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INTRODUCTION

Why another book on local government? The answer to this question is simple. Since 1997, local government has changed more than at any time since the 1880s. Although those who have lived through the reorganisation of local authority boundaries in 1963, 1972, 1987, and the 1990s might argue that these changes were more significant; since the 1997 general election local decision making, the power of elected councillors and role of local government have all changed. In the past, local authorities were 'creatures' of statute, unable to undertake any activity unless specifically enabled. Now, although they do not have a general power of competence, the duty of a local authority to promote the well-being of its area, together with accompanying powers, mark a key change. Local trading has now re-emerged, and the review of local government finance will encourage new ways of raising local taxation.

Yet, much of the press coverage and academic reflection of local government suggest that it remains under siege. Proposals for the reform of Children's Services are seen to be part of a major strategy for power and control of local government by the central government Department responsible. Concerns are said to be expressed by the Department for Transport that it was losing the local war for funding to children and social care and that this encouraged re-examination of central control for the ring fencing of transport funding. The continuation of central targetry does nothing for joined-up working at the local level or provide the basis for action to meet local needs.

In all of this, local government continues to consider itself to be the victim. If it steps out of line, even with new freedoms and flexibilities, it assumes that there are sanctions from central government departments. The Local Government Association calls this a 'grudgingly instrumentalist' approach (LGA 2003b). Although the 'centre' is seen to support local democracy for directly elected health or police committees (Blears 2003), local authority democracy does not seem to be as attractive as dedicated single-purpose boards in helping central government departments to achieve their local targets. David Mililband challenged local

authorities to come forward with their own brand of neighbourhood solutions in his double devolution formula (Miliband 2006a, 2006b).

How has local government coped with these changes since 1997? Has it been able to join up at the local level despite more 'silo-based targetry' from its central government partners (Perri 6 et al. 2002)? How can local government regenerate a sense of its own worth – a reconnection with civic pride and renewal which is most frequently associated with Joseph Chamberlain's Birmingham of the 1880s (Marsh 1994)? Local government does not have to fight for recognition elsewhere in the world where its role in government is enshrined in written constitutions and where local authorities do not have to seek specific legal permission to act. Does this make local government more effective and the centre weaker? If proposals to move central departments out of London were progressed as a result of the Lyons's *Independent Review* (Lyons 2004), would this coincide with downsizing their functions?

This book considers the structure and functions of local government after a major period of reform and offers a reassessment of its role. It provides a means of understanding how these reforms work with the existing services and in an increasingly connected way. Rather than seeing these reforms as instrumentalist, the book argues that local government is moving to an international norm for local governance within the state. Given the continuing pace of change, it offers an analytical framework within which future changes can be understood.

As with any change, there is always a distinction to be made between underlying trends and influences and those that attract daily media interest. At times, when a particularly strong news story breaks, it is hard to make any sense of the general direction of change. Local government is as prone to short-run stories as any other form of politics. These long- and short-term trends sometimes coincide and at other times collide. However, it is important to understand the role of both in change.

Why local government?

To find the answer to this question, many commentators have turned to the last reform of local government in the late 1880s. Why was it seen to be necessary then and have we lost our way now? For many, the legacy of Joseph Chamberlain in Birmingham, or other civic pioneers, seems to hold the key. In the 1920s and 1930s, Winifred Holtby's novel *South Riding* holds no rosy view of local government but still defines it as being the first line of defence against poverty (Holtby 1936). At the same time, Anderson was writing about corruption and dishonesty in local government in *Rotten Borough* (1937), a fictional account based on Grantham, the home of Mrs Thatcher and her father, who was an alderman of the council around the time this novel was written.

