

central command and local delivery



the new shape of local governance

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1 introduction

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“Central command and local delivery” was the phrase used by a senior civil servant from the Department of Environment, Transport and the Regions (DETR) to sum up the role of local authorities in the broader scheme of central-local relations. In this particular case he was discussing the implementation of the local plans that are the centrepiece of John Prescott’s hopes for public transport. But his attitude speaks volumes about Whitehall’s view of its relationship with local government.

He said: “They [councils] will not need much prompting; they will just get on and do it, as they always have”. He was making an easy assumption that local authorities would comply with central bidding. Getting local government to do what it wants is rarely a problem for the departments of UK central government. And where they prove to be obstructive, unco-operative or merely passive, elected local authorities will be side-stepped, replaced or simply ignored.

At the time of writing, the legislation requiring local transport plans has still to be set out in detail. Such

plans were foreshadowed in the July 1998 white paper, *A New Deal for Transport — Better for Everyone*. (In its *Guidance* note issued in November 1998, the DETR said “improving transport across the country means building from the local level. Local transport plans will be central to cutting congestion and improving the environment and so to deliver the government’s New Deal for Transport”.)

It is not clear whether a local authority will refuse to draw up a local transport plan. Perhaps that sounds suspiciously imprecise — we are, after all, a nation ruled by laws but the example helps to illustrate two things.

1. It is very unusual for elected local authorities to reject the wishes expressed, however vaguely, by the centre. (Centre here means Britain’s executive government, carried out in Whitehall departments by ministers backed by a Commons’ majority and the civil servants who answer to them.)
2. Britain lacks a definitive and binding system of administrative

law. (But things are changing in Scotland and Wales as the new Parliament and Assembly rewrite “central–local” relationships in those countries.) It is a cliché that the British constitution is unwritten; in fact we have a huge raft of administrative ordinance and written rules. The problem is that they compete and clash. The legal basis for inter-governmental relations is at once complex and open-ended. Between elected local authorities, which are of course themselves creatures of statute law, and central government departments there is a legal minefield. The growth of judicial review of ministers’ and councils’ decisions in recent years has resulted in explosions in this area but little clearance.

A pudding of laws and regulation

The centre’s powers of requiring local authorities to do its bidding are something of a pudding. In this context, the term “local authorities” needs to be a plural: as well as elected councils the category includes passenger transport, police, drainage and other special

Sure Start seeks to give children better lives (and, perhaps, save the state the expense of arresting them and putting them behind bars later on)

purpose authorities. No government publication offers a comprehensive, round-the-houses tour of these bodies. You cannot go, for example, to the Cabinet Office for a manual. Ministers and civil servants shy away from explaining anything outside the confines of their own departments' dealings with "their" local authorities. No two ministries or local agencies may be alike. For example, the legal and administrative profile may be different in each department, as will the personal relations of civil servants and officers, ministers and councillors. And not even the DETR, local government's "sponsor" at court, can claim to control all the lines, formal and informal, which link local authorities and Whitehall.

A refusal to rationalise

But if relations are a mess, by and large they work. Successive generations of ministers and civil servants have seen no reason to tidy up a set of relationships that as long ago as the early Sixties lacked "both scheme or system", according to the distinguished academic John Griffiths (J A G Griffiths, *Central departments and local authorities*, Allen and Unwin 1966).

Indeed Professor Griffiths detected "an almost deliberate refusal to rationalise" on the part of the centre. Since then governments of both parties have come and gone but as a new century begins there is still no sign that the sometimes unfathomable links, conduits and networks criss-crossing between central and local government are ever going to be made more intelligible. The reason is simple. In thinking about policy and its implementation, the centre rarely stops to ask whether local authorities will do what is being asked of them.

The Labour government elected in May 1997 has, however, expressed its impatience, especially with local education authorities and social services departments. Labour ministers have felt few inhibitions in thinking about substituting other bodies for local authority departments as the centre's local partners. The trend began in the Thatcher-Major years but has accelerated under Labour. Whitehall now openly identifies a number of local vehicles for public policy outside town and county halls. Councils are not even classed as *primus inter pares*. Local

authorities are still partners and coordinators, but cannot assume preponderance when ministers and civil servants think about future social policy.

Sure Start

A recent policy initiative illustrates this. Sure Start, the programme for expanding social, health and education services for under-fives from deprived backgrounds, was dreamt up by the Treasury but now comes under the wing of the Department for Health (DoH). By focusing on their development in the earliest years of their lives, inside and outside the home, Sure Start seeks to give children better lives (and, perhaps, save the state the expense of arresting them and putting them behind bars later on). It has been endowed with substantial funds, some £500 million to be spent between 1998-99 and 2002.

Sure Start is to be delivered by probation officers, health visitors, teachers, children's charities, social workers, community groups, doctors and so on. Local authorities will, of course, be involved but only indirectly. Sure Start will rely

If Liverpool council would not function, central government had few stand-bys apart from the Army

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instead on ad hoc groups being set up to bring together a variety of local service providers, from the voluntary sector and the public sector. The organisational chart for Sure Start is going to be hugely complicated and in it, deliberative decision making by elected local authorities may play little or no part.

Indispensability

Yet local authorities remain indispensable in the government of modern Britain. They are not about to disappear from the map of public policy. Central government's departments only exceptionally have instruments under their direct control by which to deliver policy locally. It has post offices (as long as the Post Office remains a public corporation), benefits and employment offices and of course, for emergencies only, the Armed Forces — but core public services are provided by other bodies. This means that councils are the state's fail-safe, providers of last resort, sweepers-up.

