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DISTRICT VIEW

by Stephen Weigel



Have banks become celebrities of the business sector? The Government has committed at least a further £40m to the banking sector. This is on top of earlier, multi-billion pound bail-outs.

No matter how well the banks perform, it is likely to be decades before we see our debt paid off. If there is another downturn, the banking sector can, with almost 100% certainty, rely on the taxpayer coming to its rescue again.

Until a couple of years ago, I thought private sector companies were funded and survived, thrived or declined, based on good management and profitability.

Banks and individual bankers have been making very large profits over the past 10 or so years.

Those in the public sector accepted this as a free market consequence. But now, it seems, we are all underwriting their excesses and risks.

For some years, we have been subject to more inspections, efficiency targets and budget reductions, while being given additional responsibilities.

At the same time, our funding has been strictly controlled through government grant, comprehensive spending reviews and council tax capping.

It is extraordinary that, in these times, local government and other public sector service-providers are making significant savings and cuts in services.

Yet the demand for our services from residents and businesses is at an all-time high.

Local government's track record over the last five years is probably the best in any sector, in terms of delivery, efficiency and improvement. But many district and borough councils may no longer be able to deliver what is required, within budget, in future.

Is this latest move to sell off parts of our near-nationalised banks, not just privatising profit for future companies and shareholders, while nationalising the risk?

Banking is important for our country's economy and to us as borrowers and savers, but I do wonder if banks have not become similar to celebrities – demanding more interest and money than is healthy for society.

Surely, if there is money to support the private financial sector, some of this should also be made available for frontline services delivered by councils? ■

Stephen Weigel is chief executive of Tandridge DC

Is diversity ignored

As local authorities batten down the hatches in readiness for the budgetary storm ahead, there is a danger they may lose sight of their commitment to improving diversity. A recent roundtable discussion attended by chief executives and HR experts organised by *The MJ* and recruitment specialist, Green Park, looked at the issues

Diversity is not a tick-box exercise but a sensible economic priority which becomes even more important in a recession, was the overall verdict at a recent roundtable debate on diversity and the downturn.

Local government still has to tackle its demographic time-bomb – recession or no recession – with an ageing workforce and a need to promote new talent among its younger managers.

Encouraging diversity not only helps bring in this new talent, but also innovation, which will be a top priority as councils battle with sharp drops in grant revenue.

Councils still maintain low diversity at the top, with only 14% of chief executives female, even though local government's workforce is 70% women, mainly at the lower-paid end, with 50% earning below £16,000 pa.

There are only some half-a-dozen chief executives from BME ethnic backgrounds, with just two in so-called upper-tier councils.

Part of the problem is a cycle of too few women and, particularly, too few BME candidates being interested in council management posts – leading to few diversity appointments, making local government even less attractive for such applicants.

One said: 'There is a glass ceiling. We need a sticky floor to keep BME managers.' And another added: 'We have failed over the last 20 years – we have to target specific groups. Be brave – we do need more black employees.'

One participant said: 'Women tend to go to more difficult jobs in local government and be seen to fail. There is still a major gender issue in local government.'

Another felt a council should 'reflect the community it serves'.

One comment was that councillors and managers hiring new staff often took on people 'like themselves, because this is perceived as being safer', while long lists for senior vacancies were also often less diverse.

One commented: 'I only have to look how many calls I get from head-hunters asking if I can recommend people for roles.'

'And, of course, I recommend people I know. The process becomes self-perpetuating.'

Local government has a tradition of rewarding those people who slog their way up the hierarchy rather than come in from outside.

The recession is likely to make boosting diversity more difficult, with less risk-taking, and managers staying put, unless councils take an active decision to promote diversity.

One comment was: 'We have to shift the attitude of councillors who make senior appointments.'



Another was: 'It's up to officers to lead, and take members with them.'

A third commented that local government was not regarded as sufficiently attractive for ambitious BME candidates because of perceived low pay, although ironically, the focus on 'fat cat salaries' had highlighted the attractive salary levels available.

Answers to the challenge of boosting diversity in a recession were to make the application process more simple, stipulate that long and short lists for senior posts must contain BME candidates and women – some councils even reduce search fees if this does not happen, and offer mentoring at senior level.

Councils should also 'engage in wider networks' to find BME candidates, such as those that exist for

ed in a downturn?



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What's your legacy?

As we kick off the new year, **Derek Allen** considers how we will be remembered

Often, at this time of year, we reflect on the past as well as looking to the future and the forthcoming new year.

I was very lucky recently to go to the O2 Arena, in south-east London, to see Paul McCartney, the legendary ex-Beatle, live in concert.

When he ran through his repertoire of the past four decades I thought, Wow! This guy will be remembered for year and years.

I guess, if we look at the much smaller role we have played in our own work and personal life, it is worth thinking about what we might be remembered for, what our contribution has been, and whether we have, in some small or big way, made any sort of difference.

Perhaps, more importantly, we might all want to know what we would like to be remembered for.

The Swede, Alfred Nobel, who was a pacifist at heart and an inventor by nature, introduced dynamite to the world.

In 1888, when Alfred's brother Ludvig died, a French newspaper mistakenly ran an obituary for Alfred which called him the 'merchant of death'. Not wanting to go down in history with such a horrible epitaph, Alfred created a will which soon shocked his relatives and established the now-famous Nobel Prizes.

I have seen many local politicians and senior managers in my 30-plus years in local government trying to create something which is in better shape when they leave than when they started.

Ranging, for example, from much better-quality social housing and crucial transport infrastructure to smaller innovations, such as keeping a local street clean or a park open and accessible for families.

The reality for most of us is that the best we can hope for, apart from perhaps what our own children achieve as the future generation, is to pass the baton on to our successors, and ensure as far as we can that the baton is in relatively good shape and the offspring do not drop it.

So, at a time of reflection, spend a few minutes thinking about what you would like to be remembered for, and if you are a fair few miles away from that, think in 2010 how you might just get a bit closer to achieving your legacy.

As the saying goes, no-one on their death bed ever said, I should have spent more time in the office!

For me, I think I should have continued in my college band and just might have been at the O2 actually playing to the audience, rather than being part of it.

As the famous line goes in the Pogues/Kirsty McColl song *Fairy Tale In New York...* 'I could have been someone', [and she replies:] 'Well, so could anyone!'

On that note, I had better get busy for 2010 and start practising on my guitar playing... again! ■

Derek Allen is executive director at LACORS

The participants:

- **Jan Parkinson** – managing director, Local Government Employers
- **Janet Callender** – chief executive, Trafford MBC
- **Tony Hunter** – chief executive, North East Lincolnshire Council
- **Steve Weaver** – chief executive, Blackpool Council
- **Steve Rumbelow** – chief executive, Burnley BC
- **Raj Tuliani** – CEO, Green Park
- **Ann-Marie Dixon-Barrow** – chair, Diverse Leaders
- **Neil Lupin** – senior partner, Green Park
- **Shani Newbold** – head of executive search practise
- **Andy Ball** – head of local government interim, north, Green Park
- **Michael Burton** – editor of *The MJ*, and chair of the debate

black lawyers, architects and women's groups. Local authorities, the debate participants concluded, needed both to actively encourage BME applicants but also help train them, so there were more experienced candidates likely to be suitable for senior posts.

As one participant stated: 'The strategic business case for having a diverse workforce which reflects its community is now stronger than ever.'

The conclusion of the debate was that while strategies to promote diversity could, in theory, become less of a priority short term, in a recession, good business practice meant diversity had to be actively promoted to reap the benefits long term. ■