

# **Living with ambiguity**

*The relationship between central  
and local government*

**David Walker**

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# LIVING WITH AMBIGUITY: THE RELATIONSHIP BETWEEN CENTRAL AND LOCAL GOVERNMENT

## Introduction

Only seasoned players of the game are likely now to remember the Local Government, Planning and Land bill launched by Environment Secretary Michael Heseltine in autumn 1979. Among other things, the resulting law made compulsory the competitive tendering of certain council services, a reform judged in research sponsored by the Joseph Rowntree Foundation<sup>1</sup> to have been broadly beneficial. But the measure's significance only became apparent later. It launched a long cycle in the relationship of the centre and elected local authorities, which is far from played out.

That piece of legislation substituted the judgement of the centre for that of elected councillors in the *how* of local service delivery. Yet *centralisation* is too simple a label for it and the cycle it introduced.

Tagging the past 20 years in that way does not get to grips with, for example, the Thatcher cabinet's enthusiasm to have managerial decisions made by arm's length agencies (administering benefits, say) or the radical devolution of power to Scotland and Wales and the Greater London Authority enacted by the Blair government. During this cycle, both Conservative and Labour administrations have sought to (re-)energise *community* and local people – tenants in social housing, parents and governors – as replacements for councillors and councils.

Yet that early Conservative bill was the precursor of a gigantic legislative and political effort that goes on. In September 2000, Labour published a paper on local authority finance. Some of its core ideas – offering chambers of commerce a *de facto* veto on supplementary rate levies – harked back to the mid-1980s. Yet Labour's plans for re-energising local decision making by allowing councils to establish executive mayors looked dramatically forward. It is not just ways of doing council business that are in play but the legitimacy of local elective government and, as always, the shape of the central–local relationship. Perhaps the last quarter of the twentieth century is best described as an era when, as never before, elected local government has been a problem, an irritant, a sore on the body politic – in the eyes of the centre and, it has seemed, citizens at large. Here, five years after the JRF convened its own summit on central–local relations at Leeds Castle in Kent, we are again.

### **Despite everything the system works!**

First, we need to register who the 'we' are who perceive local government as such a problem. In surveys of public trust in governmental institutions, local authorities seem to decline at the same rate as parliament. In the May 2000 district elections, average turnout was under 30 per cent, though experiments with balloting pushed the figure up in some wards. It was scarcely more in London where for the first time an executive mayor was being chosen.

Conventional wisdom says non-voting reflects discontent. Perhaps it could be taken as passive assent to the operations of the system that delivers public services – which often get surprisingly high ratings in opinion polls when distinguished from the elective institution responsible for them.

Objectively, the *system* does work. There have been few

instances of breakdown of local service provision to compare with the celebrated winter of discontent, 1978–79, since the trade unions were repulsed by the Thatcher government in the 1980s. Centre and locality co-operate and, at the level of officers, ministers and councillors, usually trust one another. When they come to draft major statutes – the 1989 Children Act is a good example – civil servants do not stop to think about the existing, messy structure of relationships between Whitehall and local service departments. It functions well enough, they imply. And so it does.

Sir Charles Carter, chairman of the Joseph Rowntree Foundation's (JRF's) local and central government relations panel, pleaded for more mutual understanding after a period (which can be dated from the early 1980s to the early 1990s) during which the centre and local authorities had been at loggerheads (Carter, 1996). The theme was picked up in a House of Lords inquiry (House of Lords, 1996). These efforts contributed to the marked improvement in personal relations since the early 1990s, to which Tory Environment Secretary John Gummer and the natural friendliness of Labour ministers to their party colleagues in significant positions at the Local Government Association both contributed.

The system is strong. You could even say it was tested to destruction in the 1980s and survived. Since 1980, the nearest we have come to service breakdown in Great Britain was in Liverpool in 1984–85 and in Hackney in 1996–97. In those two very particular places, services continued to be provided even as political regimes collapsed. The resilience and effectiveness of central–local relations on a technical level was demonstrated during the three-year life of the English poll tax. It was set, collected and spent. (In Scotland and Wales, central–local relations are probably even denser and in many ways less problematic, although, notably in west central Scotland, poll tax collection was

much less successful.) In the same way, in 2000, the local government system absorbed and started the Best Value regime mandated by the Local Government Act 1998. Despite grumbles, a huge innovation in practice and culture was delivered.

Within the constituent nations of the United Kingdom, consensus reigns on the nature of the service state. Of course, political regimes differ on its size and cost, but – so far – only within limits. Since modern administrative machinery was created in the mid-nineteenth century to provide public health and urban infrastructure, there have been few, if any, profound differences over basic purposes between local officials and representatives on the one side and the denizens of Whitehall and Westminster on the other. In the twentieth century, local government grew as a service provider along with country-wide expectations about service levels and quantities; meanwhile policy set at the centre has always had a local dimension. The British state has been reluctant to emulate, say, the French and create country-wide mechanisms to deliver services. D.N. Chester of Nuffield College, Oxford captured this large truth: ‘There will never be a great divergence between the general policy of the government and the opinion represented by the generality of local authorities’ (Chester, 1951). Such absence of disagreement may help explain the sheer complexity and confusion of central–local relations. Agreement encourages tacit understandings, overlaps and assumptions. Martin Loughlin (1996) deplored this. He cited the murky adjudications in a string of court cases brought during the 1980s and the confusing state of the law governing the powers of councils relative to the centre.

