have annual turnover rates exceeding 25%.<sup>2</sup> No organisation can hope to provide an acceptable service with that level of turnover.

Life expectancy in London is similar to the country as a whole, but the average conceals significant variations: London is a prime example of very unequal health profiles. For instance life expectancy in Westminster is around five years greater than in Newham, and infant mortality varies from 8.9 per 1000 live births in Hackney to just 3.6 in Bexley.<sup>3</sup>

Londoners should have many advantages when it comes to the provision of health care. If the NHS provided choice, that choice would be at its greatest in London, where everyone is within easy reach of a large number of GPs and other primary care providers, and everyone is within reach of a significant number of hospitals. Health service provision based on choice and diversity ought therefore to work especially well in London. This ought to mean that London is a prime area for the exercise of patient choice and that London should offer a vibrant diverse and competitive market in health provision. The reality is rather different.

## The Two Big Questions

The two most fundamental questions in health policy are:

**How and by whom should health care be funded?**  
**How and by whom should health care be provided?**

The answer to both questions is, at the moment, the same – the state both funds, and provides, the great majority of health services. But it is vital to appreciate that a state funded system need not be state provided.

The great majority of UK health care is funded by central government. There is very widespread popular support for this method of revenue raising.

Labour has refused even to examine whether central taxation revenue is the best source of funding the overwhelming bulk of health care. The Wanless Commission's terms of reference explicitly precluded any examination of the different possible methods of funding the health service. This is a curious approach, for the Government has set a bench mark on health funding which is explicitly related to EU spending levels (suggesting that EU comparisons are valid), yet Britain is unique in the EU in the way in which it funds health care.

The Conservative party is right not to shy away from this, the most profound, health policy issue, but it is an area that should, we suggest, be approached with the greatest caution.<sup>4</sup>

There is so much to do, and so much that can be done, in improving the delivery of health services that the prudent course may be an early decision to maintain an explicit commitment to the present system of funding. Any radical revision of the way in which health revenue is raised, rather than spent, will fail to command popular support. Such a change is also unnecessary, since there is a wide range of policies that ought to be implemented to improve delivery within the framework of the present funding system. Unless and until those policies are tried, the present funding scheme should be maintained. The focus of this section of the Ideas Book is therefore the supply of services, not their funding.

## Labour's Record

The latest statement of Labour thinking on the NHS is to be found in "Delivering the NHS Plan", published in April 2002 to coincide with the announcement in the Budget of substantially increased spending on the NHS, intended to bring the total UK health spend roughly into line with the EU average by 2008.<sup>5</sup>

Taken at face value, there is much for Conservatives to welcome in Labour's rhetoric. The critical purchaser-provider split, an essential feature of the internal market that Labour claimed to abolish, has been maintained<sup>6</sup>. And Labour now claims to be working towards:

- Greater autonomy of service providers and service purchasers, including the creation of Foundation Hospitals and Foundation Primary Care Trusts (PCTs);
- Greater focus on patient choice, and on local accountability;
- Greater willingness to allow the purchase of care from private providers.

A closer analysis of each these three areas shows that in some areas Labour's rhetoric is inconsistent with past performance, and it is unclear whether there is a true commitment to practise what is preached. And the emphasis on health care (which means dealing with sickness), rather than health (avoiding sickness in the first place), shows that, whilst Labour continues to attempt to micromanage the service delivery by a million NHS employees,

Labour has failed to identify and focus on one of the key areas where a central lead is most necessary.

### **Greater Purchaser and Provider Autonomy: Labour's Failures**

In its first five years of Health Policy Labour has remained doggedly centralist. "An overwhelming impression ... is one of relentless, almost hyperactive intervention. A formidable torrent of pledges, policy documents, laws, regulation, advice and guidance has been issued from the Department of Health, without let up since 1997 ...."<sup>7</sup>

This endless central interference is having a profound and serious adverse effect on those who work in public services. The Audit Commission has recently carried out a survey of those leaving public service positions. Half of those surveyed cited excessive paperwork and bureaucracy as the most important reason why they left.<sup>8</sup>

Labour claims that it wants to decentralise, but shows very little evidence of being prepared to do so. The principal reason for denying local decision-makers any real autonomy is paranoia over allegations of so-called "post-code rationing": the possibility that health priorities might be set differently in different areas, leading to differences in the provision of care.

### **NICE: a botched solution to an imagined problem**

Labour's response to disquiet over post-code rationing was to create the National Institute of Clinical Excellence. Despite its name NICE is in fact now a new, centralised, NHS drug-rationing body.

NICE looks at expensive drugs and treatments (so far about 35 drugs and treatments have been assessed) and attempts to form a view as to whether or not they are likely to be clinically and cost-effective. From 2002 its "Guidance" has become mandatory, so that NICE is now deciding, centrally, whether specific drugs or treatments should or should not be routinely available on the NHS.

There is no ring-fenced budget for NICE-approved drugs, so that a central imprimatur for a new drug inevitably imposes pressure on other parts of Health Authorities' budgets. Evidence to the Commons Health Select Committee from Health Authorities suggested that implementation of NICE guidance has led to cuts in other services – and that those cuts vary from region to region.<sup>9</sup> NICE therefore shifts regional variations, rather than preventing them.

### **Foundation Hospitals**

A new mantra is emerging in Labour policy-making: "earned autonomy". This concept, as Damian Green has pointed out in the field of education<sup>10</sup>, is a classic New Labour oxymoron. You can be autonomous, as long as you do exactly what the Secretary of State wants you to do.

Labour proposes that hospitals which have jumped through the centrally-imposed hoops set by the Department of Health should be permitted greater autonomy within the NHS.

Labour's Foundation status is intended to provide a welcome – though presently rather vague - increase in a hospital's powers and independence. There is no reason why these increased powers should not be available to all hospitals, unless perhaps it is a fear that a free hospital of this sort would somehow go off the rails. But is this a real possibility?

It is accepted that in a state funded system, and especially in a system that delivers a service which the end user – the patient - is not always able to evaluate reliably, there needs to be careful setting, and governance, of overall standards. But one need not fear that greater freedom for GPs or hospitals would mean they would be free from any intervention should they be failing. There are now five bodies responsible for standard setting, four bodies responsible for regulating organisations, plus the Royal Colleges, plus another nine regulators of the health professions. That structure is then capped by regulation of the regulators by Central Government, the proposed new Council for the Regulation of Healthcare Professionals, and the proposed new Council for the Quality of Healthcare. In this context, under-regulation is unlikely to be a serious problem.

### **Primary Care Trusts**

On the purchaser side of the equation, we welcome the new structure of Primary Care Trusts (PCTs) and the government's intention to devolve to PCTs a large proportion of NHS spending. But, as the King's Fund points out, giving PCTs the responsibility of commissioning hospital services locally – if it is to have any meaning – must amount to more than the "freedom" to implement detailed DoH directives.<sup>11</sup>

On the purchaser side Labour again toys with the idea of autonomy and again proposes offering Foundation status to "high performing" PCTs (and NHS Trusts), with stronger self governance, increased powers over their own assets and better access to finance. Again we fail to see why increased freedom from Whitehall interference should be permitted only to those who most closely achieve Whitehall targets.

