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27 September 1984

Dear Prime Minister,

LOCAL GOVERNMENT POLICIES

I am circulating as a paper for the meeting on 27 September / the attached Central Office report about local government abuses, which has been prepared by Dr Goodson-Wickes. Pressure of time has, I am afraid, forced me to submit it in rather a rough form.

Earlier this year, Patrick Jenkin asked Dr Goodson-Wickes to put together a team to write a report on the wide range of abuses that have been reported in the Press. Ministers at DOE have also made an input and we feel that a most useful document has resulted. I hope that it will be published before the Party Conference, and that it receives the wide circulation that it deserves.

/ I also attach a copy of Chapter 5 of David Walker's recent book 'Municipal Empire' which forms a valuable contribution to the debate.

I am copying this letter to Lord Whitelaw, Nigel Lawson, Leon Brittan, Sir Keith Joseph, Norman Fowler, John Biffen, Kenneth Baker, Sir Robert Armstrong, Patrick Jenkin, and Murdo Maclean.

Yours sincerely
George Young

GEORGE YOUNG

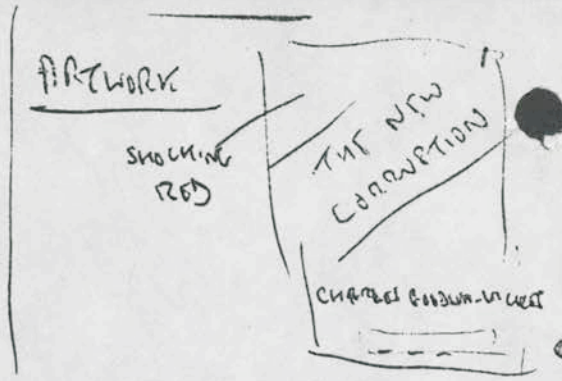
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(Sir George Young, B.A., M.P.)
BIOGRAPHY

INTRODUCTION

This report analyses some of the disturbing trends which have emerged recently in Local Government and which have ^{serious} ~~various~~ implications for democracy in Britain. Indeed, the combination of these trends may be so sinister as to warrant the description, "The "New Corruption".

The recent debate on the very important issues of abolition of the GLC and the Metropolitan Counties, ^{and} rate capping, has diverted attention away from a more fundamental debate about the integrity of local government. Indeed, until one has exposed and satisfactorily resolved ^{these} ~~problems~~ ^{IDENTIFIED IN THE PAPER} ~~looked at in this report,~~ which go right to the heart of local government, the answers to many of the other questions hanging over the structure, funding and future development of local government may continue to elude us.

The report shows that in the past decade or so, certain conventions, which have hitherto ~~been~~ observed by all political parties in local government, have progressively been eroded, to the detriment of those who work in local government, pay for local government or benefit from the services thereof. Indeed, these conventions underpinned the integrity of local government and this integrity has been the major casualty of the abuses described ~~in this paper~~ below.



ENGAGED

APPENDICES

~~report~~. They cover the relationship between the respective responsibilities of central and local government; the use of ratepayers money for information campaigns and the funding of voluntary groups; the conflict of interest between the councillor's public responsibilities and other interests he might have; the rights of opposition groups ~~of~~ the council and the political neutrality of local government staff.

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Most of these conventions, which have a direct bearing on the health of local democracy, are not enshrined in law. Those that are, are being evaded, against the spirit of legislation enacted by Parliament. Why is it that appropriate safeguards are absent or ineffective? Firstly, when the legislation was drafted, Parliament, knowing the observance of a universal code, felt it unnecessary ~~unduly~~ to restrict ^{unduly} the powers of local government; indeed, no-one foresaw the type of abuse which is now becoming a problem. Secondly, more recent attempts to deal with the subsequent abuses have revealed ^{very} ~~their~~ real difficulties ^{of} definition and enforcement.

The traditional defence to criticism of a councillor's activities is: "But I am doing nothing illegal". This is more a comment on the inadequacy of the legislation and his own moral outlook rather than on the desirability of the activity in question. It is quite clear that these inadequacies will continue to be exposed and exploited by those already active in this field. Indeed, a whole new subculture is showing signs of emerging, quite out of tune with the majority of opinion in any of the major parties, and running contrary to the tradition of those interested in voluntary service to the community.

The report examines these issues against a background of specific examples of abuse which represents ~~just~~^{but} the tip of the iceberg. Much of it is critical of what is seen as distortions in the ~~functions~~^{functions} of local government. However, constructive proposals are brought forward which should lead to debate and the emergence of a healthier system, better able to command the confidence of the public. Local government will then be seen to be doing what it was set up to do, namely to provide a range of public services responsibly and efficiently.

Standing Orders

Chapter Two

British democracy depends on ~~a system~~^{the existence} of alternative administrations, at Westminster and at the Town Hall. Regular elections, contested by a ~~range~~^{number} of parties, any of which may be capable of forming an administration, offer people the opportunity of being represented by those whose views most closely relate to their own, and ~~who have~~^{of seeing} implemented those commitments ~~that should~~^{which} attract them to any particular party.

However, it is important not to lose sight of what happens between elections. The role of opposition parties in this period is to keep the majority party on its toes, to expose maladministration, to criticise constructively policies as they are formulated and implemented, and to prepare for the possibility of office.

Both at Westminster and Town Hall there is no problem about the regularity of elections, as Acts of Parliament now set out when local elections are to be held. However, at the Town Hall the functioning of local government is being distorted by a range of ever-increasing abuses.

At Westminster there is a large opposition; its members are relatively well provided with research and secretarial assistance; the constitutional duty of Mr. Speaker to protect the rights of backbenchers, and the national media keep a very close watch on the activities of the government ~~of the day~~.

None of these factors is present in some local authorities. Furthermore, membership of opposition parties may be very small or non-existent. In some authorities such as Southwark or Tower Hamlets, control has stayed with one party for half a century or more. The local press and radio may choose not to take up a critical or investigative role. The mayor may not have the experience or commitment to take a robust line with the majority party, knowing that he or she will be rejoining its ranks at the end of the municipal year. It is in these circumstances that the voice of opposition must have the opportunity to be heard, and the rights of opposition members need to be protected and enhanced.

For example, in Islington, after the 1982 elections, there was only one opposition councillor. He asked for information which was wholly relevant to his duties as a councillor, and wanted copies of documents relating to expenditure by the Council on the services of two of its officials who were working for the London Labour Leaders Group.

The information was denied to him, not because it was not in order that he should have it, but because the Leader of this Council took exception to the use to which he might put it. She wrote as follows:

^{was become}
"It ~~is~~ perfectly obvious that you are determined to pass any information you ^{OBTAIN} ~~please~~ straight on to your Party and to the Press. You are simply using it to fuel the campaign of mis-information and distortion which you and your Party are currently ^(FOUNTAINING) ~~fountaining~~. You are prepared to totally abrogate your responsibilities as a councillor and pass on material ~~to~~ to others regardless of how they twist it or whether it bears any relation to the truth by the time they have finished with it."

Information about Local Government expenditure is the Councillor's raw material; without it he simply cannot do his job. For such information to be ^{withheld} ~~withheld~~ because it might lead to criticism - unjustified in the eyes of the Leader - is crude censorship for which there can be no excuse.

In addition to information, the councillor needs time to absorb it. At County Hall in London the practice of the majority party of circulating bulky documents just a few minutes before the committee is due to sit makes effective scrutiny and critical comment ~~impossible~~, ^{As} one GLC member wrote in the Daily Telegraph on July 25th, 1984

"At the convened or re-convened Committee Meetings, attended between 10.30 am and 4.00 pm on Monday, members voted on papers hastily prepared and officers fought against fatigue as they presented Reports written over the weekend."

In Lambeth, the traditional date of the Mayor-making was altered by bringing

forward by two months the date of the annual meeting, in order to preserve a fragile Labour majority.

In Brent Standing Orders were changed in such a way that the opposition was prevented from submitting any motions for debates on Council Committee Reports. At one Council Meeting, in October 1983, nine motions for debate were referred back to the relevant committee, ^{AT}~~LA~~ which opposition councillors were restricted to asking only four questions to the Chairman. A substantial part of a Council meeting in Lewisham was taken up by an address by a striking Kent miner; the rest of the 32 page ^AAgenda, which directly concerned the people of Lewisham, was dealt ~~with~~ within 15 minutes.

In South Yorkshire, Standing Order 23 gives the Chairman of the County Council the right to call the attention of the County Council to "irrelevance, tedious repetition, unbecoming language or repeated breach of order on the part of a member." This statement is fortified by the right of any member of the County Council to move and second a resolution that the member no longer be heard. This resolution need not be in writing. The opportunities so offered to unscrupulous members are vast.

Guillotining is not confined to the Socialist Republic of South Yorkshire and Rates night On 21st March 1984 (in Lambeth) was guillotined even before the chief opposition spokesman on finance ~~could~~ ^{HAS THE OPPORTUNITY TO} speak.

The worst instance of this kind of abuse also occurred at Brent, at a meeting where change of control was due to take place, Conservatives and the Alliance taking over from the Labour Party. Before the meeting the Labour Leader issued an official Council Press release anticipating "A massive demonstration". The meeting was disrupted by those who did not want control to change and the meeting had to be adjourned by the Labour Mayor, who chose not to restore order by bringing in the Police who were at hand. The Labour Party thereby retained control for a few extra days. According to "The Standard" [08.12.83]: "One of the principal leaders of the disruption was the Secretary of Brent East Labour Party."

Another aspect is that it is becoming increasingly common for minority parties to be denied places on certain council committees, which makes effective opposition more difficult or impossible. The practice of holding sub-committees in camera, consisting only of the controlling party and council officers, has been found a useful method by Southwark to implement policy before rubber-stamping by full committees and by the council itself. Contrary to Standing Orders, "Chairman's Action" has also been used ^{RETURN} by the Chairman of the Police Committee in Southwark ^{AND THE} to agree with the Chairman of Housing ^{TO FORM} that ~~the~~ Housing Officers ^{TO} ~~do not~~ give any information to the Police. Similar tactics are used in Camden, aggravated by the fact that one third of the members of sub-committees are co-opted, nominated by the Labour Group. Standing Committees on the GLC tend not to reflect Party strength and voting co-optees are permitted on them. Such people tend to be politically sympathetic to the majority Party, which has worrying implications for local democracy.

In the light of these deeply disturbing trends, it is important to realise

The Women's Committee of GLC is a good example of ~~the abuse of democracy~~. In an article in "New Society" [13-9-84], Anne Sayer remarks:

"At practically every meeting [of the Women's Committee] I have attended, the co-opted members are the largest voting bloc."

~~Democracy is being undermined to such an extent that Anne Sayer points out, later in the article that this system is: "The fears that they are moving fast towards the American system, where the party that wins the election decides not only the policy and budget matters, but on who gets all the top bureaucratic jobs as well."~~

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that Standing Orders are entirely the responsibility of each local authority. Not only can they be changed relatively easily but they have an ominous tendency to be changed to make life easier for the majority party and more difficult for everyone else.

Indeed, in a letter dated July 25¹⁹⁸⁴ to all Labour Groups and entitled "Local Government - Strategy for non-compliance", the General Secretary of the Labour Party urged councillors "to examine closely the Council's Standing Orders^{AND} to make any necessary changes as quickly as possible." This exhortation can be seen in the context of new battles for power in local government. A member of Newham Council writing in London Labour Briefing^(2/82) sees local government as "...a weapon in the class struggle." The Labour Co-ordinating Committee pamphlet "Can Local Government Survive?" endorses this ^{philosophy} feeling in almost identical terms.

