

# Mind of a manager soul of a leader art of a politician

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Leader of Hammersmith and Fulham Council



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## Introduction

In 1992, Craig Hickman published a book called “Mind of a Manager Soul of a Leader”. I was a young Brand Manager at Procter and Gamble at the time and I recognised the conflicting traits of the manager and the leader. The title resonated with me although, like most business books, I only thumbed through a few pages.

Hickman argued that leaders and managers have two distinct personality types and an adversarial relationship with each other. However, this natural tension or schism between managers and leaders can be exploited to gain positive results so that an organisation can become more successful. According to Hickman, it is just not possible to have the visionary and the concrete thinker or the strategic thinker and the nit-picker in one person.

In reviewing Hickman’s book, a first-time CEO argues that the entrepreneur CEO has to be both manager and leader and try to do both roles effectively “without driving the team nuts”. As the entrepreneur CEO of a thriving multimillion pound turnover medical publishing and conference business that I started myself, I have to agree: If you want to build a successful business from scratch, you cannot get away with being either a leader or a manager. You have to be both.

I would argue, however, that the challenge of being a successful council leader is even greater. Trying to be an effective council leader of an inner London borough has been the greatest challenge that I have faced. I believe that you need the orderly, rational mind of a manager, the creative soul of a



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## Mind of a manager

In my view this is the most important of the three core skills of a council leader. Without this attribute you are lost and you will have no chance to effect change or put your stamp on your time in power. You will be reduced to the role of a glorified spin doctor as you watch the council machine slow down.

At Hammersmith and Fulham, our biggest achievement to date is a managerial one. We have been able to cut council tax

by 3% two years running and deliver better services. In our first budget Hammersmith and Fulham residents saw their council tax bills go down for the first time in a decade. Now we have announced a repeat of our first budget by combining lower

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council tax with more cash for things that matter to residents. The council is pumping in £1.5m as part of £4m over two years to pay for round the clock beat policing in our town centres as well as spending more on schools and adult social care. This has required a combination of political determination and teamwork between councillors and council officers.

Hammersmith and Fulham council has managed to produce substantial savings by competitively tendering council services, cutting waste and bureaucracy and by introducing new ways of smarter working.

We are committed to competition and market testing council services. Over the next three years £90m of in-house council services are to be tendered which is half our total net

budget. This should yield at least £5m of efficiency savings without impacting frontline services.

We have waged a war on waste **and improved productivity**. Our very first move as a new administration was to cut ten personal advisers to cabinet members – an immediate saving of over £300,000 pa. There had been more advisers than there were cabinet members! Meanwhile, more than £4m has been saved in agency costs in the first two years, reducing the expenditure from £24m to £19.6m. Whilst the Taxpayers' Alliance lambasted local government for spiralling expenditure on communication, they highlighted Hammersmith and Fulham as an example for other local authorities to follow because we have cut expenditure on communications. Cuts in spending include a £300,000 saving on the Council's newspaper, partly from increased income on commercial advertising, and £300,000 saving by contracting out print services. We are now spending less on communication than we did ten years ago.

Smarter working has also paved the way for a reduction in office space, saving taxpayers £468,000. Savings have also been made in backroom operations – for example by allowing people to renew parking permits online. Overall the council's award winning Customer Access Strategy has delivered £4m in savings while substantially improving our service to customers.

**Finally, we have lowered the council's debt by a staggering £20m, saving council taxpayers more than £1.5m a year in reduced payments. Before we spend a penny on services, we currently have to spend £10m of taxpayers money just servicing our historic debt. For every million we can trim off that bill, we are saving taxpayers £100,000 a year forever. Reducing the debt bill means there is more to spend on services. Our level of general fund debt is now back to the same level as in 2000 at £149 million.**

How has this been achieved? Through the preparation, planning and execution which all require the mind of a manager.

Preparation for this budget started before we were elected and so we were able to announce that we were tendering our refuse collection, street cleansing and grounds maintenance services the day after the election.

Planning started in earnest in June at an away day between senior officers and the cabinet. We continued with a series of budget meetings throughout July and August in which every area of expenditure was challenged.

Execution was the hardest part. Despite a series of local media headlines that railed against “Tory cuts”, we have stuck to our guns. By setting up a vacancy management panel, we have slowed recruitment and used natural wastage to make £4m savings in our first year of administration. We introduced far stricter financial controls and challenged the dominance of the Trade Unions by modernising many of our HR practices that were undermining the ability of managers to manage. A consistent ‘value for money’ message has been communicated to all levels of council staff in a series of road shows with the council leader and chief executive.

A last word of advice on this core skill. It is important to have the mind of a manager but not to become a manager. That is the job of your chief executive and chief officers – although they probably think I step over that line occasionally.

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## Soul of a leader

Council leaders lead large organisations with big budgets and thousands of talented staff and managers as well as a large political group of councillors who have worked hard to get elected who are either in the cabinet or perform a scrutiny role. The best people who choose to work in local government are public servants who want to deliver for their residents. The best councillors care about the place they represent. They both need

a motivating “big picture” on how a council will make a real difference over the long-term to the lives of the residents who live and work in the borough. Sir Michael Lyons calls this “place shaping” but I prefer “vision”. Our vision for Hammersmith and Fulham has taken time to develop.

At one level our vision of “putting residents first” is simple. We are helping the vast majority to help themselves. It means lower taxes, less waste and better services. It means we will listen to real people. It means cleaner streets and safer streets. It means we will wage war on waste. It means we will not make residents pay a penny more than they need to. And it means we will concentrate on delivering the services that really matter.