### **The Internal Market**

Labour wishes to create an internal market with entirely fixed prices.

It proposes to use Health Resource Group benchmarks (HRGs) to establish a standard, although regionalised, tariff for the same treatment regardless of provider.

At least in the medium term and probably for so long as it is publicly financed, health provision is not amenable to a fully competitive free market approach. At a practical level, there are serious difficulties in assessing the true cost of high capital investment services that are provided by organisations that have been built, maintained, and run for 50 years by the public sector. And there are some services, most obviously emergency services, where there is unlikely to be any real competition available: in most parts of the country there will be little real choice of destination for an ambulance carrying a badly injured motorcyclist – even if the motorcyclist were able to express a considered view on the issue.

But the fact that price competition is not appropriate for all elements of health service delivery does not mean that there should be no price competition at all.

### **Patient Choice and Local Accountability**

Patient choice, of all services other than those provided by GPs, will always be mediated to some extent by GPs. GPs see their patients return from hospitals and are usually better able than patients to exercise an informed choice, both because they can rely on their own experience of many patients, and because they are better equipped to interpret the more objective comparative data on performance by service providers.

If Labour's recent pronouncements are to be believed, patient choice in this sense is firmly back on the health policy agenda. But Labour is a recent convert to patient choice: if the conversion is genuine, this is a welcome policy U-turn. In its first term Labour effectively abolished GPs' right to refer to a consultant of choice, and it spent the late 1990s attempting to justify the lack of patient choice.<sup>12</sup>

Now, however, it is claimed that patients will choose hospitals, and that to be able to do so they will be provided with "independently validated information" about the availability, quality, and performance of local health services.

Much of what Labour says about patient choice is sensible: but will they deliver? Labour's promise is that by 2005:

- all patients will be able to book appointments at both a time and place that is convenient to them; and
- the latest IT systems will allow GPs and patients to see which hospitals have capacity to treat more patients quickly, and book on line.

As the second of those promises shows, Labour has implicitly accepted that to make patient choice work there has to be accurate and up to date information available about services so that a patient or GP's choice is based on adequate data.

Here there is good reason to doubt Labour's true commitment to the free flow of impartial information. Since their creation in 1974, Community Health Councils (CHCs) have provided a truly independent overview of the actual performance of health care providers. The pan-London monthly "Casualty Watch" survey of A&E waiting times has often embarrassed governments by suggesting that casualty waits are worse than official figures suggest, and some of the London CHCs were amongst the most effective in the country. It is plain that not all data produced by hospitals is reliable. The danger of a top down approach to target setting and monitoring is the distortion of clinical priorities: a target is set, and then everyone works towards that target even at the expense of overall standards of care and even if clinical priorities are abandoned in the process.

### **Private Providers**

Labour has flirted with the use of private providers to supply NHS funded healthcare. But how deep does this apparently Damascene conversion run?

In Delivering the NHS Plan the government picks its words carefully: "We will continue to use private providers where they can genuinely supplement the capacity of the NHS".<sup>13</sup> That sounds very much as though use of the private sector is seen as a temporary stop gap: private provision will be used to shore up publicly delivered provision whilst public provision catches up, but is still regarded as very much a second choice. Labour's true intentions remain unclear.<sup>14</sup>

Plurality of provision may well lead to some very desirable results. In the public sector there are outstanding examples of specialist hospitals that have developed world-beating expertise in specific areas. Market pressures, which will inevitably work best in private sector provision, are particularly likely to drive towards greater efficiency in high volume, relatively routine work.

### **Public Health: In Sickness and in Health**

Government "health" policy continues to focus on the role of the NHS in reacting to ill-health. Yet Department of Health estimates suggest that smoking, lack of exercise, obesity and alcohol

together account for 50 per cent of preventable life years lost<sup>15</sup>. Around a third of all cancers are related to smoking and a further third to diet.<sup>16</sup>

No Labour Secretary of State for Health has been associated closely with any public health reform. Health, rather than sickness, is always delegated to junior ministers. Insofar as the Government has targets they are typically socialist in formulation, defining the target in terms only of reducing differentials<sup>17</sup>, and the focus is on the so-called "health gap".

### **POLICY IDEAS**

The GLA has no responsibility for health care. This should remain the position. Health provision is already over-politicised. Close links to an inevitably politicised body such as the GLA are likely to make matters worse rather than better. A key part of our recommendations is that central government is over involved in the detail of health provision. There is no advantage in moving the source of interference to local government level, whether the London boroughs or the GLA. The answer lies in devolving responsibility for delivery issues to those charged with the task of delivering, not to a different raft of politicians.

#### **Advisory status for NICE Guidance & increased discretion for London healthcare providers**

It is proposed that NICE guidance should revert to being advisory. NICE guidance is in itself valuable and relatively inexpensive: NICE therefore performs a valuable function and should be maintained. However, NICE will not remove regional variations unless it provides binding guidance on every single drug or treatment presently available on the NHS – clearly an impossible task. By attempting to centralise binding guidance on a small number of expensive drugs and treatments, NICE introduces unwarranted interference in clinical judgment as it applies to individual patients.

#### **Foundation Status for all Hospitals**

Foundation Hospital Status should be available to all hospitals that want it. The freedoms granted to Foundation Hospitals should include the ability to set their own rates of pay. The difficulties of recruitment and retention in London are more likely to be solved by individually negotiated pay rates than by, say, global changes to London Weighting. London is far from homogeneous and even in Inner London a single and uniform London Weighting allowance is likely to be too blunt an instrument properly to fit supply to demand.

#### **Foundation status for Primary Care Trusts and NHS Trusts**

Foundation status should also be available to all PCTs and NHS Trusts who wish to take advantage of the greater freedoms it offers. The plethora of targets imposed centrally is undoubtedly counterproductive. The one target that the government ought to set – for itself - is to reduce the number of targets and directives coming from Whitehall. If an explicit self-denying ordinance is required, we would suggest a downward ratchet: a commitment to reducing, year-by-year, the number of DoH Guidance circulars.

#### **Private health providers to quote against Health Resource Group (HRG) benchmarks**

In the short term, price competition between publicly run providers should be avoided. But there is no reason whatsoever to prevent private providers from offering services below HRG prices. Provided that service standards were no lower than public providers', and provided there were safeguards to ensure that the price was maintained for a reasonable period of time, this limit-

ed element of price competition would be highly beneficial in two respects.

The first advantage is obvious: if in the long run, it turned out that a private provider could provide a high standard of, say, hip replacements, or post natal care, at a lower price than the HRG price, money would be saved. Perhaps more importantly, if it transpired that a large number of private providers repeatedly achieved a high standard of provision below the HRG price, it would suggest that the HRG price was too high.

There should be no dogmatic attachment to private, nor indeed to public, providers. It is impossible to know whether private providers will be able to compete on price without compromising quality. Indeed there is much evidence to suggest that publicly provided health service provision is cost effective<sup>18</sup>. But there can be no possible disadvantage in testing whether this is so by allowing at least some price competition between public and private providers. If public provision is cost-effective it has nothing to lose. If and to the extent that public provision is inefficient and too costly, that should be made clear. Accordingly, private providers should be entitled to depart downwards from HRGs when tendering to provide services.