But the rights which are at stake are fundamental to democracy. They should be safeguarded by a robust framework, within which ~~the~~ legitimate debate can take place; not prejudiced and undermined by opportunist changes at the behest of controlling groups. ~~We therefore recommend that any review should examine the role of legislation in preventing these ~~types of~~ abuses by making mandatory a number of~~^{74435 APPROPRIATE TO} standing orders for all authorities.
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Political Neutrality of Local Government Officials

Chapter Three

One of the strengths of the British form of government, both central and local, is the professionalism and neutrality of its permanent officials - civil servants and local government officers. They ensure a vital element of continuity in a system where political control can frequently change, and represent a fund of objective professional and technical expertise which will benefit ~~the~~ ^{the} administration~~s~~ of any party. This distinction between politician, with no security of tenure and a link of accountability to the electorate, and official, with security of tenure and loyalty to the administration which is returned, is an integral part of our constitution.

There are now signs that this distinction is being blurred in the field of Local Government. The fact that certain Labour-controlled local authorities now choose to advertise ^{posts} ~~this~~ in "Labour Weekly", let alone "The Morning Star", must imply a certain political commitment from potential applicants. This practice poses ^{serious problem} ~~for the future~~, ^{but more indicative of} ~~but more of~~ what is already happening is described by William Jackson, Hon. Sec of ^{SOLACE} ~~(SOLACE)~~ ^(SOLACE) in "The Municipal Journal", July 6th 1984. He makes it clear that chief officers are increasingly having to offer advice to their political masters which they know is unwelcome, and that they feel threatened and insecure as a result of the possible consequences. Mr. Jackson ~~asked~~ asks:

"Should Chief Officers who have a duty to offer unpalatable views and on occasions contradict and question controlling politicians enjoy some kind of protection?"

Furthermore, the leading article by Crispin Derby in the "Local Government Chronicle" of 17th April 1984, offered the following caution:

"It is becoming widely accepted in local government that some councils will try to appoint officers who are politically sympathetic to the majority group and that minority groups will disparage such appointments. It is often suggested that officers have adapted to this trend by flaunting their own party sympathies.

The result of these new, and still developing, attitudes in a wide range of councils is that suspicion, smear and subterfuge are rampant. This may be the stuff of politics but it is hardly the stuff of efficiently and fairly administered local government.

It is not too long since chief officers who openly belonged to parties that were not the majority group ~~and~~ in their employing authority could command respect. Their loyalty to the employing authority was unquestioned. The increasing tendency of politicians to see every trivial matter as a party political issue is destroying that climate utterly."

The emergence of a new breed of councillor has resulted in the impartial advice of dedicated officials, where it is inconvenient, being construed as unaccountable obstruction, to be overcome by their gradual replacement by "sympathetic" officials, more likely to rubber-stamp what is taking place. A senior officer of Islington council recently found it necessary to criticise the Labour group for council expenditure on purely political matters. His action was ^{APPLAUDED} ~~welcomed~~ by the Press, but can hardly have been welcome to his listeners. Perhaps it is not surprising that we see an authority such as Sheffield posing the question in an advertisement: "Could you work in a highly charged political environment?". Haringey advertised for the post of a Co-operative Development Officer with the requirements that any applicants should:

"demonstrate a commitment to co-operative principles". Officers may further

feel threatened by the increasing practice of appointing so called political ^{and persons. Miss [unclear], which has received criticism in Bristol} legal advisors. ~~In Bristol, the controlling Labour group are considering appointing politically sympathetic people as part-time or full-time political advisers and research assistants.~~

But, the duty of ~~an~~ officers is precisely to warn Councillors of any awkward consequences of their actions, which can increasingly have legal implications for themselves and financial implications for their ratepayers. Killing the messenger has never been a recipe for better decisions.

If the distinction which has served the country so well is to be preserved, the threat to the independence of senior officers must be removed. If the distinction is not to be kept, it should be done openly after an informed debate. Well-qualified candidates for senior posts ^{may be deterred} can ~~hardly be expected~~

^{From applying} ~~to apply~~ because they know they cannot demonstrate the political commitment which will be expected at the interview.

Chapter Four

Cross-employment

Related to the issue of the political neutrality of local government officials is the complicated network of "cross employment", whereby local government officials in one authority serve as councillors in a neighbouring one (or in a higher one, where two tiers exist). In his article on member/officer relationships, William Jackson poses the question: "to what extent is it acceptable for paid officials in one authority to act as Managing Directors, i.e. Councillors, in a neighbouring authority?"

It would be wrong to debar from an elected role in local government all those who are employed in this major sector in the economy, ^{NUMBERING} ~~which numbers~~ about one and a half million people full time and eight hundred thousand part time. Such a sweeping action would deprive local government and ratepayers of a source of first rate councillors.

But if this point is conceded, three important qualifications necessarily follow.

Firstly, the fact that the preponderance of local councillors in a local authority may themselves work in local government (or for Trade Unions whose membership is drawn from local government) should not lead to decisions passed in favour of that public sector background, to the disadvantage of ratepayers generally. Secondly, the practice of the ratepayer paying for the full time services of ~~the~~^a local government employee who does little or no work in that authority but is a full time councillor next door, must be challenged.

Thirdly, there must be careful scrutiny of the impartiality and neutrality of the advice given by ~~the~~^a local government employee ~~actually~~^{ACTING} in that capacity, when he is well known to be politically committed in his alternative capacity as a local councillor. For example, if the Chairman of ~~the~~^a Housing committee works in the housing department of the neighbouring local authority, is the advice that he gives his own Chairman likely to be dispassionate, or will it be influenced by his own perception of housing issues? More complex difficulties may be seen on Camden council where a councillor ~~is~~^{WAS} ~~the~~^{NOT ONLY} General Manager of a Housing Association ~~and~~^{BUT ALSO} the Camden representative on the Housing Co-operative which benefited from a council decision (of which he was a member) to waive rates on short-life property.

There is no evidence that these vital issues of conflict of interest have been systematically addressed and resolved. They are, however, a matter of comment in local government circles.

In a recent article by David Walker [revised 8th March 1983] he comments that: "in the local government of modern urban Britain, it can be argued that there

is now apparent an interest group of elected members bound together by their common stake in public service jobs: councillors themselves employed by means of public money." He puts his finger on the exact area of the conflict of interest; "the new interest group might be likely to hate reductions in the extent of council activity and spending."

There is evidence that a subtle and invisible network of political relationships is becoming established, dependent on cross-employment, funding of sympathetic "voluntary" organisations (in which councillors may have a direct interest) ^{or} ~~and~~ relationships ^{within} ~~between~~ local government ~~and~~ trade unions. This removes decision making from the public gaze and from democratic accountability. As another example, a Camden councillor receives a salary from (the ^aWinchester) Youth Project which is given Grant Aid by the aforesaid

very same council ~~mentioned above~~

A close look at the composition of the Labour majorities on two London councils show how disproportionately they depend on local government and the public sector for their councillors. Of 41 councillors in Lewisham, 5 are employees of ILEA, 3 work for the GLC and no less than 7 are themselves employed by other London Boroughs. Research into Lewisham also revealed that the Head of the Members' Secretariat was a Labour Councillor in Greenwich. ~~Leaving out~~

of Southwark's 53 Labour councillors, no less than 14 are local government employees, whilst a further 6 work in ^{the} public sector.

The Labour-controlled GLC is similarly dependent on the public sector, as ^{ILLUSTRATED} demonstrated by the decision of the Chairman of the Staff and Management Committee of Camden council to allow the Council Rodent Operator a third year of paid full-time leave in order to carry out his duties as a GLC councillor. ^{THE} leader of ^{THE} ~~the~~ Tory group was ^{HANDLY} reassured to hear that the councillor was "on twenty-four hour call for rabies outbreak or other serious matters." As long as this onerous condition is fulfilled (the last outbreak of rabies in London was in 1919) he can spend as much time as he likes on GLC business, funded by the Camden ratepayer.

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A similar case, many of which have recently come to light, concerns Haringey. The Principal Committee Secretary responsible for serving the Women's Committee and the Police Sub-Committee is herself an Islington Councillor. To discharge those obligations, she was granted 24 days time off with pay; but she had also recently been elected Assistant Secretary of the Haringey Branch of NALGO. These new responsibilities, ^{AND} an anticipated increase in her council duties, ^{COMBINED WITH} her staff side duties and her normal annual leave, meant that she would, in effect, be away from her post in Haringey for at least nine months of the year.

This phenomenon of cross-employment is not confined to London. An excellent example of mutual cross-employment exists in South Yorkshire. ~~David Blunkett~~ ^{is} A Lecturer at Barnsley College of Technology, ~~is~~ is better known as Leader of Sheffield City Council. Indeed he has been given indefinite leave from his post ^{at} Barnsley (apparently on full pay and ^{WITH} pension ^{RIGHTS} ~~rates~~) in order to discharge his municipal ^{obligations} ~~obligations~~. However, ratepayers in Barnsley need

not feel disadvantaged as the Leader of Barnsley Council is employed by the City of Sheffield. No ~~one~~ ^{RTA/UT/SLG PERSON} could possibly justify ~~some~~ ^{SUCH} practices, and even the granting of full time leave of absence by an employer, which occurred in the ~~Frank~~ case of a Mayor of Camden employed by the Post Office, is questionable.

The quality of local government inevitably suffers if councillors are no longer seen to be representative of the community as a whole, but are known to have a disposition to a certain pattern of municipal activity and an interest in the maintenance of indefensible restrictive practices. In the knowledge that local government accounts for approximately one-quarter of public expenditure, how does one judge the resistance of certain councils to the concept of contracting out services, when their leaders themselves belong to the trade unions whose members ~~might be disadvantaged~~ ^{have a vested interest}, or when they work for similar departments ~~and~~ in neighbouring local authorities? Are they articulating legitimate anxieties on behalf of their ratepayers? Or simply defending narrow sectional interests to the disadvantage of their ratepayers? The National Code of Local Government Conduct advises: "Your over-riding duty as a councillor is to the whole community." Even the Society of Labour Lawyers in their evidence to Lord Salmon between 1974 and 1976 regretted "the timidity of the Redcliffe-Maud ^U Committee in their recommendations relating to disclosure of interests."

If one is to avoid these conflicts - and accusations of such conflicts - clear ground rules need to be established in the interests of both councillor and ratepayer.

Relationship with the Trade Unions.

Chapter Five

The Labour Party and the Trade Union movement have strong historical links, and a mutual interest in the health and success of their respective partners. There is nothing wrong in that, provided that Ministers and Councillors ~~have~~ ^{to} reconcile their reliance on Trade Union support and funds with their mandate from the electorate as a whole.

In the context of this report there are two issues causing concern, ~~namely~~ ^{namely} the general relationship between local authorities and trade unions, and the particular factors affecting the operation of Direct Labour Organisations.

On the ~~border~~ ^{BORDER} point, the June 1982 edition of London Labour Briefing spoke of ~~their~~ ^{VARIOUS} activities to ^{//} "Unite Labour local authorities and the trade union movement in a mass campaign to bring down this Government and the system it represents at the earliest opportunity." The involvement of some local authorities in the recent mining disputes ^{BRING} serves as an example of this philosophy ^{put} into practice, and the potential dangers for the future. Arguably the social services department of ~~the~~ ^{the} Councils in mining areas might provide "free" meals and school holidays to miners' children in the public interest (though they have never displayed similar concern for the children of those who are involuntarily as opposed to voluntarily, out of work) ^{but} the ~~position of~~ ^{POSITION OF} London Borough Councils and the GLC is hard to justify.