As long ago as the mid-1960s, John Griffiths (1966) blamed the centre for ‘an almost deliberate refusal to rationalise’. He said successive generations of ministers and civil servants had seen no reason to tidy up a set of relationships that lacked ‘both scheme and system’. Financial relations between centre and

locality, epitomised by the Standard Spending Assessment, also show the complexity of central judgements of need. The September 2000 Green Paper promises rationalisation; but that will surely depend on even more central–local agreement on definitions of need and methods of assessment. The July spending announcement by the Treasury said local authorities would be given the same Public Service Agreement targets as Whitehall departments, indicating yet further absorption of local government into the centre’s scheme of things.

Perhaps the very cosiness of financial relations explains why the spatial or place-based impact of public spending is little understood – as research for the Department of the Environment, Transport and the Regions (DETR) has shown (DETR, 1998).

Perhaps, then, this legal and financial confusion reflects how, under the skin, town clerk and permanent secretary share a genetic makeup. The enclosed nature of the relationship was illustrated in late 1999 when the Ministry of Agriculture, Fisheries and Food (MAFF) published its draft mission statement for the Food Standards Agency (which started work in April 2000). The agency ‘will have to work closely with *local* authorities, in particular, in order to develop *national* standards’ (Walker, 2000, italics added). This could mean MAFF sees local authorities as mere agents of national purpose; equally it might exhibit the centre’s belief that the local state shares its conception of the public good.

The system has always refused to answer the difficult question: ‘What are councils?’ Are they autonomous decision makers with their own legitimacy or agents in the collective provision of services, a convenient assemblage of services on a place-by-place basis? The former definition suits ministers when there is blame to be allocated. The latter suits councillors when they want the centre to provide more money. In practice, it has been convenient to keep both identities going. In practice, neither

side liked too clear-cut a definition.

There is no sign that the convenience of that ambiguity has lessened. Take the Blair government's social exclusion agenda. There is deep but only semi-conscious agreement on the part of councils that it is on the right lines. A council relishing the autonomy given it (in theory) by its election on a local ballot might refuse to sign up to using its football pitches or leisure centres to combat social disadvantage, as the Cabinet Office Social Exclusion Unit suggested (Department of Culture, Media and Sport, 1999). Few, even Tory-controlled shire districts, are likely to. Of course, if local government were only about services, it would be mutiny to reject a national policy priority, akin to civil servants in a benefit office refusing to pay claimants because they did not believe in disability living or jobseekers' allowances.

Successive governments have ducked the task of clearing up the ambiguity. Labour, in its response to a critical report by the Commons' Environment Committee in spring 1999, chose to describe rather than resolve the issue. Councils, it said, are both local government and local administration. Perhaps that is as precise as we will ever get (Stationery Office, 1999). The tension between the two roles is permanent. The *problem* of British local government is forever.

## Some recent history

Tolerance of ambiguity has not stopped the centre from re-working relations, time and again. For two decades, the centre has shown itself discontent with the local authorities it has. Let's recapitulate the extent of the municipal agenda in recent years.

As well as controls on spending and tax-levying powers down to the level of the individual local authority, rules specify how decisions are made. Central government has consistently resisted the notion that local government has a *constitutional* status –



meaning that it should be treated with reverence and grave concern for appropriate procedure. So, a new basis for local finance, the poll tax or community charge was introduced in 1990 but replaced only three years later. (How far was the revolt against the poll tax, nearly £1 billion still uncollected, more a rejection of onerous local taxation in principle than anything else? Local government has often been the seat but never the resolution of some fundamental questions about the fiscal tolerance of British electors and their willingness to pay for public services.)

Local control of taxation on business property was removed – thanks to business lobbying. It may return in attenuated form – business permitting. Local authority tenants were encouraged either to become owners or seek alternative landlords. Parents and governors were encouraged to opt out of local authority control. Local education authorities exist, still, but in twilight. Little public dissent was recorded.

Councils have been abolished and new ones created, with never a royal commission in sight. A large-scale review of local government in the shire counties (the Local Government Review 1992–95) came and went without, in the words of a study,<sup>2</sup> contributing much to long-term thinking about the territorial basis of government in England and almost nothing by way of relevance to future discussion about the structure of local government.

Much of the agenda has been carried by the Department of the Environment and by its successor, the DETR. But councils have also been affected by changes in policy developed in the Home Office (police and crime), Health (social work), Social Security (housing and council tax benefit). For more than a decade, education policy has sought to diminish local authority discretion; the marginal participation of councillors in police administration at the beginning of our cycle has been reduced further.

## **The centre's discontents**

The reasons for this cycle of central intervention may be summarised.