### **Renewed Accountability to the Patient**

There needs to be a bottom up mechanism for monitoring. There need to be groups that measure what they want to measure, without being tied to the artificiality of measuring everything against central government targets, a task which the NHS ought to be able to perform itself.

Labour's decision to abolish CHCs is flawed. Some system akin to CHCs should be reintroduced, though each new monitoring body should cover three health authorities in order to permit meaningful comparisons to be made. The detailed constitution of these bodies should be the subject of consultation. In London, these successor bodies should have the following features:

- a membership determined wholly independently of the NHS, perhaps partly, but certainly not wholly, by GLA nomination;
- the ability to set their own agenda, so that they are not tied to assessing whether central government targets have been met.

### **Diversity in service provision**

The introduction of a diversity of service providers – including private sector providers – is critical to the future health of nationally funded system. Indeed, it is noteworthy that the areas of health care where anecdotal evidence suggests dissatisfaction is strongest are those that are most uniformly provided by the public sector. There are few complaints about optical services (predominantly privately provided); no-one complains about pharmacies (virtually entirely within the private sector).

Private sector providers should be permitted to tender to supply NHS funded care, and should be permitted to compete with the public sector on speed, quality, or price. Service provision is not an ideological consideration: it is impossible to know whether private service providers will be better than public service providers or vice versa. There should however be an explicit commitment to the best available service being available to patients “on the NHS”, that is to say, publicly funded.

It is anticipated that permitting private providers might, over the medium term, lead to privately provided (but predominantly publicly funded) general hospitals providing relatively routine care and routine treatment. It is unlikely that accident and emergency, or highly specialised treatments, would ever be an attractive

proposition for a private provider. But one of the difficulties faced at present by general acute hospitals is that the uncertainties of accident and emergency admissions, and a shortage of beds, are a major cause of the cancellation of non-urgent operations.

### **Higher priority to public health policy**

The promotion of health is undoubtedly a proper role for central government. The extent to which lifestyle affects health is staggering as the figures set out above show. Government should not coerce, but should make better efforts to inform. The recent lead taken by George W Bush in the USA is instructive. He claimed that if just 10% of Americans began walking regularly, Americans could save \$5.6 billion in costs related to heart disease.<sup>19</sup> That made world news. A Health Secretary who was less involved in the day to day running of health service provision would be able to focus more on similar messages for Britain.

## **CONCLUSION**

It is tempting, in an Ideas Book, to compile a long list of minor but desirable reforms to health service provision: surgeries should be open late in the evening; GP appointments should be bookable on-line; hospitals should have more frequent unannounced cleanliness checks; and so on. But to do so would be to follow Labour into the trap of centralised micromanagement of provision. If these reforms really are good ideas, many of them will happen if purchasers and providers are allowed freedom in the way in which they commission or provide health care.

Much more important, and the proper focus of centralised policy making, are the difficult and overarching questions of fundamental reform in service provision. On examining the detail of Labour policy it becomes clear that Labour is afraid to let go. Labour is unprepared to allow health care provision the freedom it needs to succeed. There is no reason to suppose that those who presently provide healthcare in London do not wish to improve those services. They should be given the maximum freedom from central interference to enable them to do so. And if there are problems with publicly provided provision which the private sector can overcome, the private sector should be permitted to compete with the public sector for the provision of state funded services.

You cannot allow freedom to succeed without allowing freedom to fail. Perhaps Labour has insufficient confidence in those who presently provide health care to permit the freedom to succeed, lest they fail. You cannot allow freedom to choose without freedom to be different: perhaps Labour is too terrified of charges of post-code rationing to permit there to be any regional variations in priority setting. And you cannot truly allow freedom to deliver the best services without freeing the public and private sector alike to provide those services. Whatever the reason for the Government's timidity, it provides the opportunity for an exciting and radical health care agenda for London driven by Conservative principles. The opportunity is ours to grasp.

# REFORM OF GOVERNMENT IN LONDON

JAMES BARRATT

## BACKGROUND AND ANALYSIS

After a 14 year absence, May 2000 saw devolved government returned to London. Initially opposed by the Conservative Party, there is now cross-party consensus that London has its own unique problems which are best solved by having its own regional governance institutions.

Yet despite massive publicity, the public remain unaware of much of the details of how London is governed. The Greater London Authority's 'Annual London Survey 2001' conducted by MORI showed that while 77% of Londoners know the name of the Mayor of London, only 35% are satisfied with the job he is doing. Worryingly, few people understand the powers he has:

- 28% believe that he is responsible for co-ordinating the London Boroughs
- 11% believe that he is responsible for Education in London
- 12% believe that he is responsible for the Health Service in London
- 23% couldn't even hazard a guess as to what he does.

Bad as these results are, they compare very favourably to the answers given by Londoners when asked what they thought the London Assembly did. 59% said they did not know and only 17% of people said that they were satisfied with the job the London Assembly was doing

London is a massive world city: A central, strategic view and input from a Mayor, as the Capital's champion makes sense. But how best can a truly devolved city government work with the Boroughs to provide services that people need without duplicating effort and with value for money? How can the Boroughs, who are finding it harder and harder to fund the services that they have responsibility to provide (especially in the area of Social Services) come to terms with a modern world in which local authorities have increasingly limited powers?

London's 32 Boroughs (33 with the Corporation of London) were conceived at a time when London was a shrinking city and Borough identities were distinct. Today, many Boroughs are finding it increasingly difficult to provide the services that they are responsible for and that local people need. The boundaries from one Local Authority to the next are blurred. The Boroughs are too small to operate efficiently in today's ever more complex and customer led world.

### The Advent of the GLA

A defining part of Tony Blair's first administration was radical reform of Britain's constitution. Power of self government was conferred to both Scotland and Wales in 1998 and then to London two years later. The stated aim of devolving power to a directly elected executive Mayor, to be scrutinised by an elected

Assembly of 25, was supposed to deal with strategic London problems and bring decision making closer to the people.

Two years on, and despite having one of the largest personal political mandates in the World, precious little freedom to make decisions or powers to govern has been granted to the Mayor of London. Whitehall still controls many important aspects of London government through the Government Office for London (GOL). An example of this interference is the Treasury's refusal to allow the Mayor to make a decision on how to finance and manage the desperately needed improvements to the Tube network, despite this issue regularly being at the top of Londoners' list of concerns. The government's desire to keep control is also evident through the fact that the Secretary of State for Local Government is mentioned more times in the GLA Act than the Mayor himself.

At the same time, central government has also increased its control over London's Boroughs. Specific grants now represent 14.3% of total central support for English local authorities in 2002-2003, compared with 4.3% in 1997-1998.<sup>1</sup>

## POLICY IDEAS

### TRUE DEVOLUTION

#### Abolition of the Government Office for London (GOL)

Despite sanctioning a directly elected executive Mayor the Government continues to operate the Government Office for London (GOL), which still administered a budget of some £2.1bn in 2001/2002. Many of GOL's functions replicate work now done by the GLA, for example, in planning, neighbourhood renewal and crime reduction schemes. The government should abolish GOL. Where GOL's responsibilities do not fit with the remit of the GLA, powers should be returned to the relevant government department or to the London Boroughs.