Southwark Council authorised the release of all its staff - with pay- for one hour of July 4th to attend a rally at which Miners' leaders spoke and at which a collection was taken for the striking miners, ~~which~~^{which} was subsequently counted in the Leader's room. The direct cost of ~~this exercise~~^{this exercise} to Southwark ratepayers was £39,400, with additional ~~indirect~~^{indirect} costs, ~~17,000~~^{17,000} TO ADVANTAGE

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The Council also let the North Peckham Civic Centre free of charge for a dance to raise funds for striking miners. Southwark ratepayers paid the staff costs and the function was allowed to run slightly longer than normal bookings on a Sunday. Southwark ratepayers also paid for coaches to take miners' families to Southwark from Kent, (under the Local Government Act 1972 to which this report returns). ~~to~~^{the} use ^{of} London ratepayers' money to give succour to a trade union involved in an industrial dispute ~~around~~^{occurring in} the country is ~~inexcusable~~ inexcusable.

The GLC even devoted a five page article to "Policing the pits - dangers for us all", conveniently ignoring the fact that they have no responsibility for the police and the absence of coal miners in London. The article is indistinguishable from NUM propaganda and places the violence on the picket lines at the door of the Police through "provoking violent and hostile reactions from striking miners and their supporters." The article was produced by the "Police Committee Support Unit."

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Greenwich Council are trying to introduce a novel kind of closed shop, by restricting ^{PAY AND} ~~and~~ conditions ~~awards~~ to the members of the trade unions which bargained for them. Their action ~~which~~ may be subject to legal challenge - would mean that staff were not paid for the work which they do but for belonging to a trade union.

IN RELATION TO DIRECT LABOUR ORGANISATIONS, ABUSES HAVE BECOME RAMPANT WITH FAR-REACHING FINANCIAL AND POLITICAL IMPLICATIONS.

The Competition Regulations require that all highway works and new building works valued at over £50,000 and all maintenance works valued at over £10,000 must be put out to competitive tender before they can be awarded a DLO. While there is this legal obligation on local authorities to go out to tender on major contracts, this is sometimes done in such a way that only a local authority's DLO will be able to tender successfully. This happened recently in the case of Islington, although the Borough's Director of Finance believed that the procedure was bound:

"...to result in higher costs to the detriment of the ratepayer of this borough."

Hackney council have made no secret of their commitment to their DLO, believing it to be their responsibility to retain and even expand it. The trend is to encourage unionised employers and to exclude "labour only" sub-contractors regardless of whether or not it represents the most effective way of doing the necessary work.

Thamesdown managed, in 1982, to protect its DLO by giving it an opportunity to re-tender after all the other tenders were in. Another abuse which has been referred to the Audit Commission concerns Liverpool City Council.

Between August and September 1983, 11 contracts for Housing maintenance schemes were considered; 6 of which, totalling £20,000, were given to the DLO on the basis that it should "carry out these schemes at the prices of the

lowest tenders received ... any excessive expenditure incurred on these schemes will be charged against the appropriate DLO revenue account." This is in conflict of the advice given in Circular 19/83 which makes it clear that arrangements are unacceptable if they give the DLO's an advantage in competing for work.

As worrying is the way Liverpool City Council handled the Wimpey bathroom contract. When originally considered by the City Council, competitive tenders for ~~x units~~, showed that Wimpey's had put in the lowest tender at 8.25 million.

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The DLO tender was 9.3 million, i.e. 1.05 million more expensive. The City Council then ^{decided to} split the scheme into two, ^{allocating 170m to the DLO} and allocated 220 dwellings to Wimpey's for 1.05 million pounds, including fees. ~~The rest was given to the DLO for~~ ^{and the DLO} ~~Liverpool's ratepayers are therefore paying nearly £2.5 more than they need to for this work.~~

~~The total cost of all this work was~~ £9.9m, including fees. Liverpool's ratepayers are, therefore, paying nearly £1.6m more than they needed to for this work.
 Wimpey's ratepayers are thus paying at least £1m more than they need to for this work

There are other ways of protecting an inefficient DLO, and thereby maintaining goodwill with local government trade unions. This involves placing onerous and, ^{Sometimes} ~~sometimes~~ wholly irrelevant, conditions on outside tenders, which have implications both for the particular contracts and for the retention of a particular contractor on the approved list maintained by the council. In Greenwich, the Directorate of Architectural and Engineering Services drew up an application form for contractors who wished to be placed on their list. This form included a question, asking if the Company had been involved in "preparatory or other work for the deployment of ground launched Cruise Missiles or Trident." Southwark council, in a gesture of solidarity to the Women of Greenham Common, ^{resolved} ~~resolved~~ not to employ Tarmac or any of its subsidiary companies on any of its contracts. Neither Tarmac nor indeed any other Company had done ^{anything} ~~anything~~ illegal or reprehensible in carrying out work commissioned by the Ministry of Defence. Indeed, the only consequence of prohibiting such firms from tendering is to deny ratepayers the opportunity of benefiting from the lowest tender, should such a company have submitted it. The next logical step for left-wing trade unionists to take might be to ^{7,0917} remove any such companies from the portfolios of their pension funds, as already done in the case of various companies with South African interests.

Sunderland council used another ploy. They invited tenders for a complete maintenance service for their entire stock of housing as obliged to by law. ^{However} ~~However~~, the period of the contract proposed was only three months which, unsurprisingly, deterred any private contractor from tendering. A more subtle method is used by the GLC, ILEA and Islington who ask prospective contractors

for a wealth of statistical information about the composition of their work-force designed to highlight the role of women and ethnic minorities.

The Local Government Planning and Land Act 1980 offers various safeguards against abuse but they have never been ^{INVOKED} ~~referred to~~ ^{AND} ~~because they~~ do not appear to be very effective. Section 17, sub-section 4, gives the Secretary of State power to direct a local authority to prepare a special report, but this is of limited use in pursuit of ^{INCREASES} ~~accountability~~ and efficiency. There is clear need for an alternative monitoring mechanism.

Political Propaganda

Chapter Six

In the past, political campaigning was conducted by ~~the~~ Party organisations ^{AND NOT ON BEHALF} ~~which were not part of~~ ^{OF A} ~~(the council)~~. ^{PUBLICITY} Most ~~of the material~~ ^{WAS} ~~were~~ prepared by political parties and paid for by the funds which their ^{RESPECTIVE} Party had raised.

It is thus perfectly legitimate for constituency associations to produce and distribute newsletters which, amongst other things, contain news of ~~other~~ ^{THE} work of any councillors of that Party and the local issues in which they have been involved. Any money raised from the public is in the form of voluntary donations and subscriptions, ~~ing~~ the knowledge that their money will be used to further that party's cause.

^{CERTAIN COUNCILS} ~~we~~ have chosen to ignore this convention and use public money, ~~paid as rates~~ ~~or grants~~, to embark upon comprehensive and expensive campaigns to attack the

central government's policies. No form of protest is effective. Whilst the trade unionist may opt out of paying ^{his} ~~its~~ political levy, the ratepayer will ~~end up in jail~~ ^{BY LEADING TO IMPRISONMENT} if he declines to pay his rates.

Section 137 of the Local Government Act 1972 states that a local authority may encourage expenditure which in their opinion is "in the interests of their area or any part of it or all or some of its inhabitants." No-one contemplated at the time of legislation that the interpretation of this section would be stretched beyond benefiting causes worthy of general support. It now encompasses the funding of a truly amazing range of activities from the Gay London Peace Monitoring Group to the now famous pressure group Babies Against the Bomb. Not insignificant sums of money may be involved. For example, the estimated product of a 2p rate for Islington in 1983/84 was £1,030,000. Whereas in the past local authorities, whatever their political persuasion, tried to make use of section 137 in an impartial balanced way, the new left-wing councils are not so scrupulous. Two important questions arise in connection with the way that this provision is now being used by local authorities. Firstly, is the Section now being used to fund activities outside the proper sphere of local government? Secondly, is it being improperly used to reward or secure party political support?

With regard to the first problem, although Parliament has decided that, in London the responsibility for policing the capital should rest with the Home Secretary, many local authorities in London have taken it upon themselves to assume responsibility in this field. Quite undeterred by the fact that the Home Secretary and he alone is responsible for ~~monitoring~~ the Police and

setting up such bodies as he believes can best assist him in his task, they have used Section 137 to fund alternative monitoring organisations. Haringey Independent Police Committee gets a grant of over £25,000 from the GLC and Lambeth's Police Unit, chaired by a displaced Labour MP, gets over £15,000. Camden Council have a Police Committee and a Police Committee Support Unit which, amongst other activities, urges Camden residents to support a national march against the Police Bill. Also circulated to Residents' Associations were leaflets saying the Bill will "Turn Britain into a Police State where the rights of the innocent citizen will be trampled underfoot by the jackbooted powers it gives the Police. The scene is set for fascism." The leaflet, published by the Council, asked people to send £3 to attend a Labour Movement Conference.

GLC
CLOSELY →

Many of these organisations, far from trying to establish a better understanding relationship with the Police, simply raise the temperature instead of lowering it. The funding of the Colin Roach campaign by the GLC is a good example of this. Such support ^{ENCOURAGED} ~~permitted~~ the belief that the man in question did not commit suicide, whereas no shred of evidence ever existed to support the main thrust of the campaign. Anti-Police sentiments were thus fostered in a very sensitive part of Hackney.

Another field where responsibility has always rested with the Government is the conduct of the nation's ^{DEFINED} Defence policy. Whilst local government has a ~~relatively minor~~ role to play in that field, through its responsibilities for civil defence, ^{IT HAS} ~~but they have~~ never extended to determining whether or not Britain should retain its independent nuclear deterrent, or ~~determining~~ the

conditions under which American bases might remain in the UK. Nonetheless, many local authorities have declared themselves to be Nuclear-Free Zones. This is harmless enough but they have also spent considerable sums of money on various campaigns to support this philosophy. Sheffield has, under the Local Government Act 1972, funded an Anti-Trident Campaign, and Sheffield Youth CMD. South Yorkshire has spend £5,000 producing a booklet called "South Yorkshire and Nuclear War." As there was no provision in the Policy Committee's budget for this item, it resulted in an additional loss of a grant of ^{nearly £1,000} ~~£2,850~~. The Brent "Civic Review" includes a Nuclear Free-Zone pull out. Southwark's Community Affairs Committee has produced signs and posters to promote its Nuclear-Free² Zone Policy. Camden's Peace Groups' Steering Committee requested a grant of ~~£15,000~~.

Leicester City Council has even asked its employees if they want part of their income tax diverted from spending on armaments. The EEPTU has sensibly told the authorities that it will not discuss the scheme since it could be involved in illegal activity by its members (Guardian 22nd August, 1984).

How well (one) can imagine the fury that would descend upon a right-wing council that voted ^a the grant to a Pro-Nuclear Weapons Group! It is nonsense for a council to claim "a mandate" to challenge the policies of a Central Government of which it does not approve.

The second abuse relates to improper political influence. Islington council used Section 137 funds to try and drive out of business an independently-minded local newspaper, "The Islington Gazette", which constantly criticised the

Council's extravagant policies. Having first instructed the staff not to talk to the paper's reporters and removed all its advertisements, the Council then resolved to fund another paper (quite distinct from the Council's own "Islington Focus") with a representative of the Labour Party on the advisory board, to attempt to drive it out of business. The new paper was to be distributed free ^{while} ~~or~~ "The Islington Gazette" had to be purchased. The deputy leader of Islington Council was commendably frank about these motives. In "The Socialist Worker" of the 15th January, 1983, she said:

"The Labour Party propaganda is very weak. We don't have a daily paper. There's no counter-propaganda to the media whatsoever. In Islington, we've tried to counteract that. We have our own constituency paper and a council paper. We're also starting up our own alternative paper to "The Islington Gazette" as a co-operative."

Happily for the freedom of the press, tthough less so for Islington's ratepayers, the paper went into liquidation after seven months, having lost more than £72,000.

