

Winning the Peace

The inaugural Bruce-Lockhart Lecture

Greg Clark MP



About Localis

Who we are

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

Our philosophy

We believe in a greater devolution of power to the local level. Decisions should be made by those most closely affected, and they should be accountable to the people which they serve. Services should be delivered effectively. People should be given a greater choice of services and the means to influence the ways in which these are delivered.

What we do

Localis aims to provide a link between local government and the key figures in business, academia, the third sector, parliament and the media. We aim to influence the debate on localism, providing innovative and fresh thinking on all areas which local government is concerned with. We have a broad events programme, including roundtable discussions, publication launches and an extensive party conference programme.

Find out more

Please either email info@localis.org.uk or call 0207 340 2660 and we will be pleased to tell you more about the range of services which we offer. You can also sign up for updates or register your interest on our website.

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Introduction



Unfortunately I only got to meet Sandy Bruce-Lockhart once. While working for the Conservatives in opposition, researching the policies that would eventually coalesce into 'Control Shift', I made my way down to a particularly beautiful corner of the Kent countryside to pick Sandy's brains. Although fighting illness, Sandy's zest for life, and his fervent belief in the power of local government as a force for good, came across loud and clear.

Our encounter left a lasting impression on me. Of a patently decent man, driven by a desire to ensure councils were given all the tools, and the freedom, they needed to support and improve the lives of their residents. And as a steadfast localist, when Localis was set up nearly a decade ago as a thinktank to champion the cause of localism, Sandy was one of our earliest supporters.

I am therefore especially pleased that Localis is playing a part in supporting the first Bruce-Lockhart Lecture. Localis has a strong track record as a leading player in the debate around local government and localism. And Greg Clark's speech, which we publish in this pamphlet, is a stimulating and powerful contribution to that debate.

Greg has a long standing commitment to the cause of localism. Before becoming the MP for Tunbridge Wells and Minister of State for Decentralisation, he was a councillor and so understands local government. And, crucially, not only does Greg recognise the need for power to be disbursed away from the centre, he is working every day to make sure it actually happens.

We also publish in this pamphlet a short article by Rachel Allen who, as the first winner of the Local Government Challenge, was awarded the first Bruce-Lockhart Scholarship. In her piece, Rachel describes how she has used her £10,000 of scholarship funding over the last year, and the interesting policy ideas she has been trialling.

The inaugural
Bruce-Lockhart Lecture
Winning the Peace



by Rt Hon Greg Clark MP
15/06/2011

Sandy Bruce-Lockhart

Can I begin by thanking Alex Thomson for his kind words. In his time with the Conservative Policy Unit before the election, Alex made a major contribution to the localism agenda now being pursued by the Coalition.

I'd also like to thank Localis, along with the Local Government Association, Kent County Council and Essex County Council for supporting tonight's lecture and the Bruce-Lockhart Scholarship.

And, thank you, above all, for the honour of delivering the Inaugural Bruce-Lockhart Lecture. Underlined by the presence tonight of Tess Bruce-Lockhart, it truly is a great privilege.

Yet the greater privilege was to have known Sandy; to have encountered his warmth, his charm, his great reserves of kindness and courtesy. In an age when such things are considered optional, he served to remind us that they are, in fact, essential.

Let me also pay tribute to his effectiveness. Sandy transformed the performance of Kent County Council, turning it from one of the weakest in the country to a beacon of civic excellence. With this achievement came growing electoral success, as residents across the country came to recognise the transformation that was taking place.

And Sandy served with distinction at a national level. This was a man who was the equal of any Cabinet minister and better than most; who commanded respect across Whitehall and Westminster; and who gave local government the place it deserves on the national stage.

In short, he was an inspiration – a model of leadership that all politicians would do well to follow. And I don't only mean that in terms of personal conduct, but also as a model for purpose and vision in government – in particular, the Government in which I serve.

This lecture takes its inspiration from Sandy's leadership of Kent County Council – which, as you know, began in 1997. Conservatives were leaving office in Westminster, but in Maidstone the traffic was in the other direction. Unlike the new Prime Minister at the time, Kent's new leader was faced with a financial legacy that was anything but golden. Right at the top of his in-tray was the threat of a Section 151 statement – effectively declaring that the County would go bankrupt if drastic action was not taken.

Sandy Bruce-Lockhart



Sandy knew that savings would have been made and made fast. He knew there could be no 'plan B' in Kent, but equally he was determined to target waste and protect frontline public services.