#### Autonomy for the London Development Agency

The Government should give the London Development Agency full powers over regeneration throughout the Capital. Economic development is a cross-London, strategic issue, best handled by the GLA rather than individual Boroughs which are even under this document's recommendation to merge Boroughs too small to tackle the complexity of larger strategic planning problems.

#### The Mayor

The London Mayor is theoretically meant to be able to deal with London's strategic problems and use his mandate to take on the government when the Capital's interests are threatened. He has, to date, not been given the full range of powers to carry out his task.

#### Tax-raising powers

The government should give the Mayor more powers to raise taxes directly. The current system of the GLA raising tax through

a precept, collected by the London Boroughs through the Council Tax system, is not transparent enough. Nor does it offer real scope for change as the GLA is subject to Council Tax capping in the same way as any other Local Authority.

### **Control over public transport**

The government should hand over control of the Tube and the responsibility for its future funding and improvement to the GLA immediately. Either the Mayor or, as proposed elsewhere in this publication, a directly elected Transport Commissioner, should have an electoral mandate and be held directly accountable for the success or failure of the Tube system.

### **Control over senior appointments**

Apart from a few personal appointments all other hiring and firing is approved by the London Assembly's Appointments Committee. The Government should change the Act to allow the Mayor to appoint all his own senior staff, in the same way US administrations work, to allow him to carry out a more effective delivery of his manifesto.

## **THE BOROUGHES**

### **Borough Reorganisation**

New York, a city with a comparable population to London, has five Boroughs. The government should reorganise Borough boundaries in London, making them into larger geographical units. This would have a number of advantages. Economies of scale would be drastically increased; Boroughs with recognised achievement in particular fields would be able to take the lead in a wider area; Boroughs' ability to lobby and negotiate with the Mayor of London would be strengthened in proportion to the number of people they represented. The Boroughs should be reorganised under either a five Borough New York style, with boundaries roughly South East, South West, North East, North West and Central or a 14 Borough system, with the Boundaries mirroring London Assembly Constituencies.

### **Reduced numbers of Councillors**

The opportunity should also be taken to bring about a radical modernisation of the way London's Boroughs operate. The number of Councillors should be reduced considerably with the creation of single-member wards. This would create efficiency savings and also increase democratic accountability as local people would be able to identify and judge their councillor more easily.

### **Introduction of Borough Mayoral system**

Councils should be instructed to hold referenda on moving to a Mayoral system, further rejuvenating local politics, and creating clear political leadership at the local level.

### **Clear financial accountability and tax-raising powers**

The London Boroughs have very little control over their budgets, as does the London Mayor. The largest source of their income is from government grant and much of that government grant is 'ring-fenced'. Business rates are set centrally. As Iain Duncan Smith has said: "The problem is not that voting is too difficult, but that abstaining is too easy. Put simply, not enough is at stake"<sup>2</sup>. The government should give Local Authorities more freedom to raise local taxes and reduce the number of areas where grants are specified for particular purposes. It should return the Business Rate to local control. This need not mean an overall increase in the tax burden for residents, especially if Boroughs were merged into more cost-effective units as outlined above.

## **THE SCRUTINY ROLE**

### **Adoption of a 'first past the post' system**

Scrutiny of the London Mayor is currently carried out by a 25 Member London Assembly. 14 Members are elected through a first past the post system with constituencies made up of two or three London Boroughs and 11 'London-wide' Members are elected by PR from Party lists. This electoral system means that no one Party will ever have an overall majority. The electoral system should be reformed to first past the post, greatly increasing the chances that one political party would have a majority. This would strengthen the scrutiny powers of the Assembly considerably. Such a first past the post system could be set up by allowing one or two Members to be elected for each GLA Constituency, giving a total of 14 or 28 London Assembly Members.

### **Focal point for opposition**

A Party with an overall majority on the Assembly, elected under the above system, would then be able to appoint a genuine 'leader of the opposition' to oppose the Mayor and become a focal point for alternative solutions to London's problems. An adversarial edge to politics encourages alternatives for the electorate to focus on, while consensus politics frequently kills debate.

### **Statutory Status for the Association of London Government**

Much of the work and lobbying done by the London Assembly is duplicating that done by an already well staffed Association of London Government (ALG). The ALG should become a statutory consultee for the Mayor, with a quarterly question time at which Borough Leaders would be able to question the Mayor and his senior officers.

### **Official role for runner-up in Mayoral contest**

In order to increase scrutiny of the Mayor, the runner-up in any Mayoral contest should be entitled to a non-voting seat on the Assembly, with the potential to become a de facto Leader of the Opposition. He should have a powerful and well-defined role at Mayor's Question Time, holding the Mayor to account for his decisions in a public forum.

# FINANCE IN THE CAPITAL: MAKING LONDON'S GOVERNMENT ACCOUNTABLE

MARK NICHOLSON

## BACKGROUND & ANALYSIS

### Problems with London's Finance

- **Only a minority of the costs of London's Local Government is raised by local taxpayers. This disguises its true cost and justifies continued interference from central government.**

London's nominal devolution is in practice severely constrained by its accompanying financial settlement. Only 20% of the GLA's revenue is raised through council tax.<sup>1</sup> 59% is received as direct subsidy from central government while 21% comes from the redistribution of business rates.

The London boroughs are also heavily subsidised by central government. Only 12% of Tower Hamlets' spending is locally raised and even in Richmond, one of London's most affluent boroughs, only 48% of local needs are met through local taxation.<sup>2</sup>

- **The GLA and the Boroughs are funded by the same tax, Council Tax. This obscures the responsibilities and hence the democratic accountability of the Boroughs, the Mayor and Assembly.**

The costs of the GLA raised locally are charged via tax bills sent out by the 32 borough councils (and the City), leading to voter confusion<sup>3</sup> and complaints from councillors that they are blamed for the largesse of the GLA.<sup>4</sup>

- **The GLA requires government approval to borrow to fund large capital projects. This is an important brake on local autonomy.**
- **What financial power the GLA has is concentrated in the hands of the Mayor. An unlikely two-thirds majority is required for the assembly to overturn the Mayor's budget.**

There are two key effects of a continued inability to deal with this problem:

### Service Delivery Hampered

From confusion over funding comes confusion over responsibilities. The two year old running battle between the Mayor and the Government for control over reform of the underground network is only the most high profile example of this. The GLA is supposedly in charge of policing in the capital yet the Metropolitan Police are also partly under the remit of the Home Secretary. Likewise the Charter for London's Development is funded by central government yet run by the devolved London Development Agency which strives to meet targets set by the DTI.

If central government continues to foot the bill for services it is logically justified in exerting influence over the way in which

those services are provided. This however leads to confusion amongst those who run the service regarding to whom they should report and amongst voters who do not know who to hold to account for lack of service delivery or tax rises.

### Democratic Accountability Impaired

Unless a voter knows which services each layer of government is responsible for and how much he is paying for the services that he receives, he will be unable to make an informed and rational choice at the ballot box. As in any market, lack of information leads to inefficiencies. In the case of local government, the inability of the voters to hold councils effectively to account and ensure that councils deliver quality services efficiently.