The use^f of Section 137 ^{HAS OFTEN} ~~has~~ been the vehicle for the precedence of dogma over the proper objectives of councils. Not for nothing does the red flag fly over the Town Halls of ~~the~~ "Socialist Republic". Financial support has spread ^{Proper} ~~relevant~~ boundaries to other areas of this country, and even to sympathetic political regimes abroad. Lambeth has been twinned with a suburb of Moscow and Islington had a similar arrangement with pre-revolution Grenada. The London Transnationals Information Centre, an international anti-free

enterprise body has benefited similarly from the GLC. // Both Sections 137 and 142 have been used for the wholly unprecedented campaign against the Abolition of the GLC and Metropolitan Counties, totalling the sum of £15,000,000 - more than all political parties spent during the 1983 elections ^{- AN ANTI-VOT} which is strictly limited by law. The London ratepayer, whatever his own feelings on ~~the~~ abolition, has had no choice but to support a political campaign in spite of the fact that 56 London Parliamentary seats ^{out of} are Conservative - held and that the Tory manifesto for the 1983 General elections contained a pledge to abolish the GLC. The presentation of the case has been calculated to give rise to the maximum of anxiety and distress, much of it which is entirely unjustified. Editions of "The Londoner" with headlines such as "London in chaos", "Increase in costs", "Cuts in services", ~~which~~ are at best conjectural, at worst, ~~simply~~ ^{Simply} untrue.

The August 1984 edition ^{of} "The Hackney Herald", published by Hackney Council, announced on page 1: "The government wants no more grants to community groups... home helps, day nurseries and meals on wheels all axed." This was in response to proposals under the 1984 Rates Act that Hackney should reduce its expenditure to [£]82.3 million pounds - 40% above the figure calculated for 1984/85 - to allow them to fund a standard range of services. The legislation specifically allows voluntary organisations to make representations, if they feel they are being unfairly treated, because Government made it clear as the Bill went through that they should not "all be axed." // "The Hackney Herald" campaign on behalf of the miners during NUM's strike was too much for one former Mayor. He wrote as follows:

"It is not the business of 'The Hackney Herald', any more than it is the business of Hackney Council as such, to campaign on behalf of the miners, whatever councillors do in their private capacity. The Council's business is Hackney. If it minded its own business Hackney people would have far fewer justified complaints."

South Yorkshire uses its own fact sheet to attack Central Government's handling of the miners' dispute: "the Government and NCB want to go further. They want to destroy the NUM and privatise profitable parts of the coal industry."

In the future any union or pressure group disapproving of government policies will be able to make use of one or both of these sections, or of a myriad of other enabling acts which have not yet been used and therefore have potential for those with sectional interests at heart. This raises the question; when does relevant information about local government become political propaganda? At the moment, it appears that ~~any~~ local authorities can argue with anything which central government does, which has an impact on people in their area; they have a "mandate" to protect their ratepayers from the consequences of those policies even if the same electorates are represented at Westminster by an MP of the Government Party. Much of the recent debate over ^{the} Rates' Bill centred on the extent of the autonomy of local government. One has to remember that its powers and responsibilities are limited and are in any case laid down by Parliament. Local Government depends heavily on ~~central~~ central financing and in some special cases, e.g. the special problems ~~seen~~ in urban areas, are too complex for local authorities alone to resolve. In ~~only~~ such cases ^{only} should the barriers between central and local government be blurred and quite rightly

so. It is suggested that ~~the~~ councils would be much better occupied pursuing such co-operation rather than diverting funds away from worthwhile causes in the pursuit of political activity. The funding of one-sided campaigns expands the frontiers of government in a way that was never contemplated. It is a way to pursue political ends by frustrating a government's economic policy by phenomenal local expenditure. And, of course, whenever local authorities increase their rates, businesses find themselves unable to continue, resulting in increased unemployment. This is spread further by the setting up of "Neighbourhood Centres" and this de-centralisation was described by the Labour Chairman of Housing in Lambeth as:

"The formation of a local base for future campaigns against the Tory government."

PROF WHEN THE TUC ~~IS~~ HAS DISTANCED ITSELF

Trade Union Research Centres grow apace and are funded under the above ~~names~~ *ENTAILING* ~~and~~ sections; *the* ~~and~~ advertised extensively for staff in "The Morning Star". There have been ominous reports of Unemployment Centres distributing propaganda, financed either directly or indirectly by councils, which are *OFTEN* ~~mainly~~ printed in premises and on presses where there is a council involvement.

The June 1982 London Labour Briefing was not shy in stating its objectives to "unite Labour local authorities and the trade union movement in a mass campaign to bring down this government and the system it represents at the earliest opportunity."

*[Extra
Paragraph and
Reference]*

The left-wing of the Labour Party has appreciated fully the importance of local authorities as a means of extending its political influence and power.

The absence of a proper definition of what is "Party Political" has held up reform. Until recently, observance by Councillors of the unwritten code that ratepayers funds should not be used to fund party political activities has meant that no such definition has been needed. Section 142 of the Local Government Act of 1982 entitles councils to publish information on local Government Affairs and to organise publicity for that purpose. This provision similarly has had coach and horses driven through it. For example "The Londoner" is published at the ratepayers' expense and represents little more than a newsheet by the Labour Party attacking Central Government. ~~Another~~ Other council's inevitably follow suit e.g. "Harlingey Star", "Hounslow Borough News"; these publications no longer seem to inform local ratepayers what the council is doing but are ^{more in the nature of} becoming one-sided political tracts.

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A particular problem arises when issues are distributed, as in 1983, after a General Election has been called. Similar problems occur during District Elections if the ~~current~~ ^{County} council continues to spend money on propaganda during the campaign. For example, West Midlands Metropolitan County spent £456,000 from the beginning of April 1984 until Polling day in May and this was held by Conservatives as being partially responsible for a disappointing result. It should be noted that Central Government is precluded from advertising during local elections on subjects which are relevant to ~~the~~ ^{these} election.

Conclusions

Chapter 7

This report shows that a profound change is afoot in local government, and the direction and speed of this change should ^{cause} ~~arouse~~ much disquiet. In the mid-^{Sixties} 60's, our local councils were run by part-time councillors who, in spite of the increasing tendency to adopt party labels, saw their commitment to their local communities as paramount.

^{NOWADAYS, IN STARK CONTRAST,}
~~A stark contrast is~~ ^{the} independent advice from officers ~~which~~ is increasingly challenged by "professional" full-time councillors. The prerogative of central government, of a different political complexion, to pursue national policies is ignored, whilst ^{THINLY} ~~simply~~-disguised pressure bodies are supported out of public funds. The interests of trade unions are protected whilst natural justice is often denied to minority groups on councils. When seen as a whole, this pattern represents ^{A FRAY ON} ~~an affront to~~ the ratepayer.

This process has fundamentally changed relationships ^{WITHIN A} ~~with~~ local authority, and the relations between that ^{ACTIVITY} and the rest of the community, ~~which~~ ^{THAT} only adds to the discontent of unenfranchised ratepayers. This ^{UNFORTUNATE TENDS} ~~change~~ has led to instability, ~~to~~ ^{EVEN TO} tension, ~~to~~ waste and ~~to~~ uncertainty as to the role of local government itself.

It is extraordinary that this change has taken place without any widespread debate about its implications or desirability, despite the fact that the abuses

have, with some exceptions, been perpetrated by one section of one of the main political parties - the Labour Party - to the embarrassment of those many members of that Party who deplore this trend. They see the moral objections to many of these disturbing developments even if such activities are not, per se, illegal. ~~The~~ test of legality is ^{ULTIMATELY} ~~not~~ a matter for the Courts and their duty is to interpret the legislation passed by Parliament.

However, that legislation has been demonstrated to be woefully inadequate, leading to exploitation by certain councils. Perhaps the most worrying part of it all, is that the insidious picture shown in this report does not mark the end of the process. ~~It is ever moving.~~ ^{and most} More authorities are likely to tread the path which has been described, ~~in~~ ^{and} structural change ^{could} possibly leading to the creation of a whole new sub-culture on the rates. This is quite out of tune with the ^{VIEW OF THE} majority of supporters of all parties. In these days, when the cry of "discrimination" is so fashionable, it turns out that the person actually most discriminated against is often the innocent ratepayer.

Recommendations

Chapter 8

These recommendations are submitted in the hope that they will, even if not adopted in full, lead to a return to the proper function of local government without imposing undue centralisation. Indeed, the aim is ^{three} ~~two~~ fold: to allow ^{TO PRESERVE THE RESPONSIBILITIES OF OFFICERS} a greater freedom of action to councils within certain bounds, and to protect the rights of the ratepayer.

That a Public Inquiry be set up by the Secretary of State to assess the ^{basis} ~~bases~~, extent and consequences of the growth of local government's activities, in, as, ~~much~~ ^{as} as these activities may encroach upon and frustrate Central Government's policies; and to examine the role of the Audit Commission in improving accountability to the general public.

That this inquiry should be invited to include the following in their terms of reference:-

- 1) Examination of the internal conduct of councils, ^{with} ~~of~~ particular emphasis on the operation of Standing Orders and the advisability of imposing ^{mandatory} ~~mandatory~~ clauses in relation to co-options, single-party committees ~~and decisions in camera, and approved duties for allowances.~~
- 2) ^{Preservation of} ~~Means of preserving~~ the independence of the local government officers ^{by means of a} ~~by~~ ^{strengthen their} ~~standing and political impartiality.~~ publicly understood code of behaviour, in order to
- 3) Redrafting of the National Code of Local Government Conduct (1.9.75) to oblige councillors to declare relevant non-pecuniary as well as pecuniary interests.
- 4) ^{Report of} ~~A form of protecting~~ the process ^{for} ~~of~~ tendering of contracts, where provisions of the Local Government Planning and Land Act 1980 have proved inadequate.
- 5) A review of the extent of enabling legislation (Local Government Act ^{ET AL} 1972.) for the application of public funds, with review to ^{REPEAL} ~~amend~~ where abuses are apparent, particularly in the making of grants and ^{DISSEMINATION OF} ~~DISSEMINATION OF~~ political propaganda at election times and otherwise.

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I wish to record my most grateful appreciation to Mrs. Elizabeth John, without

whose patient~~s~~ and diligent work in correlating information, this report would not have been possible.

The essential ground^vwork was done by an able and enthusiastic team who gave ^{of} ~~up~~ their free time to gather material and to comment thereon. I am ~~so~~ ^{so} much indebted ^{indebted} to:-

- | | |
|--------------------|---------------------|
| James Bagge | Mark Kemp-Gee |
| Lord Charles Cecil | Leslie Lawrence |
| Alan Duncan | Gavin Musgrave |
| David Hudson | Stephen Waley-Cohen |

I also acknowledge the help so generously given by various groups and individuals who shared a common aim in bringing the issues identified in this pamphlet out into the open.

Biography

Dr. Charles Goodson-Wickes, born 1945, is an Occupational Physician and Barrister-at-Law who advises several major Public Companies.

He resigned his commission in the Army in 1977 on his adoption as Prospective Parliamentary Candidate for Islington Central, which he fought in the 1979 General Election. Since then he has been engaged in various research and liaison projects for the Conservative Party.

FOREWARD

by Sir George Young/MP

Parliamentary Under Secretary of State, Department of the Environment

Bar.

*The Secretary of State
for the Environment*

As a result of some worrying trends in local government ~~Patrick Jenkin~~ asked Dr Goodson-Wickes to obtain further details of a wide range of abuses which have been reported in the Press, to compile a report and to make recommendations. Dr Goodson-Wickes brought together a team *of people* with local government ~~(backgrounds)~~ *knowledge* who carried out the research earlier this year.

Mr Jenkin

Having read the report Ministers at the Department of the Environment took the view that it would be of interest to a much wider public ~~(and asked (the CPE) to publish it)~~ *and a condensed version.*

I am most grateful to Dr Goodson-Wickes and his colleagues for their report, which will stimulate a broad debate amongst all those who are interested in *the operation of* local government.

