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# *Local Government - Past, Present and Future: A Celebration of the 25 Year Writing Partnership of George Jones and John Stewart*

**Edited by Sir Michael Lyons and Alison Crow**

*George Jones:*

*George Jones and John Stewart, and the  
Future of Local Government*

*John Stewart:*

*Management in the Public Domain*

**Selected Articles  
by Jones and Stewart**

*The Importance of the Councillor  
Effective Community Leadership  
The Principle of Selectivity  
The Dangers of Regional Government  
The Balance of Funding Review  
In Defence of Party Politics in Local Government  
A Dangerous Proposal  
Partnership Problems*

**Commentary and  
Analysis by:**

*Steve Leach  
Hilary Kitchin  
Steve Martin  
Gerry Stoker  
Peter Watt  
Colin Copus  
John Benington  
Chris Skelcher*



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Management in the Public Domain

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# Acknowledgement



The editors would like to thank George Jones and John Stewart for their participation in the highly enjoyable and informative *Evening with George Jones* which provided the impetus for this publication. Alongside the two new papers individually written and presented by George and John, they also carefully selected the articles, which had been previously published in Local Government Chronicle, to be included in this collection. Their patience and understanding regarding delays with the production of this publication was also greatly appreciated.

We would also like to thank the academics who contributed articles to this collection along with Richard Vize and *Local Government Chronicle* for supporting the event.



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# Introduction

**by Professor Sir Michael Lyons**

The suggestion of compiling this short pamphlet emerged in the early months of 2003 as INLOGOV considered how it might mark the retirement of George Jones from the London School of Economics.

The event itself was marked by a special evening in May 2003 when both George and John delivered short papers before an invited audience drawn from across local government, its friends, collaborators and critics.<sup>1</sup>

The papers they presented are included here but we have also sought to capture a flavour of their contribution since May 1981 when they first launched their partnership in a letter to the Times. We have included their earliest joint letter to the Local Government Chronicle (10<sup>th</sup> July 1981) which identified the need for a new basis for Local Government Finance including the introduction of a Local Income Tax and perhaps more contentiously the abolition of the Non Domestic Rate.

The views expressed there were no surprise given the contributions both men had made to the Layfield Commission but the fact that the message remains valid in spirit, if not detail, 25 years later reflects both the tenacity of the individuals and perhaps the fact that the crisis they identified then has become institutionalised!

We have included their very first joint article for the LGC dating from August 1981 'Defence Campaign to Fight Off Threat of Central Government Interference' and representing something of a manifesto for what was to follow in their regular think pieces. Here you find the passionate argument against creeping centralism which continues to mark their work together with a strong plea to local government members and officers that they should be more confident and courageous champions of local discretion and diversity. Such campaigning zeal might be less fashionable today but certainly the underlying argument remains as fresh as ever.

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<sup>1</sup> I should thank Richard Vize and the Local Government Chronicle for their support in making that event possible.



We have also included eight other LGC contributions drawn from more than 1000 they have written. We have had an eye to reflecting the strong persistent themes which they have tackled and so have included articles on the importance of the elected councillor, the contribution of party politics; the potential threat of regional government; the nature of community leadership; the value of councils in joining up public service delivery; the dangers of central Government patronage and the limitations of Partnership working as well as their thinking on the Balance of Funding Review.

In each case we have asked a colleague from the realm of public policy research to offer a note of commentary. It is a reflection of the affection in which John and George are held that no one turned us down although some colleagues failed to inject the note of controversy we requested. Fortunately we included Gerry Stoker!

So, how can we sum up their joint contribution over the 25 years? It is certainly without precedent in our field of interest and it is difficult to find a ready comparator in another subject area. Long-standing writing partnerships are not unique but what distinguishes the Jones/Stewart effort is the emphasis they have placed on dialogue with practitioners, both policy makers and those responsible for delivery. Indeed I suspect both men would much prefer to be remembered for their influence over at least one generation of politicians, officers, civil servants and academics as for the length of their personal biographies. They have undoubtedly had an impact and few would doubt the contribution they jointly made to the case for wider local

government powers, which eventually produced the power of well-being or the part they have played in shaping the current enthusiasm for councillor training and development.

One key conclusion that shines through the work assembled here is their affection for local government and its players especially the local councillor. That has not been fashionable at any point since the early '80s yet they remain capable of emphasising the immense contribution made by thousands of rank and file councillors still on an essentially voluntary basis (certainly by the standards of the minimum hourly wage!) And whilst others clamour for fewer, more highly skilled councillors they continue to emphasise the importance of the representative role for civic engagement and public choice. Their defence of this role can be found in their article 'Disgusted' (LGC 26/03/04) which argues that we should be careful about disciplining councillors under new standards machinery where they are pursuing an elected mandate.

This selection of their writings shows that they have been consistently robust in their defence of elected, multi-purpose local government emphasising the need to reflect local diversity; to promote innovation and to engage the citizen more effectively. They recognise that national standards and promises may look appealing in abstract but in the real world of constrained resources, different communities are likely to choose a different balance of priorities. They clearly see that initiative which ring-fence resources, emphasise centrally determined targets and segment local public choice are likely to work against the interests of both community and citizen.

Is there a danger that they have been too complacent about the weaknesses in Local Government? Some would suggest that they have not been critical enough of the poor performance; introspection, and corrupted local politics which mark some councils.

It is true I believe that when they look at local government they see a glass half full rather than half empty. They take a generous line recognising the confusion and contradiction that inevitably marks close engagement with the conflicts and competing aspirations present in any community.

They certainly can't be accused of resisting change on principal, for their writings clearly point to their interest in promoting experimentation. They have been consistent champions of the need to support councillors in their work; to develop the skills of local government management; to improve co-operation between services (especially in tackling "the wicked issues") and to improve engagement with and responsiveness to local communities. Hardly the track record of two apologists.

It is true that they have often taken a sceptical line when confronted with new proposals which purport to "transform" local government, especially where these involved national prescription, or are based inappropriately on a "Whitehall" model.

But that reflects their emphasis on local diversity and choice as well as this recognition that local government deserves some constitutional independence. And this judgement has regularly proved sound, for

their scepticism seems widely shared not only by the 'players' of local government but also the 'audience' of the British public. That was clearly reflected in the widespread lack of public enthusiasm for the elected mayor option and in the continuing dislocation of many councillors as a result of too sharp a division between executive and scrutiny in the 2000 Local Government Act.

They have been consistently sceptical about the managerial revolution in local government, not because they failed to see the potential benefits it might have for services, but rather than from a fear that it would further concentrate attention on provision and obscure the equally, if not more important, aspect of local government involving community building; conflict resolution and the regulation of anti social behaviours.

Colleagues in local government see George and John as "critical friends" with a track record for probing, questioning and challenging. But always with a generosity of spirit and an understanding of the complex and challenging nature of the job.

I do not think they take great pleasure from the landscape we see in 2004 where popular trust in local government has deteriorated further spurred on, I fear by the impact of the 2000 Act which leaves a small number of councillors highly engaged in the business of the council but to such an extent that they are locked away often from their electors and the wider public, whilst at the same time a larger body of non-executives are sent out to share only their disengagement and unhappiness with anyone who will listen!

This publication emerges (a little delayed!) just as we await the conclusion of the balance of funding review. All the rumours suggest it will not yet offer the increased flexibility or the consistency of funding which Stewart and Jones have argued for throughout their joint career.

Their work is certainly not finished and we have definitely not heard the last of Messrs. John Stewart and George Jones!

*Professor Sir Michael Lyons*

*Inlogov*

*Birmingham July 2004*

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# George Jones and John Stewart, and the Future of Local Government

## George Jones

My doctoral thesis was about the local government of my hometown Wolverhampton. It focused on the emergence and development of party politics in Wolverhampton and its influence on the Town Council from the end of the nineteenth century to the early 1960s. It showed how a system of largely Independents was replaced by one in which all councillors belonged to parties, and what this transformation meant for the governing of Wolverhampton. From this study I learned to appreciate the unique characteristics of a particular place, to value councillors and to see parties as good things that cleaned up standards of public life and enabled local government to operate more effectively, efficiently and accountably than it had previously (Jones, 1969).

My second major study was the biography of Herbert Morrison, in which I concentrated on the period 1888-1939, which included the years of his main participation in local government, as Secretary of the London Labour Party, Mayor of Hackney and Leader of the London County Council. My admiration of councillors and of party was reaffirmed. I drew from that study a respect for leadership and the responsibilities of leadership<sup>1</sup>, and the importance of the party group, party

discipline, and the role of the whips. Morrison was a model for representative democratic leadership: standing up against central government, and against sectional interests both within and outside his party; laying down standards of appropriate behaviour for councillors; using council officers constructively; skilfully dealing with the media to promote the council with the people; and winning electoral success as the ultimate test of his approach (Donoughue and Jones, 1973; 2001).

My first published academic articles appeared in the journal *Public Administration* in the summer of 1963 and the autumn of 1964 and were about the work of the then Local Government Commission, which was engaged in changing the boundaries of local authorities. I was interested in whether one could draw conclusions about their approach from the specific recommendations they had made (Jones, 1963; 1964). My first articles in *Local Government Chronicle* were in 1965 when I wrote about the work of the Local Government Commission and about the Labour Government's new regional machinery. Two themes were clear: I was keen to ensure that urban government was not damaged by local government structural reorganization and that regional institutions

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<sup>1</sup> What John Stewart might call "political management"

would not erode local government (Jones, 1965a, 1965b).

### **George Jones and John Stewart**

The Jones-Stewart writing partnership began twenty-two years ago on May 26 1981 with a letter published in *The Times* (Leach, 1992; Jones and Stewart, 2001)<sup>2</sup>. It attacked the government for destroying “the principle on which our local government system is based: the right of a local authority to decide on the level of expenditure it will finance from its own taxes.” It concluded that the way forward was “to restore local accountability based upon the financing of local authorities by taxes bearing clearly on their local electors.” That message has been our main theme. Most of our output has appeared in the weekly journal *Local Government Chronicle*. Our first joint piece in it was a letter in July 1981 attacking the proposal to have a local referendum before a local authority levied a supplementary rate or increased rates beyond a centrally-specified amount. Our first article appeared in August 1981, calling for a counter-offensive against increasing central control. After seven more articles the editor asked us to contribute a regular piece, which we have been doing without a break ever since.

Three themes reverberate through our pieces. The first stresses the necessity for local government in our society. A complex and changing society cannot be governed well in the belief that the centre knows best, and that all knowledge and wisdom reside in the villages of Whitehall and Westminster. The second champions local authorities as community leaders, concerned with governing

locally to promote the well-being of their local people and areas. The third is our quest for local accountability. We have championed representative local democracy to ensure that those who govern locally are accountable to their local citizens for the powers they exercise. We have stressed the value of councillors as vital to the democratic process.

We first met on the Layfield Committee on *Local Government Finance* from 1974 to 1976, and found we were allies (HMSO, 1976). Today, contemplating recent events, I feel we have been here before. Layfield was set up to deal with a crisis in local government finance. Ministers said local government has misspent millions of pounds of public money, designated to them by central government carefully in a sophisticated grant system, and that local authorities were responsible for local tax increases into double-digit figures because of their wasteful expenditure. Local government responded that it had not been given enough grant to finance the obligations that central government had laid upon them.

Today we hear the same set of complaints. Charles Clarke berates local government for the missing millions; accuses local authorities of not “passporting” grant allocated to education to schools, and the government generally blames local authorities for huge increases in council tax. In their turn local authorities accuse central government of not providing enough grant for the obligations laid upon them, and that it is responsible for the rises in council tax. The old confusion of responsibility, with each blaming the other, which Layfield condemned, still persists.

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<sup>2</sup> The writings of Jones-Stewart for the first ten years are analysed in George Jones, “The search for local accountability” in Steven Leach (ed.), *Strengthening Local Government in the 1990s* (Harlow: Longman, 1992). A twenty-year analysis appears in Jones and Stewart, “Primary Passions”, in *Local Government Chronicle*, 20 July 2001.