Testing the system to destruction

When, in the early 1980s, the Conservative Cabinet led by

Margaret Thatcher faced militant Labour in town halls, battle was joined. Liverpool was one of several left-led local authorities where councillors threatened not to raise an annual rate and so precipitate a default on payments or the non-provision of statutory services.

There was talk of direct intervention by the (then) Department of the Environment. But in the fraught spring and early summer of 1985, the advice Tory ministers received was clear. Although there were precedents — most recently the imposition of a commissioner to collect rents in the district of Clay Cross in the early Seventies — Whitehall had no ready mechanism to secure the emptying of bins or the maintenance of street lights. If Liverpool council would not function, central government had few stand-bys apart from the Army. But the Chief Constable of Merseyside advised the Home Office (which then told the DoE) that deploying troops might in turn provoke industrial action, demonstrations and possibly even riots. Conservative ministers effectively backed down and found a face-saving financial

formula that went a long way to allowing Liverpool to continue its spending pattern without a big increase in the rates.

The point of the anecdote is that, as viewed from the centre, local authorities exist with statutory powers and responsibilities. By and large they carry them out. As we will see there have recently been moves to supplant local authorities with new providers, including the private sector. But the full scale replacement of local authorities has entered no-one's agenda for the good reason that councils are *necessary* administrative entities. At the very least they serve to divide the country up into units.

It is worth noting in the Sure Start example cited above, the co-ordinators who are supposed to join up the early years and child care partnerships and youth offending teams will work to local authority boundaries. Councils continue to be the basis of “co-terminosity” between different services. The basis for benchmarking most of the services directly consumed by the public remains council boundaries.

how policy is delivered

Britain has a system of government that is (a) tacit and (b) indirect.

a) Tacit: Many of the rules by which the system operates are inexplicit. They are not written down in public documents but exist instead inside the heads of officials, ministers and councillors. The rules are only brought to the surface and looked at objectively on the occasion of royal commissions or independent inquiries such as that on local government finance led by Mr Justice Layfield in the late Seventies.

b) Indirect: Local authorities are linked with Whitehall departments in a myriad of ways and central government in its turn reaches out to the local level through a battery of wholly-owned and semi-autonomous agencies, interest groups, non-departmental public bodies (commonly called quangos) and public authorities.

Historians have remarked on the vagueness of some critically important edicts from the centre. For example, the 1965 Labour

government circular to local education authorities urging comprehensive secondary schools specified no detail and made no mention of money: it read more as a statement of national policy than a concrete proposal on how to realise it.

Despite this ambiguity, central government departments possess a startling armoury of legal and informal tools to ensure their local agents and authorities do what they ought. They may overlap, even contradict each other. During the political battles between Labour councils and the Conservatives in the Eighties, the courts became deeply embroiled in sorting out the relative merits and responsibilities of the two sides. But Professor Martin Loughlin of the University of Manchester observes that very little clarity has since dawned: it is exhaustion and political compatibility that explains the recent diminution in the spate of court cases involving departments and councils rather than legal satisfaction.

Central government's array of powers includes inspection and

audit, it sometimes approves individual appointments (directors of social services for example) and receives and amends local plans.

Central government's powers of inspection go back to Victorian times. Among the modern corps are:

- Her Majesty's Inspectors of Schools, now part of the Office for Standards in Education;
- the Social Services Inspectorate;
- the Benefit Fraud Inspectorate;
- HM Inspectorates for Constabulary and the Fire Service; and
- a Best Value Inspectorate has been created recently as part of the Audit Commission, to start work in April 2000.

(The overlap and sometimes competition between these central inspectorates has led to joint inspections and the creation, at the centre, of an inspectors' forum.)

Parliament exists to vote money to departments and agencies and this cash is disbursed by Whitehall. Thus, the principal connecting rod between the

centre and locality is financial. There is more on this in the section below dedicated to the Treasury's local dimension.

The centre, of course, also legislates: it imposes specific and general obligations on councils and usually gives itself default powers in case councils do not carry out specified functions. It issues circulars. Ministers hear appeals on local decisions and confirm local decisions. Financial supervision is carried out partly through the Audit Commission whose members are independent but appointed by central government. Central government gives grants. The Ministry of Agriculture, Fisheries and Food (MAFF) makes capital grants of up to 85% for coastal defence and flood warnings. The Treasury through the DETR manages local borrowing — or thought it did until the Hammersmith swaps case showed just how much de facto autonomy imaginative council finance officers still possessed.

Relations between the centre and local government are sometimes direct: civil servants and ministers will communicate with an

individual local authority directly. Some are indirect, with the Local Government Association or a professional group such as the Society of Local Authority Chief Executives used as intermediaries.

How policy is delivered, an example: the Home Office

If the DETR has most to do with local authorities as corporate entities, other departments are closely involved in specific aspects of policy. The very make up of councils reflects, more or less, the division of administrative labour within the centre. Flows of influence, finance or command are not therefore straightforward.

Police authorities are local bodies controlled and influenced in varying measures both by the Home Office at the centre and the local authorities that nominate a proportion of their members or provide their secretariat. The Home Office, with its own central inspectorate of police and default powers, is directly involved in police staffing, pay and pensions. Recently, the Home Office has concerted with individual local authorities over crime prevention

while the 1998 Crime and Disorder Act imposes extensive new responsibilities on councils.