[Handwritten signature]

September 1984

[Small circular stamp]

NATIONAL CODE OF LOCAL GOVERNMENT CONDUCT (1975)

This Code is a guide for all councillors elected or co-opted to local authorities in England, Wales and Scotland. It supplements both the law enacted by Parliament and the Standing Orders made by individual councils. It has been agreed by the Associations representing local authorities in all three countries and by the Government.

CONTENTS

1. Law, Standing Orders and National Code
2. Public duty and private interest
3. Disclosure of pecuniary and other interests
4. Membership and chairmanship of council committees and sub-committees
5. Councillors and officers
6. Use of confidential and private information
7. Gifts and hospitality
8. Expenses and allowances
9. Use of council facilities

1. LAW, STANDING ORDERS AND NATIONAL CODE

Make sure that you fully understand the rules of conduct which the law, Standing Orders and the national code require you to follow. It is your personal responsibility to apply their requirements on every relevant occasion. Seek any advice about them that you need from your council's appropriate senior officer or from your own legal adviser.

2. PUBLIC DUTY AND PRIVATE INTEREST

- (i) Your over-riding duty as a councillor is to the whole local community.
- (ii) You have a special duty to your own constituents, including those who did not vote for you.
- (iii) Whenever you have a private or personal interest in any question which councillors have to decide, you must not do anything to let that interest influence the decision.
- (iv) Do nothing as a councillor which you could not justify to the public.
- (v) The reputation of your council, and of your party if you belong to one, depends on your conduct and what the public believes about your conduct.
- (vi) It is not enough to avoid actual impropriety; you should at all times avoid any occasion for suspicion or the appearance of improper conduct.

3. DISCLOSURE OF PECUNIARY AND OTHER INTERESTS

- (i) The law makes specific provision requiring you to disclose pecuniary interests, direct and indirect. But interests which are not pecuniary can be just as important. Kinship, friendship, membership of an association, society, or trade union, trusteeship and many other kinds of relationship can sometimes influence your judgement and give the impression that you might be acting for personal motives. A good test is to ask yourself whether others would think that the interest is of a kind to make this possible. If you

be doing or seeking to do business with the council, or may be applying to the council for planning permission or some other kind of decision. Working lunches and other social occasions arranged or authorised by the council or by one of its committees or sub-committees may be a proper way of doing business, provided that no extravagance is involved. Nor can there be any hard and fast rule about acceptance or refusal of tokens of goodwill on special occasions. But you are personally responsible for all such decisions and for avoiding the risk of damage to public confidence in local government. The receipt or offer of gifts should be reported to the chief executive.

8. EXPENSES AND ALLOWANCES

There are rules entitling you to claim expenses and allowances in connection with your duties as a councillor. These rules should be scrupulously observed.

9. USE OF COUNCIL FACILITIES

Make sure that any facilities—such as transport, stationery, or secretarial services—provided by the council for your use in your duties as a councillor are used strictly for those duties and for no other purpose.

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PART VII

(3) Standing orders made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited, but may exempt from any such provision contracts for a price below that specified in standing orders and may authorise the authority to exempt any contract from any such provision when the authority are satisfied that the exemption is justified by special circumstances.

(4) A person entering into a contract with a local authority shall not be bound to inquire whether the standing orders of the authority which apply to the contract have been complied with, and non-compliance with such orders shall not invalidate any contract entered into by or on behalf of the authority.

Miscellaneous

Contributions towards expenditure on concurrent functions.

136. Two or more local authorities may make arrangements for defraying any expenditure incurred by one of them in exercising any functions exercisable by both or all of them.

Power of local authorities to incur expenditure for certain purposes not otherwise authorised.

137.—(1) A local authority may, subject to the provisions of this section, incur expenditure which in their opinion is in the interests of their area or any part of it or all or some of its inhabitants, but a local authority shall not, by virtue of this subsection, incur any expenditure for a purpose for which they are, either unconditionally or subject to any limitation or to the satisfaction of any condition, authorised or required to make any payment by or by virtue of any other enactment.

(2) It is hereby declared that the power of a local authority to incur expenditure under subsection (1) above includes power to do so by contributing towards the defraying of expenditure by another local authority in or in connection with the exercise of that other authority's functions.

(3) A local authority may, subject as aforesaid, incur expenditure on contributions to any of the following funds, that is to say—

- (a) the funds of any charitable body in furtherance of its work in the United Kingdom; or
- (b) the funds of any body which provides any public service in the United Kingdom otherwise than for the purposes of gain; or
- (c) any fund which is raised in connection with a particular event directly affecting persons resident in the United Kingdom on behalf of whom a public appeal for contributions has been made by the Lord Mayor

of London or the chairman of a principal council or by a committee of which the Lord Mayor of London or the chairman of a principal council is a member. PART VII

(4) The expenditure of a local authority under this section in any financial year shall not exceed the product of a rate of 2p in the pound for their area for that year or, if some other amount, whether higher or lower, is fixed by an order made by the Secretary of State shall not exceed the product of a rate of that amount in the pound for their area for that year.

(5) A statutory instrument containing an order under subsection (4) above may apply to all local authorities or may make different provision in relation to local authorities of different descriptions.

(6) Any such instrument shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(7) The accounts of a local authority by whom expenditure is incurred under this section shall include a separate account of that expenditure, and section 228(4), (6) and (7) below shall have effect as if any reference to the abstract of the accounts of the local authority included a reference to any such separate account as aforesaid.

(8) The product of a rate of 2p or any other amount in the pound for any area shall be computed for the purposes of this section by reference to the product of a rate of 1p in the pound for that area as determined for those purposes in accordance with rules made under section 113(1)(c) of the General Rate 1967 c. 9. Act 1967.

(9) In this section "local authority" includes the Common Council.

138.—(1) Where an emergency or disaster involving destruction of or danger to life or property occurs or is imminent or there is reasonable ground for apprehending such an emergency or disaster, and a principal council are of opinion that it is likely to affect the whole or part of their area or all or some of its inhabitants, the council may— Powers of principal councils with respect to emergencies or disasters.

(a) incur such expenditure as they consider necessary in taking action themselves (either alone or jointly with any other person or body and either in their area or elsewhere in or outside the United Kingdom) which is calculated to avert, alleviate or eradicate in their area or among its inhabitants the effects or potential effects of the event; and

(b) make grants or loans to other persons or bodies on conditions determined by the council in respect of any such action taken by those persons or bodies.

PART VII of, or available to, any other local authority in the county, but not the county council, the county council may require that other authority to furnish them with that information.

Provision of information, etc., relating to matters affecting local government.

APPENDIX C

142.—(1) A local authority may make, or assist in the making of, arrangements whereby the public may on application readily obtain, either at premises specially maintained for the purpose or otherwise, information concerning the services available within the area of the authority provided either by the authority or by other authorities or by government departments or by charities and other voluntary organisations, and other information as to local government matters affecting the area.

(2) A local authority may—

- (a) arrange for the publication within their area of information on matters relating to local government; and
- (b) arrange for the delivery of lectures and addresses and the holding of discussions on such matters; and
- (c) arrange for the display of pictures, cinematograph films or models or the holding of exhibitions relating to such matters; and
- (d) prepare, or join in or contribute to the cost of the preparation of, pictures, films, models or exhibitions to be displayed or held as aforesaid.

(3) In this section "local authority" includes the Common Council and "voluntary organisation" means a body which is not a public body but whose activities are carried on otherwise than for profit.

Subscriptions to local government associations.

143.—(1) A local authority may pay reasonable subscriptions, whether annually or otherwise, to the funds—

- (a) of any association of local authorities formed (whether inside or outside the United Kingdom) for the purpose of consultation as to the common interests of those authorities and the discussion of matters relating to local government, or
- (b) of any association of officers or members of local authorities which was so formed.

(2) In this section "local authority" includes the Common Council.

Power to encourage visitors and provide conference and other facilities.

144.—(1) A local authority may (either alone or jointly with any other person or body)—

- (a) encourage persons, by advertisement or otherwise, to visit their area for recreation, for health purposes, or to hold conferences, trade fairs and exhibitions in their area; and

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5 Self-regarding Officialdom

According to the National Union of Teachers, the country's biggest teacher union, there is nothing short of a 'crisis in public education'. 'It is now clear that the very basis of the 1944 Education Act, equality of opportunity for all children is under serious attack to the point where, if present policies are maintained for any length of time, the damage already done will become irreversible and the education service as it has developed since the Second World War will have ceased to exist.'

Ask a publisher and you will get rapid assent to the proposition; he will complain about reductions in school book purchases. But there is a problem here. The fact is that the aggregate spending on education (excluding further and higher education) is slightly lower in real terms in recent years – but by a very small fraction. In 1983-84 total current spending on education was about 98 per cent of the level (in real terms) in 1978-79 – yet during this period the total number of pupils fell by 5 per cent. Spending per pupil has therefore *increased*. What has happened is that most local education authorities have not reduced their staff numbers as school rolls have fallen.

Some counties have deliberately chosen to cut their budgets for books and equipment rather than reduce the number of their teachers, sometimes giving as their reason the need to keep teachers in order to afford a range of options at Ordinary Level and in the Certificate of Secondary Education – yet the extent of the options was a product of the passage through the schools of a large 'bulge' of children, a bulge still visible among fifteen and sixteen year olds.

In 1983 there are in primary and secondary schools more teachers than in 1979. Not only has there been no cut in teacher numbers there has been a real and marked increase. If that sounds paradoxical, it is only because teacher numbers can

Municipal Empire

surely only be measured against the numbers of pupils in the schools.

Taking 1976 as a base year, let us give index figures of 100 to both the total number of secondary pupils that year and the number of qualified teachers at the other end of the classroom. Until 1979 pupil numbers in secondary schools in England and Wales increased, to an index figure of 104.9. So did teacher numbers, to an index of 106.5. In 1981 while pupils were at 103.9, teachers were still increasing at 107.0 – giving the best ever ratio of pupils to teachers, 16.5. At no point in the past could the state secondary schools boast so generous a relationship between teacher and pupil numbers.

Teachers did not unilaterally defend their jobs; they were aided and abetted by a strong lobbying force made up of local education authorities, parents' groups (who sometimes are reluctant to count the cost) and, at their heads, the Department of Education and Science. In the British system no single government department has a responsibility for councils. The Department of the Environment is supposed to be in charge of their finances (and the services known bureaucratically as 'local environmental services', such as planning). The Department of Health and Social Security oversees the operations of the personal social services. The Department of Transport makes plans for road building and public subsidies for local buses and trains. Perhaps the department closest of all to its bit of local government is the Department of Education.

Conventional wisdom, notably heard in and around Whitehall, classifies the DES as a spent force, a department that had its heyday in the sixties and early seventies when such big-spending ministers as Mrs Margaret Thatcher held sway (she was Secretary of State for Education in the Heath government). In fact the DES has done a remarkable job in the years since 1979 in mitigating the paper cuts it was supposed to deliver to the Treasury. A close reading of the successive public expenditure plans shows the DES managing to decrease both the number of teachers leaving as pupil numbers drop and also the number of 'redundant places' taken out of use (schools no longer in operation).

What educationists find difficult to accept is that as their

'clients' decline in number then so must teachers, cleaning ladies and educational administrators. If staff numbers do not fall then – as has happened – the gross cost of educating a pupil increases. And as we saw in the last chapter, the measures for gauging the effectiveness of these extra staff simply are not available, though the National Union of Teachers would swear blind that more teachers must mean better education. The trouble is there is no evidence for that apparently self-evident proposition. What evidence there is, for example from the government's Assessment of Performance Unit, says that class size is within reasonable limits *unrelated* to educational performance.