John and I argued, and convinced the majority of the committee, that a choice had to be made to clarify who was responsible and accountable for local government expenditure and taxation. The choice was between moving the main responsibility and accountability more to central government or moving it more to local government. We have stuck to that vital argument. It is the key message we send to the new Layfield Inquiry, the Balance of Funding Review, which began work this month (Jones and Stewart, 2003). As Tony Travers has recently written, the Layfield report "remains the gold standard for all work on this issue", and "it will be hard to exorcise the ghost of Layfield." (Travers, 2003). Jones and Stewart continue to haunt government.

### **The Future for British Local Government**

Has local government a future? A pessimistic view in 2003 would say no. Over the last twenty years governments have considered abolishing it; central departments bypass it; regionalisation overwhelms it from above; micro-units undermine it from below; quangos encroach on it; and partnerships weaken its grasp. But one reason will keep it going. Central government needs local government as something to blame when things go wrong, and to carry out tasks close to people.

The essence of local government lies in those two words, local and government. Government comes from the Latin for the helmsman of a ship, gubernator, who keeps the ship afloat and steers it to its destination. So governing, whether a nation or a locality, involves staying afloat and going somewhere. The word local draws attention to the area where people live, with which they identify;

and, since places differ, it implies difference. It is a challenge to a centralist goal of uniformity.

The justification for strong local government is threefold. First, pluralism - it avoids the concentration of governmental power in one place: it is a significant part of a constitutional system of checks and balances. Second, efficiency - it promotes efficient service delivery since it has superior knowledge of local circumstances, and can join up a variety of services into a more manageable co-ordinated package than can central government or a series of separate agencies. Third, democracy - it provides more opportunities for people, as citizens and consumers, to participate in governing themselves or in controlling their representatives who govern, and in exercising control over the bureaucrats who provide and produce.

The big problem for local government arises from centralising pressures seeking uniformity, the same everywhere. The three main pressures are:

- (a) social - the pursuit of equality, which says people should have services based on need not on where they live, and that this view reflects the opinions of the public who want national uniform services and not variations from area to area;
- (b) the media, whose perspective is national and hostile to the diversity that is so often attacked as a post-code lottery; and
- (c) central government, both ministers who feel they are blamed by voters for what happens locally, and civil servants, conscientious and able, who want to achieve their ministers' objectives. Both have turned their attention from Britain's traditional Imperial external role to ruling

the internal colonies of our cities, towns, counties, districts and parishes, and see local government as the instrument for delivering national policies and objectives in ways the centre determines. But they do not trust local government as an instrument of delivery: they do not trust elected councillors or their employees; and they say the public does not trust local government either, as is shown by low turnouts in local elections. The centre says, "Our mandate is bigger than yours, which entitles us to have our way with you".

***These centralising pressures need examination.***

- (a) Do the people want equality? Perhaps they do not know what is done elsewhere and know only what takes place in their area and want more and better than they now have, - improved services -, while paying lower taxes. Local government is likely to know more than does the centre about local conditions, wishes and priorities because it is closer to the locality.
- (b) The national media may be a menace, gripped by some centralising agenda or fashionable view, and not a neutral messenger. These national organizations have their own national perspectives. But they have more immediate influence with governing elites in London than with the people, although their influence with the public may be greater over the longer term.
- (c) Recently parts of central government are appreciating that centralization with its array of specific and often contradictory interventions is not successful at delivery and attracts blame to the centre, which is held responsible for all failings. That is why parts of the centre now talk of the need "to let go", new "freedoms and flexibilities", conditional and earned

autonomy, decentralisation and The New Localism. But some parts of the centre seem reluctant to decentralise to elected general-purpose local government, preferring new elected ad hoc, special-purpose institutions, for health, and perhaps for education and policing. This fragmentation will make achieving co-ordinated policies difficult; confer power on sectional interests and producers and providers and not on consumers and the local community; and reduce electoral turnout even further.

***An optimist would see opportunities for elected local authorities.***

- a) They must champion their role as the legitimate government of localities, promoting the local public interest, directing the development of local communities, and coordinating [joining-up] public services. To do so they must make full use of the Local Government Act 2000, as community leaders, using the duty to draw up a Community Strategy/ Plan and the power to promote the economic, social and environmental well-being of their localities. They should be consumer and citizen champions, deploying overview and scrutiny of all public services in their areas, including health and policing.
- b) They must tackle the media, by using the professional arts of public relations. They must be spinners, and put over their public-interest messages, declaring how they promote the local community's interest; otherwise the media will continue their own spinning and promote their own agendas.
- c) They must have a wide range of powers and discretion to try out new ways of tackling problems. Learning can come only

from many experiments and not one imposed solution, even if expressed as a minimum standard (Jones, 1977). If there is "a right answer", then it will emerge more effectively if discovered through trying out different solutions to suit local circumstances and priorities. Learning will come best by spreading horizontally across local authorities and developing voluntary common standards, rather than being imposed vertically as national uniform minimum standards

Who finances local government is the critical question. There can be no responsible local government responsive and accountable to its local voters, if a local authority simply spends money given to it by central government. It will always want more grant: like a drug addict it will always seek its fix of grant. The Balance of Funding Review must ensure that local authorities draw the bulk of their revenue from their own voters. The shift to more local funding will support local accountability. It should end the confusion of who is responsible for local government spending, and the nonsense of shared responsibility and joint accountability that mean joint irresponsibility with no one accepting responsibility and each blaming the other.

With more powers and discretion, obtaining most of its revenue from local voters, and acting as the community leader and consumer champion, a local authority will find turnout in its local elections rising, because local government will matter more to local people. Its decisions will clearly affect them, and they will see that voting makes a difference.

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# Management for the Public Domain

## John Stewart

The main focus of this celebration is on George Jones who is about to retire from the London School of Economics and Political Science. He is an outstanding local government historian, a distinguished political scientist and a great advocate for local government. I have enjoyed working with him since our membership of the Layfield Committee and in our continuing series of articles for the *Local Government Chronicle*. It has been easy to write together because we share an appreciation of the importance of and a liking for local government and its councillors and officers. The *Local Government Chronicle* who have sponsored this occasion, have carried our articles for over twenty years. That series of articles is our other focus today although George is retiring from LSE, that does not mean retirement from activity and from involvement with and concern for local government, anymore than it has meant for myself. I look forward to our partnership with LGC continuing.

### **The Management of Change in Central-Local Relations**

My own contribution to this occasion centres on the future of public management as George has covered central-local relations and the future of local government. One aspect of central-local relations can, however, be looked at through the lens of a management perspective. The Government has sought to bring about major changes in the working of local government through its modernisation programme. The management of change within an organisation has its own requirements calling for special skills and sensitivity. In central-local relations the management of change involves special problems, since change is sought by central government not in its own organisation but in local authorities and not merely one but many authorities, with different cultures and different ways of working. The problems of bringing about change through central-local relations are even more difficult than bringing about change in a single organisation. A greater understanding of the requirements for the management of change is needed.

The lessons to be learnt about the management of change are many and this presentation can touch on only some of them.

Effective change should be based on bottom-up approaches as much as top-down, involving those who are engaged by the change. It must be based on an understanding of the changing organisations, their cultures and their ways of working, recognising their strengths as well as their weaknesses, so that while the weaknesses are confronted, the strengths are maintained. There is the need to learn whether the organisations are already changing and how they are changing, since it is easier to work with the grain than against it. Only directions should be set for change, not the detailed route, which will be better found by those involved in the change aware of the reality of their problems. Those initiating change should consider how they themselves should change, as they are part of the problem, ensuring consistency not merely in their words, but in their actions.

The Government's approach to the modernisation programme in local government has hardly been an example of the effective management of change. It was based largely on a command and control model. The Government decided on what was required not merely on the direction of change but on the detailed route to be followed. Thus the new political structures were enforced by over twenty regulations and directives and nearly two hundred pages of guidance.

The Government was intervening in the workings of authorities that it did not fully understand. There was no adequate attempt to identify the strengths as well as the weaknesses of existing political structures. Rather than work with the grain, the presentation of the modernisation

programme can be likened to missionaries preaching their gospel to the heathen. There was a failure to recognise the extent to which the key themes of the modernisation programme – community leadership, democratic renewal and improving performance through best value – were already accepted by many authorities and guiding their process of change.

The modernisation programme could have been presented as a shared programme to which both local authorities and central government were committed requiring change from both rather than from local authorities alone. It is remarkable that in the Government's series of consultation papers there was none on central-local relations, nor any chapter in its White Paper – *Modern Local Government*. Change was required in local government, but not apparently in central government's approach to local government.

Command and control do not build motivation for change. At times it seemed central government knew no other approach than legislation and regulation enforced by detailed targets and inspection, themselves signs of central government's distrust of local authorities, hardly creating the conditions for effective change. One is forced to doubt whether central government sees such changes as those set out in the modernisation programme as requiring an understanding of the management of change. It is as if all that is felt to be required to bring about change in local government is central decision, followed by enforcement. The centre has much to learn about the management of change.

## **Management in the Public Domain**

In the remainder of the paper I concentrate on management in the public domain. My main concern is with the fascinating and distinctive task of management where the politician and the officer meet, whether described as political management or the management of politics. This task has its own particular tensions. In a multi-functional organisation such as central and local government there are exceptional pressures of time limiting attention span. An issue may suddenly become the centre of attention because of crises highlighted in the media and in public protest, but attention often fades once an immediate response is made and new crises arise. "Events" have their own impact. One chief executive, a former treasurer, said to me "I am still, after a year, looking for the role. All I have found so far have been the crises." Management has to be developed in the reality of these conditions in which councillors and leading officers work.

A series of dominant themes make up the dominant approaches to public management and they have been influential on local government. They include:-

- An emphasis on change and transformation
- Setting objectives as a basis for
- Target-setting leading to
- Performance management
- A focus on the public as customer
- Separating the client from the provider role
- The need for partnerships

These themes are advocated in a rhetoric urging them upon councillors and officers in local authorities. The danger of rhetoric is that

the need for organisational balance can be overlooked. The developments advocated can be carried too far. Few, if any, organisational characteristics are absolutes to be cultivated without regard for the consequences. Carried too far a development advocated as a strength can become a weakness. Thus at times it seems that authorities are urged forward to continuing and comprehensive change throughout the organisation. Change becomes an end to be pursued regardless. But a continually changing authority can become incapable of carrying out necessary routines. Effective change requires a degree of stability. It is as important to ask what does not require to be changed as to ask what does, lest good practice is too easily thrown away. In organisations a balance has to be sought between change and stability as between other organisational characteristics. Rhetoric can conceal the need for organisational balance.

The themes advocated by the rhetoric are not to be condemned. Indeed I have often advocated many of them in the past. My argument is that by themselves they are inadequate, leading to imbalance. They tend to ignore or pass over key elements in the nature of the public domain, leading to imbalance in the approach to management.

The assumption has been too readily made that the development of management in the public domain should be based on the private-sector model or what is assumed to be the private-sector model. The citizen has become the customer; staff are urged to be entrepreneurial and to take risks – a confusing message when heard by an engineer

responsible for bridge design or by a social worker responsible for the care of children. It is sensible for those engaged in public management to learn from the private sector, where the tasks and conditions are similar. Yet learning across this boundary must involve more than the adoption of words and phrases from other organisations. At times it seems that the precepts are taken not from how private sector managers behave, but on how they are shown to behave in TV dramas.

Effective management must be grounded in the distinctive purposes, conditions and tasks of the organisation. Broad concepts such as strategy or performance can be used in very different contexts, but they can be given meaning only in an understanding of the context. As I shall stress in the broad public domain or even in the slightly narrower local government domain there are key differences in context, there are distinctive purposes and conditions inherent in the nature of the public domain. They are neglected in unthinking adoption of models from the private sector.