## RECENT BOW GROUP RESEARCH

Any major review of local government finance would have to be made on an England-wide basis. The recent Bow Group Paper No Representation Without Taxation: Reform of Local Government Finance sets out in detail how local government could be made more self-financing without disadvantaging less affluent areas. Below we consider the application of the principle of greater self-financing to London.

## POLICY IDEAS

### Tax Raised by Body that Spends Revenue

Local taxation should be increased to a level at which the average local authority would become self financing. Based on 2001-2002 figures for England as a whole, this would require the local tax take to increase by 168%.<sup>5</sup> This would mean two-thirds of the local authorities across England would become self-financing, including 11 of the 32 London Boroughs. Even those Boroughs that did not become self-financing under the new regime would be raising a greater proportion of their income locally, so enhancing their councils' accountability to the electorate.

### Protection for Less Affluent Areas

At present, to determine how much support each local authority requires, central government calculates a 'standard spending assessment' based on the needs of the area and an 'average' Council Tax take – the amount that the Local Authority would raise in Council Tax if it set its rates at the national average. The level of central government funding for each Local Authority (the Revenue Support Grant) is given by the Standard Spending Assessment less the 'average' Council Tax for that Local Authority Area less the Local Authority's revenue from business rates, which are distributed on the basis of population.

Under the regime proposed, where increasing local taxation by 168% would not meet a local authority's spending needs, the gap would be made up by central government as at present. However the overall central government subsidy to London would be cut from £4.82bn to 1.61bn.<sup>6</sup> This estimate would vary slightly if the number of London boroughs was reduced or business rates

returned to local control as advocated in the preceding chapter or if a significant number of schools opted out of LEA control following the permissive legislation proposed in the chapter on education.

The residents of more prosperous areas would not escape with paying less tax than at present, especially if a progressive tax, such as income tax, was used to raise local revenue. Better-off areas would also pay a disproportionate amount of the central government funding and business rates used to 'top-up' the poorer areas.

### **A Local Income Tax to Pay for Local Government**

Simply extending Council Tax to meet the full cost of the increased local government spending would move the balance of the tax burden more onto property and away from taxes on income and spending. This would disadvantage people, notably the retired, with low incomes but large properties.

Unlike a local sales tax, a local income tax would impact uniquely and directly on the residents (voters) of each local authority and so tie local payment of tax to receipt of services. A local income tax would also be progressive, so not disadvantaging poorer areas. Under a local income tax, poorer areas would be expected to raise a lower amount of their residents' income under a revised 'average local tax' calculation than under a regressive tax, for which the national average would tend more towards a per capita calculation.

To raise local revenue to the required amount, local income tax would have to be charged at an average rate of 8%.<sup>7</sup> However the shift in the pattern of funding from central to local government would allow the basic rate of national income tax to be cut by 8%. Overall, the tax burden would be unchanged; tax revenues would simply be directed to the bodies spending them.

### **Funding of Boroughs through a Local Income Tax**

87% of Local Government spending in the Greater London Area is accounted for by the 32 London Boroughs.<sup>8</sup> It is therefore most appropriate that local income tax should be set individually by each Borough, without restrictive 'capping' by central government. Giving tax varying power to the Boroughs also brings the fringe benefit of encouraging 'tax competition'.

### **Funding of GLA through Council Tax**

Council Tax would continue alongside the new local income tax to maintain the current split of taxation between income and property. To make the link between tax and services most clear for the voter, Council Tax should become a tax dedicated to funding the GLA and set at common band rates across London. As the GLA's budget is less than the amount currently raised in Council Tax<sup>9</sup>, such a system would result in a shift in the balance of taxation from property to income, a move which could have the side effect of helping to reduce the high costs of London property.

### **Controls over Capital Spending**

Like all Local Authorities, the GLA requires government approval to borrow to fund large capital projects. This is obviously a brake on local autonomy, although a valid argument for retaining government limits on local authority borrowing is that a local administration could run up large debts through the financing of major capital projects. This would saddle future administrations and taxpayers with the consequences for many years thereafter, unlike increases in revenue spending which can quickly be redressed following a change of administration.

A possible solution to this problem would require major capital projects (such as the upgrade of the Tube advocated in the chapter on transport) to be disclosed in the Mayor's manifesto. All projects costing more than the threshold would have to be clearly set out and reasonably costed.<sup>10</sup> If a project was not disclosed in this way, the Government would refuse to sanction the borrowing required to fund the project unless a local referendum approved it.

Such a system would clearly define the roles of local and central government and maximise local accountability. It should also initiate a trend towards greater costing in all manifestos.

### **Strengthening the Power of the Assembly**

Reducing the majority required to amend the Mayor's budget from two thirds to a simple majority would make it easier for the assembly to block or amend the Mayor's proposals. This would provide a check on the power of the Mayor and ensure that a wider range of opinion contributed to the settling London's finances.

## **CONCLUSION**

Taken together, these proposals would lead to greater local autonomy and with it the ability of councils and the GLA to innovate. London residents would be able to see more clearly the cost of each tier of government and would be able to exert a more direct influence on the level of tax and spending in their Borough and across London as a whole. Such empowerment should improve turnout at local elections as more would be seen to be at stake. Rather than the current 'elected dictatorship' of the Mayor, the reforms would also strike a fairer balance between the powers of the Mayor, the Assembly and of the people of London.

# URBAN RENEWAL & HOUSING IN LONDON

SHERIN AMINOSSEHE, RUMI WHYATT

## BACKGROUND & ANALYSIS

### Changing Patterns of Demand for Housing

The key developmental challenge which the Capital faces is its shortage of housing. As a result, housing is very expensive and affordable housing is in acutely short supply. Yet recent studies have shown that levels of new housing in London have fallen short of target over the past two years. While London has the highest levels of demand for housing in the UK, the rate at which new houses have been built in London over the last decade is the lowest of any region in the UK.

In all London boroughs, the shortage of affordable housing is one of the biggest challenges affecting economic competitiveness and residents' quality of life. Local government and housing providers cannot meet the demand for affordable housing and emergency shelter. As more and more people migrate to the capital, the pressure to find suitable accommodation has a ripple effect on society as a whole. As competition for existing housing stock intensifies, tenants at the lower end of the market increasingly have no choice but to turn to shelters or remain in already overcrowded conditions. Some people leave the Capital as a result. Sixty thousand key workers, who cannot be easily replaced, are expected to leave the capital over the next 10 years as a consequence of increasing prices and a worsening quality of life.<sup>1</sup> Notwithstanding the influx of further new inhabitants, this emigration is causing substantial damage to London's economy and in particular its public services, which rely on dedicated staff who are paid relatively low wages. As a result, London's schools and hospitals are in crisis and, as the Health and Education sections of this publication illustrate, experience abnormally high levels of staff turnover.

### Urban design – the new frontier

As recently as 10 years ago, urban design was an esoteric field occupying a nether world between architecture and planning. Today, it has become the central motif of urban policy, as policy-makers adopt a more holistic approach to regenerating our urban environment. Specialists in the field now perceive that urban policy requires a single strategy, broad enough in scope to encompass economic development, improvements to our physical environment, planning issues, the provision of affordable housing and other quality of life issues.