Of course he did not act alone. A great motivator of colleagues, Sandy had invaluable support – not least from Keith Ferrin and Alex King, now Deputy to KCC Leader Paul Carter, who himself was Sandy's Cabinet Member for Education. Together, Sandy and his team, achieved their goals. Today, Kent is regarded as a flagship local authority – an outcome that seemed very distant when Sandy first took the reins.

“This was a man who was the equal of any Cabinet minister and better than most”

You may have detected a few parallels here with the situation in which the Coalition Government finds itself. We too face a financial crisis. We too must restore stability. We too must target waste and protect frontline public services.

But the parallels run even deeper than that. Sandy knew that the struggle to restore stability to Kent, while unavoidable, was insufficient. There had to be something more, the prospect of a brighter future that was truly worth fighting for. Thus while the battle to restore the County's finances dominated his first term as Council leader, he used this time to develop the reforms that would come to fruition during his second term.

2015, 2010 and 1945

As soon as Sandy Bruce-Lockhart was elected leader of Kent in 1997 he started to think about what he wanted to say to the people of Kent at the next county elections in 2001. Early in his first term he began work on a document called *The Next Four Years*, which set out a programme of longer-term change and renewal.

Following Sandy's example, the best way we can prepare for the future is to be clear about what we want to say in four years time, and then work backwards through the steps needed to say it with credibility. So for us in Government, a year on from the last General Election is not too soon to consider what our message will be the country in 2015.

It is fair to say that the result of the last General Election was one that few people had prepared for. On the morning of the 7th May 2010 the nation woke up to an inconclusive result, a hung Parliament and a defeated Prime Minister squatting in Downing Street.

It was, in short, a crisis of governance – and all at the worst possible time: A fiscal crisis at home; a currency crisis in the Eurozone; and jittery bond markets ready to raise interest rates on our massive national debt. Britain was in urgent need of a strong and stable government, and in just five days the Coalition stepped up to the challenge.

“Overcoming the deficit and returning Britain to prosperity will not guarantee success at the next general election. If even Winston Churchill could win the war, but lose the peace, then so could we”

This, then, is not an ordinary coalition government. It is an extraordinary response to extraordinary circumstances. As such, it can't be compared to the routine coalition politics of other European countries. Rather, we need to look back to the last time that Britain had a coalition – the wartime government of 1940 to 1945.

Of course, there can be no exact parallels with the Second World War. No challenge we face today matches those faced by Churchill's administration. But what we can say is that Britain faces its greatest fiscal crisis *since* the war; and that while our struggle is not for national survival, it is at least for national solvency, which in peacetime is about as serious as it gets.

Looking back at the ultimate fate of Churchill's Government, what are the lessons for the current Government as it looks ahead? Inevitably, we are drawn to the general election of 1945, in which Churchill presented himself not as a party leader, but as a national leader – offering continuity and asking that he be judged on his wartime record.

Clearly, there are some parallels here with our own time. For one thing, we may be sure that the Coalition partners will be judged, separately and together, on their record in Government – especially their record on tackling the deficit. However, the most sobering lesson of 1945 is that great achievements are not enough to get a government re-elected. Despite leading his country to victory in the greatest conflict in human history, Churchill and the Conservative Party were overwhelmingly defeated at the ballot box. This is a warning from history to which we must pay heed. Overcoming the deficit and returning Britain to prosperity will not guarantee success at the next general election. If even Winston Churchill could win the war, but lose the peace, then so could we.

But how? How can a government guide its people through a time of crisis and yet be rejected at the end of it? Looking back to 1945, there are two inter-related explanations:

The first of these is that in overcoming such a crisis, sacrifices must be made. If it is shared fairly, people are willing to pay the price, but only in return for the hope of a better future. A party that offers the most compelling vision of that future is well on the way to victory.

The second explanation is that crises don't happen by accident, they are rooted in the mistakes of the past. Dealing with the consequences may be the immediate priority, but a longer-term reckoning is needed. The country will look for a post-crisis Government that has repudiated the mistakes of the past and offers a fresh start.

I believe these explanations are as relevant to our current circumstances as they were in 1945.

The New Jerusalem

To take the first, Labour won in 1945 because it was they who offered the most compelling vision of a better future. Not, in all respects, the best vision – but the one that was most effectively communicated to the country. Quoting William Blake's famous poem, Clement Attlee spoke of a 'New Jerusalem,' by which he meant a modern welfare state.