Given these complex links, what is the most apt characterisation of the Home Office's relations with local authorities? It is not a simple relationship. In the summer of 1999, Home Secretary Jack Straw strongly and publicly criticised councils for not being more active in using the powers they had been given to seek curfew and anti-social behaviour orders. Yet barely days before his outburst, his own civil servants and the Local Government Association amicably discussed the reasons why everyone should proceed gingerly over the new orders — they might infringe the 1998 Human Rights Act, due to be implemented in 2000.

Perhaps Mr Straw's intervention exposed an ambiguity: are local authorities agents of central government's will or autonomous entities carrying the obligation to assess the specific conditions of their local areas? The question is made all the more complicated by the political fact that in urban local government the Labour party

Councils are not the only local “actors” in the view of the stage commanded by Whitehall

is very strong. Were local leaders constrained in replying to Mr Straw by their party allegiance? And at what point do councillors assert their identity as local representatives above their party loyalty?

Special and delicate relationships

Similarly, other departments have special and sometimes delicate relationships with local authorities based on their policy portfolios. MAFF and the Department of Trade and Industry (DTI) have traditionally been less directly concerned with local services than the DoH. The health department operates the social work inspectorate and takes a detailed interest in the child care policy delivered by local authority social services departments; its responsibility for public health depends on local authorities.

Once again, it would take several brushes and a large artist's palette to capture the multi-hued picture of central-local relations. Traditionally, for example, the Association of Directors of Social Services has enjoyed close collaborative relations with the

department. But health sections within the DoH have often sought to insulate the National Health Service from local authority interventions.

A shared stage

Councils are not the only local “actors” in the view of the stage commanded by Whitehall. The Home Office, for its part, has departmental responsibility for the voluntary sector and so indirectly is concerned with the way voluntary organisations are staffed, financed and function.

The Department of Culture, Media and Sport supervises at one remove the division of money from the National Lottery. Much of it flows to local voluntary groups on which the success of government policies for children, alleviating poverty and community regeneration depends. These departments can and do adopt quite different views of what local authority responsibilities should and should not be from those held in, say, the DETR which in turn has its own agenda about the corporate future of local authorities.

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the centre

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Central-local relationships are complex but they are also richly textured, as can be seen from the following list of interactions between Whitehall departments and local agencies.

Prime Minister (Number Ten)

The Prime Minister has no service responsibilities but on Number Ten falls ultimate ownership of constitutional matters — that probably includes the standing and autonomy of local elected councils which are part of the constitutional settlement. The Prime Minister receives delegations of councillors and local worthies. He looks to party management, which from time to time will include the role of councillors.

Traditionally, prime ministers have interested themselves generally in the voluntary sector and this can have an impact on local bodies. Tony Blair, for example, made a significant speech to the annual conference of the National Council of Voluntary Organisations (NCVO) offering a “new compact” between the central and local government and

voluntary organisations in delivering welfare, housing, job opportunities and better access to financial services for the poor.

The Number Ten Policy Unit has one staff member dedicated to local government (currently Robert Hill). But the “local dimension” of policy is of ongoing concern to several others, including Geoff Mulgan and the head of the Unit, David Miliband.

Cabinet Office

The job of co-ordinating and “joining up” policy has recently been added to the Cabinet Office responsibility for managing the Civil Service (and to some extent the whole of the public sector). So although the Cabinet Office has no direct relationships with councils there is a growing network of contacts between individual chief officers and CO units and committees. They include:

- **Anti Drugs Co-ordinator** (the Drugs Czar). Launched in 1998 on the basis of a public statement *Tackling Drugs to Build a Better Britain*, the co-ordinator has a small budget

and no direct powers. Drugs, said the government, “could only be tackled by a partnership approach between statutory and voluntary agencies and business”. This meant local authorities in particular: in summer 1999, then Cabinet Office minister Jack Cunningham was in Tory-controlled Wandsworth praising the council’s efforts to tackle drug related crime by working with local volunteers.

- **Better Government for Older People.** This is a small group developing and testing “integrated strategies” for Britain’s ageing population.
- **Direct Access Government.** This is meant to assist businesses in its dealings with the state, especially through electronic communications. To most companies the distinction between central and local jurisdictions does not mean a great deal.
- **Local Business Partnerships.** LBPs are forums for dialogue on regulation between local business and enforcement communities. Again local authorities are, or ought to be, at the heart of this dialogue.

The creation by the Conservatives of the Child Support Agency pushed the DSS into the heart of what is now called family policy

- **People's Panel.** On behalf of the Cabinet Office, MORI assembled a large sample of the public to give their views about public services and their delivery, including local services.
- **Performance & Innovation Unit.** The PIU's aim is to improve the capacity to address strategic, cross-cutting issues, and promote innovation in policy development and the delivery of government's objectives. In principle that ought to mean local authorities as well; it rarely seems to.
- **Social Exclusion Unit.** The SEU is a small group, to which some local officers have been seconded, to look at ways of cutting the combined effects of unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown. It commissions policy reviews and analysis and tries to inject a social exclusion perspective into policy thinking by departments and, to some extent also, local authorities.
- **Year 2000.** The Cabinet

Office oversees, with DTI, the centre's efforts to combat the Millennium Bug. Councils have been identified as among the problem organisations.

- **Charter Mark.** The Cabinet Office administers this award scheme, dreamt up by John Major, to recognise and encourage public service providers. It is held in high regard in town halls and some councils have applied themselves energetically to winning its gongs.
- **Public Appointments and Bodies.** This group of civil servants collects information on the bodies also known as quangos (officially non-departmental public bodies) most of which have a local dimension.