### ***Public confidence and an alleged democratic deficit***

The centre says councils need to change (it needs to force them to change) because the public lacks faith in the operations of local democracy. Local government's defenders reply that it is a matter of motes and beams. The public also lacks faith in central government. But the political fact is that cabinets call the shots; governments of both left and right have fretted over the lack of public interest and confidence in the town and county halls.

No one disputes the charge that there is a democratic deficit in local government: people do not just refuse to vote, they do not take part in local affairs or bother to find out who does. One reason is confusion over whether councils exist to provide 'technical' services (about which people have no wish to vote) or whether they exist as instruments of assertive democratic will.

Research confirms the charge that citizens lack interest, especially young people. They have for a long time. There is no correlation between declining interest and changes in the financial base or service array of local authorities. The social facts are that the majority of councillors are white, male and middle-aged. A large proportion of them do not have other paid employment. They thus can be said to lack representativeness. (But would a more representative council be better loved; would a more representative council be more effective or economical in providing refuse collection?)

Turnout in Britain is lower than for sub-national elections in other member states of the European Union. Some councils seem – research shows – to be unconcerned, varying widely in the attention and imagination they devote to the condition of local

democracy. According to the DETR (1999), 'low and falling turnouts weaken a council's claim to speak for the local people'. Low rates of participation 'damage and ultimately would destroy their ability to give leadership to their communities'.

The centre responded to this perceived crisis of local democracy, first by seeking to make councils more representative and *democratic*, second by looking for new ways of engaging the public's trust in council operations and output. The two policies have often pulled in different directions. A more democratic council might be less capable of the technical excellence in service delivery the public also seems to demand. Yet a corporate entity delivering services on the basis of consensus might have little need for the messiness and disruptiveness of democratic elections, even for establishing local demand or preference.

Something of this desire to enhance trust lies behind, for example, compulsory competitive tendering and its successor Best Value regime.

Entire confidence-building institutions have been created, for example new inspectorates intended to make local functions more transparent and accountable. Where ballot-box accountability is seen to be failing, accountants have been prayed in aid. The Audit Commission's tables and indices of value for money suggest there are national norms of efficiency and effectiveness to which all councils should aspire, regardless of local circumstance and choice. What price local elected representatives if it turns out their job is to follow the script written in Vincent Square? The more corporate and consensual local authorities are, the better they are likely to be able to deliver services according to the Audit Commission norm.

Other confidence-building interventions by the centre in recent years include attempts to refashion the way councils go about their business. The Widdicombe committee (HMSO, 1986) prompted a peculiar effort by the staunchly partisan Thatcher

government to make local decision making less partisan. In the same vein is the Blair government's plan to force councils to choose mayors or cabinets or specified schemes for their executive decision making. In these ways, the centre has sought to have councils make more impression on local electorates. But the centre has rarely come clean and pledged to reduce local political choice.

Yet the centre finds the political identity of councillors difficult. Partisan antagonism to Labour councils galvanised policy under Margaret Thatcher. The Blair government has not had occasion to coerce Conservative majorities on councils but the signs are that it would.

All governments are reluctant to be honest about the role of party in our system – and what appears to some the excessively partisan nature of national politics and attendant media. Yet without assessing their partisan identity how can councillors' functioning be addressed, either inside the parties or in terms of central–local relationships? That councillors lost an empire and have so far failed to find a role may be blamed on Tory-inspired changes, but who now would argue for a return to the days of patronage where a councillor acquired standing as the person able to recommend a housing transfer? The Blair government's modernisation rhetoric makes assumptions about the capacity and willingness of councillors to share its agenda for local leadership and service delivery. Once again, it fails to ask the critical question: should councillors be agents of political (ideological) purposes, which in practice means rather pallid versions of national politicians?

## **An alternative definition of local?**

At the same time as re-engineering local government, Tory and Labour cabinets have toyed with ways of delivering services

locally without relying on elected councils. If councils are unreliable, partisan, spendthrift or ineffective, might they be circumvented or substituted for?

Ministers consciously set out to challenge the monopoly claimed by councillors on local representativeness. Michael Heseltine's sojourn on Merseyside after the Toxteth riots in 1981 was a defining moment. Public discontent with local authority service delivery was identified as a causal factor in the disturbances. One consequence was the abolition of the metropolitan county councils, perceived to be unnecessary. (The recent revival of talk about city-regions may indicate either that conurbation-wide government is necessary or that the problems of local governance are merely cyclical.) Another consequence was renewed interest in ultra-local mechanisms, such as estate management usually involving tenant organisations, the first fruits of which were seen in the Cantril Farm project in Knowsley. *Communities* were perceived as possibly more legitimate even than elected local authorities, though precise definitions of their makeup and boundaries were rare. The relationship between these communities and elected local authorities has rarely been examined.

Communitarian thinking popular in the later 1990s underpinned new initiatives, including local management for schools and countless area-based initiatives, of which the health and education action zones created by Labour are recent examples.