It would be futile to deny that individual schools have closed; that opportunities have worsened in some areas; that the 'climate' of education is less buoyant than a decade ago – but educationists have to explain why despite all the 'cuts' the aggregates for educational spending have not fallen. The answer, for teachers, is a painful one. Education costs have risen because the cost of teachers has increased. Teachers are on average more expensive in real terms than ever before: as the teacher force gets older then, because of the operation of incremental salary scales, costs rise regardless of any annual rises that the teaching profession as a whole may get. Education costs are basically the cost of teachers; the cost of maintaining the schools, or buying books or video-tape recorders is marginal. Yet try linking improvements in educational productivity or effectiveness with the mounting expense of teachers: it cannot be done.

The lesson from education is: beware the interest group spokesman who tells blood-curdling tales of qualitative decline in any public service. Ask first, how many bodies have been lost; second, how many 'clients' there are; third, what has happened to the interest group's pay in recent years – and not just the headline percentages, the internal secret grading, too.

Trying to prise information about 'real' movements in expenditure out of the government is now extremely difficult; we live in an age when everything is measured in cash, on the grounds that this encourages an anti-inflation mentality. In cash, of course, local government spending has increased

dramatically in recent years, from a planning total of £9.9 billion in 1978-79 to nearly £30 billion in 1982-83 (United Kingdom figures). But a 1979 pound buys for example much less bobby today, especially since the police secured inflation-proofing. It is complicated to reprice current outlays in historical prices but that is the only way to find out what has really been happening beneath both the cash and the rhetoric. The evidence towards the end of the financial year 1982-83 was that the cuts had been less even than Mr King acknowledged in 1982. The trick, a Department of the Environment official said in private, is not to let the Treasury know till it is too late; and what the Treasury did not know in early 1983 was that at best the total of local government expenditure in England and Wales was almost exactly the same as it had been in 1979. In some areas it had increased by a large amount. Taking spending in 1978-79 as 100, spending on police in 1982-83 was 115. For every real pound spent on social services in 1978-79 £1.09 was spent in 1982-83.

Why don't the figures support our own feeling of contraction, Birmingham chief executive Tom Caulcott once asked. 'Perhaps we are all expecting constant expansion to go on, and certainly that has come to an end.' Yet, Caulcott went on (speaking at a CIPFA conference in spring 1983), councils had proved less successful than central government in reining back their current spending. Only capital spending – on buildings – showed a significant reduction since the mid-1970s.

Councils might argue that their aggregate spending has not fallen for one good reason. It is that local electors have, through the ballot box, chosen policies which cost more than the government wished or planned to have spent. Local democracy, the argument runs, has sustained or brought to power administrations committed to certain high levels of employment at odds with the government's wishes and councils' mandates are as legitimate as the government's.

In fact the local mandate argument is a weak one. It is not borne out by the facts of local election turn-out or the election results. The explanation of councils' resistance to spending cuts involves several elements. One is the inertia of the system; two is the deliberate assertion by some, mainly Labour-

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controlled councils, of a welfarist philosophy which sees high levels of council spending and municipal employment as part of a wider political programme; three is the enervating ambiguity of public attitudes towards services and their cost; four is the labyrinthine complexity of the governmental system which allows one department of central government to urge economy while another does its level best to thwart the aim. Professor John Griffith, a legal expert, once noted: 'It is a pleasant and comforting evasion of the problems created by the existence of these two political groups – the departments and the local authorities – to say they act as partners.' Amen to that. Sometimes the two are enemies; sometimes, and not necessarily for the public good, they are co-conspirators.

The fifth element is managerial failure caused, in part, by union power. Mr Caulcott, at the CIPFA conference mentioned above, blew the whistle long and hard. 'There is a common misconception in Britain at the moment,' he said, 'that power is with certain well-publicized manual unions. Real power is in the hands of white-collar unions. They are the ones who could, in a trial of strength, make it very difficult for our complicated machinery of government and society to continue.'

Deputy Assistant Stage Manager

The dynamics of the local government machine are governed by those in control. In theory the elected politicians rule the roost. In practice there is a conspiracy of silence among the localists over the power of the senior officials and below them the power blocs formed by professional groupings and the white-collar unions.

Once in the foyer of a Knightsbridge hotel – without doubt a traditional spot for the exchange of confidences – a leading county chief officer leant over to me and explained how at lunch he had just pulled a fast one over the councillor who was his nominal boss. The official, one of the ablest, did not often have to hoodwink his political masters; he had his way before he needed to plot. He had the best interests of local government at heart and was not going to have the politicians

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upsetting the apple cart he had neatly arranged. There is nothing extraordinary about professional power of this kind. All large organizations depend on their permanent staff. But officer power in local government is often hidden away behind a facade. Much depends on the size of the council. In some of the larger counties the chief executive does the very opposite of hiding his light behind a bushel. I sat in once at a policy committee meeting in one of the home counties. The county chief executive sat at the centre of the horseshoe table, ostensibly to advise the political leader yet conveying by his every gesture and intonation something little short of contempt for the politicians and their ilk: the business of government, he seemed to say, is too important for amateurs. The provision of services is a complex business; am I, a man in control of a £400 million a year budget, not a pillar of the universe? These sentiments are understandable, forgivable, but what havoc they wreak with the localists' pretension about local democracy and the expression of the people's will through elected politicians.

In many ways the district councils are worse, for there officers of lower calibre work in secret. Occasionally the veils are lifted. Mr Colin Ackerley, leader of the Labour group on Ashford district council, wrote in the *Municipal Journal* (19 November 1982): 'The officers were often in receipt of information and it was up to them on how to inform members and indeed when. The way in which information is presented and perhaps, more significantly, the way in which it is explained is a critical item in decision-making. . . Deals are struck and items stage-managed through council in a process which often excludes the backbench members, no matter how vigilant and well-intended they might be.' And if the backbench member is in the dark, what of the public's enlightenment? Here trust is essential for, again, any administration must occasionally conduct business both rapidly and outside the full glare of publicity. Yet there is an abiding disquiet about the quality of some levels of local government officer. At the very senior levels are the chief officers. While the permanent secretary in Whitehall may justifiably command his £33,000 per annum plus pension.

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perks and political honours, can the equivalent be allowed his administrative colleague down the road, the chief executive of a large council, getting £29,000 plus pension and, if not the permanent secretary's knighthood, then a respectable CBE? The question is almost impossible to answer, for mere mortals cannot measure his performance nor make his appointment. Local government jobs are jobs for life – still – unless there is, rarely, an expensive buy-out of the obviously incompetent.

The doubts surround lower levels of officer too. Pick up any copy of one of the local government weekly magazines, the 'trade' press. *Local Government Chronicle* each week runs a section called 'local government people', a sort of village notice board for changing faces and places. In one week in 1982 it reported that a Deputy Housing Service Officer with Caradon District Council since 1977 had been appointed Deputy Chief Housing Officer for Bracknell. The Gedling Borough Council's Principal Environmental Health Officer had retired; there was a new President of the Association of Public Service Finance Officers. A twenty-six-year-old woman had been appointed Assistant Press and Media Relations Officer for Tyne & Wear Metropolitan County Council. The London Borough of Camden had created three new assistant director posts all within its Housing Department.

Three new assistant directors? There was an Assistant Director for Management; an Assistant Director for Property Services and an Assistant Director 'responsible for housing needs'. And so on. These are listed not to pillory the job-takers. They may well be able individuals performing functions that would have to be carried out were the present structure of local government to be abolished overnight. The point of the list is this. Most of these appointments were made by fellow officers, perhaps with minimal involvement of politicians and no other public oversight. The career paths of professionals and semi-professionals have their own momentum. Buggins's turn and mutual back-scratching are ever-present criteria for appointments. So the appointments are 'mysterious', in other words kept internal in the system. The careers are also *national*. People move from one council to another pursuing a professional grail – to become deputy chief

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town planner, housing manager or divisional director of social services. Such mobility may well broaden the mind and enhance professional skills, but it does something else too. It encourages the growth of a professional mentality ensuring that an official's first allegiance is to the professional group (or to the pseudo-profession's ambitions to become a profession). This means you do not rock the boat (for instance by allowing that savings could be made or publicizing lack of effectiveness). In the nature of things this allegiance predisposes the official making an appointment towards recruiting a kindred spirit, a fellow professional. The profession's development hinges on further outlays of public money, more staff jobs. This applies whether it be architects, social workers, home help organizers, planners, finance officers, housing officers, chief constables, environmental health officers, chief education officers, the new breed of 'policy analysts' now found in that new institution the town clerk's department, or local government's now extensive network of public relations executives.

Most of these will, to date, have been prepared for their careers in the midst of a 'revolution of rising expectations', ever more jobs affording them the chance to rise to the top of the professional tree. They have been schooled in that local government culture we have discussed, one of relative indifference on the part of the public to rising expenditures based on the belief that there is a municipal solution to all ills. It is a system built for expansion, for generous rate support grant and buoyant rates. In an era of contraction, when the economy is recession-bound and the reduction of public expenditure a government imperative, the professional system is not one to break down – it is too sinuous for that – but one built to resist retrenchment with all the tools at its command.

Privatization old and new

The way the local government machine attempts to frustrate job reductions is both overt and hidden. An open illustration is opposition to privatization – an old policy newly fashionable. Privatization generates much heat and little light. The starting point must be councils' statutory responsibilities, their role as

the local arm of the state. The state has taken to itself responsibility for certain standards, say, of environmental cleanliness on health grounds: it is concerned with garbage. But this does not necessarily mean that the state's directly-employed personnel should remove garbage: that could be, and is in some Western countries, a household responsibility with the state simply enforcing compliance. In Britain the tradition is for the state's employees to perform the service directly and within that tradition they have acquired an interest in its continuation at similar or enhanced manning levels. Hence the threat contained in any plan to privatize.

For some New Right Conservatives privatization has become an end in itself (as opposed to a more or less effective means of disposing of rubbish as the state ordains). Led by the likes of Mr Michael Forsyth of Westminster council, a public relations executive, privatization has become a crusade. And resistance to privatization has become an ideological struggle, far removed from the nitty gritty (literally) of rubbish collection. Both sides lose sight of the original principle. Once it has been decided that a service should be provided collectively, the only test is cost-effectiveness. The suspicion is rife that municipal rubbish collection is not cost-effective, that the dictum of a great municipalist of a former era, Joseph Chamberlain, has been forgotten. Chamberlain wrote of his anxiety 'that a man who becomes employed by a public corporation is to have a better pay than his fellow workmen doing precisely the same work under a private individual. I protest that doctrine.' And so, at least in principle, should modern councillors. That they don't, establishes the case for privatization.

The post-1979 privatization fashion began in Southend-on-Sea, an impeccably suburban Conservative council, which bought a private package for its refuse collection for two reasons. One was the horrific failure of successive generations of officers and councillors to manage the refuse collection service effectively and prevent a host of indefensible working practices getting accepted (note that bad management is no prerogative of Labour councils). Trades unionism is not at its strongest in that far reach of Essex, yet the General and

Municipal Workers and the Transport and General Workers had managed over the years to secure a fair living for their members in Southend. The other reason was effective salesmanship by a cleansing firm, Exclusive Cleansing, part of the Brengreen group. In the past private firms have not noticeably been enthusiastic for council work but Brengreen's interest set a precedent and there are now several major firms in the privatization stakes. At the time of writing, Southend has had barely two years of private dustbin emptying so the longer term costs and benefits cannot yet be gauged. In the short run, Southend was an object lesson, both to other councils and to their employees.

And not always their manual employees: the overt resistance to privatization has been led by the white collar union, Nalگو, the National and Local Government Officer's Association. Consider two cases, Wandsworth and Birmingham. The points to be made concern not the merits of privatization but the resistance to a change in policy decreed by the duly elected councils, in both cases working on policies 'tested' in recent elections.