Home Office

The Home Office has statutory responsibility for the police and administers grants to the authorities that maintain local and regional forces. It also has a local arm, the probation service. Its connection with elected authorities was traditionally closest in fire services and the field

of emergency planning — a matter of high politics during the Cold War, when the declaration by local authorities of their areas as “nuclear free” made the headlines.

Recently its interest in local governance has grown, with the extension of its remit into crime prevention and the maintenance of order, including a series of new local orders permitting the imposition of curfews and restricting the movements of suspected offenders (anti-social behaviour orders). A new apparatus of youth justice committees and powers, intimately involving local authorities, is being built under the Youth Justice and Criminal Evidence Act.

On local authorities will depend whether the Home Office delivers on its Public Service Agreement (see the Treasury section below) to “reduce crime and the fear of crime and their social and economic costs and to reduce the adverse impact of crime and disorder on people's lives”.

The Home Office is also the parent department for the voluntary sector,

The DETR stands between local authorities and the European Union

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race and gender equality and, from next year, human rights — all of which have a local dimension.

Department of Social Security

The main business of the DSS is providing welfare, usually in cash by means of disability and income support, jobseekers' allowance and related benefits. The creation by the Conservatives of the Child Support Agency (a Next Steps agency, intended to operate at arm's length from the department) pushed the DSS into the heart of what is now called family policy — and into the thick of political controversy. The department's main areas of direct contact with local authorities are over the payment of housing and council tax benefits, in which local government acts as the department's agent. Recently there has been intense joint working to minimise fraudulent claims.

Department of Trade and Industry

In the broad departmental philosophy espoused in recent years by the DTI, local authorities tend to be associated with regulation and “red tape” which it is pledged to cut. But local authorities also

supervise trading standards and act as a first port of call for complaining consumers. This leads to a certain ambiguity in the DTI's relations with councils.

The DTI is committed “to work in partnership across government and with organisations outside government to ensure coherence on consumer issues”. Consumer protection is also the responsibility of the Office of Fair Trading, which liaises with councils, both directly and through the central clearing house for consumer affairs maintained by the Institute of Trading Standards Administration. Local authority planning and environment policies cut across DTI responsibilities. There is ongoing conversation, too, between the DTI and councils on energy use and conservation, including the siting of new plants. The DTI gives grants to “assisted areas” and exercises loose supervision of local authority economic development work — this is sometimes at cross purposes with the DETR which is responsible for regeneration. The DTI's own local arm is the network of Business Links offices.

Department of Environment, Transport and the Regions

The former Department of the Environment subsumed the “sponsorship” of local government previously carried by the Ministry of Housing and Local Government. In its turn the DETR has taken over this mixed role — at once cajoling and disciplining councils to follow central government's line and sympathising with councils and presenting their case to the rest of Whitehall. It gives its broad current ambition as modernising local government in England and promoting local democracy. Its direct contacts with councillors, officers and their associations, principally the Local Government Association, are continuous. They are now warm; the Tory years saw a marked cooling in the personal relations of civil servants and local officials and in some cases an outright breakdown.

The DETR agenda includes consulting on the future of local democracy, including political management structures and a new ethical framework, with a view to legislation, and the

Beacon Scheme for sharing the practices and experience of the “best” councils as preparation for the introduction of Best Value. This is taking place within a new Central-Local Partnership, building links between ministers and senior local government leaders.

The DETR stands between local authorities and the European Union, for example monitoring the impact of the Single Currency on local financial management. Through the department, the UK committed itself in 1998 to the European Charter of Local Self-Government’s fundamental principles of local democracy. The DETR monitors the work of the Audit and Local Government Commissions, makes orders for review of boundaries and collaborates with the Cabinet Office in pushing councils towards Charter Marks.

The DETR’s principal functions which relate to local administration are:

- **Housing.** Much less important than 20 years ago, housing is the concern of specialist divisions within the DETR which make regular grants towards the construction of social housing and, recently, special grants to help reduce the backlog of renovation needed in the council housing stock.
- **Environment and Countryside.** In the DETR’s eyes, local authorities are only one of a number of actors with which it co-operates in seeking to deliver better environmental protection. Some are international but local regulators in England include the Environment Agency and the Drinking Water Inspectorate. Non-departmental bodies linked to DETR include English Nature and English Heritage, which, in their turn, have close relations with local authorities. The DETR achieves its objectives through a mix of regulation, guidance, grants and financial assistance, and voluntary partnerships with other bodies in both the public and private sectors. These include the Countryside Commission, the Rural Development Commission, English Nature and the National Park Authorities, which in turn have intimate relations with constituent and neighbouring council planners. The DETR shares some countryside issues with the Ministry of Agriculture Fisheries and Food. Through its Drinking Water Inspectorate, the DETR checks on the privatised water companies in England and Wales to ensure they are meeting standards set in Water Quality Regulations. These inspectors can also serve as its local branch offices in investigating complaints from consumers and incidents that affect or could affect drinking water quality.
- **Transport.** Under New Labour, local authorities have swung into the centre of transport policy. Local transport plans *must* be local, says the DETR: “Every town has different needs and planners will face different transport challenges. There is no single solution to our transport needs. But that’s the

great benefit of local transport plans; they respond to local needs and circumstances". Under recent circulars and guidance notes, local authorities are required to supply the centre with an array of reports (for example under the Road Traffic Reduction Act) and plans. Transport plans — depending on the passage of legislation — are supposed to allow local authorities to use new sources of money (congestion and enhanced parking fees, perhaps road use tolls) for public transport. Councils will be asked to "join up" the activities of the agencies involved in delivering local transport plans. "Plans, highway authorities will have to work closely with other local authorities (including parish councils) and service providers. The emergency services, health service providers (health authorities and hospitals), local education authorities and schools all have an interest and part to play," the DETR says. In the metropolitan areas outside London, local public transport

is the responsibility of the Passenger Transport Authorities (PTAs). The DETR oversees the special grant payable for metropolitan rail services.