The success of his message wasn't just a matter of vivid imagery, though. There was substance to the rhetoric. The post-war settlement was founded upon the wartime policy work of all the main political parties. In fact, the chief architect of the New Jerusalem was a Liberal. Unfortunately, in implementing Beveridge, our post-war leaders left out his liberalism. Trusting in the power of government alone, they left little room for civil society – imposing a centralised, bureaucratic model on our public services. Despite the myths propagated ever since, the welfare state was not created out of nothing. It was, in large part, assembled from a wide range of public, private and voluntary institutions. These were far from perfect, but in correcting their weaknesses, the post-war settlement also neutralised their strengths.

In 1948, Beveridge published what can be thought of as his third report on the welfare state. Entitled *Voluntary Action*, it emphasised the importance of Britain's philanthropic tradition. All but ignored, it would be decades before policy makers woke up to what was missing from Attlee's New Jerusalem. Writing in 2003, Sandy asked "why it is that the British people, for centuries such splendid standard bearers of liberty, are now so meekly subdued by a centralising, controlling state?" A good question, but such are the consequences of losing the peace.

The Blair and Brown years saw the final attempt to revive the old vision of a centralised welfare state. The failure of this attempt not only leaves us with a legacy of debt, but also the need for a new vision of a better future. On this, as with the deficit, the initiative is with the Coalition.

We have called our alternative to the centralised state the Big Society. Beveridge called it “the vigour and abundance of voluntary action.” Sandy Bruce-Lockhart put it this way: “we must decentralise public services to foster the innovation and energy of those at the front line of delivery, and empower people to take responsibility for their own lives.”

However you describe it, this is our vision for a better future; our New Jerusalem.

We’re laying the foundations already. The Localism Bill, for instance, is the most significant piece of decentralising legislation for decades. Our free schools policy – allied to the pupil premium and the academies programme – opens the door to a revival of education where it is needed most and led by the people who live there. And inspired by Sandy’s pioneering work, our commitment to radical welfare reform

finally provides the hope of victory against the scourge of long-term worklessness. And this is to name just three reforms on the Coalition agenda.

Can we say that the Big Society matches the reach and significance of the post-war settlement? Not yet. But ask me again at the end of this Parliament. Ideas on this scale take years to bring to fruition – but that is a strength not a weakness, even if (or, perhaps, especially if) the effort is made in the midst of crisis. In other words, the Government must be willing to commit the intellectual resources and the political capital to this long-term, future-facing task. Winning the peace will depend upon it.

Old mistakes

But it depends upon something else, too.

Labour’s 1945 election campaign, though fought under the slogan “Let us face the future”, was just as much an attack on the past. Not on the war effort, in which they played an important role, but on

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the 1930s – the era of depression and appeasement. Absolving themselves of all responsibility, Labour pinned the blame, both fairly and unfairly, on the Conservatives.

There are some obvious parallels to the present here – as well as some important divergences.

As in the 1940s, we look back upon a previous decade of comprehensive policy failure; of grotesque irresponsibility on the part of the powerful; of catastrophic mistakes that are clearly to blame for the mess in which we now find ourselves. Obviously, in contrast to the wartime perspective, this discredited past was dominated by a government of a different political hue.

And yet, being out of office doesn't necessarily put one in the clear – as Winston Churchill was to discover in 1945. The 1930s were his wilderness years, spent in exile away from the corridors of power; but, by the end of the war, he had become associated with the past – for instance, by campaigning under the banner of the 'National Government,' a name which evoked the discredited pre-war coalitions. This was a fatal mistake. The British people didn't fight the war so that things could return to the way they were. When you walk through fire, the last thing you want to do is go back.

I think there's a warning here for both Coalition parties.

For instance, as the Chancellor did in his Mansion House speech last night, Conservatives must face up to a fundamental flaw in the global financial system: which is that while the rewards of risk-taking are enjoyed by the few, the costs are imposed upon the many – thus distorting decisions on investment and generating instability.

As for the Liberal Democrats, I would respectfully submit the example of the single currency – and ask whether financial make-believe works any better in Brussels than it does on Wall Street.

One of the less damaging effects of a really bad crisis is the shattering of old illusions. As Warren Buffet once said, "it's only when the tide goes out that you learn who's been swimming naked."

I think it's time we told the naked truth about the problems we face today. The underlying factor that links them all is this: We have

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forgotten that as individuals, and as a nation, we have to *earn* a living. We have to produce as well as consume. Make as well as take.

That might seem like common sense, but in the last decade or so we have taken leave of our senses. Time and again we have failed to bring production and consumption into balance.

Providing for prosperity

Just look at where the net creation of jobs took place during the last decade:

Only two sectors increased employment – financial services and the public sector.