Birmingham provides one of the best examples of civic purpose and renewal for which people are now searching. Through the leadership of

Joseph Chamberlain, Birmingham was given a strong sense of civic direction. Chamberlain was elected as mayor between 1873 and 1876. His impact during this time was significant and was to have a long-lasting influence on local government:

> During this time Chamberlain successfully widened the scope of local government from which there would be no withdrawal for over a century. The Town Council would be an instrument of collective purpose. Quite simply he set himself the task of governing Birmingham in the interests of the whole community; he was a radical elected on a populist ticket. (Cherry 1994, p. 77)

Chamberlain's leadership resulted in many major areas of the city being re-developed, including Corporation Street, the Town Hall, and libraries. Some of these changes were in order to promote the increased health of the city but Chamberlain was also interested in the city's economy and the happiness of its people.

How far were the changes which occurred in Birmingham and other major cities representative of a contemporary picture? Did they reflect a debate about central and local power? Did they provide a means of supporting a more urbanised society that was a necessary part of economic growth and may now be difficult to fully comprehend? What is clear is that for the period between 1880 and 1900, local government in England was confident. It made huge strides in improvement works and built a large number of new town halls (Cunningham 1981), schools, and libraries. Local authorities took over inner city country houses and turned them into public parks. They built drains, lit streets, and ran public transport on a scale unseen before. Yet, they did not do everything. They did not build as many houses as were expected (Young and Garside 1983). Poor relief was still seen to be a service run on early nineteenth-century principles of shame which were not to be removed until the post-1945 era. Councillors, mayors, and town clerks (Headrick 1962) were seen to be important civic leaders. Local government was benevolent and paternal.

Local authorities are the place of first resort in any community when individuals need information or are confronted with problems such as flooding. There is a general assumption that their role is to support local communities. The period between 1945 and 1974 saw this community support role being primarily delivered through homes, schools, roads, and in the provision of other social infrastructure. The period after 1974 required a different approach. The economic crisis meant that there was little funding to continue investment. The same trends were working on local economies as industrial restructuring began in earnest in a phase that did not finish until the early 1990s. Local authorities were on the front line, but they required very different skills. The large departments of architects and engineers were no longer needed and new roles in regeneration and community capacity building were required. This transition period extended over time with some local authorities taking longer to adjust than others. There was an initial period of shock that formerly wealthy industrial cities such as Birmingham and

Manchester could suffer the same kind of decline as others with more traditional industries.

This change also meant an adjustment in style for central government. The large building programme in the post-war era had provided a direct link between local and central government through capital expenditure and funding programmes. The relationships were clear and rewards for delivery were high with more funding at the local level. Post-1974, the skills required at the local level were softer and required a much greater degree of coordination. The larger metropolitan authorities took a strategic approach to these issues, and the newly created district councils developed a new agenda which had a more practical, localised approach. Many larger councils adopted 'neighbourhoodisation' in the early 1980s to respond to the needs of their communities through management and delivery of services at the local level. For central government, the response eventually turned to another major initiative – the implementation of competition and encouragement of local authorities to be more efficient in their operations.

Central government was also going through changes with the creation of Next Steps Agencies and Non-departmental Public Bodies in an effort to respond to the impact of competition on its responsibilities. Major utilities were sold off. These pressures for change, deriving in part from the 1994 General Agreement on Tariffs and Trade (GATT) to open up public services to the private sector were similar to those for competition in local government.

When central government wanted to respond with action at the local level, both Mrs Thatcher's anti-local government views and the centre's dislike of 'fragmented' local government led to the generation of specific organisations to undertake local programmes – task forces, Urban Development Corporations, and quangos (Lawless 1989). By the mid-1990s, local authorities lacked confidence and many years of low investment. Concentration on urban regeneration activities had distracted some from the emergence of specific social and community issues. Standards of attainment in schools were not keeping pace with other parts of the world. Hospital care was also seen to be in a lower division than other European countries and investment in public transport had reduced to a minimal level. At local level funding for roads, maintenance was often redirected to deal with leaking school roofs. England had also become multicultural in this 20-year period in a way which was almost unnoticed. These issues created a major agenda to be dealt with in 1997, although at the time it was uncertain whether either local or central government appreciated the scale of this task.