The defining purpose of the public domain is the realisation of the public interest. The public interest can never be finally resolved. While there will sometimes be general, if not universal agreement on the public interest; there can often be disagreement, justifying the political process in which countervailing concepts of the public interest are contended for. Debate, discussion and deliberation are critical elements in the public domains search for the public interest. There will be different needs stressed, different values urged and different objectives proposed, but in the public domain they cannot be argued for as merely self-interest. Arguments have to be

justified by the public interest if they are to carry conviction. When differing contentions cannot be reconciled they have to be balanced in the search for the public interest.

Within the public interest certain values are widely recognised as necessary. They include citizenship, community, justice and equity. While the meaning given to these values can be disputed, they would be generally accepted as necessary to the purposes of the public domain and to the search for the public interest. These values and the search for the public interest show the inadequacy of the current dominant approaches to management in the public domain. Management for the public interest, the perspective of citizenship, equity as a criterion along with efficiency, performance as democracy are all neglected themes in the prevailing discussion of management and yet are crucial to the search for the public interest.

From these purposes certain constitutive conditions follow. They include political accountability, the political process, public discourse and open government. In the perspective of current approaches to public management they are rarely given adequate consideration and, if considered, are seen as constraints on effective management rather than as conditions necessary to the fulfilment of the purposes of the public domain. Management for public accountability, realising open government, management to support and express the political process and to sustain public discourse are all required in the search for the public interest.

When viewed against the distinctive purposes and conditions of the public domain the limitations of the dominant approaches to

public management can be seen. To reduce the citizen to a customer limits discourse in the public domain. While I am no longer a customer of schools, as a citizen I can have views and an expectation that they are listened to. The stress on targets assumes a certainty on the definition of good performance that is unrealistic. Good performance in the public domain should express the public interest, which can be disputed. Performance measures in the public domain are rarely dials that can be read off automatically, but can and should be the subject of deliberation. An emphasis on one target can mean a failure to emphasise another target, highlighting possible imbalance in the public domain.

Deliberation, discussion and discourse are necessary conditions of management in realising the purposes of the public domain and yet have no place in rhetoric of public management. Judgement and wisdom also have no place yet both are necessary qualities for public management in the search for the public interest. There are many hard cases difficult to resolve because interests, needs and objectives are in conflict. Deliberation, judgement and wisdom are the best guides to the search. The management challenge is how they can best be developed and supported. Then balance can be restored in approaches to public management.

### **Within the Public Domain, the Differing Tasks**

Many different tasks are carried out in the public domain, as in the private sector. Only certain tasks are inherent in the public domain of which the management of the public power of coercion is the most significant. Each

task whether carried out in the public domain or in the private sector has its own particular purposes and conditions, which management must seek to meet. There is a dangerous illusion that there is one way of managing, irrespective of the tasks being managed.

One does not manage a service industry in the same way as a manufacturing industry. One does not manage a professional partnership in the same way as a department in a commercial firm. In local government one does not manage the fire service in the same way as one manages social work. Whereas in the latter it is good practice to consult the client, it would hardly be good practice in fire fighting. Time is critical in the fire service, managed therefore as a uniformed force with a command structure. Management must be developed around the task to be performed and its purposes and conditions. Fitness for purpose should be the guiding principle. While the public domain has its purposes and conditions that should guide management in local government, within those over-riding considerations, regard must be had to the nature of the specific tasks.

The danger of the dominant rhetoric is the assumption that favoured approaches can be applied universally. Thus partnerships are assumed to be a "good thing". Partnerships have strengths in bringing different organisations together, but can have weaknesses in diffusing accountability and responsibilities. The danger is that when the rhetoric changes, partnerships from being the solution will become the problem and be swept away, rather than the pursuit of careful analysis of when and where partnerships are justified.

At times it seems that current rhetoric assumes that leadership must follow a common pattern – certainly a leadership that does not follow the accepted pattern appears to be condemned in comprehensive performance assessments. It seems that leadership must be directive - almost macho in style. The emphasis is on the individual as leader rather than as the builder of a consensus through team-working. Leadership does and should vary with context. In different local authorities and at different times different leadership styles are required: - change agent; team builder; consolidator amongst others. The rural authority in which conservation is the dominant value requires a different leadership from that in an authority facing regeneration in a major town or city or confronting social problems. A hung authority calls for a different leadership style from that in a majority-controlled authority and some leaders have found it hard to change their style with a change in control.

The emphasis on the customer has already been cited and the need for citizenship re-asserted, but the word "customer" can be misleading even in the service relationship. There are times when there is an individual user, with choice in a market and the word customer adequately describes the relationship. But the users of the service may be collective as with controls over pollution and the word "community" better marks the relationship than customer. Or a service may have many so-called customers. Who is the customer of the school? The child? Yes. The parent? Yes. The future employer? Yes. And so on. But they have different demands, which have to be balanced in the public interest. Services are not necessarily provided on

demand by a customer, but rationed according to need judged by views about the public interest. The authority may have to decide between different members of the public as on planning applications and the word customer hardly applies. Nor does the word customer fit the use of the powers of coercion. It hardly seems appropriate for the police when arresting someone to say not "take you into custody" but "welcome you as a customer and hope you have a long and happy stay with us". Perhaps in the past, the use of different words: - patient; passenger; client; applicant; prisoner; defendant was closer to reality than the universalism of the language of "customer". What is required for effective management is understanding of the relationship between the authority and the public in each service – or for each task. That understanding is hidden by the simple use of the word customer without regard to the nature of the relationship.

The rhetoric of universalism in the approach to management can mislead. What is required is the hard work of analysis and the building of understanding about the different purposes and conditions of different tasks within the guiding purposes and conditions of the public domain.

## **Conclusion**

I seek a richer management than the sterilities of the dominant approaches to public management. That has been the main theme of this paper. The future of public management should reach toward that richer management. Organisational balance should be sought by the development of management that: -

- Encompasses the distinctive purposes and conditions of the public domain;
- Yet recognises the diversity of tasks within that domain;
- Is realistic about the conditions of the pressures for public action or inaction;
- Allows space for reflection, deliberation and judgement; and
- Is grounded in the search for the public interest.

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# Letter to The Times

## May 26<sup>th</sup> 1981

### **Future of Local Government**

*From Professor G. W. Jones and Professor J. D. Stewart*

Sir, As the crisis between central Government and local authorities deepens it is clear that the Government is considering measures that go far beyond the Local Government, Planning and Land Act so recently introduced. There is a danger that in attempting to enforce further cuts in local government expenditure central Government will take steps that will destroy the principle on which our local government system is based: the right of a local authority to decide on the level of expenditure it will finance from its own taxes.

The destruction of this basic principle of local government should not be lightly undertaken to deal with a possibility of overspending in a particular year. There is an alternative solution. Rather than ever-increasing central control it requires an increase in the responsibilities of local authorities and in their accountability to their electorate.

The root of the problem of local government finance is that local authorities are largely financed by taxes that do not directly bear upon their local electorate. Their revenue from national taxes through grant and from the non-domestic rate is over five times that from the domestic rate – the only local tax bearing clearly on local electors.

A new basis for local government finance can be found that builds up rather than destroys local accountability. Local councils can be exposed to the discipline of control by the local electorate. At a very minimum, well over half of their expenditure should be financed by taxes bearing directly on the local electorate.

This objective can be achieved by:

1. The abolition of the non-domestic rate as a local tax.
2. The reduction of grant to no more than 40 per cent of local government expenditure, while maintaining its role in equalisation of resources between authorities.
3. The introduction of local income tax to replace both grant and the non-domestic rate – the national income tax being reduced through the removal of grant and the transfer of the non-domestic rate into a national tax.

There is thus a real alternative to hasty action in the short term that can destroy the principle on which local government is based and must lead to a dangerous centralisation both of bureaucracy and of political power. That alternative is to restore local accountability based upon the financing of local authorities by taxes bearing directly on their local electors.



# Letter to Local Government Chronicle - July 10<sup>th</sup> 1981

## **Government Wrong on Rates Referenda**

*From Professor G. W. Jones and Professor J. D. Stewart*

The press has reported that the Government is considering a proposal that local referenda should be resorted to before local authorities levy supplementary rates or increase rates above a specified amount.

The assumption underlying this proposal is that such referenda would normally reject rate increases. It is an unjustified assumption based perhaps on an exaggerated importance attached to Proposition 13 in California.

The available evidence from opinion polls and a survey carried out by the Layfield Committee suggests that if a rate increase is needed to maintain services then the public would vote for the increase.

The proposal does show, however, the basic contradiction in present Government policies.

The Government professes to two incompatible aims. The first is to ensure that local authorities' expenditure conforms to its targets. The second is to increase local accountability.

The proposal to require referenda is in line with the latter, but the Government assumes that it will serve the former.

It may and it may not. Referenda, like elections, entail choice not confirmation of predetermined answers. The Government wants greater local accountability on the assumption that it will give it the answers it wants. It may not. That is the risk in local elections and referenda.

One cannot believe both in local accountability and in central targets. The proposal for referenda exposes the dilemma. You cannot say "let local people decide" and then impose penalties because they have made the wrong decision.

Perhaps after all, the Government should realise that if local electorates have voted for increased expenditure financed by taxes and by themselves, that is local accountability at work. They may not like the results, but they are genuine. The alternative is for central government to be directly responsible for local government expenditure and taxation.

That is central accountability and the end of local government.

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# First Article in Local Government Chronicle August 7<sup>th</sup> 1981

## **Defence Campaign to Fight off Threat of Central Government Interference**

Local government's position is much stronger than is often realised say Professors George Jones and John Stewart. In this week's special article, two former members of the Layfield Committee on Local Government Finance say now is the time for this strength to be mobilised to mount a counter-offensive increasing central control.

Local government is under attack from central government. Already the financial framework within which local authorities have operated has been undermined by repeated changes in the system and by the ever increasing stress by Government on targets for individual local authorities.

These targets are arbitrarily chosen and altered. Greater threats loom ahead.

The Government has indicated that further legislation may be introduced in the autumn to give it even greater powers over local authorities. Recent legislation for Scotland, the Local Government (Miscellaneous Provisions) Scotland act, which gives the Government virtually direct control over local authorities' expenditure, shows how far the Government is prepared to go.

The tragedy is that to deal with a particular year the Government is considering attacking

the very principles upon which the local government system is based – the right of individual local authorities to determine their own levels of expenditure financed from their own taxes.

### **Not be swept aside**

To base the case for the destruction of a constitutional principle of government upon a temporary financial situation is a dangerous act. Institutions and rules of government should not be so lightly swept aside.

The danger ahead lies in legislation to be introduced in the autumn. There is time, therefore, for local government to prepare a defence of its position. What is required is the will for that defence.

If local government is to mount a serious campaign, it must first secure its base. This initial phase requires:

- An understanding in local government itself of what has already happened in England, Wales and Scotland and what is happening;
- An understanding in local government of the case for local government;
- A coming together for the defence of local government of the representative bodies of local government;

- A widening of the base of support for local government beyond local government itself, involving the press, the media, academics, MPs and informed opinion generally;
- An exploration of the implications of what has happened and what might happen, and of the case for local government, so that wider support may be won and the credibility of the Government eroded.

It is too often assumed that local government is on its own. Local government sees itself as unpopular, under attack from press and Parliament, and from the public and pressure groups. It sees itself as defending an entrenched position with no help from outside. It sees defeat as inevitable.

Defeat is only inevitable if local government makes it inevitable. True, nobody will spring to local government's defence unless local government stirs itself to that defence. True, current attitudes appear to be against local government, but attitudes can be changed. The task for local government is not to accept present conditions, but to change them.

Local government's position is much stronger than is often realised. Local government may not be popular at national levels, but the evidence suggests that central government departments are far less popular.

Centralisation is not a welcome alternative to local government. Few would applaud the concentration of power it implies or the extension of central bureaucracy. Local government and its activities are visible and easily challenged. Few would acclaim the replacement of that openness by the secrecy of central government.

Local government may not be popular, but the services it provides are. Local authorities are powerful, playing a vital role in their communities. This strength can be mobilised. Few seek greater power from Whitehall rather than for the locality.