- **Roads.** The DETR is responsible for the oversight, management and improvement of the trunk and local road network, traffic management on local roads, continuing developments in road safety and vehicle standards, vehicle licensing and revenue collection. Councils are among its principal agents and the new legislation mentioned above will enhance their role, if they are allowed to introduce, say, road user charging and levies on workplace parking.
- **Local Government.** The DETR is Whitehall's agent in allocating the quarter of all public spending (£75 billion a year) which passes through council budgets but other departments engage directly with "their" money — see the section on the Department for Education and Employment below. The DETR's main concern, apart from housing

and environmental services, is with councils as corporate entities. The white paper, *Modern Local Government: In Touch with the People*, set out the government's preliminary thoughts on the future of councils. Legislation is pending on elected mayors and new forms of executive decision taking. The DETR monitors both council spending and their systems of money management. The 1999 Local Government Act replaced "crude and universal" capping of local budgets with new reserve powers to regulate the levying of council tax. The DETR's agent in this work is the Audit Commission. All departments have a surrounding network of non-departmental bodies, agencies and advisory committees that in turn have bilateral relations with local authorities. Many more etchings have to be made on the map of central-local relations to take account of the local presence of these bodies which in their turn may have complicated financial and managerial relationships with the centre: the Office of

The National Health Service may be notorious for its local variations in waiting times and quality of service but it remains a fully nationalised industry

the Water Regulator, for example, is “independent” but its staff depend on Whitehall for their pay and rations and at least three departments, the Treasury, the DETR and the DTI pay close and continuous attention to the Water Regulator’s work which, in turn, has a variety of local impacts. British Waterways, “owned” by the DETR, needs to work closely with the urban local authorities penetrated by canals. The Countryside Agency’s objective is “to conserve and enhance the countryside, to promote social equity and economic opportunity for the people who live there and to help everyone, wherever they live, to enjoy this national asset.” This is impossible without the fullest co-operation not just with elected local authorities but with a congeries of local bodies, some statutory, some voluntary, some “private” (but regulated by national regulators). Here is a select list of the bodies which fall under the DETR umbrella, each of which has some local dimension:

- British Government Panel on

- Sustainable Development
- British Waterways
- Civil Aviation Authority
- The Countryside Agency
- Driver and Vehicle Licensing Agency
- Driving Standards Agency
- English Nature
- Environment Agency
- Health and Safety Executive
- Highways Agency
- Housing Action Trusts
- Housing Corporation
- Joint Nature Conservation Committee
- Local Government Commission for England
- Maritime and Coastguard Agency
- Office of Water Services (Ofwat)
- Ordnance Survey
- Planning Inspectorate
- Regional Development Agencies
- Royal Commission on Environmental Pollution
- UK Round Table on Sustainable Development
- Vehicle Certification Agency
- Vehicle Inspectorate Agency
- **Regions.** The DETR is the parent department for the Government Offices (GOs) established in England’s

standard regions and the Regional Development Agencies. The GOs supervise local authorities in their regions, examine their budgets and may act as their “friend at court”. The future role of the GOs is under review and they are handing over responsibility for rural and urban regeneration programmes and the administration of the Single Regeneration Budget to the RDAs. They are also meant to be responsible for co-ordinating inward investment in their regions — but here the Department of Trade and Industry retains a keen interest. London is a region made special by elections taking place there in May 2000 for a new office of executive mayor and a Greater London Assembly: the exact nature of the DETR’s tutelage of the new bodies has yet to be worked through. The Mayor will have responsibility for transport, strategic planning, economic development, the environment and culture, and will have a duty to promote the health of Londoners. He or she will have two new

The basic scheme for allocating money to councils has remained pretty much the same since 1945

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executive bodies: Transport for London (TfL) and the London Development Agency (LDA) to help co-ordinate policies. The Mayor will also appoint members of the new Metropolitan Police and Fire and Emergency Planning Authorities — usurping in the case of the police a role occupied since 1829 by the Home Secretary.

- **Planning.** The DETR issues national planning policy guidance on housing, transport, retail, sport and recreation, minerals and waste but in effect local authorities carry out these policies in their decisions on land use and development. Working with the Government Offices for the Regions, the DETR is supposed to ensure local plans and decisions cohere with national policies. The Planning Inspectorate, an arm's length agency of the Department, handles appeals and other planning casework on behalf of ministers.

Department of Health

The National Health Service may be notorious for its local variations in waiting times and

quality of service but it remains a fully nationalised industry, jealous of its independence from locally elected politicians. The DoH, however, has extensive contact with local governance under the rubrics of public health, community and child care. Community care — the objective to enable people who are unable to perform essential activities of daily living, including those with chronic illness, disability or terminal illness, to live as full and normal lives as possible — is realised not only through the NHS but also local authority social services. NHS money may buy council services through mechanisms of “joint commissioning”.

Despite the importance of co-operation, it is remarkable how informal the links are between the NHS and local authority in many areas. There are statutory requirements, for example to put into place joint “service development plans” for the elderly, but initiatives such as Health Action Zones (HAZs) introduced from April 1998 often rely on goodwill at the level of individual officers who may or

may not reflect the wishes of elected members. HAZs are one of the area-based initiatives introduced by New Labour (discussed in more detail below) which are meant to bring together social workers, home helps, housing officers, doctors, midwives and other medical personnel to develop local health strategies.