The debate on central–local relations

The importance of the role of 'local' government has been examined frequently. Many theorists take a critical view of centralism and focus on local government as a counterweight or alternative to the growing power of central government. As Pickvance and Preteceille (1991b) state, local government can only be seen or

understood within the state as a whole. Restructuring local government cannot be undertaken without changing the nature of the total state. Devolution has the same effect. Much of the literature about local government that is used as the touchstone for understanding and analysis was generated during the anti-local government period 1979–1997. Even after 1997, the critical emphasis is on the domination of local government by external management styles, and competition is viewed as an assault on the public sector ethic. Post 1997 refocusing has attracted little attention. Local government is not dominated by a sense of privatisation. Rather, since 1997, local government has been dominated by an overwhelming focus on targets and performance which have been increasingly and more successfully focused towards citizen outcomes including improved health, increased educational qualifications, and better housing management. Indeed, to read that a focus on outcome is not as beneficial as a concentration on process (Kakabadse et al. 2003) can now read like a plea for professional or producer dominance over people-based outcomes.

The context of local government reform

The programme for the 'modernisation' of local government in England began in 1997 when the Labour government took power. The incoming government had a full change agenda for local government, which was based both on concerns and its potential as the direct deliverer of 80% of all public services. Under previous Conservative administrations, local government had been increasingly directed from central government with ever-larger proportions of their budgets 'passported' by central departments, directed towards the achievement of specific targets notably in social services and education. This inevitably produced a tight financial squeeze on other public services, such as roads, parks, planning, and environmental protection, which were frequently now bracketed together as the 'liveability' agenda. The public also increasingly expressed concerns that local authorities were not responsive to local people and that they had a culture that was not adequately focused on performance related to their needs.

The 1997 Labour government was concerned about democratic engagement with lower turnout rates in elections and particularly low involvement in the democratic process by young people. Additionally there were growing fears about the potential for council corruption which was confirmed through the 'Donnygate' case, where in Doncaster leading elected council members were convicted for accepting bribes and favours in return for planning consents. Finally from the councils' perspective, increasing efforts to privatise or outsource council services were seen as an anathema to the public service tradition.

In 1997, this wide reform agenda for English local government was pulled together as a programme to modernise local government and, as the local government minister commented in 2004, this has been a 10-year project of radical change, not incremental tinkering (Mulholland 2004). The incoming government

quickly published a series of white papers and other consultation reports, which were soon followed by the Local Government Act 1999 and the Local Government Act 2000. These acts, which covered different elements of the modernisation agenda, were directed to

1 ensure that councils' political decision-making processes are efficient, transparent, and accountable;
2 continuously improve the efficiency and quality of the services for which they are responsible;
3 actively involve and engage the community in local decisions;
4 have the powers they need to work with other bodies to ensure that resources are deployed effectively to improve the well-being of their areas.

The main themes of the post-1997 period, then, were set and emerged in a variety of ways through legislation, specific initiatives, and funding. Issues such as performance and competition were included in best value, and after 2004, through the efficiency agenda. Other elements of the modernisation agenda were included in the Local Government Act 2000 which primarily dealt with the implementation of new council constitutions; the duty to promote economic, social, and environmental well-being; and the preparation of a Community Strategy. Other major components included proposals to establish Local Strategic Partnerships (LSP) (DTLR 2001c), e-government (ODPM 2003g), and Local Public Service Agreements (LPSAs) (ODPM/LGA 2003), all of which have been implemented without legislative underpinning.

These modernising reforms have worked their way through local government. Further white papers on local government were published: 'Strong Local leadership – Quality Public Services' in December 2001 and 'Strong and Prosperous Communities' in October 2006. The first concentrated primarily on the delivery agenda – performance, leadership, finance, e-government, LPSAs, and working together with central government around the citizen. It also made some commitments to reduce the total plan requirements which central government makes of local government. It stated that local authorities produced some 66 plans at the government's behest. Some authorities had longer lists than this – perhaps double the number when strategies, statements, and other regular submissions of this kind were included. Almost none of these is joined up across issue, geography, or departments. There was a commitment to halve them. Further, those councils which were seen to perform well were promised further freedoms.