JRF research has played a part here. Successive studies have identified community (neighbourhood, estate, sub-district) as the fulcrum of much-needed social and economic change. Studies have advocated a network of community enterprise zones based on neighbourhoods.<sup>3</sup> Professor Anne Power of the London School of Economics argued if not for the emancipation of estates from local authority control then certainly for radical measures of self-government by estates using resources 'passported' to them.<sup>4</sup>

Other studies warned against absorbing voluntary and community initiatives into bureaucratic mainstreams – i.e. the town halls.

A complaint levelled against these initiatives seeking to recreate local government outside the local authorities was that they reduced accountability. A plague of quangos (training and enterprise councils, housing associations and NHS trusts among them) was diagnosed, exercising power in health, further education, training, careers and housing and urban regeneration, not subject to local democratic control by those whose lives they affect. For JRF, Chris Skelcher and Howard Davis of Birmingham University found great variety and inconsistency in the ways in which quangos are governed and lack of clarity about whom they answered to.<sup>5</sup> One response might be this. Are not variety and inconsistency hallmarks of local governance? Another might be that service accountability was never a strong card for elected local authorities even in the alleged golden days before 1979: the post-war era saw education and social work and other services retreat behind professional barriers, immune from inspection let alone local control.

In education, central government, especially under New Labour, accepted such a critique of councils, which were said to have failed to secure from teachers efficient and effective education. The Blair government accelerated the decline in the role of councillors in administering the schools, for example by passing money directly to heads and governors. The September 2000 Green Paper on council finance surprised some by retaining local education authorities as conduits for school spending.

A paradox here is that recent reforms have increased the power of certain education professionals, notably headteachers. JRF research found heads and governors unanimous in their sense of empowerment and enhanced effectiveness resulting from the devolution of budgets and control over staffing and premises.

The centre has succeeded in finding alternative means of

delivering. Michael Clarke and John Stewart say a 'new localism' exists based on redrawn boundaries between strategists and service deliverers.<sup>6</sup> They argue that local authorities have been given a new lease of life, unencumbered by responsibility for housing and education. They are now able to take a *strategic* view of local needs and local futures and effect the 'joining up' of services and professional perspectives identified as a priority by the Blair government (which has yet to effect joining up at the centre).

This model only works if councils do speak for communities. Yet the drift of recent research – much of it JRF-inspired – is that communities are best understood at microscopic level, well below that of local authorities; their strategic vision might even conflict with the articulated aspirations of estate dwellers. In its recipe for neighbourhood renewal, the Social Exclusion Unit – expressed in the report of its Priority Action Team 4 (Cabinet Office Social Exclusion Unit, 2000) – said public services should be focused on defined areas of deprivation. It recommended local leadership (which might exclude council representatives), community involvement (possibly outside existing municipal structures) and targeted assistance from central government (which might bypass the town hall).

## **A service imperative**

Is there a permanent tension between diversity (autonomous local authorities free to decide on services) and equality (people broadly getting the same services wherever they live)? The core philosophy of public service in the UK has rested on a principle of equal treatment. Even at the height of the Thatcher era when the cabinet's political commitment to equality was slight, a certain sense of the necessity of equal treatment held firm. Turned on its head, it justified central intervention to stop councils levying

'excessive' property rates; it was unfair that people living in similar dwellings should pay different amounts. In a report from the Commons Environment Committee in summer 1999, MPs recognised 'there will always be a trade off between fairness and simplicity in the system to distribute government grant to local authorities. However we are of the view that fairness and equity are more important than simplicity' (House of Commons Environment, Transport and Regional Affairs Committee, 1999).

Equality does diminish local diversity. The most avid proponents of freedom for local government rarely refuse the grants from the centre that ensure their publics are as well served as their neighbours. Some resolve the problem by proposing councils are forced to uphold minima; after that they can add, according to local wishes. Why not also subtract? Sir Charles Carter enunciated as a guiding light for central–local relationships a *principle of difference* – involving acceptance of diverse provision. Yet the spirit of the age has long seemed to be against him: the media, national government, professional groups, interest groups, public opinion all seem to want less not more difference in local outcome. There are abundant examples of inspectors, the media, JRF researchers, MPs finding fault with local discrepancies in service provision. The Audit Commission (2000) complains about differences in charges for old people in residential homes. There are wide differences in what disabled people with similar needs get, depending on where they live and when their support packages were first set up, said JRF research in October 1999.<sup>7</sup> It was not intended as praise. Similarly, when Sally Baldwin and Neil Lunt discovered a 'complex and varied pattern' in charging by local authorities for domiciliary care,<sup>8</sup> the implication was that standardisation would be fairer, for why should needy old people in one part of the country be deprived services offered to others? The thrust of such research is to criticise those councils which choose not to avail themselves of a discretionary power.