To some extent this new thinking was anticipated by the Urban Development Corporations (UDCs) and the City Challenge initiative which the Conservative party introduced in the 1980s. These initiatives were, however, very limited in geographical scope, and City Challenge fell victim to spending cuts in 1992. A more comprehensive and sustained approach to urban blight is now called for.

The present Government's attempts to provide a strategy, in line with the new thinking, to combat this blight have been half-hearted. Its Urban White Paper<sup>2</sup> seems to have been prompted more by the recommendation of the Urban Task Force under the chairmanship of Lord Rogers<sup>3</sup> that there should be such a white paper than by any clear legislative purpose. Although the White Paper did embrace the concept of urban design in offering a vision of what our towns and cities, where 80% of us live, could be like in 20 years, it offered few concrete ideas to accompany this vision.

### The Challenge of Regenerating London

The gap between theoretical speculation about ways to regenerate cities and practical action to tackle urban blight is particularly stark in the context of London. As far as the Capital was concerned, the authors of the White Paper were content to invoke the strong strategic leadership and restoration of accountability which they claimed the GLA would provide. They pointed out that the Mayor would control London's new economic development body, the London Development Agency (LDA), and prepare strategies for London covering economic development and spatial development amongst other areas.

The GLA and LDA have not, however, yet delivered the coherent strategy for London which the White Paper anticipated. In part, this is the result of muddled thinking. The draft Spatial Development Strategy for London (SDS) was hailed by the Urban White Paper and the Mayor as offering an opportunity for an integrated approach to shaping the future pattern and direction of development in London. However, the SDS's selection of so-called development corridors, and the boundaries and criteria it has set for the new activity zones, seem arbitrary and poorly thought through. The same criticisms can be levelled at its housing targets, in particular the lack of a definition of 'affordable housing'. The Mayor's Plan for London suffers from similar deficiencies, although its insistence that London's green belt and green spaces should not be encroached on by developers, and its calls for an intensification of development in the Central and East London areas, are sensible. This document remains at the consultation stage.

The failure of the GLA and LDA to deliver a coherent strategy is also in part institutional. As Mark Nicholson points out in the Finance chapter of this book, the LDA is accountable to the Mayor but required to be responsive to central government initiatives. The link between the LDA and central government needs to be broken, if the LDA is to be properly responsive to the needs of Londoners.

### HOUSING

#### **Create Affordable Housing for London programme**

The GLA should establish a new umbrella organisation for housing associations, Affordable Housing for London (AHL), which should:

- define the concept of ‘affordable housing’;
- guide boroughs on how to implement the proposals contained in the SDS, through Supplementary Planning Guidance on planning for housing provision;
- devise an Affordable Housing Programme for London in collaboration with all relevant branches of government and housing providers, building on existing housing programmes;
- campaign for appropriate fiscal incentives to boost the stock of rental accommodation and affordable housing;
- provide grants to defray the cost of mortgage payments to key workers in areas where there is a shortage of affordable housing;
- provide grants to community housing groups to support the restoration and conversion of heritage properties into affordable housing; and
- co-ordinate and oversee the activities of Foundation Housing Trusts (see below).

#### **Carry out a housing audit**

An audit should be undertaken to identify the numbers, locations, types and condition of dwellings on the London market and to formulate a London housing strategy based on this data. This is not a short-term fix but would help form the basis of informed policy.

#### **Set up Foundation Housing Trusts**

Housing provision is too important to be left to Housing Associations alone. The GLA should encourage bodies in the public, for-profit and not-for-profit sectors alike, be they charities, educational institutions, companies or trades unions, to finance building projects to house key employees. This should operate in much the same way as public bodies are currently able to supply accommodation for those working shifts. These housing projects should, as Foundation Housing Trusts, enjoy special legal status and tax treatment, to mitigate some of the initial risks of property development.

The hallmark of the relevant arrangements should be their flexibility. A particular Trust could be targeted towards a particular group, for example, members or employees, or could draw on a wider ‘customer’ base. Properties could be made available on a variety of short and medium term leases.

#### **Offer new ways of funding affordable housing**

Treasury controls over longer-term capital investments should be loosened and public bodies given more autonomy (as described in the chapter on Finance). Where the Foundation Housing Trusts described above are reliant upon public funding, treatment of such Trusts by the public purse should reflect the fact that they can, for example, make a lasting difference to the ability of a public body to recruit staff. The strictures currently and unnecessarily placed on public service providers are clear from the Health and Education chapters of this publication.

#### **Provide tax incentives**

The GLA should introduce appropriate tax breaks to encourage the increase of affordable housing stock in London. These would include:

- tax incentives for developers who want to build social/affordable housing in key designated areas of central London where there is the greatest need for such housing. In particular, there should be reduced rates of VAT on construction, e.g. a 5% rate similar to the rate for the conversion of a single occupancy dwelling into multiple occupancy dwellings.
- tax incentives for buyers of vacant properties. Houses should be zero-rated when they are purchased after having been vacant for 5 years, as opposed to 10 years (as announced in the recent Budget). The current time limit is unnecessarily long. By limiting the tax concession to properties which have been vacant for 10 years, the Chancellor is effectively ensuring that houses will not be zero-rated until they have fallen into complete disrepair. The incentive as currently framed therefore only begins to operate once the house in question has already been a blight on its neighbourhood for a considerable period. Although the level of vacant housing is lower in London than in other major cities, the exceptional housing shortage in London makes it vital that the spatial and housing resources of the capital are fully utilised.

#### **Phase out supply-driven housing targets**

These targets encourage unsuitable development driven by short-term expediency. Instead, the planning system should be geared towards how much housing it is possible to supply, and what density of housing suits the local infrastructure. This should be based on the audit of the Capital’s housing stock called for above.

### PLANNING & DEVELOPMENT

#### **Enhance accountability of the LDA**

The LDA should have full responsibility for economic development throughout London and follow only those targets set by the GLA. In light of the enormous complexity of urban regeneration issues, however, it is preferable for the LDA to remain accountable to the Mayor and therefore indirectly accountable to Londoners, rather than be directly accountable to the people of London through the ballot box.

#### **Set new criteria for PFI funded projects**

Design in London will continue to be a lottery unless central government requires PFI funded projects in the Capital to meet more exacting and diverse criteria than just ‘buildability’. The LDA should require contractors to adhere to good design values and principles of sustainable development according to published guidelines.