The latest round of local government reform builds on this earlier establishment of joined-up working with public agencies and proposes that there should a duty of public bodies to cooperate. Local authorities are seen to have a new role of place-shaping proposed by Lyons in 2006 and endorsed in the subsequent Local Government White Paper (2006) that involves bringing together all the public services in their areas. It also identifies the role of city regions in the future economic growth of the country and how these might

be set up using Multi-Area Agreements (MAAs). It also contains a more localised approach to a performance framework that joins up more with other public agencies at the local level. Finally it proposes parishing for the whole country including urban areas and the potential devolution of services to this level.

How do they do it elsewhere?

Elsewhere in the world, local government has more legal autonomy (Hewison 2001) and certainly feels less pressurised by central government. Many local authorities have more freedom to act and more ability to raise funding, from taxation or other means. Local government in Great Britain is still seen as part of the national machinery of government. Its elections are seen to be a judgement on the state of national politics. Yet, the local level is one of the main interests in post-1991 Europe. Osterland (1994) argues that as the local level is the one which most affects people, and is the most important in post-reunification Germany, 'the restructuring of local government in its various dimensions is an aspect of state restructuring in general' (Pickvance and Preteille 1991b, p. 3).

In Australia and New Zealand, the local governance system and powers were inherited from Great Britain, but more recently there has been a range of legislation to change these systems and now the reform of local government in England has been based on the New Zealand reforms introduced in 1989. As in the United Kingdom, local authorities had been enabled to act through specific legislative powers rather than to operate within a national constitutional frame-work. A discussion on the potential benefits which could be engendered through the provision of a general power of competence began in New Zealand in 1985, when the issue of local authorities being able to act in the interests of their citizens was raised (Hewison 2001). Since the reforms of local government in New Zealand, more concentration has been placed on the role of local government community leadership rather than on the role of local authorities as service providers.

In 1997, there were a number of different influences on the prime minister's approach to government and governance. These influences would have obvious implications for reforming local government not least given the fears of its potential to become the incoming government's Achilles' heel. The two main external sources were 'The Third Way' (Giddens 1998) and 'Reinventing Government', an approach developed by Vice President Al Gore in 1992 (Osborne and Gaebler 1992). These were important influences and remain so today albeit in new forms. 'Reinventing Government' has been superseded by 'The Price of Government' (Osborne and Hutchinson 2004) whereas Giddens's approach has been supplemented by Robert Putnam's notions of social capital (2000).

The notion of social capital

The continuing and rising concerns of politicians about voter apathy and low turnout rates have led to a greater consideration of the ways in which communities can be more actively engaged in participation in local affairs. Much of the post-1997 agenda for local government has been designed to encourage greater participation whether on new council constitutions, mayoral referenda, user feedback in best value, and more active neighbourhood engagement through decentralised working. In addition to the important link between voter turnout and political legitimation, there have also been concerns about the more general decline in community engagement that this might signal. Robert Putnam's notion that 'better together' (Putnam et al. 2003) is better than 'bowling alone' (2000) is based on research on the decline in participation of all kinds of voluntary and community bodies in the United States in the period since 1945. Putnam argues that social capital is being undermined by this gradual decline and that if allowed to continue then civic life and any attempt to encourage more participation within it will fall even further. This is seen by Putnam to be an important underpinning for social cohesion and community self-management.

As Putnam (2000, p. 19) states, the core notion of social capital is that social networks have value, which influence the productivity of individuals and groups. Without these networks, Putnam argues that individuals become more isolated and lose the experience and expectation that working for their communities represents a valued role. This also includes the development of mutual relationships, where rules of conduct can be developed which help in creating norms of reciprocity. Putnam also argues that these networks and participation in reciprocal relationships lead to the development of trust – a commodity which politicians in the United Kingdom perceive to be in short supply. Putnam demonstrates his thesis of social capital through a variety of case studies and also shows that this social capital can be used for malevolent purposes, particularly in societies where networks exert other forms of social control or behaviours which are harmful.