Local government cannot wait for opinion to manifest itself. It cannot expect support to arise automatically. Local government must make and remake its case in every form and forum open to it and in ways that can be understood.

It will not be sufficient, even if the threats are grave, to say that what is proposed will be the end of local government. The presentation must show the real nature of the threat and why it should be rejected.

The strategy for the counter-offensive by local government must consist of:

- The case for local government must be made both in its own right and by depicting the alternative;
- The case for a positive strengthening of local government as opposed to its weakening should be restated;
- Each myth that supports centralisation must be exposed;
- Assumptions for too long and too readily accepted by local government must be refuted, not least the belief that central government should determine the level of local authorities' expenditure that is financed from their own resources;
- The record of local government on the control of expenditure must be shown and contrasted with the record of central government;

- The irresponsibility shown by successive governments in continually changing the conditions under which authorities operate must be disclosed and condemned.

### **A call to action**

Local government faces a challenge. If local government faces this challenge, then it must accept it not as defeat but as a call to action.

Many courses of action are possible. The key is not to wait for new threats to emerge.

Local government needs to state its case to itself, to its councillors and officials, to its public and to its local communities. We look forward to the publication in LGC of material that will do just that.

# The Importance of the Councillor - February 18<sup>th</sup> 2001

## George Jones and John Stewart

The time has come to re-assert the importance of elected councillors to our system of government. Our focus is not on elected mayors or cabinets, but on the general body of councillors. Many such councillors not at present in an executive, or not expecting to be in one, feel their contributions are neither understood nor valued as new structures are developed. Some advocates of these new structures often malign the quality and calibre of present councillors; sometimes they even appear not to like councillors.

The councillor's importance comes from being an elected representative. That perception is not new. Indeed many councillors resent the suggestion that new structures will enable them in the future to fulfil a role to which they are already devoting much time and attention.

We emphasise that without the elected councillor the quantity and quality of representation within our system of government would be fatally weakened. There are fewer councillors in relation to the size of our population than in all our European partners. In 1995 we had one councillor for every 2605 inhabitants, and since reorganization even fewer. In France it is one for every 116, in Germany one for every 250 and in Italy one for every 397. In those

countries, and elsewhere, this density of representation gives both quantity and quality, and enables most people to know a councillor.

The elected representative is a precious resource, linking citizens and government. Any new structures should be based on recognition of the importance of the councillor. Thus in developing new structures it is not sufficient to argue that councillors should spend more time on the representative role; it has to be shown how that role will impact on the decision-making process.

One way involves the development of area committees with executive powers over purely local matters. Another way involves a reconsideration of the role and procedures of the council as the sovereign body bringing together all the elected representatives to determine the policies of the council. It can also involve procedures to ensure that the authority and executive use the rich resource of insights that elected representatives can contribute. Their resources can be drawn on in many ways, as we set out in a previous article [LGC 2 July], including deputies for executive members, policy panels and reference groups to work with the executive and act as sounding boards, designation of individual members with special expertise,

community liaison committees, policy workshops, and groups for corporate policy and specific tasks. What is important is that authorities give as much consideration to that whole range of possibilities as to executive, adjudicatory and scrutiny roles.

The importance of the councillor should not be limited to the local authority. The councillor as elected representative should be a building block for the role of the council as community leader. The councillor should, first, be recognised as an advocate for the public in dealing with the wide range of bodies, both public and private, that have an impact on local communities. In this role they can be described as consumer champions and citizen advocates, even as some have said as "tribunes of the people".

That role could be given explicit recognition in the public forums already established by some councils and praised by the Government in *Modern Local Government: In Touch with the People*. Through them "people are able to air their views about matters which affect them, and other organisations and agencies are drawn more fully into democratic debate, through their attendance at the public forum to explain their policies and actions". The Government indicated then that it welcomed such developments. It is surprising that little further has been heard about this modernising innovation.

Ministers should emphasise the forums. As the White Paper states, "A key element of community leadership is the responsibility that councils have to reflect local views and promote debate on issues of concern or relevance to local communities. Such issues can be wide ranging and may involve the roles

and responsibilities of other institutions, business or private concerns". This role, the White Paper noted, could be played by "backbenchers", a word we prefer to avoid, since all councillors together sit on the council as the body responsible for the policies of the authority. This derogatory term introduces into local government a parliamentary concept that diminishes the role of elected representatives as powerless backnumbers.

The Government and the LGA should show their commitment to the importance of the councillor by devising a National Councillors Charter, a document that should be separate from the National Code of Conduct. It should set out what the public could expect from a councillor, and what a councillor could expect from a local authority in support, training and development, response to representations, and access to information and to the decision-making process. It would assert the position of the councillor as a member of the council responsible for its policies. It could outline the varied roles a councillor might play.

The Charter would also recognise the role a councillor should play in community leadership. It would assert that the public could expect the councillor to raise issues not merely with the local authority but with other public and private bodies. Equally it would indicate that councillors were entitled to responses from such bodies, and access to information, and that such bodies should give an account to public forums.

Such a National Charter would not have legal force but, as a declaration of intent by Government and the LGA, it would explicitly recognise the importance of the councillor as the basis for local democracy, and of the

importance of local government's wider role in community leadership. This National Charter could be supplemented by local charters, reflecting distinctive local circumstances.

Without such a National Charter there is a grave danger of the weakening of the elected base of not only local government but of the representative system of government. The need is to assert the importance not of a few councillors but of them all.

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# Commentary on ‘the Importance of the Councillor’

**Steve Leach**

*De Montfort University*

George Jones and John Stewart wrote this piece at a time when new executive-based local political-management structures were about to be introduced within the framework of the Local Government Act 2000. Their concern was with the ‘general body of councillors’ (rather than those on the executives) and what roles they could and should play in the new system.

They were rightly sceptical about the assumption that the new structures would free up non-executive-members to play an enhanced role as local representatives. This outcome has not materialised for two main reasons. First, it is rare to find an authority that reports a decrease in the number of formal meetings, following the introduction of the new structures. In several cases there has been an increase, usually associated with the complexity of the overview and scrutiny arrangements introduced. Secondly, little thought was given either by the Government or by local authorities themselves as to **how** the local representative role might be enhanced. Indeed some councillors report a greater difficulty in playing this role effectively, within the more centralised decision-making structures introduced.

Some of the developments advocated by Jones and Stewart have achieved momentum. There has been a significant increase in the number of authorities which have introduced either area committees or local forums, and non-executive councillors have generally responded positively to the opportunities provided by these developments. They do at least represent a tangible commitment to the significance of localities within an authority, and at best begin to achieve some of the potential of the ‘public forum’ concept which Jones and Stewart champion in their article. The idea of the councillor as ‘local community leader’ cannot be said to have taken off yet, but increasing numbers of councils are recognising its potential. Similarly there is an increasing recognition of the scope for individual members to develop special expertise in areas of particular interest to them, and using the expertise in a variety of different arenas within the authority.

However the key message of the article is that elected representatives are a precious resource, and that a diminution of this resource would weaken the legitimacy of the role of representation within our system of local government. They challenge – rightly in my view – the arguments that this system



would benefit from having fewer councillors, highlighting the much higher ratio of councillors to inhabitants amongst all our European partners and noting the benefits (in terms of representation) which this enhanced 'closeness to constituents' brings.

The danger is that even though there was no explicit commitment to the concept of a 'streamlined' local government system with fewer (presumably 'higher calibre') councillors in 'Modern Local Government. In Touch with the People' nor in the White Papers which have followed it, one regularly hears it advocated at conferences (sometimes publicly, sometimes privately) by government ministers, senior civil servants, influential academics and sometimes, (particularly worryingly) local authority leaders and chief executives. The argument most commonly made to support this view is that there are not enough able councillors in existence (or coming forward), not that the need for effective local representation and advocacy has declined (although sometimes comparisons are made between the smaller number of councillors in **some** European and American cities and the situation in Britain, with the (questionable) conclusion drawn that if it is appropriate in Barcelona, it would be equally appropriate in Birmingham!). The advocacy of a major downsizing of councils is consistent with the idea of councillors as political managers, but not of councillors as local representatives!

If there is a problem of recruiting 'suitable' people to stand as councillors (and 'suitability' is a much more sustainable value in relation to representativeness of the population (age, sex, ethnicity, sexual orientation) then it is in relation to professional or business skills) then

the answer is not to argue for fewer councillors but to try to encourage more people to stand as councillors and to try to ensure that it is a worthwhile experience once they do get elected. This objective will not be easy to achieve. There is an argument that because the powers of councils have diminished, there is less incentive to stand as a candidate. If this is the case (and it is typically asserted rather than demonstrated) then one response would be to develop and enhance the 'local community leader' role of local councillors, in the ways suggested in Jones and Stewart's article. More realistic members' allowances systems could also help, particularly for those with flexible working arrangements in their 'day jobs'. The idea of a 'National Councillors Charter', persuasive though the arguments are has not been taken forward by the government. However some local authorities have developed 'job descriptions' which can operate in effect as 'contracts' between councillor, the local authority, and the public he or she represents, and which meet some of the criteria of a National Charter identified in the article. More councils could and should provide local members with 'information packs' on their wards to provide an informed basis for local advocacy. The challenge as Jones and Stewart argue is to find ways within the new executive-based system to enhance the role of local representatives though exploiting the opportunities on the new legislation, not to bemoan the fact that councillors with twenty years experience of a committee system may be (understandably) resistant to its disappearance!

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# Effective Community Leadership - June 22<sup>nd</sup> 2001

**George Jones and John Stewart**

The Government has enshrined in law the concept of local authorities as community leaders in the powers about community well-being and in the duty to develop community strategy. Local government is recognised as having a concern for the social, economic and environmental well-being of its locality that extends beyond the specific services provided, although these services remain an important contribution to community leadership. In both the new powers and the new duty local authorities are endowed with new instruments to make community leadership a reality.

Many local authorities have begun to respond to the challenge posed by these new responsibilities. All should recognise the significance of the establishment of the significant role of local authorities in community leadership. The role is not wholly novel. In the past local authorities have responded to crises in their areas. Citizens have expected local councils, as the elected representatives of the area, to provide local leadership. But that role was spasmodic and reactive. Local authorities now have a continuing concern and should take the initiative.

The new powers are there to be used. They enable innovation to meet community

problems. The powers are not a fall-back but, as described in the Government's guidelines, are powers of first resort. The presumption is that local authorities have the power to act to promote community well-being. They need not search for powers in past legislation. The Local Government Act 2000 gives them the powers. The only issue is whether existing legislation restricts the powers, and even then a local authority can ask the Secretary of State to use his powers to relax such restrictions. All councils and councillors should appreciate the opportunities they have been given.

When in the past local authorities were asked how they would use such powers, the response was limited, because they had been thinking within a mind-set blinkered by current activities carried out under existing powers. New ways of thinking are needed, based on local needs and aspirations, which community strategies should help to identify. The key question is not "how should we use the powers?" but "what is needed?"

Central government should do more. Parliament has set the new role in statute law. It is now up to central government, having initiated the legislation, to recognise the implications of this new role. Having willed the end, they must ensure that obstacles to

the realisation of its potential are removed.