The ingredients in the Wandsworth case were a ruling Conservative group of councillors more overtly ideological than Conservatives in local government generally; some previous experience of privatization, since street cleansing was already in the hands of a private firm; manual trade unions divided in their counsels and insufficiently fearful of privatization to attempt to mount a cross-borough campaign. These were favourable conditions for Wandsworth's bid in late 1981 to put its refuse collection out to contract, yet the local government machine mounted effective delaying tactics that plunged the borough into turmoil for some months. There was, in the spring of 1982, a general strike of all municipal workers, though short-lived. The refuse collectors struck for nearly a month. Nalگو led a series of stoppages and disruptive actions in various parts of the town hall. Pritchards, the firm holding the street cleansing contract, had vehicles vandalized by persons unknown. Threats and intimidation were offered. Attempts were made from within Wandsworth town hall to influence the London borough elections of May 1982, which

resulted in the Conservatives being returned to power, albeit with the loss of some seats. In the end, Wandsworth let a contract for its refuse collection to Grand Metropolitan, at a promised saving on the costs of the directly-employed service. Yet considerable and damaging efforts had been made to stop this; to thwart change.

The Battle of Birmingham

Again in Birmingham the resistance of the local government machine to change eventually failed; but its behaviour illustrates the inflexibilities which prevent or delay a duly-elected council carrying out policy. Birmingham and Wandsworth had councils willing to risk strikes and obloquy. Many others, including many Conservative councils, have never attempted radical changes in policy because they are fearful. For others, the strength of the inertia is such that radical policy changes would never even be considered.

In May 1982 the Conservatives took over from Labour in Birmingham City Hall, a building still redolent of Joseph Chamberlain and the massive civic pride of the high Victorian years. Their leader, Councillor Neville Bosworth declared a firm intention of seeking reductions in costs; the aim was to save between £3 and £4 million a year on refuse collection, and to give a better service. From that moment there was a perceptible tension in the town hall, for it was unlikely that Nalگو would allow radical change in England's second city without putting up a fight. Indeed Councillor Bosworth firmly believes Birmingham was selected by Nalگو headquarters as a test case. 'Not that I then expected trouble with Nalگو,' he told me. 'After all they are citizens and ratepayers like myself. It behoves us all to run this council as economically and efficiently as possible.' And Nalگو it was that fought the council, even though the privatization proposals affected only the manual workers; at no point were the jobs of white collar workers directly affected.

The first skirmishes occurred at the annual conference of Nalگو which took place in Brighton in June 1982. 'The use of private consultants is the biggest danger we are facing at the

moment in protecting our pay and conditions,' one delegate said to applause. 'We have to resist them.' In other words, an attempt by elected councillors to take advice on the most cost-effective way of organizing their services would be thwarted by Nalگو. The conference resolved to support any local branch taking action to resist privatization and its precursor, the management consultant.

Events in Birmingham now proceeded along a dual track. On one side the council resolved to collect tenders from private firms for the refuse collection job and invited its own staff to band together to submit an application. This was a big job involving 300,000 tons of domestic rubbish a year but it was obvious that the council's own staff would have to offer substantial savings in costs and manpower if their tender were to stand a competitive chance. After much huffing and puffing the manual workers decided to bid. 'I am confident that we can produce savings and run a better service than private contractors in the West Midlands can offer,' said Ralph Jones, Birmingham regional officer for the General and Municipal Workers. And so it turned out, although Mr Jones did not explain why his men were suddenly able to run the service at a much lower cost than during all the previous years. The workers offered up more than three hundred jobs; 'incredible, astonishing,' said Mr Bosworth.

Meanwhile Nalگو had helped establish an 'anti-privatization committee' to back the manual workers' struggle, promising them general support and, specifically, the pledge that no white collar workers in the union would handle documents relating to the tenders. In August a general strike of employees was threatened when Mr Bosworth took an advertisement in the *Birmingham Post* threatening to dismiss any employee obstructing the council's plans. 'In no circumstances is it possible to compromise our position that any orderly and reasoned local government depends on us, the elected council, having our officers implement our policy. In no circumstances can we allow Nalگو or anybody else to dictate the policy.'

The manual workers' bid took some steam out of Nalگو. 'We were shocked by the extent of the manual concessions,' said a branch official. But Nalگو quickly recovered its

momentum by seizing on the investigations within the council by Price Waterhouse, the private management accounting firm, which had been retained for various cost-effectiveness exercises. Matters came to a head in autumn 1982 in a department completely separate from refuse – social services. There, two senior social workers refused to pass relevant information (not about clients but management information) to Price Waterhouse. Mr Bosworth had the director of social services dismiss them. Nalgo walked out *en masse*. At this point it ought to be said that Neville Bosworth, at sixty-four years of age, is no brash right-wing ideologue. On the contrary, he is one of those old-guard Tories of uncertain ideological position who have seen too much of the world to be anything but pragmatic. A Nalgo walk out was, he afterwards admitted, a 'traumatic experience'. The general strike succeeded by disruptive action in sensitive council departments such as accounts, affecting the cash flow; Mr Bosworth says he came under great pressure to settle from city businesses not being paid. In the way of all industrial disputes, the original *casus belli* was forgotten as it became a trial of strength between the Conservative administration and its own employees who, it must be said, remained united. The council backed down. After a meeting of seven thousand Nalgo members at Villa Park football ground, agreement was reached on a formula which reinstated the two social workers but pledged no further disruption by Nalgo. The rigour of any continuing Price Waterhouse investigations remains to be seen. It was altogether an expensive way of learning that the white-collar power bloc will not give way easily; for manual workers who, outside council employment, faced the severest recession in the West Midlands since the nineteenth century, it was a different story.

Nalgo's power, like that of the other local government power blocs, is intimidatory and negative rather than positive. It is not alone: the National Union of Teachers and the National Association of Schoolmasters/Union of Women Teachers operate in a similar way. Yet Nalgo's pretensions are remarkable.

Nalgo

In one of its less than generous moods *The Times* opined that the smile of Mr Alan Fisher, then general secretary of the National Union of Public Employees, observed as he left a meeting about pay, boded ill for council ratepayers up and down the land. Yet NUPE is much less powerful than it appeared in the 1978-79 winter of discontent; its sway within local government is limited, like that of other manual unions. Mr Geoffrey Drain, general secretary of Nalgo, is a different proposition. Seeing Mr Drain at lunch regularly at the Reform Club, at the heart of the British establishment, one would find it difficult to convict him of any dangerous intent. By contrast, at the union's annual conferences it is all too easy to be taken in by the beards, dungarees and leather jackets of the delegates and conclude that here the counter-culture of the 1960s and 1970s has finally come to rest. In reality, behind the young trendies, are many solid, pipe-smoking citizens of unquestioned respectability, Mr Drain among them. Yet it is Nalgo, young and old, which all too often presents itself as the enemy of public good in local government.

In Nalgo's rhetoric the good of Nalgo becomes the public good, according to the false equation 'More jobs means more services means a better life for the populace.' As a trade union it is Nalgo's legitimate interest to advance the claims of its members for money and jobs; but it is in the public interest for councillors to resist such claims and bargain for their resolution. It is the second element in the proposition that has failed. And Nalgo has gone beyond pay and rations to policy, as we saw in Birmingham. A press release from Nalgo in London promises 'a massive campaign against the abolition of the Greater London Council. . . . Nalgo's 67,000 local government members in London would be called upon to ban all work connected with the transfer of services away from the GLC.' In doing so Nalgo would be opposing government policy just as it mounts opposition to the declared policy of councillors who were the people's choice at the polls.

The Housing Act 1980 established for local authority and New Town tenants a right to buy their homes at a discount. To

set an example, the Department of the Environment proposed to send civil servants into the town hall in Norwich to sell houses to tenants because the Labour-controlled council was dragging its feet. The Norwich councillors, whose actions were at least open, eventually capitulated. Elsewhere, it is undeniable, though difficult to prove, that the sales of council houses under the right-to-buy provisions have been wilfully obstructed and hampered by the actions of local authority staff in a number of areas, staff acting at the behest of the local branches of their union and with the tacit approval of Nalgo. Staff in one London borough 'lost' tenants' applications; in another they refused to process the applications on the grounds that they had other more pressing tasks to perform; in another they were rude and abusive to prospective tenant purchasers. Perhaps the worst case is Lambeth. There the Nalgo branch mounted a vendetta against the senior officer delegated to run the right-to-buy scheme. The housing director, Mr Bill Murray, was told by the branch that unless he boycotted the right-to-buy work he would be suspended from the union, which naturally enjoyed a 'closed shop' arrangement with the Labour-controlled council. Mr Murray has since noted: 'While I reported each stage to Nalgo head office, there was no effective response. In retrospect, I would concede that the local branch could claim political commitment and youthful inexperience to explain their behaviour: I still find it difficult to explain, or excuse, the unhelpful silence of Nalgo headquarters for so long.' Nalgo 'shop stewards' decided that the time for direct action had come and began, in March 1981 Mr Murray says, to confiscate letters from tenants about the right to buy. A campaign against Mr Murray was conducted in the branch bulletins and on notice-boards leading eventually to his taking early retirement on the grounds that 'the balance was being tilted too much against me.' He reported 'constant blockings of decisions by management by industrial action or threats (involving no penalties for those concerned) which could be switched on or off according to the stewards' dictates.' His comment was surely no exaggeration: 'The right-to-buy episode, particularly the confiscation of the post, illustrated the union's confidence in the extent of its power.'

Local government supports, for its employees, a system of pay and conditions which are national in scope, a point which further underlines the frailty of the localist case. Pay negotiations take place within a committee system no wise man would have designed, insulated from the public gaze, and centralized to an extent that makes a mockery of the possibility of local councillors playing a significant part.

One of the great inflexibilities of local government is pay. Negotiations on pay, for teachers, social workers, firemen, chief executives are all 'nationalized': they are linked neither to local ratepaying capacity nor to local assessments of performance. The police officers of Northumberland get their nationally agreed percentage (at least keeping pace with the rate of inflation, since the Edmund-Davies settlement of 1978) regardless of crime statistics for Newcastle. The teachers get their 5 per cent even though there must be a direct trade-off between pay and jobs and the provision of books: one year's pay freeze (a utopian thought) would solve the financial worries of most local education authorities overnight. The binmen of Manchester get the same deal as the binmen of Bristol and the binmen of Merton: the state of the respective bins, the fiscal health of the respective councils, the cost of living in the respective districts – all that is irrelevant.

Tracking down what an individual local government officer is paid is simple in theory – for the scales are public – but difficult in practice since there are weightings and incremental points to be counted as well. The table opposite sets out the minimum salaries for chief executives. They run according to the population of the district or county. Chief executives of shire county councils, metropolitan districts and London boroughs add at each point of the scale three increments of the amount set out in column three. In addition there is London weighting, worth £1,134 for employees of the inner London boroughs and the GLC, £597 for outer boroughs and £270 and £183 for designated parts of Kent, Bucks, Essex, Herts, Surrey, Berks. These figures all apply to the pay year 1982-83.

SALARY SCALES EFFECTIVE FROM 1 JULY 1982

Population band (in thousands)	Minimum range £	Increments £
(1) Under 75	14,535 to 18,495	3 of 402
(3) 150/250	22,092 to 24,333	3 of 465
(5) 400/600	26,358 to 27,966	3 of 540
(7) 850/1,200	29,892 to 31,254	3 of 540
(9) Over 2,000	32,541 to 33,822	3 of 540

For 'chief officers' – heads of departments in councils – there is a range of salary scales from £11,367 at the bottom to £26,418 at the top. But again the scales are only a basic guide, for virtually all officers receive increments of between £1,000 and £1,500 and those in the London area receive an additional amount. In the pay year from July 1982, an officer registering births, deaths and marriages was earning up to about £10,500; a social worker just over £8,000. A head teacher of a medium-sized school might earn about £17,000.