When JRF research<sup>9</sup> found few people with learning difficulties knew much about direct payments (under the Community Care Direct Payments Act 1996) the implication was clearly that councils should be pressured into offering available money to all claimants who qualified. This – admirable – urge to offer the best service to all empowers professionals to demand uniformity: and central government intervention to secure it. When the JRF commissioned a report on barriers to change in the social care of children,<sup>10</sup> a senior manager in a local authority social services department was on hand: ‘I know we should work with neighbouring authorities and the independent sector to plan services – but the reality is that we don’t. It needs a much bigger intervention than we’re ever going to do on our own if we’re to have the residential provision we need to make good placements.’ The demand becomes national guidance ... in housing, support services, school exclusion and so on. This becomes a form of restriction on local choice. In community care, schools and local economic development changes in the legislative framework during the 1980s and 1990s eroded the scope for choice and variety, according to a JRF research finding.<sup>11</sup>

## **Where are we now?**

### ***Confusion***

Uniformity and community solutions may contradict one another. The Labour government’s crime prevention strategy emphasises local circumstances and recommends paying special attention to particular streets and neighbourhoods. It also insists on meeting national targets for reducing crime, which local areas are meant to subscribe to.

Education policy is critical of variation in standards and results. The Office of Standards in Education (OFSTED) is suspicious of

councillors' involvement. An attempt has been made to square the circle by creating new inspectorates: local diversity is tolerable as long as standards adjudicated by central inspectors are maintained. But the inspection process, see below, may have a momentum of its own.

### ***Marginalisation***

Local government often appears peripheral. Economic change involves redundancy, closure and consequent community disruption. These are among the bundle of effects sometimes labelled globalisation. The capacity of the nation state to resist them is questionable, let alone local government. Councils seem marginal, even in picking up the pieces. Discussing the coalfields, JRF-commissioned researchers concluded 'government and other initiatives have had, at best, a partial and uneven effect in transforming these areas. Little progress has been made'.<sup>12</sup> Councils were unable to transcend their bureaucratic limitations. 'Locally, local authority structures tend to replicate the departmentalism and political imperatives of central government. Because most regeneration programmes are led by local authorities, the relationship between the authority and local communities tends to reflect these institutional structures and approaches. Even where there is a strong commitment to involving the community, there may be little understanding of how to achieve it.'

Emphasis has shifted upwards towards the regional level (in England) and downwards towards neighbourhoods. Regional development agencies began work in England in April 1999. Regional elected assemblies are a possibility. A parallel focus of policy has become neighbourhoods – rarely defined with any precision but self-evidently not coterminous with local authority boundaries. Papers from the Social Exclusion Unit and similar

bodies emphasised community involvement in neighbourhood regeneration and precise targeting of problem estates. Councils become sidelined.

## **New Labour's agenda**

Formally, the Blair government believed in partnership. The UK acceded to the European Charter of Local Self Government and set up new forums where ministers and local representatives could regularly meet. But Labour's local agenda moved in opposite directions at the same time. One is towards devolution of power from Westminster, to the UK's constituent nations and the English regions, including Greater London. The government's willingness to concede power is in no doubt. It was demonstrated by the creation of the Edinburgh parliament and Cardiff assembly as well as an elected mayor and assembly for London and, other things being equal, the Northern Ireland assembly. And the thrust of the legislation proposing elected mayors and new cabinet arrangements for local government is to revivify local politics.

When Labour was in opposition, its thinking was influenced by those who argued councils should become community leaders, impresarios of the local collective will.

But the price had to be more representativeness. Labour has turned into a *de facto* critic of its own hegemony in the big cities. When control of Liverpool, then Sheffield, city councils passed from Labour to the Liberal Democrats, notably few tears were shed. Lord (Chris) Haskins (2000) argues publicly for proportional representation on councils. 'It would eliminate the unhealthy single party monopolies that undermine credibility'. New legislation allows experiments with postal voting, new opening hours for polling stations which early evidence suggests might improve turnout (Wainwright, 2000). Privately, however, Labour advisers are far from convinced. How legitimate are elected local

authorities when they excite so little public interest or support?

Labour has moved sharply in another direction. After three years, it is evident that the government's egalitarian and redistributive ambitions are centralist. Central government is principally responsible for fairness so it must ensure there is uniform provision of services across the country. Its job is to focus resources where the centre identifies deficit or disadvantage.

## **Is there a New Labour model for local government?**

Labour's model for central–local relations seems to be command and control from an initiating unit or department in Whitehall to a local service deliverer. But Labour has been unwilling to expand the central bureaucracy to the size that would be necessary to make that model work. In practice, local authorities continue to play a significant role – both as technical suppliers of services and strategically as local co-ordinators and joiners-up, of crime prevention, learning and skills and other initiatives.

For example, the political intention behind Sure Start – the programme of special assistance for under-fives from deprived backgrounds – is to capture and enrol all needy children. But it is also intended to be 'evidence-led', transferring best practice and good results from one area to another. As it has turned out, Sure Start is being delivered through the mechanism of *ad hoc* local committees. The recipe, in other words, is for diversity. It is, as ministers see it, diversity based on empirical circumstances rather than the vagaries of councillors' decision making. Sure Start is to be delivered by local professionals (probation officers, health visitors, teachers) and the voluntary sector. Its organisational chart is going to be hugely complicated. And local authorities turn out to play a critical part.

