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PRIME MINISTER

Your Private Secretary's letter of 21 December 1983 to my Private Secretary in confirming that you were content with the action we are taking to collect information about malpractices in local government in England - work that is still in hand - looked forward to the production of a factual speaking note on this subject for use by Ministers.

See PE 18

I now enclose such a note which outlines, with particular examples where these can be safely cited, the kind of abuses which need to be exposed. I have already circulated to Ministerial colleagues on the political network a fuller catalogue of abuses and shall update this at periodic intervals. The items in the fuller list, however, reach us from a wide number of sources and tend to be more anecdotal than those on which the Speaking Note has been based.

I hope that colleagues, in any use they make of the note, will bear in mind the following points. First, the abuses we describe are probably not, as the law stands, illegal. It would, therefore, be wrong to imply that there is at present any basis for direct Government intervention; and equally wrong to encourage our supporters to contemplate themselves mounting a legal challenge.

Second, it seems to me essential that we should avoid saying anything that might be interpreted as a commitment to legislate. We are still in the process of building up, via Central Office, a better picture of what is happening. Once we have established the facts, we can then decide how best to carry matters forward.

For the time being our aim should be to expose abuses in labour authorities, turning the publicity to our own advantage,



attached - and making it clear that the initiative for remedial action lies with the local electorates. I strongly agree with the points which Nicholas Ridley made to me in his letter of 12 January and trust that - as a complement to the Central Office gathering of evidence - we can show up the cases which do come to light as examples of wholly unacceptable behaviour.

I am copying this letter and enclosure to Cabinet colleagues, John Gummer and Sir Robert Armstrong.

*John Gummer*

P J

6 April 1984

*Approved by the Secretary of State + signed in his absence.*

## MALPRACTICES IN LOCAL GOVERNMENT: SPEAKING NOTE

### The Legal Framework

Local authorities act at all times within a legal framework determined by Parliament.

That framework consists of laws specifying the duties and powers of authorities but leaves councils considerable room for the exercise of local judgment and discretion. That is as it should be.

In this country there are over 400 locally-elected authorities taking decisions in widely differing geographical, economic and social circumstances. It is right that councils should be able, within the law, to exercise their discretion as they think best.

But power and discretion carry with them responsibility. Local authorities are expected to act reasonably and in the interests of their local people as a whole. This has been the assumption on which Parliament has enacted local government legislation.

This framework has served both local government and local people well for many years.

But in the past few years there have been signs that an increasing number of councils are beginning systematically to abuse these discretionary powers.

In such councils - happily still only a small minority - we have seen the use of spending powers to fund eccentric schemes and projects; the production of propaganda of a blatantly political nature;

the manipulation of council procedures to stifle debate; the politicisation of officers; and gratuitous pontification about national issues which are not the concern of local government.

### Spending abuses

The power for councils to spend the product of a 2p rate on matters which are in the interests of their area is long-established. It has been used - and still is by many councils - to support projects which most people would regard as valuable and worthwhile - projects in our deprived inner cities for example.

But it was never intended to fund the kind of lunacies for which it is now being used by some authorities, most notably the GLC.

Few London ratepayers, for example, are likely to agree that spending £35,000 of their money on the Karl Marx centenary celebrations or £20,000 on a space-invaders video game about racism is either sensible or in the general public interest.

There are many other examples of such spending - and not just by the GLC. More often than not, they appear simply to satisfy the political eccentricities of the party in control of the council; but - more sinister for the democratic process - they sometimes look like straightforward political bribes. Either way, the use of public money in this way is quite intolerable.

### Propaganda

Local authorities are right to keep local people informed about their activities - it's an important part of the local democratic process. But it's not an important part of the democratic process to subject local people, at their own expense, to naked political

propaganda of the kind that is now circulated by, for example, the GLC, Lambeth, Hackney, Haringey, Sheffield and Newcastle-upon-Tyne.