Now I am the first to celebrate the prestige and importance of the UK financial services industry. For all the debate about the regulation of banks, the City of London is – as an overseas chief executive put it to me – a problem that other countries would kill to have. I also have great respect for those who have devoted their careers to public service. But surely anyone would agree that our future cannot be based on the continuing expansion of these two sectors alone.

As a nation, we need to ask – and answer – the question: how *are* we going to earn a living? This requires us to commit ourselves to modernising the productive side of our economy.

The foundation of that must be education. When China and India are producing graduates in their millions we cannot simply assume that we in the west will have the better educated – and therefore more productive – workforce.

As Shadow Energy Secretary before the election, I was constantly told by some of the most brilliant and successful engineering firms that the constraint on their growth was not orders, but the availability of new recruits with sufficient skills in maths and science to enable them to advance

in the workplace. That’s why the pace and urgency and ambition of Michael Gove’s school reforms are so absolutely vital. And it is why we need to be clearer that the purpose of our higher education

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reforms is to make sure that the courses that British undergraduates and postgraduates take are well taught and of a high quality so that they produce positive returns to individuals and the country – and not unserviceable debt for both.

Thinking about how we're going to earn our living in the future will mean taking strategic decisions on our national infrastructure. In previous generations, British infrastructure was a source of national competitive advantage. But in more recent years, the ageing of our energy networks and the congestion of our transport links has given investors pause for thought..

We need to start thinking big on this issue – and acting smart. In particular, to secure the investment we need, we must radically improve our record on controlling costs and managing risks, learning from best-practice around the world.

Supporting independence

These are all decisions that need to be made centrally. But winning the peace will also depend on what happens locally.

We cannot hope to earn our living as a nation, if so many of our people are unable to earn a living as individuals.

If our recent economic story is one of debt, than our recent social story is one of dependency. Despite the years of plenty, the economic growth and record government spending, we failed to solve the problem of long-term worklessness – especially among young people, but also more generally.

In seeking to tackle poverty and inequality, the previous government focused on the redistribution of income, without paying sufficient heed to how that income was earned. In doing so, incentives to work were undermined. Now, the current Government has to tackle these unresolved issues in the most difficult of circumstances. Benjamin Franklin is quoted as saying that “those who would exchange liberty for security deserve neither.” One might also add that “those who would accept a little more dependency for a little less inequality end up with plenty of both.”

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But there is hope – something for which we have Sandy Bruce-Lockhart to thank. His great vision for Kent was based on the principle of *independence* – the idea that there is nothing inevitable about widespread, chronic worklessness. He believed that incentives to work can be restored and obstacles to work overcome. And what’s more he acted on that belief, pioneering a new approach under the heading of the Kent Supporting Independence Programme.

Its watchword was integration, because dependency on the state is not a simple relationship. Individuals have to deal with countless agencies, offices and departments – as if they weren’t individuals at all, but a collection of unrelated problems to be unbundled and farmed out to disconnected bureaucracies. Sandy turned that approach on its head. He drew together public, private and voluntary bodies across the county and united them around the principle – and practice – of supporting independence. And rather than simply cutting welfare bills as an end in itself, he secured Treasury agreement to retain some of the savings in the County and reinvest them in the *prevention* of dependency.

It was a truly visionary programme and there are those who say it was ahead of its time. But I’d say that it is central government that is only beginning to catch up with what Sandy was doing a decade ago.

A right of initiative

Sandy was a master negotiator, securing agreements from the Treasury that would have been denied to many ministers at the time. However, even he was only able to get so far; Whitehall intransigence was to prevent the Supporting Independence Programme from achieving its full potential. The greatest tribute we can pay to Sandy’s memory today is to tear down those barriers to local innovation.

I’m glad to say that progress has already been made on this front, not least with the Localism Bill currently making its way through Parliament. But we need to go further still.

If we are serious in believing that Westminster and Whitehall do not have the monopoly on good ideas – as I am – then central

government must act on that logic. The General Power of Competence in the Localism Bill overturns the historic position that local government exists, literally, to do those things that central government requires it to do. Instead, local government will be able to do anything that it wishes unless it is expressly forbidden by Parliament.

To follow that logic, I believe that councils – acting in cooperation with other local agencies – should be given the right to make proposals to the Government as to how things could be done differently. This could be over the provision of services or it could be about pooling budgets in return for a set of commitments on outcomes. Councils should, in other words, be able to propose a deal. And rather than requiring everything to conform to a national template, central government should approach each proposal constructively. Indeed, central government should operate under a clear presumption that, unless it can provide an overwhelming case to the contrary, it will actively facilitate these local initiatives.