Labour has added to the audit explosion by creating new

housing and benefit fraud inspectors to join schools, social services, fire and police inspectorates. Yet the Audit Commission's Best Value inspectorate may come to be seen as the high water mark of public confidence in neutral or expert inspection – a backlash may be on its way (see below). Inspectors produce material which the public and local political actors are supposed to use to secure improved performance; instead, league tables and similar assessments become an instrument for central criticism of sub-standard delivery, leading the centre to seek alternative delivery mechanisms. Meanwhile, those who are inspected complain of 'overload' and inspectorial overlap. School teachers say they, like the animals in Pavlov's experiments, acquire the habit of salivating and pecking when they know what the right behaviour is.

Has Labour created a new local state in which elected local authorities are only one participant, among the local business partnerships, forums for dialogue, health and education action zones, New Deal projects and schemes such as Better Government for Old People? The Cabinet Office and DETR have already felt obliged to issue guidance notes to Whitehall and create an interdepartmental support unit inside the DETR in order to minimise the overlap between the various zones and area initiatives.

## **Labour's social policies**

### ***Housing***

Councils are ceasing to be providers (as the Tories intended) but the nature of their strategic role is unclear, especially as policy focus has shifted to the level of the estate. Labour wants to accelerate the transfer of local authority-owned stock to existing social housing groups and newly created instruments, which will

be subject to the regulatory regime led by the Housing Corporation, a quango under more or less strict supervision by the DETR. The number of actors on the housing stage increases. In some areas, councils retain a strategic role; in others they become marginal. Research indicates that local housing companies have resulted 'in improvements in the outcomes for estate-based regeneration most notably in respect of the standard of refurbishment achieved, pluralism in decision making and the long-term planning of investment'.<sup>13</sup>

New problems beckon. Mergers may concentrate social housing in the hands of a few large social landlords. They can spread risk across stock in many areas but will they continue to be exemplary landlords; how will they respond to the neighbourhood-level initiatives and self-empowerment that may be a necessary part of social regeneration?

Housing policy may need to be localised if it is going to recognise differences in cost and land value and economic opportunity in different parts of the country. But local policies on, for example, the supply of land for housing could restrict development in areas (such as Cambridgeshire) where some perceive national strategic needs. Regional pressures on the supply of land for housing development have made the role of the local authority as controller of land release and adjudicator of use even more significant.

### ***Education***

The centre has sought to establish direct relations with schools while pushing a tight agenda on examinations and attainment leaving little room for local variation. At the same time, its social exclusion agenda points the need for closer local links between schools and other agencies.

The very need for local education authorities has become the

subject of speculation, at least by the outgoing Chief Inspector of Schools, Chris Woodhead. Schools remain autonomous bodies, but are encouraged to become more closely involved in work to rebuild and sustain local communities, with significant returns through better attendance, discipline and educational achievement. But how are such partnerships to be sustained or guaranteed across the years? Who ensures there is joining of policies locally?

Note this ambiguity in policy. The basis of league tables and competition between schools is difference, that is to say variations in performance between different units. But the government (and the public) emphasise equality or similarity of opportunity and attainment. Perhaps tolerable difference is only temporary, until all schools reach the required level of attainment.

### ***Child protection***

A ratchet similar to that which has applied in education seems to be tightening, with the centre insisting ever more strongly on uniform delivery of child-protection services, imposing targets which all authorities have to deliver – aided and abetted by professionals who insist on minimum variation in resources.

### ***Crime***

The joining-up rhetoric says there needs to be closer integration between local authorities and the police, while councils are being asked to develop strategies for crime prevention. Formally, local control of the police service is diminishing (outside London) and has significantly increased in the capital.

The connection between the police service and local democracy is already thin and looks like becoming thinner as, for example, the county basis of forces comes under increasing

scrutiny. The Audit Commission is poised to ask provocative questions about the role and responsibilities of chief constables, paving the way for the creation of regional or even national police administration. At the same time, it is identifying superintendent level management as the key to effective delivery of crime prevention and clearing up. Already 'localisation' has taken place, for example, in London, there is better alignment of police management and borough boundaries. Whether this is an opportunity for elected local government as opposed to other organs of community opinion and will remains to be seen.

Meanwhile, local authorities have been actively recruited by the Home Office as instigators and participants in local crime prevention strategies. The 1998 Crime and Disorder Act imposed extensive new responsibilities on councils. Does this make them accomplices after the fact? In summer 1999, Jack Straw publicly criticised councils for not being more active in using the power they had been given to seek curfew and anti-social behaviour orders. Yet, barely days previously, his own civil servants and Local Government Association officers had amicably discussed why everyone should proceed gingerly over the new order – they might infringe the 1998 Human Rights Act, coming into force in October 2000. Will it, in turn, act as a dynamic in favour of central setting of standards? Doesn't the very idea of human rights contradict the principle of 'local difference', as cases are brought establishing a citizen's right to uniform treatment or services?