1. The first requirement is that central government should give local authorities much greater freedom to charge for activities undertaken by use of the new powers. Use of the new powers would be severely restricted by lack of resources unless local authorities were able to charge users for the new facilities sought by local people and for which they were willing to pay. Use of the powers is now restricted because local authorities are unable to use them to raise money. That may be right for new sources of local taxation, which is a matter for Parliament, but the limitation on the power to charge is a denial of the role of community leadership. The Government has said it accepts the need for greater ability to charge for discretionary services, and it proposes to make regulations to enable such charging. The need for the Government to act on this matter is urgent to ensure that the use of the new powers is not inhibited at the outset.
2. The new powers cannot be used to introduce regulations because the Government does not see regulation as positive action. Yet regulation can be positive in preventing local social or environmental problems. The Government calls attention to the powers enjoyed by existing authorities to create by-laws. These powers are normally restricted by the necessity to obtain the approval of government departments, which can limit innovations that do not conform to a central model. There should be a review of the use made of by-laws in the light of the new community-leadership role. We hope the Local Government Association will press for such a review.
3. The Government has said it wishes to remove unnecessary constraints in existing legislation and regulations on the use of the well-being powers. It has taken powers to do so under sections 5-9 of the Local Government Act 2000. However, it has not laid down the procedures by which local authorities can apply for such changes. We welcome the commitment which we hope will be widely used; but the Government should lay down a clear procedure for applications. Absence of an understood procedure could prove a barrier to applying.
4. In preparing community strategies local authorities are expected to involve other public bodies along with the private and voluntary sectors. While local authorities are under a statutory duty to prepare such strategies, no equivalent duty has been laid on other public bodies to involve themselves. In the absence of such a duty there is an onus on government departments to stress to the bodies for which they are responsible the importance of community strategies and the need for them to be involved and to follow the community strategies in their own activities.
5. The most important requirement for central government is to take on board in its own working the full implications of the local authorities' role in community leadership. Departments should be prepared to adapt to community strategies and modify departmental policies to accommodate

local needs as identified in community strategies. Having legislated for community strategies the Government must accept that they have implications for departmental policies and plans.

Part 1 of the Local Government Act 2000 embodies a fundamental change in the role of local government, and hence of our system of government. We do not know whether the Government fully appreciates the significance of the legislation it introduced. Whether it acts on the five points above will be the test of its understanding.

# Commentary on 'Effective Community Leadership'

**Hilary Kitchin**

*The University of Birmingham*

John Stewart and George Jones were in there at the beginning, exploring the emerging concept of community leadership during the 1990s, and suggesting means by which it might be constructed and strengthened. Their work was an essential element in the dialogue prior to the introduction of the well-being framework of powers and obligations in the Local Government Act 2000. At that point, local authorities were provided with a new function, of promoting well-being, and a general power enabling them to act on behalf of their communities, effectively a tool to implement community strategies and extend partnership opportunities. This article was written one year later, and is a reflection on something achieved, and on what further was required. Some crucially important themes had emerged.

Some academics and politicians had seized upon the emergence of the community leadership role as an alternative to the established role of councils as providers of services. They saw councils in the future as co-ordinating the activities of external service providers, based upon a consultative relationship with the community, a reduced role that took the core out of local government. Jones and Stewart's emphasis that provision of services remains an

important contribution to community leadership countered this perspective forcefully: this was no academic debate. While there will be local authorities that choose to reduce their role in provision of services, and the subject is still contested, there is good reason to believe that the overall direction will be one that recognises and relies upon the dual role of the local authority proposed in this article, as evidenced in the 2003 Green Paper proposals for children's services.

Jones and Stewart explain how the responsibilities in the 2000 Act make the well-being of their local communities a matter of continuing concern for councils, and show the transition from a past, inevitably uneven, role to a broader and sustained responsibility that offers significant opportunities. They press upon their local authority audience the necessity of appreciating and grasping that opportunity. The need for a cultural change in councils and among councillors was recognised in this article, although not yet appreciated in local authorities.

The writers were not afraid to write about the law and what it might mean to a potentially resistant audience. This new legislation was important, it changed the range of opportunities available, but was not being

picked up by people with strategic responsibilities in local authorities. Nor, despite this being flagship government legislation, were the implications being emphasised by central government in a steady stream of otherwise comprehensive guidance on structures, community strategies, and other initiatives. If the connections made by Jones and Stewart had been seized upon, would the first tranche of community strategies in England be different?

Jones and Stewart considered why the powers were not being used, and were undoubtedly right in believing there is a mindset in local government that is focused upon existing activities carried out under existing powers. The means they proposed for transforming such thinking was a simple one: suggesting that councils ask themselves the key question, "what is needed?" This showed foresight: recently, individual councils report experiencing a sense of release and excitement as councillors and officers consider what can be done. "What is needed?" draws upon their community strategy and local strategic partnership, and as councils review their strategies as they are required to do, so understanding of this opportunity and the further questions needed to unearth the possibilities should expand.

Yes, they were right in pointing out that central government needs to do more to facilitate use of the new powers. It should be responsive to local government aspirations as they develop. The publication by the Local Government Association of a short handbook on using the power in December 2003 was coupled with the "relaunch" of the power of well-being by the Office of the Deputy

Prime Minister, a useful point in time to review the numbered steps advocated by Jones and Stewart in June 2001.

1. A freedom to charge for discretionary services has been introduced by the Local Government Act 2003. The statutory guidance emphasises that it is intended that the charging and well-being powers be used innovatively.
2. It remains the case that government won't allow local authorities to develop regulations using the 2000 Act. Pressing for a review of byelaws in the context of the community leadership role should be higher up the agenda of the local government organisations.
3. The case for a clear procedure for applications to remove unnecessary constraints in existing legislation is stronger than ever. We are hearing how councils are taking significant measures to address the need for affordable housing, to explore alternative forms of energy, and to support energy efficiency initiatives. Such schemes will inevitably come against regulatory barriers. Lack of understanding on how to apply, of how applications will be considered, and opaqueness on the status of applications already made, is a barrier to innovation. It is expected, following the relaunch, that action may be taken to improve this situation during 2004.
4. In contrast to arrangements in England and Wales, the Scottish Parliament has placed a parallel duty on other public bodies to take part when introducing community planning responsibilities. The

absence of such an obligation in England emphasises the onus on all government departments to stress to the bodies for which they are responsible the need for involvement in community strategies. And as constraints emerge in the potential of these organisations to participate, consideration should be given to legislative change to enable public bodies to work locally in a complementary and accountable way.

5. Support for relationships locally should be matched by government departments' willingness to modify departmental policies to accommodate local needs as identified in community strategies. An understanding of the power of well-being is now emerging in central government: steps are needed to ensure this process engages directly with local authority experience.

A reader taking up this article today without first checking its publication date could, but for the reference to the need for a power to charge, think it was a current piece: the themes and recommendations remain relevant. Some progress has been made in the directions advocated by Jones and Stewart, due to their influence and the underlying imagination, and commonsense, of their views about the possibilities for local government. Both central and local government have benefited from the foresight of the advice given in this article, but the real opportunities for closer collaboration, improved mutual understanding, and less adversarial relations offered by the emergence of a common interest in, and joint engagement with local well-being have not yet been tackled. If local government is to address the objectives of community leadership as fundamentally as is made possible by the introduction of the power of well-being, central government must be prepared to review its own perceptions and practices, and to respond effectively to local authorities' aspirations.

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# The Principle of Selectivity

## December 21<sup>st</sup> 2001

### George Jones and John Stewart

A new principle has grown up in central-local relations: selectivity. It means that central government rather than taking action involving all local authorities distinguishes between them according to their plans, policies, performance and practices. "Goodies" are rewarded and "baddies" punished.

Some in local government may welcome this principle, if they expect to be treated as a "goody". They may see it as an advance on the approach of the Conservative Government which, faced with problems in particular authorities, took action against all.

The origin of the principle can be found in the largely forgotten IPPR publication of 1998, *Leading the Way: A new vision for local government*, written by Tony Blair. He told local authorities:

*"If you accept the challenge, you will not find us wanting. You can look forward to an enhanced role and new powers. Your contribution will be recognised. Your status enhanced."*

*"If you are unwilling or unable to work to the modern agenda then the government will have to look to other partners to take on your role [p.22]."*

There could be no clearer statement of a policy of sticks and carrots. It might be seen as directed against all authorities or as the first explicit statement of the principle of selectivity.

This principle can be found embedded throughout the developments initiated by the New Labour Government for local authorities. There has been the growth in competitive bidding for special grants or projects through which central government can favour some authorities and penalise others. The Government's proposals for phase 2 of the Beacon Councils was to mark out a few "excellent" authorities for distinctive treatment, giving them new freedoms and flexibilities. Whether phase 2 is ever reached remains uncertain. The Government's future emphasis may be less on Beacon Councils and more on Public Service Agreements that have the advantage of involving discussions between central government and individual authorities.



The Best Value legislation gave the Government unprecedented powers to intervene in so-called “failing authorities”, even including powers to remove functions from such authorities. In the legislation on both Best Value (1999) and community well-being (2000) the Government acquired powers to give freedom from some statutory constraints not merely to groups of councils but to particular authorities. However the freedoms and flexibilities have so far proved rather limited, and will be gained only if the Government is satisfied with the targets set.

The Government in its Green paper on Local Government Finance has also shown an interest in proposals to make some part of the revenue support grant dependent on the performance or the plans of individual authorities. Even if the Government does not pursue that course for revenue support grant, the public service agreements that make additional grant dependent on achieving targets can be regarded as following the same principle but in a different form. Grants to one authority for its performance or plans are not only rewards for some but also penalties for those others that do not receive them.

The latest manifestation of the principle of selectivity is the notion of ‘earned autonomy’, expected to appear [that appears] in the much-anticipated White Paper on Local Government. Like the earlier ‘conditional autonomy’ it embodies the view that some local authorities can have discretion if they conform to central wishes.

This principle of selectivity, so important under the New Labour Government, has been little discussed. It should be extensively discussed, especially its long-term implications, not

merely because of the steps already taken but also because there may be further developments based on the same principle.

Supporters of selectivity argue that it enables the Government to take account of the distinctive circumstances of individual authorities. It can encourage dialogue between central government and local authorities, building up understanding. Some would favour action against a few failing local authorities that damage the reputation of all, particularly if the alternative were government action against all authorities. Some welcome financial rewards for good performance and financial penalties for bad.

A counter argument to the last point is that even if it were true that an authority performed badly, it would be local people already suffering from the bad performance who would suffer from further penalties. But the main argument against selectivity is the basis for selection. It is likely to rest on the judgment of people who are not involved in the local authority and its locality, like such outsiders as inspectors, auditors, regional officers of central bodies, indeed civil servants or ministers in Whitehall who may never have even visited the authority. Decisions may turn on whether particular targets have been met, but without any allowance for the circumstances of the authority and its priorities. To hold to pre-determined targets, regardless of the concerns of local people, is to condemn rather than to reward local authorities.

The crux of our objection is that the greater the emphasis on selectivity, the more the attention of the local authority is turned away from satisfying local people to satisfying those

external people whose judgments determine whether they are rewarded or penalised. The authority may give priority to certain targets solely because of central government's approval. These dangers constitute a substantial argument against any major use of selectivity.

The principle of selectivity needs to be discussed before central government takes more steps without considering its consequences.

# A Commentary on 'The Principle of Selectivity'

**Steve Martin**

*Cardiff University*

Back in December 2001 it was becoming increasingly clear that the Local Government White Paper which had just been published heralded major changes - not simply to the Best Value regime but to the Government's whole approach to central-local relations and regulation of local public services. As ever, George Jones and John Stewart's commentary goes right to the heart of the issues, pinpointing the implications of what was then the still relatively new 'principle of selectivity'.

Their central objection to selectivity, which has of course since become the guiding principle underpinning the CPA, is that it diverts attention away from local needs and priorities in favour of centrally determined targets and performance criteria. Just as they predicted the influence of 'outsiders' – the growing army of inspectors and peer review teams – has indeed increased since 2001. Meanwhile local service users, citizens and voters have had almost no stake at all in the CPA process.

What was probably less easy to foresee at the time that Jones and Stewart penned their original article was the way in which the local government community would accept this state of affairs so meekly. The days when auditors checked for financial regularity and inspectors simply satisfied themselves that

council services were meeting minimum standards are long gone. Inspectors now assess prospects for service improvement and pronounce on an authority's 'corporate capacity'. And their judgments now matter more than ever before. They can make or break individual managerial careers and they increasingly determine the treatment to be meted out to councils - paving the way for new (though still pretty modest) 'freedoms and flexibilities' for those that are seen to be doing well and triggering intervention in councils which find themselves at the bottom of the performance pile.