Conclusion

Ladies and Gentlemen, these are times for humility on the part of central government. And that goes for each of the national political parties too.

As we look back at the mistakes of the past and towards the uncertainties of the future, none of us should take our relevance for granted. With so many lessons to learn, and so great a need for a new direction, it is those who present the most convincing account of how we got here, and where we need to get to, who will win the peace.

This is, therefore, a time for the pioneers and pathfinders of politics. Sandy Bruce-Lockhart was just such a pathfinder.

We follow in his footsteps.

The inaugural Bruce-Lockhart scholar 2011/11

Rachel Allen



I've used the Bruce-Lockhart Scholarship in two ways: to support the CSI (Customer Service Improvement) Guide project I presented a proposal for as part of the Local Government Challenge and to support my personal and professional development.

The CSI Guide project involved research with a range of private and public sector organisations, gaining ideas and best practice approaches that local government nationally could learn from, adapt and adopt. Following this research, four ideas were then trialled at Merton Council so further learning could be shared for the benefit of local government. These trials were:

- Power of Wandering, a twist on traditional customer service training and mystery shopping for staff
- Training Pilot, using film and intranet content to deliver training for staff
- Photo Books, exploring the use of photography in communication and developing customer service insight
- Merton: The Movie, a collection of seven short films focusing on different aspects of council services

The results of the research and trials will be available through the project website, www.local.gov.uk/csi-guide from 28th June 2011.

The scholarship also enabled me to gain the Prince2 Foundation and Practitioner qualification and undertake the Future Leadership Programme at Ashridge Business School. The opportunity to learn through these courses and develop skills through managing the CSI Guide project has been invaluable. I'm grateful not only for the practical impact the scholarship has had professionally, but also for the profound personal encouragement being selected as the first scholarship recipient has given.

Bruce-Lockhart Leadership Programme

The Bruce-Lockhart Leadership Programme was launched to support the next generation of local government leaders and chief executives. It offers scholarships to study best practice nationally and internationally, both to develop the individual and to apply and share learning to advance local government and localism in the UK.



Paul Carter,
Leader of Kent
County Council

In addition to Rachel Allen's highly deserved 2010 award, Bruce-Lockhart scholarships to local government officers will be awarded this year and for the next two years through the Local Government Group's Local Government Challenge. This year's programme is funded by Kent and Essex County Councils.

A similar award for aspiring future Council Leaders is also under development, with details to be announced later this year.

To these programmes, we have added the Bruce-Lockhart lecture, an annual event to showcase the very best new thinking about local government and localism and to enable scholarship winners to report back on their findings.

It is right and fitting that Greg Clark, a Kent MP and the Minister for Decentralisation, should give the first Bruce-Lockhart lecture.

As someone who worked closely with Sandy as both Chairman of, and Cabinet Member for Education, I often think about what Sandy would make of the Coalition's localism agenda.

Welcoming unequivocally the thrust to decentralise, Sandy would also be looking carefully to ensure local councils were not bypassed in legislation and that localism would truly empower democratically elected councils and local council leaders. Anything less would disappoint.

That is why I'm delighted that Greg was able to give the first lecture. As Minister for Decentralisation and architect of the Localism Bill, Greg is at the forefront of this change and we will be watching the Bill's progress and implementation closely in the months ahead.

In tackling the Budget deficit today, it is absolutely right that we look to the sunlit uplands of tomorrow. And in the continuing war against centralism, local government must be recognised as vital to Winning the Peace.

The Local Government Challenge

Part learning opportunity, part TV series, the Local Government Challenge sets the standard for seeking out the best and brightest talent in local government.

Ten contestants take part in five tough challenges which reflect local, national and global issues of political and public relevance, and test each candidate's creative, communication and leadership skills. Contestants are observed every step of the way by TV cameras and must present their ideas and proposals to a panel of leading local government figures and partner organisations.

The winner of the LG Challenge, who is announced at the LG Group Annual Conference, can look forward to a career enhancing scholarship worth up to £10,000 from the Bruce-Lockhart Leadership Programme.

The LG Challenge is open to anyone who works for a member authority of the LGA. It doesn't matter what level they are currently at – the aim of the competition is to seek out those with the drive and determination to reach the top.

We are now open for applications from potential host authorities and contestants for the 2012 series. An application form can be accessed at www.local.gov.uk/lgchallenge

Catch all the action at: www.policyreview.tv/lgchallenge