Department of Culture, Media and Sport

Inheritor of the Tories' Department of National Heritage, the DCMS should properly be called the ministry of the lottery for, although there is a separate apparatus for regulating the National Lottery, monitoring the £6 billion a year flow of funds into local “good causes” takes up much of the attention of DCMS officials and ministers. Perhaps because it has almost direct responsibilities for services, relations between local service providers (in leisure and tourism for example) and the DCMS are unusually good: the department has conceived its role to be one of persuasion, advice and information.

Ministry of Agriculture, Fisheries and Food

Traditionally, the Ministry mainly used local authorities as its agents in providing, for example, drainage and flood protection above and beyond their own statutory work. It makes grants both directly and through such bodies as drainage and harbour boards. MAFF advises and guides the “operating authorities” — mostly local authorities — when flood and coastal defence schemes are being planned, designed and implemented.

Here is yet another example of the need for joining up government, for it is the Home Office which is responsible for emergency planning, police and fire. Whether such joining up occurs locally through formal committees or information association or at the centre in Cabinet and inter-departmental committees seems to depend entirely on circumstances. New Labour is creating a new Food Standards Agency under MAFF, which will need to work especially closely with various local authority departments.

Inland Revenue

Local government’s financial base depends indirectly on the Inland Revenue, or at least its arm’s length agency, the Valuation Office. Proposals for changes to a council tax valuation list or a non-domestic rating list have to be agreed by the Valuation Office or by reference to a Valuation Tribunal.

Treasury

With the publication in November 1998 of a long series of Public Service Agreements (PSAs), the Treasury moved to take indirect responsibility for a broad swathe of local authority work. PSAs were agreed with Whitehall departments as part of the Comprehensive Spending Review; some are specific and quantitative, others vaguer and qualitative. In principle, however, they represent the first list of stated government purposes.

In reality the local PSAs will only be realised by co-operation between councils and respective Whitehall departments and it is difficult to see how councils could

ever be held financially accountable for their PSAs — even if, in theory, the Treasury aspires to linking the management performance of public bodies, including councils, to their budgetary allocations.

Take the Home Office’s PSA on reducing crime and the fear of crime: at what point might local authorities be held responsible for crime and disorder in their areas, which evidently also relates to the performance of police authorities, the Home Office itself, the prosperity of local business and, who knows, perhaps the parsimony of the Treasury itself in its approval of capital outlays by local government in aggregate?

The Treasury is the lead department on the Private Finance Initiative. Its task forces work with the DETR, other departments and the Local Government Association’s Public-Private Partnerships Programme (4Ps) to promote schemes for introducing private finance into public provision. Treasury lists of PFI project approvals proudly cite local examples, such as waste management in Surrey and social

housing in north-east Derbyshire. Central support has been made available to new local authority PFI schemes.

Local authority spending has long been tightly integrated into the centre's mechanisms for planning and controlling outlays. Local authority borrowing is limited in order to minimise government indebtedness.

Manipulated and changed several times while the Conservatives were in power, the basic scheme for allocating money to councils has remained pretty much the same since 1945. Aggregate council spending was built up on the basis of amounts calculated by each Whitehall department as "its" service expenditure. The total was then manipulated by the DETR and Treasury to provide a scheme for distributing the total in support grants to individual councils.

Here the tradition was and remains that distribution had to be on the basis of generic formulae, not specific hand-outs by ministers to individual councils. Periodic allegations that the support grant formula was being swung in favour of certain authorities always had to contend with the fact that, complicated as it is, it is based on publicly-visible calculations of need, population, deprivation and so on.

It is obvious from this that the amount for, say, schooling entered into the aggregate calculation of council spending traditionally bore no direct relationship to the amount spent by an individual education committee, which itself would be in negotiation with a policy and resources committee or party leadership over how much the schools should get. In the event, council spending on particular services broadly followed the stated priorities of central government even though councils possess autonomy over their own spending allocations.

That is changing. Education Secretary David Blunkett, expressing openly what his Conservative predecessors dared only whisper, says that if he wins money for schooling he expects it to be spent on nothing else. With most education spending delegated to the schools, much spending in this area is de facto "hypothecated" — that is, flows in a direct conduit from the centre to the school governing body.

Since the rates battles of the Eighties, Treasury control over what councils raise from taxation is tight; regulations also bind councils' trading accounts and rental levels. However, imaginative finance officers have room for manoeuvre. Active trading by Hammersmith and other councils a decade ago in new financial markets showed that the centre has by no means sewn up local financial operations. Nonetheless, it is probably safe to say that the centre has few qualms about its capacity to rein in local spending and prevent local taxation

DfEE set new targets for cutting unauthorised absence and exclusion of pupils by one third in English schools by 2002

ever again becoming the fraught issue it had been until the Eighties.

Department for Education and Employment

Engagement between the ministry responsible for schools and the local authorities actually running them antedates the creation both of local government in its modern form and a central department with “local government” anywhere near its title.

Perhaps that is why the Ministry of Education as was, the Department for Education and Science as it became and now the DfEE have always had ambiguous and sometimes irritable relations with corporate local government. As successive education secretaries have put it, they win the battles for schools spending in Cabinet but the amounts then enter general calculations on local spending and do not always end up at the chalk face. The importance of

local schooling within the DfEE is undeniable: local government gets £19 billion of the DfEE total, compared with just under £13 billion for the rest of education.