The point is not whether these salaries are sufficient or insufficient, excessive or mean: it is that they are negotiated and awarded in such a way that there is minimal public inspection. Worse, there must be a well-founded suspicion that salary and pay awards are only sketchily linked to productivity, efficiency or the general performance of a council or any of its departments. Chief officers get their increments and rises regardless of the comparative cost of their department or its record in a given year. Head teachers are paid without regard to the performance and achievements of their schools.

Perhaps the most telling example is the system governing the pay of school teachers and technical college lecturers. Their pay is negotiated in a statutory committee, the Burnham committee, on which sit the employers, the local authorities' national representatives, the trade unions (the NUT, the NAS/UWI, etc., forever squabbling about the number of places each has) and above them, 'monitoring', the Department of Education and Science. The committee is a relic of the days when education was more directly financed from the centre

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than it is now. It is a committee which does not, cannot by law, discuss such things as teacher productivity, school numbers, classroom effectiveness, the length of the lunch break, the size of sixth forms – all things with some bearing on what teachers should be paid. No, such matters are the province of the local education authorities which are supposed to manage the schools and colleges. Conditions of service, teachers' contracts, are talked about in an entirely separate national committee. In Burnham, responsibility is shifted endlessly between the local authority side and the representatives of central government. The same local authority representatives in a different body talk about teachers' contracts with no consideration of salaries. Ludicrous? Yes, and expensive, too. Not long ago a package of conditions for further education lecturers was worked out to include a substantial reduction in 'contact' hours – the amount of time lecturers are required to teach – while at the same time they enjoyed a substantial pay increase, sorry, catching-up exercise. The pay bill for this portion of the education service rose appreciably, pushed up not only by the rise but also by the costs of the deal on conditions.

For other local authority employees similar arrangements apply, with interlocking series of committees, some of which are statutory Whitley councils, some straightforward negotiating bodies, with the public service unions on one side and the local authority associations on the other. National unions bargain with national officials and representatives: what price local government? No council dares opt out of the settlements reached unless, as we saw in the Camden case, it is to pay more. The system makes a nonsense of local responsibility for finance.

The inflexibilities of pay and of professional power within local government are, mostly, visible. But in recent years, particularly within London and the big-city local authorities, there has emerged a covert power bloc, made up of politicians and officials alike belonging to a 'public service class', a group with a vested interest in high levels of public expenditure not for the sake of the services provided but for the jobs produced.

Local government's new class

In past writings on local government 'interest' tends to have been defined in a formal and legalistic way. Statute law and administrative tradition govern the participation of, say, a councillor who is also an estate agent in decisions affecting local property. The Secretary of State for the Environment can be called upon to grant dispensation to councillors with some overt interest – for example some councillors on The Wrekin District Council were thought to be disqualified from voting on aid for the unemployed because they themselves were unemployed, but they were given a dispensation.

Legal and formal definitions of interest, the kind of interest at the heart of the Poulson saga, have obscured other conceptions. There is, for example, the interest of tenants of councils in their landlords' decisions on rent levels and the balance of subsidy between rate and rent-payers. In certain London boroughs it has been alleged rents have deliberately been held down (and rates pushed up) to benefit the Labour Party. Recently, certain Conservative shire districts have pushed up rents, knowingly producing a surplus on their housing revenue account to be transferred to their general rate fund: they defend themselves against charges of favouring an interest by claiming that the Department of Health and Social Security will pick up the increased rents bill through the housing benefit scheme.

Interest of a more specific kind was referred to in John Stuart Mill's classic of nineteenth century liberalism, the essay *Representative Government*. Mill noted in the essay how local representatives could be swayed by their membership of an occupational group or, like local shopkeepers, because of a commercial interest. Discussing the composition of the Boards of Guardians which administered the Poor Law, Mill spoke of 'the class interests of the farmers or petty shopkeepers who form the bulk of the elected Guardians'. The word 'class' was not borrowed from his contemporary Karl Marx; rather he meant interest group, the potential to combine against the public good. He went on to consider ways of checking the class interests of the elected Guardians, for example by reserving

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seats for justices of the peace sitting *ex officio*. The principle still applies to the police authorities in the counties. Basically these are committees of councillors from the counties that collect the rates that pay part of the police bill; but because law and order is considered too important a subject to be left wholly to local councillors, there is a leavening of JPs.

Mill's Victorian sociology has some application today. In the local government of urban Britain there is an interest group of elected members bound together with an occupational stake in public sector jobs. A growing proportion of councillors depend for their livelihood on municipal employment in one form or another: they work as social workers, teachers or, a growing category, as 'professional councillors' living off the subsistence and attendance allowances paid. Others have a common interest though their connexion with 'community work' and voluntary groups (in practice supported by public funds) and housing associations. These have a 'class interest' as marked as Mill's farmers or petty shopkeepers. The latter hated rates, which bore directly on their property. The new class hates reduction in rates, for that involves a diminution of the municipal activity on which they depend for income and opportunity. The following look at inner London Labour councillors illustrates the point.

INNER LONDON LABOUR COUNCILLORS' JOBS

Council	Education	Local Government/ Voluntary	Other Public Sector	Private	Other	Total
Camden	7	7	8	7	10	39
GLC	9	11	5	7	16	48
Islington	5	12	11	6	11	45
Lambeth	3	5	6	9	7	30
Lewisham	6	11	2	19	4	42
Southwark	5	9	6	19	9	48

Inner London is not typical of the rest of the country but it gives pointers. Deliberate pointers, for the Labour Party in the capital takes an 'advanced' role providing examples for the rest of the country. This has been evident since the advent to the leadership of the Greater London Council of Ken Livingstone

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in May 1981, from which time party organizations both official (e.g. the Greater London Regional Executive Committee) and unofficial (e.g. the left caucus which produces the influential monthly *London Labour Briefing*) have taken on a national role. The table lists councillors in five inner boroughs plus the GLC: *Camden*; *Lambeth* (Labour controlled until the May 1982 borough elections, then from May to November 1982 under the Conservatives with Social Democratic-Liberal Alliance support, then from November 1982 Labour again under Mr Ted Knight); *Lewisham* (Labour territory); *Islington* (a classic instance of the inner-city municipal structure where an old Labour power elite, mainly working class, has been swept aside by a new Labour alliance dominated by the public service class. In Islington the twist was that the Labour old guard defected *en masse* in 1981 to the Social Democratic Party, giving them a temporarily fashionable flag of convenience and a brief extension in office. At the polls in May 1982 Labour gained a clean sweep, bar one remaining Social Democrat, and since then Islington has bid fair to become the standard bearer of extreme municipal socialism); *Southwark* (Labour controlled, but again an area riven between old and new within the Labour Party). At the GLC, too, there is a mixture, fairly evenly balanced, of Labour's old and new.

The table shows the number of Labour councillors in each borough working in

- (a) *Education*, as teachers, lecturers or ancillaries
- (b) *Local Government* as officials or in the 'voluntary' sector largely dependent on council grants
- (c) *Other public sector*, meaning nationalized industries or the Civil Service
- (d) *Private sector*
- (e) *Other*. This category covers two important groups, full-time trade union employees and those who are not economically active because they are unemployed, retired or are serving as 'full-time councillors' dependent on their allowances.

It can quickly be seen that not many of the total work for the

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private sector. A small number are self-employed (included in the private category) and some are lawyers or solicitors. Several of the trade union officials are classed as 'researchers', a now ubiquitous job. Several are officials of the National Union of Public Employees, affiliated to the Labour Party nationally and at constituency levels, and organizing workers in the public service.

What the table shows is that a substantial proportion of Labour councillors are directly dependent on the municipal empire. Taking the education and local government categories together, in Camden some 36 per cent belong to this 'public service class'; in the GLC 42 per cent; in Islington 38 per cent; in Lambeth 27 per cent; in Lewisham 40 per cent and in Southwark 29 per cent.

Here is our Millite class, a group with a latent interest in public and especially in municipal expenditures, ever tending to define the public service in terms of the jobs, careers and rewards enjoyed by them or their colleagues. But in addition the public service class includes less obvious jobs. In the 1960s and 1970s there was a great expansion of charitable and voluntary organizations, many of which are effectively public bodies. Directly or indirectly they receive large amounts of state assistance and grants from local government. In recent years there has been a flood of public money into voluntary groups, some expressly set up to receive the largesse. The Labour-controlled GLC has taken the lead with a large-scale programme of grants to ethnic groups, police monitoring groups, housing groups. During 1982-83 the GLC proposed to disburse some £2.5 million to voluntary groups including a grant to an organization for the eradication of female circumcision. The council's 1983-84 budget contained a plan to increase to £7 million the budget of its women's committee, most of the money to go to women's groups of one kind or another. Funding at this level - which also comes from Camden, Islington and the other councils - stimulates the formation of 'voluntary' bodies which then become dependent on councils for one hundred per cent of their income. When in Islington the short-lived SDP administration tried to cut grants to voluntary bodies (on the grounds of their ineffectiveness and vocal opposition to council policies) there was a huge

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orchestrated outcry – led by the local Labour Party, a good proportion of whose members are employed in 'voluntary work'.

Assuming that the Southwark figure is a better guide to local government outside the municipal fleshpots of the capital, we are still confronting a notable concentration: a large, and growing, proportion of Labour councillors in all authorities, be they teachers or architects or 'charity administrators', belong to the same occupational class as the staff they are supposed to be managing. They form a class whose living comes from set levels of municipal spending.

In Camden one third of councillors on the Labour benches are in the public service. These include a community worker (the secretary of a housing action committee working at a local law centre itself supported by council grants); a housing association director; a 'researcher in aspects of health and safety at work'. The list takes in a staff member of an educational charity; a university lecturer; a youth and community worker; a teacher; the assistant director of MIND, the National Association of Mental Health; a local authority housing officer; a postgraduate student in education; a further education college lecturer.

In fact the density of public service interest is probably greater even than these figures suggest, for a high proportion of the trade union officials sitting as Labour councillors in inner London work for public service unions: for Nalco, NUPE, the Transport and General Workers. Such officers can safely be assumed to share much with their council colleagues and subordinates. In addition the unemployed and the professional councillors might, on occasion, lack the disinterestedness on which efficient management must surely depend.

The Labour theorist, John Gyford, wrote in a Fabian pamphlet about the gap between the 'lay and professional minds' and the need therefore to give councillors more power, resources etc. But what if, as in inner London, the local government professional is answerable to a public service professional who may also be a local government professional? Private testimony from chairmen of council staff and personnel committees verifies that this state of affairs makes for difficulties of management.

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Inner London boroughs and the GLC figure in the tables of comparative unit costs produced each year by CIPFA; they are strikingly above the norm. Levels of spending are high in London partly because of the social and demographic make-up in the inner areas, but a part of the above average unit expenditure has to do with the lack of cost control and the quality of municipal management. The management of staff, their hours, productivity and pay is affected by the public service interest of councillors who are reluctant to discipline their public service brethren or resist their pay claims or their demands for superior conditions of service – all of which raise unit costs. Here, then, is a recipe for inflexibility, for resistance to any downward pressure on institutional expenditure. If the urban local government system contains, through the public service class, a built-in tendency towards high expenditure then many of the tools available to central government for controlling outlays will inevitably fail to operate. The balance that ought to be made by councillors between the respective wants and vetoes of the ratepayers, the public at large, the consumers of services and council employees, is tipped. Eventually the public service class is tempted to reinterpret the purpose of municipal administration. Providing jobs and incomes for functionaries can assume as much importance as satisfying the consumers of services. 'Need to spend' becomes as much an estimate of the impact of certain levels of council employment as an assessment of social disadvantage. Through the public service class in central London the nature of local government is changing. A connexion links councillors and their employees that is invisible to the public. The public is presented with an equation of public interest and public service interest. The two are not the same.