### ***Transport***

Local authorities have been cast in a starring role in Labour's transport plans, authors of strategies for cars, public transport and pedestrians. In fact, the centre retains tight control of finance and policy, as planning for transport improvement in London shows. Labour government policy accorded local authorities a



new, energetic role in regulating transport, congestion and parking charges while linking transport planning to wider aspects of urban life and environmental sustainability. But councils' capacity to execute policy is limited; the deregulation of transport undertakings under the Conservatives has not been reversed. Local experiments in congestion charging have been permitted but the centre looks unlikely to allow councils to innovate if charges are politically controversial. On the environment and in economic development, the quality of central–local relationships is good and local authorities are trusted partners in areas where public spending is limited or, as with economic development, controlled by regional or national agencies.

## **Where do we go from here?**

No apocalyptic scenario confronts local government in Britain. Local authorities as we know them will be around in ten years' time, probably also in 20. That is partly because the legislation on elected mayors will take some time to implement. Whichever party wins the next general election, a gigantic bid to 'get rid' of elected local authorities is highly unlikely even if, in the event of a Conservative government, further reduction of local government's service capacity would follow.

There might be constitutional changes delivered by Labour acting by itself or in coalition with the Liberal Democrats relevant to the standing of local authorities. Reform of the House of Lords might include some element of local, city or regional representation; the English regional development agencies and chambers might evolve into elected regional entities (Deputy Prime Minister John Prescott has now gone on record proclaiming his support for elected regional assemblies). Change in the status and responsibilities of local authorities in Scotland and Wales might be more likely than in England if the respective parliament

and assembly interest themselves in service delivery. If public administration were entirely rational, the creation of regional assemblies would lead on to reform of county and shire district councils, perhaps a general move towards unitary councils. However, the political appetite for changing council boundaries is slim.

The balance of local service provision will shift as the UK ages. Even if the UK has already coped relatively well with demographic change (by lowering public expectations, by the growth of private pension funds), growing absolute numbers of elderly people will affect the balance of services and the politics of paying for them. Since local authorities (elected or otherwise) are well placed to provide or organise services for the elderly, demographic change is likely to favour the local dimension; as will, though in different ways, a significant increase in legal immigration into the UK.

It is a fair prediction that the mixed economy of local service provision will get even more mixed. Private Finance Initiative (PFI) contracts will have to be paid off, possibly putting strain on revenue budgets. The rhetoric and the reality of *partnership* are unlikely to change. Labour's enthusiasm for introducing more contracting out of services, including educational administration, will continue – unless some spectacular failure of provision occurs.

Labour has rejected most criticism of its enthusiasm for PFIs despite calculations throwing forward the cost of contracts into the third and fourth decades of this century. The need for private companies to secure their rate of return might, however, become a guarantee that tax rates will never drop below a certain floor or a recipe for painfully high charges for public services. Such forecasts depend of course on continuing economic growth. If present ratios of spending to GDP are held, this could imply large real increases in aggregate public spending for the next few years. The imbalance in the England–UK economy between the South East and the rest may grow – de-industrialisation and the decline

of manufacturing, with its specific impact on the northern regions of England, may accelerate. Pessimists see this affecting, for example, the capacity of social landlords to borrow, reducing the likelihood that housing in the North will be improved.

The Best Value regime will take some time to bed down. According to the Audit Commission, it will raise searching questions about the role and competence of elected members, which in turn will knock on into questions about party structure. After what has happened in London, we may see the national political parties asking about their internal organisation but there is no guarantee that space will be found for more local diversity. Much will depend on the ideological climate; that is to say, how large is the gulf between the parties? Moves towards reforming the electoral scheme used for the House of Commons would affect the picture.

## **What model of governance?**

If some of the big cities do experiment with mayors, this may make even more urgent the need to refine the way we conceive of local government. Structures will change further if councils become *impresarios* of service provision and leaders of community sentiment rather than providers of services. Might councils acquire a forward role in rebuilding social trust? Sociologists report, against conventional wisdom, that there may be no overall diminution in people's willingness to act altruistically in community services, take part in not-for-profit activities and seek to do good; at the same time their appreciation of formal structures of public decision making gets lower. Might local authorities recast themselves in the favourable light enjoyed by non-governmental organisations and the voluntary sector; might they de-couple from the state while still retaining some or all of their existing legal powers and responsibilities?

First casualties in getting from here to there are likely to be elected members: 'Councillors will need to act more as advocates and champions for their area rather than as defenders of the local authority, spending more time in the community than in committees'.<sup>14</sup> That implies they will have to change their spots.

## **Two futures**

### ***Revival***

Might local government re-acquire powers and financial discretion? The Labour government's financial plans published in autumn 2000 are based on the model that says, if local authorities (schools, health trusts too) can reach certain minimum standards as specified by the centre, they will be given extra room for manoeuvre. In other words, freedom will be proffered in return for obedience. The Local Government Association (LGA) wonders whether people may start resenting the cost (£600 million a year) of central inspection of local government and support an effort by councils to throw off the yoke. But the preconditions for such a move would involve a substantial transfer of trust from central to local government. Political circumstances might favour this, for example Conservative or Liberal Democrat councils versus a Labour government. Would our powerful London-based media support a redirection of attention to the local level, possibly affecting their reader and revenue bases?