All of this has gone through in spite of some pretty fundamental, and as yet unanswered, questions about the validity of the CPA methodology. There is, for example, little real evidence to support the notion that meaningful, overall judgements can be reached about the performance of organisations as complex as local authorities, with their diverse and multiple functions. No authority is uniformly 'excellent' and none is entirely 'poor'. Most councils have some relatively good services, some which are clearly under performing and a lot that are somewhere in between. The Audit Commission's insistence that prospects for

improvement in individual services depends on 'corporate capacity' is equally contentious, as is the notion that education and social services need to be given strong weightings in the CPA matrix even in those parts of the country where they are not the main priorities for local people.

And yet local authorities up and down England (there is of course no CPA in Northern Ireland, Scotland or Wales) have succumbed to the process of public naming and shaming (or acclaiming in the case of the best performers) with scarcely a murmur of complaint. A handful have, it is true, threatened to challenge statutory basis of the CPA process in the courts. But they have been rapidly headed off by the Audit Commission in spite of the fears of government officials that there may well have been a case to answer.

So how has this fundamental change in central-local relations, to which two such eminent commentators as Jones and Stewart were so implacably opposed, come about with so little open dissent?

In part it is, of course, the latest example of local government's finely honed survival skills. Councils have become adept at riding out successive waves of reforms imposed by central government – 'CCT, Best Value, CPA ..... bring on the next one please!'. Managers, members and even front line staff have become accustomed to learning new vocabularies every two to three years, implementing new initiatives and being seen to be doing the 'right' things. But there is more to it than this. In spite of its all too obvious flaws, CPA has flourished because it offers something to just about everyone. It

provides central government with a neat device for arms-length 'steering' and surveillance of authorities. It has got the Audit Commission off the rather nasty hook of its own, overly bureaucratic Best Value inspection process. As Jones and Stewart point out, it has been seen by many councils as providing a way of differentiating themselves from the relatively small number of really dysfunctional authorities who might otherwise damage the reputation of the whole of local government. Even the so-called 'poor' councils have had something to gain. They may have had to put up with a little public humiliation but have stood to gain additional, external support designed to assist in the process of their 'recovery' or 'turn around'.

As usual then, Jones and Stewart were right about the big issue. They recognised early on the potentially profound impacts of the principle of selectivity, and their objections to it have stood the test of time. Their attempt to stimulate a wider debate must though be judged to have failed.

Local government capitulated to CPA and, in marked contrast to the furore surrounding the proposed introduction of foundation hospitals, there has been no great public interest in the additional autonomy promised to 'excellent' authorities. Indeed, as Jones and Stewart foresaw, service users and citizens have been almost entirely disengaged from and disinterested in current local government reforms. Paradoxically though, the fact that such fundamental changes have gone through largely unnoticed and uncontested highlights the importance of the role that Jones and Stewart have played in alerting us to the implications of the latest reforms for

traditional notions of local government and local democracy and seeking to stimulate debate about alternatives to the centralising tendencies of successive governments of the last twenty years.

# The Dangers of Regional Government - July 5<sup>th</sup> 2002

**George Jones and John Stewart**

Advocates of regional government have long assumed it was "a good thing", whatever its forms or powers. They asserted it would involve major decentralisation and an extension of democratic control. They proclaimed regional government was no threat to local government, either through the removal of its functions or the creation of a new supervisory tier.

The proposals of the White Paper, *Your Region, Your Choice* (Cm 5511), fall far short of these hopes of the regional champions. The new regional assemblies will have nothing like the powers and responsibilities of the Scottish Parliament or Welsh Assembly, both of which have a legislative role – over primary law for Scotland and secondary for Wales -, and administrative and budgetary responsibilities for major services. The proposed assemblies do nothing to resolve the Lothians' question on the imbalance in the composition of the House of Commons, which allows Scottish MPs to vote on English domestic issues but not English MPs to vote on the same issues when they have been devolved to the Scottish Parliament.

The two major tests must be whether the proposals produce significant decentralisation, and whether the functions

granted arouse sufficient interest to ensure high electoral turnouts. Danger lies, in a time of low turnouts even for national elections, in creating an elected body with only a limited role.

At first glance the regional assemblies seem to be given a substantial role. Each assembly will be responsible for various strategies covering important topics like economic development, skills and employment, health improvement, transport, housing and spatial planning. This portfolio appears impressive, but the responsibilities are only for preparing strategies rather than for taking action. Unless the regional assemblies are given considerable freedom both to set their own strategies and to ensure their implementation, they will be merely talking shops. The public will soon realise the assemblies have no real power, and that recognition will be reflected in low turnouts.

The regional strategies are hemmed in with many constraints. The regional economic development strategy, although approved by the assembly, will be prepared by the RDA, and it will have to have regard for Government guidance. The strategy for employment and skills could well be over-ridden by guidance to local learning and skills councils from their

national body. Funding for arts and sports will be devolved in a way that protects national strategic priorities. The space for freedom of action by the regional assemblies at a strategic level is severely constrained.

Once the strategies have been proclaimed the regional assemblies will confront the task of how to make them effective. That will be difficult since the assemblies have no or only little direct responsibility for delivering a strategy. Time and again the White Paper states that the regional assembly can advise, or be consulted by, other bodies. Over transport the regional assembly will "advise" the Government on the allocation of funding for local transport and can "make proposals" to the Highways Agency and the Strategic Rail Authority. They can "request" the minister to "call in" strategic planning applications. They will "support the development and implementation of a health improvement strategy". Embedded in the White Paper is the reluctance of central government departments to give regional assemblies substantive powers in their own right.

A dilemma faces the advocates of regional government in local government. If, as is proposed in some limited cases, regional assemblies are given substantial powers to enforce their strategies, they will become supervisory bodies over local authorities, for example when allocating support for housing capital. With such limited overall responsibilities regional assemblies are likely

to seek greater powers to ensure the implementation of their strategies. The choice is between a body with strategic responsibilities but no powers of enforcement, or a body with powers to enforce, turning it into what is effectively a supervisory body. Neither the regional advocates nor the white paper have ever resolved this dilemma.

The limited nature of the proposed responsibilities is shown by the failure to fulfil the promised extension of democratic control over quangos in the region. There are few plans for the regional assemblies to appoint members to quango boards. The exceptions are the regional development agency, and the two members they can appoint to learning and skills councils.

The electorate will appreciate the powerlessness of the regional assemblies, and their turnouts will beat European elections for the booby prize. The Government's proposals can be seen as neither significant decentralisation nor a viable basis for democratic renewal. When the electorate realise this feebleness, so will the assembly members, who will then press for additional powers. They are unlikely to obtain them off central government. The obvious place for them to look will be local authorities, particularly if the creation of regional assemblies leads to the abolition of many counties and the reallocation of their functions.

# Commentary on ‘The Dangers of Regional Government’

**Gerry Stoker**

*University of Manchester*

The article on regional government proposals is a classic Jones and Stewart piece. It contains a sharp and focused dissection of the weaknesses of a central government initiative and it stoutly defends the interest of local government as the authors perceive them. Here are the key ingredients that Jones and Stewart have reworked in many of their joint articles for last two decades and more. A more or less ingrained oppositionist position to anything proposed by the centre and a never flagging championing of, tending towards blind faith in, elected local government. No wonder so many *Local Government Chronicle* readers love them. Jones and Stewart know their market.

To their great credit Jones and Stewart have brought a sustained high level of analysis to their articles and this one is no exception. They go through and pick out all the weak points in the Government White Paper on regional government and make a telling commentary on the lack of powers that seem to be heading towards any regional government that is established. They establish their case that it is likely that elected regional assemblies will be able to do anything significant and that therefore they may not attract significant voter interest. Although at no point do Jones and Stewart mention the democratic fact that

these regional institutions will only come into existence if local people vote for them in sufficient numbers.

It's at that point of the argument that a wonderful and characteristic bit of Jones and Stewart paranoia enters the discussion. We are warned that these powerless bodies once established will then turn their attention to local government and devour their functions, aided and abetted by a scheming central government. The centre will grant no powers to regions from it but will allow the regions to pinch powers from local government, leaving the heroic, democratic but diminished local government system to soldier on as best as it can.

Have Jones and Stewart got evidence for these assertions? It is not clear that counties are going to be the losers in any reorganisation. It is not impossible that functions once exercised at county level could be democratically controlled at the regional level. Nor it is impossible to imagine the centre granting more powers to regions once established. Indeed we have seen this scenario play out in French and Italian regionalisation. We can start to see the beginnings of a willingness to grant additional powers to what is seen as a



legitimate and successful regional government body, the Greater London Authority, which if memory serves was also dismissed as a toothless tiger by Jones and Stewart.

This article like many others is at its best when criticising a concrete government proposal. Yet there is little attempt to look a bit further and consider the main case made by the advocates of regional government around economic development, identity and capacity building. What's on offer may be inadequate but as part of a strategy of decentralisation it may work by establishing the institutions of region government and building support for them. Regions and local government can and do grow together elsewhere in Europe. Still

less is there consideration for the possibility that most people don't think in public administrative terms about these choices. They may vote for a regional assembly as an expression of identity rather than because they think it, or for that matter any government institution, is going to transform their lives.

In this article central government is painted as conniving and craven through its holding on to power. Regional government manages to be both pointless and a threat. In Jones and Stewart World there is only one institution that counts and can be counted on and that is elected local government. That perspective is the great strength in their writing but also their biggest weakness.

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# The Balance of Funding Review

## May 23<sup>rd</sup> 2003

**George Jones and John Stewart**

The Government seems not to consider changes in local government finance as important or urgent for its modernisation programme. Although the White Paper *Modern Local Government - In touch with the People* [1998] included three chapters on local government finance, only now in 2003 are changes in grant being introduced and general legislation on local government finance being considered by Parliament.

Yet the Government has still not really faced up to the most important issue – the balance of funding between central grant and local taxation. It was not until January 2003, over a year after the White Paper *Strong Local Leadership – Quality Public Services* [2001] had stated the Government would establish a high-level working party “to look at all aspects of the balance of funding”, that the Government laid out its terms of reference, and its members were not appointed until April. This lack of urgency reflects the failure of the Government to appreciate that modernising local government must involve modernising central-local relationships, a topic almost totally omitted in the 1998 White Paper.

As the working group is now starting work, we give it some advice. The Government

seems confused and needs help in identifying why the balance of funding is important. Its *Strong Local Leadership* White Paper appears to view the issue as about the impact on local autonomy [para.2.14] or the balance of control [para. 2.12], and starts from the position that there is little hard evidence on these points [para. 2.14]. Oddly in the next paragraph [2.15], it suggests that the extreme “gearing effect” caused by the balance of funding restrains local government expenditure, in effect a factor in the balance of control. So, if the Government wants evidence, it can find it already in its own White Paper.

The main issue raised by the balance of funding is not so much about local autonomy as about local accountability or, as the Layfield Report of 1976 put it, about clarifying who is responsible for local government expenditure. What causes confusion is the “gearing effect”. Local accountability requires transparency so that the electorate receive a clear account of what is happening to local expenditure. Local taxation is assumed to convey that message. Yet the “gearing effect” now can mean that a 1% increase in local expenditure is magnified into a 4% increase in local taxation. The distortion of the message being given to voters is acknowledged in the

statement in paragraph 2.15 of the *Strong Local Leadership* White Paper.

The confusion is intensified because of grant changes. If there is a significant change in grant, or if the grant is “wrong” by only 1%, the effect on local taxation again is multiplied by four, providing distorted messages to voters. Grants, however sophisticated their basis, can never be “right” to anything like 1% or even 5%. The problem posed by the balance of funding for local accountability is that grant levels and changes become the critical determinants of decisions about local expenditure and local taxation – hardly a basis for local accountability.

Further, the more local authorities are dependent on central grant, the more important it is for the grant to be “correct”, since it looms so large in the life of an authority. Pressures, thus, swell up for grant to take account of the special conditions of individual authorities, which if conceded make the grant ever more complex. So the search for a simpler grant system is not possible with the present high level of central grant. The pressures on it are too great.