The DfEE engages with schools directly, since Tory era reforms devolved the bulk of local education spending to school heads and governors, on the basis of general funding formulae. It continues to instruct and cajole local authorities by means of regular circulars; Local Education Authorities (LEAs) are subject to inspection both by the Audit Commission and the Office for Standards in Education. (Ofsted has some autonomy from the DfEE and in the space between them the chief inspector of schools has some room to assert independence of view.)

A DfEE circular may issue “guidance” on pupil attendance, behaviour and exclusion which the local education authority will seek to carry into effect in the schools within its jurisdiction — or between them, since LEAs are increasingly

“residual” authorities picking up the pieces and the pupils left behind by the schools. During 1999, for example, the DfEE set new targets for cutting unauthorised absence and exclusion of pupils by one third in English schools by 2002. The relevant circular was issued jointly by DfEE and the Social Exclusion Unit in the Cabinet Office. It is yet another example of the need for joining up government: excluded children tend to come from lower income homes beset by problems of joblessness and dislocation — which in Whitehall terms are the responsibility of other departments.

Within local authorities, joining up education and social services is often difficult enough. Recently, the centre has taken to a form of bribery to make progress. Special funds have been created to support specific initiatives outside the general support grant to local authorities. Thus the DfEE now has a Standards Fund from which grants to promote the “inclusion” of pupils are made.

4 the new government's approach

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The Labour government came to power apparently wary of local councils; its 1997 manifesto had few commitments to repealing Conservative legislation on council spending and operations. Perhaps this was because the Labour Party's traditional strength in the town and county halls was held responsible for the party's long absence from national power.

The "New Left" which took control of the Greater London Council, several London boroughs and some cities in the Eighties produced a political reaction which in turn gave birth to New Labour — the New Left's perceived extremism and the loss of middle ground political support precipitated the changes in party organisation and commitment.

The government has appeared anxious to put distance between itself and the traditional municipal politics associated with the metropolitan areas of Yorkshire, the North East, the North West and the West Midlands. But there have been changes in local government. The

creation of the new unified association of local authorities, the Local Government Association, antedated Tony Blair's arrival in power by months and the scene was set for orderly and harmonious but not necessarily warm relations.

Pragmatism

The new government turned out to be pragmatic about how its policy commitments are carried into local effect. Where local government is considered an obstacle, ministers have been happy to brush it aside and use alternative means. Council leaders have been dismayed at how little weight they have carried with David Blunkett (Education Secretary) and Stephen Byers (former Education Minister, now Trade Secretary) who were themselves local authority leaders.

Social policy makes the point. Once in power the new government moved quickly to establish, inside the Cabinet Office with the close participation

of the Policy Unit in Downing Street, the Social Exclusion Unit (SEU). It is not that local authorities were excluded: there was consultation with the LGA and local authority officers were seconded into the Unit. Rather, in thinking about teenage pregnancy or post-16 educational dropouts, the Unit has, clearly influenced by the Prime Minister, proven remarkably eclectic about the local means by which its policies are to be realised.

The Unit's reports talk about "all the bodies" involved in, say, assessing the impact of arts and sports on reducing social exclusion, without privileging local authorities. In fact local authorities are bound to be heartily involved in any such initiative.

Zones

The elected local authority is in a unique position to audit services provided to, say, disadvantaged young people and ensure "join up" with such initiatives as Health and Education Action

The DoH wants more focused inspections by the Social Services Inspectorate (SSI)

Zones, healthy living centres, the New Deal for communities, the Single Regeneration Budget, the new NHS walk in centres, Excellence in Cities and Sure Start. But several of the programmes in that list, the zones in particular, are geographically targeted.

Central government has identified certain areas as deprived and needing special attention. This could even be said to represent the re-creation of a local dimension to public policy, replacing local authorities. This rash of zones embodies the centre's conviction that local authorities have both lost their central role in local areas and, perhaps, that they are no longer reliably representative of those areas' inhabitants.

Does the Labour government's approach to local services amount to a "new model"?

There are two new aspects to Labour's model for local services. These are:

1. Local authorities are being told to think much more in terms

of specific groups, their needs and their services. The centre itself has gone some way in redefining public administration in "client group" terms. For example, there is an ongoing initiative in Whitehall to join up services for people with disabilities. The DoH is the keeper of a policy developing social care for disabled people including those with physical disabilities, mental health problems, learning disabilities and sensory impairments. This is supposed to mean working closely with the Department for Education and Employment and the Department of Social Security on the "New Deal" initiative, which is intended to help sick and disabled people of working age find and stay in employment. It should also mean closer working with the Lord Chancellor's Department and other government departments on the issue of mental incapacity and decision making; and with the Home Office and other

government departments on the issue of vulnerable and intimidated witnesses. The DoH wants more focused inspections by the Social Services Inspectorate (SSI) on these client groups and "work in partnership with local authority interests to build information on mental health service provision in the personal social services sector in order to improve performance assessment and local performance management".

2. A second element is the increasing use of central inspection teams to ensure the diverse cast of local actors is performing according to the (centre's) script. To established inspectorates for, say, planning or drinking water are being added inspectors of Best Value in council provision and enhanced powers for education inspectors in nursery schooling. It is not inconceivable that new children's inspectorates will be created to monitor such new initiatives as Sure Start.

5 stable relations?

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To use the old cowboy movie phrase, central government often speaks with forked tongue about local voting. If more people turned out to vote for local authorities, the relations of tutelage between councils and Whitehall would be threatened. Councils would be perceived as more legitimate and would be able to make a stronger claim for more control over their spending and services. Instead, successive governments have expressed their concern about the fact that local elections are a minority sport.