Although Putnam's thesis is generally accepted, that is, that community empowerment and engagement are generally encouraged by participation in networks, there is also evidence in the United Kingdom that participation rates are very high in all kinds of voluntary, community, and interest organisations. Carvel (2006) reports that an average Briton belongs to 17 organisations. These activities range from sports and social clubs, volunteering, and helping at a child's school. However, although these activities are seen to be contributing to social capital, they are not recognised by those who are engaged in them as participative in the political sense of the word. People in the United Kingdom also have more active networks of friends than other countries and are also more likely to participate in community activity. Putnam's notion has become influential and understood in the United Kingdom as a generalised principle although the evidence of participation does not seem to be similar to the U.S. trends.

The relationship between local performance and the economy

In the second term of the Labour government, 2001–2005, Putnam's notions of 'social capital' were more dominant, using social cohesion as one of the main means of improving the performance of the British economy. The influence of performance-based approaches, derived from Washington, have also been significant, with the view that central government has become too large and is now hampering the economic health of the state.

This approach has since developed further into a greater interest in the relationship between the scale of government and its performance. On the one hand, better performance management could be a necessary prerequisite to 'letting go' and downsizing. On the other hand, performance management may displace other more traditional central government tasks, such as policy making, but not lead to smaller government, just the same number of people undertaking different tasks. This debate on the relationship between performance and scale has been taken forward in *The Price of Government* (2004), where Osborne and Hutchinson argue that government activity should be more focused on key priorities and results rather than on maintaining *status quo*. In this way, energies can be focused on what is important and costs can be reduced. Their views are fuelled by the scale of the fiscal crisis in local and central government in the United States. This approach is generating a radical review of the size of government everywhere and it is useful to consider these principles to be contributing drivers to what is being translated as the movement to 'new localism' (see Chapter 10) and 'devolved decision making' in England (HMT 2004a, 2004b, 2006). Osborne and Hutchinson set out these principles as 10 operational activities to create efficient government, which are

1   Strategic reviews – divesting to invest by combing through programmes and identifying redundancy.
2   Consolidation – rather than concentrating on merging organisations, which take time and reduce delivery effectiveness through the confusion they cause, rather merge budgets and put them in the hands of 'steering' organisations which purchase from 'rowing' or provider organisations which may be from any sector.
3   Rightsizing – understanding that the right size is critical for the success of some activities, but this does not mean 'one size fits all'.
4   Buying services competitively – making public institutions compete with other sectors can save money.
5   Rewarding performance not good intentions – in this way those who improve their outcomes receive higher rewards.
6   Smarter customer service – putting customers in the driving seat introducing more choice and more appropriate means of delivery to suit the service and the customer.
7   Don't buy mistrust – eliminate it – win voluntary compliance rather than generate rules which people will attempt to evade or cheat.

8 Using flexibility to get accountability – encourage more freedoms and flexibilities for those who accept more performance-based structures.

9 Making administrative systems allies not enemies – organisations are prisoners of their internal systems and these have to be modernised and streamlined which can generate major savings.

10 Smarter work processes: tools from industry – organisations need to change the way in which they work using a variety of tools including Total Quality Management (TQM), Business Process Reengineering (BPR), and team Workouts or small problem-solving groups brought together for fixed periods. (Osborne and Hutchinson 2004, pp. 13–17)

All of these approaches have had an important underlying influence on the relative relationship between central and local states. The dominant thesis emerging is that the centre is too large and that without devolving responsibility to the local level, democratic engagement will be further reduced while the national economy will fail to grow at the levels required to be competitive (HMT 2004b). These are very significant changes and are unprecedented in the history of central–local relationships. They have influenced policy making for local government since 1997 and continue to do so.

Conclusions

The range and pace of change in local governance has been extensive since 1997 with further changes in the pipeline on funding, sub-local authority governance structures, joint procurement, and joint public service delivery boards being proposed across local geographies. The reform of local government since 1997 in the United Kingdom is significant and is understood as such by those in other countries, although in the United Kingdom it is often regarded as a series of piecemeal initiatives. These reforms combine into a significant and strategic framework for the future.