Much of the material that authorities like these are producing can hardly be said to be the proper provision of information to local people. What it really amounts to is the local arm of a national political party using local government (and local people's money) as a platform to attack its political opponents in national government. This is a grotesque abuse of the powers and finances of local councils.

#### Procedural abuses

The theory of local government is that all councillors - regardless of political affiliation - are involved in the decision-making process of their council.

In practice, of course, party groupings dictate the decisions which emerge - but after the due processes of debate and argument in committees or in the Council Chamber itself. That is the time-honoured practice which ensures that the views of local people are properly aired by their elected representatives before decisions are reached.

But in some councils all this is changing. Standing orders and procedures are being manipulated to muzzle opposition to the majority party view. Minority party councillors are excluded from committees and their place taken by co-opted people politically acceptable to the majority party. Or committees are by-passed altogether, with decisions being taken by majority party caucuses in secret conclave.

The Labour Party on the London Borough of Brent was an adept practitioner of such wiles until it was unseated at the end of last year.

#### Politicisation of officers

Political manipulation is not confined to the procedures of the council itself. The majority party politicians who adopt these practices are often so unsure of the wisdom or propriety of their policies that they feel it necessary to start interfering in the appointment of officials whose duty it is to serve the council as a whole - not any one party.

In such councils professional expertise and individual merit are seen at best as insufficient qualifications or at worst as irrelevant.

Some councils have virtually made it clear that would-be applicants for official posts need not bother unless they are politically sympathetic to the views of the majority party. [ And one or two appointments by some London councils recently have given rise to undesirable speculation about political preference. ] What price an impartial local government service if these practices become widespread?

#### National issues

Not content with the squandering of money on bizarre schemes and political propaganda, some councils have taken it upon themselves to express views about national issues which, however the councillors may feel about the matters as private individuals, cannot in any way be a proper concern of local government - defence and foreign affairs and Irish matters for example.

Not content with words alone, some councils have gone so far as to apply their prejudices on national issues directly to council affairs. Public contracts are seen as largesse to be distributed to firms which are politically acceptable to the council. The GLC has its own contracts compliance unit which actually employs officials to ensure that this particular approach is rigorously maintained. The London Borough of Southwark went so far as to black a contractor because the firm had worked on defence projects at Greenham Common. Such political authoritarianism is overweening and repugnant to the local democratic traditions of this country - and seriously harms the reputation of local government as a whole.

#### Conclusion

These various abuses are all of a piece. They represent a brash political sectarianism; a determination by political activists to distort the machinery of local government to promote a particular point of view. And because there is usually little or no popular support for their policies, the councillors concerned do not hesitate to take exceptional steps to enforce them, no matter how devious or petty or ruthless these might be.

We can be sure that those who pursue this path are scrupulously careful to cover their tracks.

Nine times out of ten they have taken careful legal advice to ensure that their actions are within the law. But such abuses of discretionary power all too often observe only the letter of the law - the spirit of it is cast contemptuously to the wind, along with the true needs and interest of local people and ratepayers. Such councils are testing the system to destruction.

Fortunately such abuses are confined to a relatively small number of councils. The Government is monitoring the situation closely. But in the first instance it must be for those involved in and concerned with local government matters to eradicate this canker in the soul of local democracy.

Local government must put its own house in order. The responsible majority of councils and councillors - of all parties - must speak up for the defence of responsible local government.

The local press and local opinion formers must be prepared to expose and condemn such practices wherever they occur.

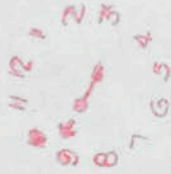
And above all, local electors must exercise their votes to remove councillors who encourage and pursue such practices.

The future of healthy democratic local government is at stake.



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10 DOWNING STREET

*From the Principal Private Secretary*

9 April 1984

The Prime Minister was grateful for your Secretary of State's minute of 6 April covering a speaking note on malpractices in local government, which she has read and noted.

I am copying this letter to Sir Robert Armstrong only.

F. E. R. BUTLER

John Ballard, Esq.,  
Department of the Environment.

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