### ***Corporatism***

The future of elected local government is bound up with the future of democratic practice and participation in public life. Is local government's fate separable from the general condition of representative institutions? A key question here is the future relationship of government and civil society, meaning the arena

for participation outside formal politics.

Both left and right talk about how to regenerate voluntary organisations and achieve more non-state provision of public services. The Cabinet Office Performance and Innovation Unit has been looking at the supply of talent for local leadership positions. Is politico-administrative talent inherently limited, some ask; should it be rationed, for example by cutting the number of elected posts? Does the public have a limited capacity for consultation? Can private business be called upon to supply committed leaders for public and voluntary enterprises? Behind all these lies another profound question. Does central government have any levers to pull to secure improvements in the functioning of society, especially at its micro or local level? The leadership question is not of course confined to local authorities. The evolving pattern of service provision obviously raises questions about governance in the voluntary sector as well as the accountability and effectiveness of the myriad *ad hoc* arrangements in crime prevention, pre-school provision. It would be invidious, too, not to ask some questions about leadership in the private sector. When it comes to questions of closing factories or offices affecting the livelihood of communities, to decisions about the balance of investment and return of profit to shareholders, to wider definitions of 'stakeholding', the ethical capacity of business leaders becomes important. Perhaps we should not be too pessimistic about local leadership capacity. Deficiencies in supply of civic spirit, which is pretty much the same thing as local leadership, have been espied before and the system has continued to function. Writing in the mid-1920s in *The Town Councillor*, W.A. Robson and Clement Attlee (1925) concluded sadly that 'Nowhere is there to be found anything likely to inspire them with anything in the nature of a civic spirit or a wider conception of their mission'. The grail is still being pursued.

## **A non-partisan future?**

So, the future for local government looks even more corporatist. As public authorities adapt to the strength of consumerism in modern society, they de-emphasise their political functions and accentuate their technical, consensual roles. What need for councillors in their present form if public service delivery were to take a cue from business and to offer consumers *a one-stop shop*, embracing all services, central, local and agency? It is an attractive prospect, as services are brought together in a single point of access. Reception staff would be able to provide citizens with useful information from a variety of sources, for example, a lone parent seeking work, job opportunities (from the Employment Service) and registered childminders (from Social Services). But, if services can come together, why not the way they are regulated and made accountable: why separate central and local government at all? A push in the same direction may come from technology. Changes in communications technology will continue to affect both the way government does its business and its relations with the public. A citizen who pays council tax on line may expect other aspects of his or her relationship with authority to alter. High hopes are placed by some in the capacity of the internet to provide information and collect feedback. Optimists see electronic referenda on specific issues attracting higher levels of participation.

If councils become more and more integrated into a local web of service providers, their identity as political entities may diminish. Partisanship is in many respects the enemy of the changes described above. But leadership remains a vital part of the equation: somebody has to organise, somebody has to capture emerging problems and mobilise to deal with them. One puzzle is whether civic spirit can exist independently of partisanship.

## **Living with irresolution**

The local dimension of social and public policy is complex, unwieldy but also rich and vital. Critical questions about councils' identity hang in the air. The public is indifferent to structure and wants results, usually at minimum cost. In an ideal – or a rational world – that might lead to a giant exercise in tidying up, in rationalisation. In the political circumstances that we have or can project for at least the next decade, that is not going to happen. The attrition of certain council services (education, child care) will continue. The map of area-based initiatives will become even more cross-hatched. The capacity of local authorities to express local political will – where it exists – will be enhanced by the creation of the office of executive mayor. The interest of the centre in securing uniform provision of basic services will intensify. For the next ten years or so, elected local authorities will have to go on living – as they have done for the past 20 years – in conditions of acute irresolution.

# NOTES

- 1 JRF *Findings* Ref. G38, 'Local authority experience of compulsory competitive tendering', August 1995
- 2 JRF *Findings* Ref. G57, 'The work of the Local Government Commission for England', May 1997
- 3 JRF *Findings* Ref. 560, 'Urban regeneration through partnership: a critical appraisal', May 2000
- 4 JRF *Findings* Ref. H151, 'Progress and polarisation on twenty council estates', July 1995
- 5 JRF *Findings* Ref. G30, 'The governance gap: quangos and accountability', September 1994
- 6 JRF *Findings* Ref. 119, 'Community governance, community leadership and the new local government', January 1999
- 7 JRF *Findings* Ref. O18, 'Housing disabled children and their families', October 1998
- 8 JRF *Findings* Ref. SC88, 'Local authority charging policies for community care', June 1996
- 9 JRF *Findings* Ref. 349, 'Implementing direct payments for people with learning difficulties', March 1999
- 10 JRF *Findings* Ref. 380, 'Barriers to change in the social care of children', March 2000



- 11 JRF *Findings* Ref. G3, 'The scope for choice and variety in local government', August 1995
- 12 JRF *Findings* Ref. 450, 'Coalfield regeneration: dealing with the consequences of industrial decline', April 2000
- 13 JRF *Findings* Ref. 6109, 'Emerging issues for independent local housing companies', June 1999
- 14 JRF *Findings* Ref. 419, 'Modernising local government', April 1999

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