Under the Conservatives, worries were shaped by a perception of urban local government as a Labour fiefdom. Legislation enacted under Prime Ministers Thatcher and Major reduced the scope for council employees to become councillors in their own right in adjacent areas; the Tories sought to make council decision making more transparent.

The package proposed by the Labour government is based on the proposition that the public's

interest will grow if it is focused better, for example through an elected mayor. But if a mayor won popular acclaim, what would happen to the spider's web of controls and performance targeting which surrounds local government?

Simplification?

There is no point in hoping that the relationship between the centre and local governance is suddenly going to be simplified or straightened out. The question for the next few years is whether local authorities have the aptitude to play a useful part in the various new initiatives the government has introduced — while continuing to look after the basics and function as the provider of last resort.

A programme such as Sure Start models local authorities as a partner for the centre and other local bodies. It awards them the responsibility of ensuring the other partners are “on side”, but gives councils no extra financial

leverage or administrative power. It is unclear whether behind Sure Start and similar programmes, Whitehall wants to create a new style of local government — an effective if untidy mix of local voluntary groups and statutory providers.

Integration?

But in future how *integrated* are councils going to be? Traditionally, confronted with a new challenge, councils have established new committees and new groups of professional officers. But Whitehall's priority is to join up functions not fragment them.

“Social inclusion cannot be addressed by a social inclusion officer, a social inclusion department and a social inclusion committee,” warns Solace (*Social Exclusion, a practitioner's guide*), but are local authorities being invited to sign up to the political values of the centre? Behind the idea of social inclusion/exclusion may be a requirement to redistribute resources. The

One conclusion might be that relationships between government at the centre and local providers of services are in disequilibrium

government seems to hold a sword above councils' heads — either they accept its values or run the risk of being by-passed and supplanted.

In its approach to social exclusion and reducing inequality New Labour has been tempted to create a new scheme of local “governance”. This has taken the form, mostly, of specific area-based programmes and initiatives including Health Action Zones, the New Deal for Communities, Employment Zones and Education Action Zones. There is a list in the appendix.

These new bodies are intended for areas and communities where “there is a need for priority action” — as defined by the centre. The zones offer new, cross-cutting approaches which support the objectives of more than one department and so, presumably help solve the problem of ensuring joined-up working, which Whitehall sometimes thinks is exacerbated by the structure of councils. Yet

they may compound the problem. The Cabinet Office and the DETR have felt compelled to issue guidance notes to Whitehall and create an Interdepartmental Support Unit inside the DETR in order to minimise the overlap between the various zones.

One conclusion might be that relationships between government at the centre and local providers of services are in disequilibrium. But instability can be a permanent condition. Within local government imaginative efforts have recently been made to cope with the pluralism of local governance. Some councils are projecting themselves as local co-ordinators; others use the language of partnership; yet others are happy to take their place within this new “mixed economy” of provision, making the best of the cross of wires and the overlapping of responsibilities. As long as local authorities remain broadly obedient, however, the centre is unlikely to feel obliged to step in and tidy them up.

appendix

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Government Area-based Initiatives

Community Legal Service Partnerships
Crime Reduction Programme - Burglary Initiative
Crime Reduction Programme - Targeted Policing Initiative
Education Action Zones
Employment Zones
Health Action Zones
LGA New Commitment to Regeneration
New Deal for Communities
New Start
Single Regeneration Budget
Sure Start

Government Regeneration-related Initiatives

Local Authority Best Value pilots
Better Government for Older People pilots
Coalfields
Crime Reduction Programme
Drug Action Teams
Drug Treatment and Testing Order pilots
Early Excellence Centres
Early Years Development and Childcare Partnerships
European Regional Development Fund
Excellence in Cities
Healthy Schools Initiative
Lifelong Learning Partnerships

Local Transport plans
New Deal for Disabled People pilots
New Deal for Lone Parents
New Deal for Long Term Unemployed Pilot for those aged 25 years and over (12-18 months unemployed)
New Deal for Long Term Unemployed for those aged 25 years and over (over 2 year's unemployed)
New Deal for Musicians
New Deal for Partners (Compulsory Scheme)
New Deal for Partners (Voluntary Scheme)
New Deal for Young People (18-24)
New Deal for 50 plus
The provision of 190,000 extra free early education places for 3 year olds
Personal Medical Services pilots - established under the NHS (Primary Care) Act 1997
ONE
Territorial Employment Pacts
Youth Justice Pilots

In addition there are six case studies to understand how initiatives (and main spending programmes) inter-relate and to build on local experience to develop models of best practice for managing and co-ordinating

initiatives. The case study areas represent a cross-section of types of area where there is already a range of initiatives. They are: East London, Newcastle, Plymouth, Sandwell, South Yorkshire (coalfields) and West Cumbria.

The government is also supporting the Local Government Association's* six case studies to understand how initiatives (and main spending programmes) inter-relate and to build on local experience to develop models of best practice for managing and co-ordinating initiatives. The case study areas represent a cross-section of types of area where there is already a range of initiatives. They are: East London, Newcastle, Plymouth, Sandwell, South Yorkshire (coalfields) and West Cumbria.

** There is continued Government support for the Local Government Association's New Commitment to Regeneration initiative which is seeking a more co-ordinated and flexible approach to regeneration in 22 pathfinder areas through the preparation of comprehensive regeneration strategies for their areas for publication in April 1999.*