We have been making these points since 1976, and repeat them now because of the working group. We hope it will focus on the impact of the balance of funding on local accountability. This issue is important in its own right and for democratic renewal. Local democracy is not likely to flourish without local accountability, and local accountability requires that the messages being given to the electorate be not distorted by the “gearing effect”, caused by the imbalance of funding.

If the Government fails to focus on local accountability, we hope the representatives of local government will do so, and bring the discussion back to this key topic. They should not let themselves be distracted by a discussion about the impact on autonomy.

We have concentrated on the need for a major change in the balance of funding to reduce the “gearing effect”. How that is done is a later question, although our answer, as it has been since we served together on the Layfield Committee, continues to be a combination of property tax and local income tax – designed to reduce, but not to abolish, central grant flowing to local government. At this stage we want the need for a significant change in the balance of funding to be recognised as essential for local accountability.

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# Commentary on 'the Balance of Funding Review'

## Local Government Funding and Accountability

**Peter A. Watt**

*The University of Birmingham*

Jones and Stewart's article on the balance of funding review sets out a clear diagnosis of a longstanding and fundamental malaise caused by the way local government is financed in Britain. The problem is that local government is highly dependent on central grant and this causes poor accountability. The diagnosis has been available since 1976 when the report of the Layfield Enquiry into Local Government Finance was published. Professors Jones and Stewart were members of the enquiry committee. Despite the availability of a clear diagnosis there is, as yet, no sign of a cure, although the government is carrying out a *Balance of Funding Review*, due to report in Summer 2004.

By way of background to the question of local government funding and accountability it is worth considering two key questions about the organisation of local government. These are: "What functions should local governments carry out?" and, given these functions, "How can the necessary funding be arranged?"

The first question can be answered by consideration of the geographical extent or *benefit area* of government goods and services. Some government services (such as street lighting and refuse collection) affect

only local residents. Other government services (such as national defence) affect all residents of the nation. Distinguishing between services in this way can inform decisions on the design of local government – which functions should be run by national government – which functions should be run by local government – how many tiers of government should there be and how the boundaries between local governments should be drawn.

Given decisions on these questions of assignment of expenditure responsibility, the next question is one of allocating tax powers to support these responsibilities. If each level of government has an adequate source of finance to finance its functions, *vertical fiscal balance* is said to obtain (King 1984, p. 137) and vertical fiscal balance is a key to securing local accountability. As the Layfield Committee put it, "If local authorities are to be accountable they should be responsible to their electorates for both the expenditure they incur and the revenue they raise to finance it" (Layfield, 1976, p. 245). Unfortunately, in Britain (and in many other countries) sources of tax are mainly assigned to the central government, leading to vertical imbalance and necessitating significant grants from central to local government.

Vertical fiscal imbalance, entailing a high proportion of central grant in local funding leads to problems with local accountability. In this volume, Jones and Stewart focus on the problems *gearing* causes for accountability. With three quarters of revenue funding fixed in December by central government decision, any adjustments local authorities wish to make to next years' spending fall on the remaining quarter of funding that comes from council tax. The result is that council tax funding is worked four times as hard, leading to the four in one "gearing" effect that Jones and Stewart describe. As they clearly demonstrate, gearing considerably impairs local accountability.

But another consequence of a high proportion of central grant is that the main route of accountability for local spending will be through central government. As the Layfield Committee put it, "Local responsibility requires that grant should not be preponderant ... if grants predominate ... the government must accept the main responsibility for accountability" (Layfield, 1976, p. 281). The argument that the overall responsibility for funding is an important component of accountability has always been emphasised by Jones and Stewart. They argue that with a high proportion of central funding "The centre would feel responsible for the expenditure of such a huge amount of the national taxpayers' money. They would insist on following up how it had been spent ... Ministers, MPs and national auditors would not let local authorities spend it as they wanted. Central control would increase." (Jones *et al.*, 1986, p. 62).

A different form of accountability that others have focussed on is *marginal* accountability. Currently it is broadly the case that there is 100% local accountability for *increases and decreases* in local spending (and thus no case for capping). However, Jones and Stewart have always correctly maintained that marginal accountability is no cure for the problems of overall accountability outlined above (Jones *et al.*, 1986, Jackman, 1986, Watt and Fender, 1999).

It is this overall accountability via the centre that drives central government to try to control and second-guess local decisions by imposing policies such as best value and comprehensive performance assessment and that led the previous Conservative government to impose compulsory competitive tendering. The problem with such systems of central control is that there is severe *information asymmetry* between central and local government on local affairs. Local government will always have an informational advantage over central government on questions of what is best for their locality. Yet the current structure of overall accountability leads central government down an unwise route of trying to outdo local authorities on local knowledge.

The solution is to re-route accountability for local decisions away from central government and towards a system of local decisions, locally funded and locally controlled by local politics and local elections. This would require a major re-allocation of taxing powers to local government. Jones and Stewart favour introducing a local income tax to reduce dependency on central grants, and a strong case can be made for such a reform. Introducing a local income tax is less of a

change than it might seem as it essentially amounts to re-labelling that proportion of central income tax that already funds local government.

Unfortunately, it seems unlikely that central government will want to give up their powers over a considerable part of the tax base. This is a shame because giving up power over part of the income tax also allows central government to give up responsibility for difficult local government issues. There may yet be hope for reform if central government comes to see the question in this light.

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# In Defence of Party Politics in Local Government

## August 1<sup>st</sup> 2003

**George Jones and John Stewart**

It is often argued that the Government wishes to reduce the influence of party politics in local government. Its early support for directly-elected mayors is quoted as an example, and in most mayoral elections outside London Independents have been elected. Recent proposals for foundation hospitals are based on arrangements for "elections" by "members" and indirect elections, which, the Government expects, will eliminate the influence of political parties.

The time has come to restate the case for political parties in local government. To do so is not to attack those Independents who secure electoral support through their concern for local issues. Within party systems there have always been such examples, which act as a challenge to inertia inside parties. Nor is it to assume a party system should take on a set form. The time has long past since the Conservative and Labour parties could hold a virtual monopoly of council seats. The growth in the number of Liberal Democrat councillors in local government generally and of SNP and PC councillors in Scotland and Wales has transformed local party systems. Organised groups of Independents have opened up new possibilities, not so much the BNP but such local parties as Health Concern in Wyre Forest or the Green party. These latter developments

are healthy responses to emerging local concerns, and a warning to the main parties that they need to adapt.

The main argument for political parties in local government is that they give the electorate the opportunity to vote for a group of people with a clear broad principled perspective and with the prospect of it being expressed in a coherent set of policies and a programme of action that can be carried out. The presence of competing political parties enables the electorate to make an effective choice, knowing the parties will make an impact on the workings of the local authority. A political party sends a message to the voters about its principles, policies and programmes. The presence of candidates for that party in most or all of the electoral districts in an authority offers the prospect that policies desired by the voters will be implemented in practice. Political parties give meaning to electoral choice.

For parties to be able to deliver the promises they have made to the voters requires party discipline. The electorate has the right to expect that those elected in their name, and because of their promises, will support those policies after the election in the council. That is the justification for party discipline – to

ensure that electoral choice is meaningful. Party discipline is a necessary condition for effective party government and electoral accountability. It is also a necessary although not always sufficient condition for consistency in policy.

To defend party discipline in principle does not mean that each and every example of party discipline is justified. In the past in some places it may have been excessive, imposed where no issue of party policy was at stake. We have sometimes heard it said that "The opposition made a good point, but there was nothing we could do about it because we had already reached our decision in group", when it was a matter of implementation and not of policy or principle. Such excesses bring discipline into disrepute. Although the habit of loyalty is desirable, and the still small voice of conscience should not become a loud-mouthed conspiracy, parties should be wary of the habit of treating everything as needing the imposition of the whip.

The new political structures have the potential to transform party processes in two main ways. Overview and scrutiny committees can develop without the imposition of whips, although informal party discipline, usually self-imposed, is inevitable when issues of party

policy are raised. When the separation of the executive from the council has been emphasised, there is the possibility of challenge to the executive even from councillors of the same party as the executive. So new processes are needed for handling policy that comes before the council. Major policy plans could have a first general and preliminary debate, at which there could be freedom for all councillors to express their views. Group decisions could come later and be enforced in a second and final council debate.

Party discipline is still required in hung authorities. Parties have to seek shared agreement if the authority is to have consistent and coherent policies. That shared agreement will reflect the principles of the parties, and therefore electoral choice, and discipline is needed to ensure councillors stick to the shared agreement.

What is the alternative to parties in local government? If party is eliminated from local authorities, other centres of power will dominate, as happened before parties became predominant – influential individuals exercising patronage, sectional groups promoting their causes, and officials. Parties are essential to promote the public interest.



# Commentary on ‘In Defence of Party Politics in Local Government’

**Colin Copus**

*The University of Birmingham*

George Jones and John Stewart have long towered above the study of local politics and in their article, they set out concisely and with skill the classic defence of party politics. Yet, they recognise the potential non-party political bodies – what might be called political associations – and smaller parties, have for a healthy local democracy. The classic defence of the party system however, ignores, the stifling affect parties have on deliberation, representation and public engagement in local democracy, as everything must be filtered through the party and viewed for what it can achieve for the party. Indeed, British local government is based on government of the party, by the party and for the party.

The notion that when voting locally the public do so from a recognition of broad political platforms, and, in granting a party a majority, also grant it power to assume a governing role locally, is no longer accurate or an appropriate way of organising local representation – if it ever was. Indeed, in councils little ‘re’ presenting of the electorate’s views takes place; what is evident is two or three *blocs* of councillors, sharing a party label, charging into each other like rutting stags. The election

of local representative chambers should not be seen as elections to Parliament – to produce a Government. Rather, it should be to provide a chamber in which all local views find expression.

In 1992, in *Local Government Chronicle*, Jones and Stewart rightly described the problem of party politics in local government as arising from the ‘conduct of the group’ and ‘the extent of group discipline’. They argued a group’s firm or relaxed approach to discipline lay ‘at the heart of the democratic processes of local government’.<sup>1</sup> A view they have revised in their latest piece – which is a pity. But, it brings us to the beast in the woods that is the party group, responsible as it is, for all the excesses of party discipline and ensuring only the party’s views are expressed publicly, and then only those rehearsed and agreed privately. Group discipline is responsible for the diminution of public political space and squeezing deliberation and important local issues, out of the public arena. Moreover, it has turned many to voting for single-issue groups, or to not voting at all. It is with many single-issue groups, so despised by parties, that we find true expressions of

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<sup>1</sup> G.W. Jones and J. Stewart, ‘Party Discipline Through the Magnifying Glass’, *Local Government Chronicle*, 30 October 1992, p. 15.

public opinion, and it is no good asking what do these groups think about certain council services, because at the time of voting, the voter did not care, as the issue supported (or opposed) by the single-issue group, transcended for that voter at that time, all other issues.

Jones and Stewart are right to highlight the potential for overview and scrutiny to free councillors from the dead hand of the party whip and to provide new and vibrant space for public engagement in the political processes. Moreover, there is now the potential for councillors to see themselves as members of overview and scrutiny first, and to place party loyalty to one side, particularly when holding the executive to account. The massive change in traditional political behaviour this requires however, has yet to develop.

Of course, the argument is not really: do we have all party politics or no parties at all. Rather, it is about mitigating the excesses of the stultifying effect parties have on local democracy and about opening up our council chambers to many and varied voices, some from parties, others from more loosely bound political associations or groupings.

Finally, Jones and Stewart's contention that without parties we would have only sectional groups promoting their causes does not recognise the fact that political parties are just that: sectional groups promoting their own causes. Indeed, parties are the biggest and most powerful sectional interest groups in local politics. Moreover, far from promoting the public interest, parties promote only the party's interest, but do so in the mistaken belief that what is good for the party, is good for the public interest.