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- | School type                     | Schools      | Children (fte)   | Teachers (fte) |
|---------------------------------|--------------|------------------|----------------|
| Nursery                         | 85           | 5,538            | 341            |
| Primary                         | 1,888        | 612,530          | 28,325         |
| Secondary                       | 408          | 407,308          | 25,698         |
| Special Educational Needs (SEN) | 164          | 12,222           | 2,099          |
| Pupil Referral Unit (PRU)       | 45           | 2,138            | 468            |
| City Technology College (CTC)   | 5            | 5,099            | 359            |
| <b>Total</b>                    | <b>2,595</b> | <b>1,044,834</b> | <b>57,290</b>  |
- See Teachers in Service and Teacher Vacancies: January 2002 (revised), ([www.dfes.gov.uk/statistics/DB/SFR/s0346/index.html](http://www.dfes.gov.uk/statistics/DB/SFR/s0346/index.html).)
- See [www.tes.co.uk/your\\_career/pay\\_pensions/payscales.asp?id11576](http://www.tes.co.uk/your_career/pay_pensions/payscales.asp?id11576).
- See Pupil Absence and Truancy From Schools in England: 2000/2001, (The Stationery Office, London 2001) and [www.dfes.gov.uk/statistics/DB/SBU/s0309/sb13-2001.pdf](http://www.dfes.gov.uk/statistics/DB/SBU/s0309/sb13-2001.pdf). See also the 2001 National Pupil Absence Tables ([www.dfes.gov.uk/performance/tables/natabs\\_01/primary.shtml](http://www.dfes.gov.uk/performance/tables/natabs_01/primary.shtml)) [www.dfes.gov.uk/performance/tables/natabs\\_01/secondary.shtml](http://www.dfes.gov.uk/performance/tables/natabs_01/secondary.shtml)).
- 15.5% of all permanent exclusions occur in London schools, even though London children represent 13.7% of the English maintained school population.
- Free school meal entitlement in primary schools is 26.0% in all London against 17.6% in England; in secondary schools, 25.8% compared to 15.8%; and amongst SEN pupils, 45.7% compared to 38.6%.
- |         | % stated SEN | % non-stated SEN | % SEN             |      |
|---------|--------------|------------------|-------------------|------|
|         | primary      | secondary        | primary secondary |      |
| London  | 1.7          | 2.6              | 22.5 20.7         | 23.3 |
| England | 1.7          | 2.5              | 21.0 18.1         | 20.7 |
- % children with English as an additional language: All London - 33.1% (Primary) and 29.2% (Secondary). England - 9.8% (Primary) and 8.0% (Secondary).
- The Times school league tables 2001 (22/11/01).
- Statistics of Education: National Curriculum Assessments of 7, 11 and 14 year olds in England by LEA and Government Office Region, 2001 (final data), (The Stationery Office, London, 2002), [www.dfes.gov.uk/statistics/DB/VOL/v0344/NCAvol.pdf](http://www.dfes.gov.uk/statistics/DB/VOL/v0344/NCAvol.pdf).
- On this section see the LEAs Local Schools Budgets, 2002-03. [www.dfes.gov.uk/fairfunding/docs/CT2002-03.xls](http://www.dfes.gov.uk/fairfunding/docs/CT2002-03.xls) and [www.dfes.gov.uk/fairfunding/docs/2002explannotefin.doc](http://www.dfes.gov.uk/fairfunding/docs/2002explannotefin.doc).
- See the LEA Local Schools Budgets, 2002-03. All money given to LEAs included. DfES figures separate the Local Schools Budget (LSB) and money excluded from the LSB (the majority of which is devoted to SEN and PRUs or out-of-school education).
- See [www.dfes.gov.uk/a-z/FAIR\\_FUNDING.html](http://www.dfes.gov.uk/a-z/FAIR_FUNDING.html). In a LGA education discussion paper (April 2000), What price a national school funding policy?, The LGA stated that, in 1999-2000, 94% of authorities delegated at least 75% of their budgets direct to schools; the average budget delegated was 82.4% ([www.lga.gov.uk](http://www.lga.gov.uk)). In other words, 6% of councils spent over a quarter of their education budget on administration and most councils spent nearly a fifth of the LSB on administration.
- "the cost of school improvement activities including the costs of preparing and implementing the LEA's Education Development Plan."
- "asset management: planning of school places: the LEA's school admissions and school attendance functions"
- Note that Foundation schools make up 17% of London schools and 19% of the top schools while City Technology Colleges make up 1.2% of London schools and 3% of top schools.
- The connection between amount spent by the LEA and educational performance is not outright: boroughs which retain a high percentage of total educational spending can be successful (such as Sutton, 15.6% retention and 3rd best LEA) as well as unsuccessful (such as Haringey, 15.6% retention and the 2nd worst LEA).
- A good example of this in practice is Richmond:

- [www.richmond.gov.uk/depts/oppes/eal/education/pdf/s52budget2001-2002.pdf](http://www.richmond.gov.uk/depts/oppes/eal/education/pdf/s52budget2001-2002.pdf). Despite a long search no similar document was found on [www.haringey.gov.uk](http://www.haringey.gov.uk). The DfES LSB statistics were also hard to find – they were not listed in the financial statistics section, any person who wanted to access them had to know to search for 'LSB', to search through the 60+ options and to have access to Excel.
- For example, The Times league-table for 2001 (22/11/01) produces the statistic that the LEA A-level point average in Richmond is 5.5 points. The only schools listed as providing A-levels are all independent schools. The average of 5.5 in fact refers to Richmond-upon-Thames College, listed separately, but such confusion makes the LEA average meaningless.
  - The 2001 League Tables show that only 30.9% of Haringey pupils gained 5 GCSEs at grades A-C (national average 50%). In London, only Islington fared worse (28.7%).
  - While teacher vacancies are much higher in London than in England as a whole, class sizes are generally lower. In classes with one teacher, 13.3% of primary schoolchildren are taught in class sizes of over 30 in London, compared with 21.1% in England as a whole. 8.9% of London secondary schoolchildren are taught in classes of over 30 compared with an English average of 11.7%. Similarly the qualified teacher-to-pupil ratio in London schools is marginally better than the English average – 1:22.5 in primary schools (compared with 1:22.9) and 1:16.6 in secondary schools (compared with 1:17.1 for England).
  - In an NUT survey, 45.1% of respondents mentioned pupil behaviour as a reason for leaving. Significantly, 30% of trainee teachers do not enter teaching after qualification and 18% of those that do leave within three years. (11/01/2001).
  - see Statistics of Education: Schools in England 2001.

## LONDON ISN'T MOVING: TRANSPORT IN THE CAPITAL

- Source: Transport Statistics for London, 2001.

## LONDON'S RESPONSE TO CRIME: A NEW MODEL FOR SUCCESS

- Simmons & others, 'Crime in England & Wales, 2001/02', Home Office, July 2002: Table 6.06 (the next worst region was the West Midlands with 213 offences per 10,000 population).
- Home Office Crime Statistics for London, March 2002.
- Street Crime Initiative: Interim Figures, 12th September 2002.
- Home Office Crime Statistics for London, March 2002.
- Simmons & others, *ibid.*, Table 8.03: 14% against 26% for the rest of the country. The rate for violence against the person is 26% as against 69% for the rest of the country.
- Povey & Rundle, Home Office Statistical Bulletin, 23/01, Dec 2001
- Fitzgerald, Hough et al, 'Policing for London' (PFLS), 2002, Willan Publishing.
- British Crime Survey, 2000
- British Crime Survey, 2000
- Bucke, Home Office Research Findings, 28, 1995, 'Policing and the public: Findings from the 1994 British Crime Survey'.
- PFLS, p82
- Spencer & Stern, Reluctant Witness, IPPR, 2001
- Newburn & Jones, Police Research Series Paper 148, Sept 2001.
- Compstat consists of high-frequency reporting on real-time crime statistics, coupled with clear lines of responsibility.
- Newburn & Jones, Police Research Series Paper 148, Sept 2001.
- Ogilvie-Smith et al, 'Traffic Policing: Activity & Organisation', Police Research Group Paper 12, 1994.