At another level our vision of creating a “borough of opportunity” is to give our residents the opportunity to get on in life. We want to help those who need help by giving them a hand up rather than a hand out. Over the years our borough has become more polarised. Some of the wealthiest households in the country are located in Hammersmith and Fulham. The borough ranks fourth highest in London for average house prices. But the borough also has significant areas of deprivation, where people’s lives are blighted by crime, poor environments and low aspirations. The “borough of opportunity” vision is about:

- Offering schools of choice and excellent state education for the young people of Hammersmith and Fulham
- Creating a housing ladder of opportunity with home ownership at its core
- Regenerating the most deprived parts of the borough with a focus on physical, economic and social renewal.

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Developing a vision requires the soul of a leader if the vision is to be compelling, but delivering the vision is the hardest part of leadership. It requires courage.

People who become good council leaders have a willingness to make bold moves but they strengthen their chances of success – and avoid political suicide – through careful deliberation and preparation. This requires setting clear goals to deliver the vision, selecting the right time and developing contingency plans before things go wrong. This is even more important when a council changes control dramatically, as it did in Hammersmith and Fulham. Getting the workforce to recognise a different vision quickly was a deciding factor in achieving our goals.

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## Art of a politician

Being a manager and leader is not enough. A council leader needs the art of a politician. You achieve nothing if you do not have the support of your officers but you also get nowhere if your council group is divided. This means that you have to keep the group together and keep them both informed and able to contribute. The key to a happy group is to have a common purpose combined with constant communication. A large majority does help – but an effective chief whip is essential.

A council can deliver great things for local people but it also needs to tell the story. **Effective communication with residents is the fine art of politics.** A council leader needs to sell the positives and respond to the story as it unfolds. A good director of communication is second only to the chief executive in importance to the council leader. Once you have the story or the rebuttal you need the political network to be able to make it count.

**Hammersmith and Fulham is the most bitterly fought and expensive electoral battleground in Britain. This is a fact**



rather than assertion. In both 2005 and 2006 the Electoral Commission register shows that the Hammersmith & Fulham Constituency Labour Party (CLP) and subsequently Hammersmith CLP received the highest donations of any CLP in Britain. In 2006 the GMB gave £25,000 to the Hammersmith CLP – by far and away the biggest donation by any union to any CLP in the country. On the Conservative side, the figures were even higher.

This battle is fought both on the ground and in the air. The air war on tax cuts is fascinating. Hammersmith and Fulham council is the only public authority in Britain to be cutting its tax take and Labour has attacked these tax cuts, as one would expect. The last Labour council leader, who lost his seat, has branded them the “50p a week” tax cuts. The Labour campaign formula

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So how have we fought back? We calculated how much residents have saved, not just compared with the tax figure inherited at the change of council control in 2006, but compared today’s tax rate with where it would have been after two more years of Labour control. In other words, to compare the figure after 2 years of 3% cuts with the figure of where tax would have been after two more years of 7.7% rises under Labour. On this basis we have saved nearly £350 off the average council tax bill in just two years. Comparing the Band D Council Tax take, this is now a figure of £863 compared with £1,063 if we had had two more years of Labour – an amazing difference after only two years of so-called “50p a week tax cuts”.

The second thing is this – one must challenge the Labour “cuts” figures at every available opportunity with a value for money message. It seems that almost every week, Labour tells the public that the council is agreeing a “new package of cuts”. Last January Labour attacked so-called cuts of £16m, £24m and £36m over the following 3 years. In March they told us the Conservatives had announced a further £34m of cuts. Last month came a new figure of £15m of cuts as part of a new three year cycle of cuts. Then we were told of another council meeting to approve £36m of cuts “on top of those previously reported”, and then a couple of weeks later, the same amount, including “new cuts”, to be agreed by the council’s cabinet. The local Labour Party has already come close to announcing “cuts” equal to or exceeding the council’s total budget of £250 million and we are not even halfway to the next election.

Finally you have to be pragmatic. **Politics is the art of the possible.** Conservative councils have to be prepared to work with their political opponents who are in power at a regional or national level or who control many of the government agencies. We are a flagship, high profile, Conservative, inner

London council facing a Labour Mayor – and a Labour government. You have to be able to recognise the strength of your hand, be prepared to compromise and make deals but never forget when to draw the line.

Being a council leader has been my biggest challenge so far but the irony is that council leaders are not held in high esteem and local government is perceived as a political dead end. This has to change.

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## About Localis

In a market filled with local government research initiatives, we believe that Localis makes a distinctive offering.

Localis offers a fresh and distinctive approach based on close links with Policy Exchange, Prospect's think tank of the year 2006-7. Localis aims to influence policy makers and thinkers outside the local government village in clear, jargon-free language.

We are at a crossroads in considering how we govern ourselves. Debate has moved on: across all political parties it is recognised that the centralising trend of the past three decades has not delivered. In theory at least, we are all localists now. From here our priorities are to ensure that:

- government and government departments really let go;
- the emerging regime of inspection and targets does make local government more answerable to residents, not to central government;
- the current, unsustainable finance system is overhauled,
- 'Double devolution' really occurs – both of services to local governments and individuals and of enhanced community participation.

We need to move away from old-fashioned ideas of governance based on single coherent, geographically based communities. We need to look afresh at how best to ensure that communities – of whatever sort – are well served.

These questions are not party political. Localis is concerned to support the development of effective local governance as a whole.

Localis is an independent research organisation set up to develop new ideas for local governments and those who engage with them. It organises seminars and commissions research relating to all aspects of local government.



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