# A Dangerous Proposal

## September 12<sup>th</sup> 2003

**George Jones and John Stewart**

Local government has two main distinguishing features. First is its basis in local elections in which all citizens are entitled to vote for representatives to take decisions about how the local area will develop. Second is the wide range of its responsibilities. It is a multi-purpose not a single-purpose institution that has to determine the relative priority of different purposes. It has to make multi-valued choices between the weight given to roads, libraries, schools or social services, or between street cleaning, parks, or health inspections and many other activities. To underline those choices local authorities have their own source of taxation, which enables them to make decisions on the level of taxation as well as of expenditure and how that expenditure is used.

These fundamental points show how far the local democracy of local government differs from the local democracy proposed for foundation hospitals. We have already discussed these proposals [LGC, 14 March], but their underlying principles merit further consideration because of indications that the Government intends extending these principles to other services.

The key proposal eroding local democracy is that not all citizens will be able to vote. The

voters will be only those who become "members", whose number could fall far short of even those few who vote in local elections now. Nor will those voting "members" determine the whole composition of the executive of the foundation-hospital trust. The proposed arrangements are a restricted form of local democracy.

What is being created is not a multi-purpose but a single-purpose organisation, focused on one responsibility. It does not have to balance the needs of hospitals against other community needs; indeed it can ignore them. Nor can it raise local taxes to meet what it perceives as its own needs. It will not be a body assessing the relative need for public expenditure and taxation but a pressure group clamouring for additional resources from central government.

Contrast these proposals against the strengths of local government. It has an elected base covering all citizens and not just those who have applied for "membership". However much one regrets low turnouts in local government elections, the principle is clear – all are entitled to vote. The multi-purpose institution makes multi-valued choices about the most difficult issues facing local communities, which are ignored in the

government of a single-purpose institution. To tackle these issues the multi-purpose organisation has the capacity for "joined-up" government that is beyond the competence of the single-purpose organisation. Local government's own local tax, although inadequate in scale, gives it a local financial responsibility that reinforces its local accountability to local voters, which is denied to centrally-funded hospitals.

The Government's own key themes in its modernisation programme for local government are undermined by the principles on which foundation hospitals are built. Their limited electoral base cannot be seen as democratic renewal. Nor can the concept of a competing but restricted local mandate, as the principle is extended to other services, be seen as constituting an effective system of local democracy. The Government's aspiration for "joined-up" government, expressed in the local authority role as community leader, is threatened by a proliferation of special-purpose bodies elected by those who are especially interested in that body. This approach is not a recipe for "joined-up" government but for "silo" bodies focused narrowly rather than on the overall needs of the local area. The growth of such entities denies local people the opportunity for making multi-valued choices. Instead, competing sectional special-purpose bodies will be pushing their demands onto central government.

Value for money will hardly be enhanced by the emphasis on the boundaries of these separate organisations. The greatest scope for an effective search for value for money lies in the "joining-up" of services and of their resources. But the Government's proposals for foundation hospitals reinforce boundaries not merely in policy but in the use of resources.

Local government's value is as an elected general-purpose organisation. The separate departments of central government have not appreciated this value. The Department of Health has focused only on its own purposes. This blinkered perspective is creating new boundaries to "joined-up" government and damages local democracy.

The further threat to local government is that the proposals for health are only the first steps towards similar changes for other services. Hazel Blears, at that time the Minister for Public Health, in a recent Fabian pamphlet *Communities in Control: Public services and Local Socialism*, states "NHS foundation hospitals and trusts are the start, not the end of the process. We are merely dipping our toe in the water [p.26]." She mentions education, transport and other public services. One can imagine civil servants, special and political advisers and think tanks hard at work thinking up ways of applying the foundation-hospital approach to a range of local government services. Local government has been warned.

# Commentary on ‘A Dangerous Proposal’

## A Modest and Dangerous Proposal

**John Benington**

*University of Warwick*

The 18<sup>th</sup> century writer Jonathan Swift (author of *Gulliver’s Travels*) wrote a brilliant satire on English exploitation of the Irish, under the title *A Modest Proposal*. This outlined a plan to solve the economic problems of Ireland by selling Irish babies as a delicacy to be cooked for English gourmet dining!

Jones and Stewart could easily follow in Swift’s footsteps, as 21<sup>st</sup> century satirists of central government’s savage treatment of local government. In practice however they rarely resort to satire, relying instead on sharp analysis and the restatement of the basic principles and purposes of local democracy. Their article *A Dangerous Proposal* (on *Foundation Hospitals*) highlights the dangers of moving towards single purpose rather than multi-purpose institutions, and away from local elected representative democracy, in favour of a membership model of participative decision-making. Their arguments, as ever, are trenchant and compelling.

The one weakness in the Jones and Stewart position on this, and perhaps other, issues is that in re-asserting fundamental normative principles of local democracy, they do not always give enough attention to the problems in the translation of those principles into practices. Central government is able to

present *Foundation Hospitals* as an improvement in opportunities for local participative democracy, partly because of the perceived failures of local representative democratic structures and processes.

Local government, because it is a multi-purpose body elected from the population as a whole, has a unique mandate to govern on behalf of the whole population (balancing the needs of young and old, rich and poor, black and white, women and men and so on) and to take responsibility for longer term decisions on behalf of future generations of citizens, yet unborn.

However, in practice, it is increasingly hard for local authorities to act on this unique and powerful mandate with real authority and effectiveness. This is partly because very low electoral turnouts erode the mandate to govern, but also because the processes of local representative democracy, as currently structured, are not sufficiently flexible or adaptive enough to match the complexity of the issues that people face in their lives. Our units of democratic representation for local and central government are neighbourhoods, wards and constituencies; while this geographical basis for political representation works well for place based issues (e.g housing,

refuse removal ) it is less effective in representing and resolving people-based issues (e.g. the needs of older people, or of black and ethnic minorities) which cut across geographical boundaries. In addition whole sections of the population (e.g. young people) are disengaging from engagement with local representative politics, and may respond better to more participative forms of involvement (e.g. youth parliaments) focused on their specific needs as a sub-group within the population.

None of this invalidates the normative principles of local multi-purpose representative democracy re-asserted by Jones and Stewart. But it reminds us of some of the contradictions and dilemmas of translating principles into practices; it is our failure to confront these kinds of dilemmas within local

government which provide central government with the opportunity to propose solutions which by-pass local authorities. If local government had really addressed these kinds of dilemmas more urgently, we would have seen many more live experiments to complement the strengths of place based elected representatives with more participative forums (for example, the creation of a "second chamber" in each council to engage more actively with the needs of young people, older people and black and ethnic minority people).

In this case I would have been happy to join with Jones and Stewart in calling for hospitals and other aspects of the health service to be brought back under democratic local government control. A modest proposal indeed!

# Partnership Problems

## October 10<sup>th</sup> 2003

**George Jones and John Stewart**

“Partnerships are a good thing” appears to be the prevailing doctrine in government today. When facing a problem, central government has two reactions: set a target or form a partnership, and often both simultaneously. Partnerships can be a good thing, but not necessarily for every case. Fitness for purpose should be the guiding approach. Sometimes it is better to clarify where responsibility lies for dealing with a problem instead of dispersing responsibility among partners.

Yet partnerships proliferate, and many of them are not required nor even promoted by central government. We doubt whether many local authorities know the number of partnerships they are involved in. Central government does not know how many partnerships operate at local level, or how many have arisen from its own policies. It had to institute research to find out how many plans it required from local authorities, and it does not appear to have done the same for partnerships.

While it is important to consider the need for particular partnerships, the more significant issue is the general growth of partnerships. While each has its own justification, the overall growth of partnerships has consequences that can be hidden if attention

is limited only to arguments about a particular partnership.

Working in partnerships demands more time and effort from those involved than from those working within a single organisation. Partnerships need preparation, and time has to be spent in working out the nature of the partnership and building understanding between the partners. Partnerships need continuing work to sustain them and to deal with the inevitable differences and disputes between partners. Intensifying these problems of participating in partnerships are the different forms of organisation and accountability of the partners. Partnerships involve councillors and officials in meetings just when we are told that the introduction of new political structures would reduce the need for meetings.

None of the above points is an argument against either partnerships in general or a particular partnership, as long as the benefits justify partnership. Time and effort devoted to partnerships may bring benefits in local understanding of local problems. But first both local authorities in partnerships, and central government when urging them, should be aware of how much more time and effort of councillors and officers are taken up in partnership working.

The increase in workload as a consequence of partnership is part of the general tendency for additional work to be required of local authorities, not to carry out their own functions but to follow externally-imposed processes. Responding to inspections or corporate assessments, plans demanded by central government, and area-based initiatives, all add to workload, a development the Government has only belatedly recognised. One of the most important trends of the last six years has been the growth of such government interventions that multiplied greatly the time taken by others in dealing with externally-imposed processes. This change has been little noted because it took place step by step.

Another major impact of partnerships is their making governance more complex at the local level. They do not reduce the number of organisations, but increase them. If two organisations form a partnership, then there are three organisations where previously there were two. Partnerships while bringing organisations together can also separate, by producing a new form of fragmentation, as the terrain is divided into separate partnerships, each with its own different but partially overlapping membership. So complex has the pattern become that there have been calls for partnerships between partnerships.

This intricately complex network of partnerships has become the invisible element in our system of government. While the main governmental bodies at local level are known, or can be easily discovered, partnerships are the great unknown of governance. Few members of the public know about them,

their role, the authority they enjoy and who exercises leadership in them. All know of the police or of the local authority, but few if any – except those directly involved- know of the Crime and Disorder Partnership. Even the Local Strategic Partnership is known only by the cognoscenti, but what about the other fifty or more partnerships found in some authorities?

This invisible government of local communities raises significant issues about accountability and leadership. Responsibility and accountability depend on transparency, but transparency is far from the world of partnerships. How do citizens know who is responsible when they do not even know of the existence of the partnerships? Even if they did know, how would they know how to hold a partnership accountable? Partnerships can be a means of concealing responsibility, indeed of evading it. How often do we hear: "It was not our decision: it was the partnership's."

We do not argue there should be no partnerships, but there should be care in setting them up and that the issues about accountability and leadership should be faced and resolved.



# A Commentary on 'Partnership Problems'

**Chris Skelcher**

*The University of Birmingham*

Jones and Stewart draw the parallels between partnerships and quangos, and argue that both suffer a democratic deficit. This may seem strange to those working in the partnerships, many of which have consultative structures. But our research on partnership boards demonstrates that for all the discussion of engagement and participation, the heart of the decision-making process is closed to public view. And although local authority managers are the main actors in developing and supporting partnerships, the basic values of public accountability somehow seem to have been forgotten. Perhaps it is because partnerships provide a means of managerialising areas of choice, with the politics confined to the consultative fora around their periphery. Too little attention has been given to the question of the democratic performance of partnerships.

What Jones and Stewart underplay, however, is the role of local partnerships as agents for the delivery of central policy. Connexions, Sure Start and a number of other partnerships are essentially the local delivery arms of national ministries. Connexions, for example, delivers the Secretary of State for Education's targets for training and employment of 16 to 19 year olds. It creates a new silo, despite the

rhetoric of partnership and 'joined-up' services. In the words that used to be used of education, these are 'national services, locally administered'. As more government initiatives are delivered through local partnerships, so we need to reconceptualise the centre-local relationships. The centre has found new methods of enabling implementation, in which local authorities are at worst ignored and at best the support structure.

Where does this process lead us? In the counties, towards the end of the nineteenth century, there were a mass of single purpose unaccountable agencies providing public services. The creation of county and district councils was seen as the solution – one body, democratically accountable, would take over the responsibility for this host of providers. Now it is the strategic partnership that provides the mechanism – it forms an umbrella, and is the 'partnership of partnerships'. Yet in the process power is further removed from democratic local politics and becomes more about bargaining amongst the leadership of public agencies - the chief executives of the council, LSC, PCT, Connexions, and the range of other bodies. Somehow new forms of accountability need to be created to assure citizens that the public interest is served.