## A HEALTHY CITY? SICKNESS AND HEALTH IN THE CAPITAL

- Audit Commission report Recruitment and Retention: A Public Service Workforce for the 21st Century September 2002, table 15
- Kings Fund report "Mind the Gap: the extent of the NHS nursing shortage" in British Medical Journal 7.9.02
- London Health Observatory: Mapping Health Inequalities across London,

September 2001

- 4 See for instance Lee Craven's paper for the Bow Group, 'A Radical Alternative to Wanless: Lessons from the Lion City'.
- 5 Health spending through general taxation to be 9.4% of GDP by 2008, "easily on a par with European levels of health spending": Delivering the NHS Plan, Executive Summary, paragraph 2.
- 6 There is however some new speak in Labour's preferred terminology: "spending" has now become "investment", and "purchasers" have become "commissioners".
- 7 Five-Year Health Check, Kings Fund April 2002 page 5
- 8 Audit Commission report Recruitment and Retention: A Public Service Workforce for the 21st Century September 2002, paragraph 50
- 9 Five-Year Health Check, Kings Fund April 2002 page 37
- 10 Better Learning, Damian Green MP, Parliamentary Mainstream May 2002
- 11 Kings Fund Five Year Health Check April 2002, page 51
- 12 See Peter Lilley's Demos Pamphlet, Patient Power: Choice for a Better NHS, June 2000: on this topic, in particular chapter 4
- 13 NHS Plan, April 2002, para 11.
- 14 And see KF page 4
- 15 Wanless first report para 3.34
- 16 Wanless first report para 9.37
- 17 The two National Health Inequalities targets, announced in February 2001, are "By 2010 to reduce by at least 10 per cent the gap in mortality between manual groups and the population as a whole" and "By 2010 to reduce by at least 10% the gap between the fifth of areas with the lowest life expectancy at birth and the population as whole." Whilst these targets sound laudable, they are on close examination absurd. The target should be to increase life expectancy for all, and especially those who have lowest life expectancy. Surely a rational person -is interested in increasing their own life expectancy, not with how it compares with other people's.
- 18 Although there is some contrary evidence: an OECD study focussing on heart disease, stroke and breast cancer suggests that Britain's system is highly inefficient in terms of outputs judged against money spent. see Sunday Times 23.6.02
- 19 All media, 21 June 2002.

#### REFORM OF GOVERNMENT IN LONDON

- 1 LGA briefing 234, Local Government Finance Settlement for England, 2002/2003
- 2 Iain Duncan Smith Local Election campaign speech 'All problems are local problems' 15/4/2002

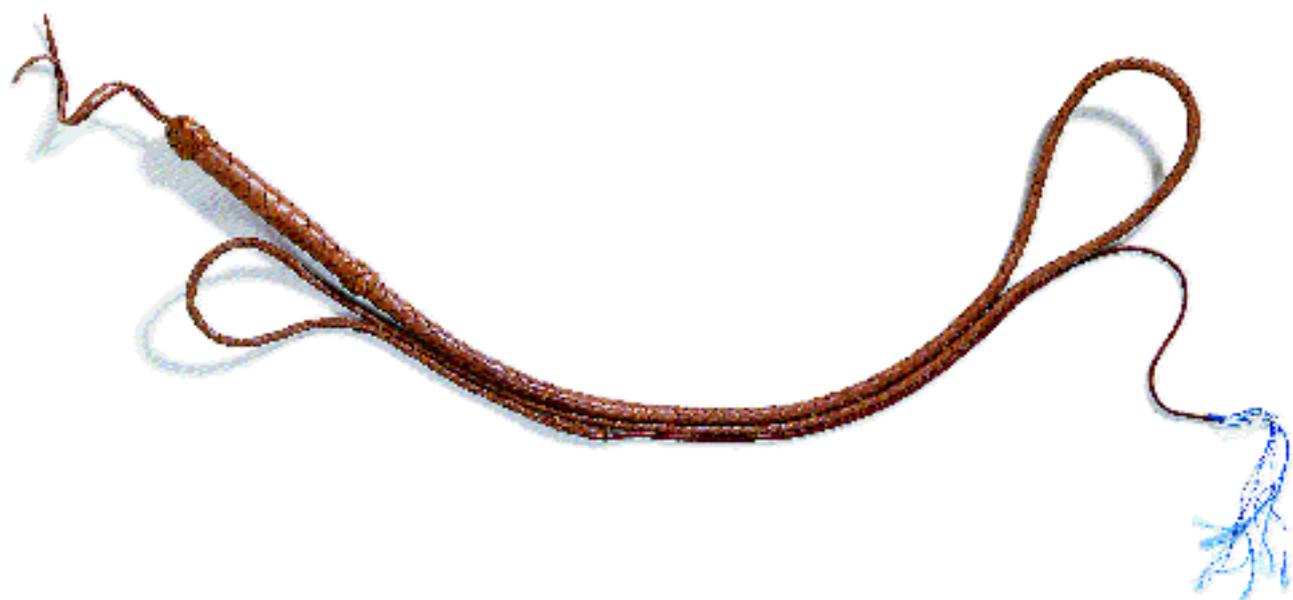
#### FINANCE: MAKING LONDON'S GOVERNMENT ACCOUNTABLE

- 1 DTLR figures on local government spending for 2001-2, DLTR Website, December 2001.
- 2 DTLR figures on local government spending for 2001-2, DLTR Website, December 2001.
- 3 Government response to the Report of the Environment, Transport and Regional Affairs Committee, 1999.
- 4 For example, Ealing Councillor Shital Manro, Ealing Informer, January 23 2002.
- 5 Calculation based on the DTLR figures on local government spending for 2001-2, DTLR Website, December 2001. The figures for council self-sufficiency assume that the additional revenue is raised through council tax as it is the only tax for which collection figures by local authority are available.
- 6 DTLR figures on local government spending for 2001-2, DLTR Website, December 2001.
- 7 The overall level of revenue support grant in 2001-2 was equivalent to 10% on the basic rate of income tax. Modernising Local Government Finance, Green Paper (2000) p.8.
- 8 DTLR figures on local government spending for 2001-2, DLTR Website, December 2001.
- 9 DTLR figures on local government spending for 2001-2, DLTR Website, December 2001.
- 10 The threshold would be set in relation to each Local Authority's expected revenue stream at 'average rates' of local taxation. Precise legal definitions would have to be arrived at to set out when ostensibly different projects

were in fact part of the a single project exceeding the threshold and whether a manifesto costing was 'reasonable'.

#### URBAN RENEWAL & HOUSING IN LONDON

- 1 National Institute of Economic and Social Research, 2001.
- 2 Our towns and cities: the future, Delivering an urban renaissance, DETR, November 2000, Cm 4911.
- 3 Towards an Urban Renaissance, Final Report of the Urban Task Force Chaired by Lord Rogers of Riverside, 1999



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