

Local Government Reform in the United Kingdom

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Introduction

Great Britain often has been characterized as a bastion of local democracy. The tradition of local government in Britain is actually a long one, and historically had been one of elected local councils that were able to exercise a great deal of control over policies in their own communities. These powers included the capacity to raise much of their own revenues to fund those services. These local councils have been relatively large bodies, allowing for the representation of a wide range of interests from the communities. There are slightly different formats for local government in England and Wales as contrasted to Scotland, with Northern Ireland having yet another form. The general pattern, however, has been to function with two tiers of elected governments, each level performing functions appropriate to the size of their geographical area. In addition to the functions provided through local governments, one of the most important local functions — education — is governed by quasi-independent local education authorities (see Riley, 1996).

The characterization of British local government as a bastion of democracy has perhaps been overstated for some time, but the reforms in local government imposed by the Conservative governments of Thatcher and Major from 1979 to 1997 eliminated many aspects of local democracy. At a minimum these changes reduced the capacity of local governments to manage its own policies beyond an extremely narrow range of possibilities. The most obvious example of the attacks of the Conservatives on strong local government was eliminating the Greater London Council and similar metropolitan governments in several other large cities across England (Loughlin, Gelfand and Young, 1985). The eliminations of these councils were far from the only changes, however, and most of the changes imposed, e. g. the substitution of the poll-tax for the rates — local property taxes — (Adonis, Butler and Travers, 1994), affected even the smallest and most rural local authorities.

In the process of implementing local government reforms, and other reforms in the public sector, the Conservative governments created one of the most centralized regimes among the industrialized democracies.⁽¹⁾ This growing centralization in Britain is evident in terms of capacity of local authorities to make autonomous decisions about what to do and how to do it. By the end of the 18 years of Conservative government almost all those decisions were made in Westminster rather than in the elected local government councils. The very fact that central government can impose these reforms is indicative of the underlying centralization of the regime in the United Kingdom. Unlike their counterparts in federal regimes subnational governments have no independent existence in the United Kingdom and central government can do almost anything it wants to with local authorities.

These centralizing reforms all have had a very strong managerialist element.

The tenets of the New Public Management have guided many of the reforms of central government in Britain (Hood, 1991; Pollitt, 1993) and many of the same concepts also were implemented in the reforms of local authorities. Some of the ideas implemented were very general ones about imposing restrictions on revenue as means of controlling spending and forcing greater efficiency. Other ideas are more specifically managerial, focussing on methods of enhancing competition, improving performance, and altering forms of accountability. The general thrust of these reforms has been to make government in Britain at all levels more businesslike, as well as attempting to work more closely with the clients of programs in their provision.

That having been said, however, there were also several decentralizing features in the Conservative policies. Perhaps most importantly local schools were given the opportunity to opt out of government control and to become grant-maintained schools. These schools would be governed by school-level committees of parents and other elected governors (Ranson, 1995). That policy change, however, actually further limited the powers of local, elected governments even though it certainly did decentralize control over education. This one decentralization in education was, however, further countered by centralizing policies in the same policy area. These included such policies as the imposition of a standardized national curriculum that all local school authorities were required to implement, as well as the increasing intervention of the schools inspectorate in local educational affairs.

Another decentralizing reform was the creation of combined funding for urban policy initiatives. These Single Regeneration Budgets were adopted toward the end of the Conservative's time in office, and were seen as a means of combining the funding from a number of central government departments as a means of coordinating attacks on inner-city problems (Stewart, 1996). This reform, while remaining dependent upon central government money, did provide local governments greater capacity to make their own policy decisions without having to consult each central government department about its portion of the funding, and therefore did provide somewhat greater autonomy.

The Labour government elected in 1997 was expected by many people in local government, and many Labour voters, to be the saviour of local democracy. This government has already proposed a number of institutional changes that would return substantial autonomy to local governments, perhaps most importantly creating elected mayors in large cities such as London. The proposals for referenda on elected assemblies for Scotland and Wales is another example of a policy designed to enhance democracy outside Westminster. At the same time, however, there are some tendencies in the Labour government's proposals that would continue to restrict local independence in making policy. These limitations on local autonomy are primarily in specific policy areas such as education, where the concerns of the Labour government over the apparent failure of many schools is leading them to exert perhaps even tighter controls than under the Tories. These controls would include the possibility of closing schools that appear incapable of providing adequate education for its students. Further, there are as yet no apparent plans on the part of the Labour Government to reduce the extreme level of central control over local government

finance.

Why Limit Local Autonomy?

The Conservative governments had several motives when they implemented their programmes for reforming local government, with their attempts to control local governments and control policy throughout the country. The most obvious reason was the political rationale — local authorities, and especially those of large cities — tended to be strongholds of the Labour Party. The Conservatives thought that by reducing the power of those governments Labour could be robbed of the legitimacy of controlling governments, as well as of a training ground for its political leadership. Some of the discussion of local government reform was explicitly around the issue of depoliticizing provision so that Labour could not claim credit for the services provided. This strategy, along with others such as selling-off council houses to sitting tenants and thereby creating a “property-owning democracy”, were all intended to change the landscape of British politics for the foreseeable future, if not forever, in favour of the Conservative Party.

The other reason for imposing these changes in local government was to change the nature of the policies made by those local governments. At the macro-level the Conservatives were concerned about the amount of money being spent by local authorities. The Thatcher government had a very strong commitment to reducing the total amount of money spent in the public sector; they had achieved substantial control over central government expenditures⁽²⁾ and wanted to do the same for the approximately 25 percent of total spending that was channelled through local authorities. This widespread control over public expenditure enabled the British government to reduce its previously sizeable public sector deficit to virtually zero.

At a lower and more operational level the Conservatives wanted to make public programs more efficient and to eliminate the waste they believed existed in many local programs. One of the complaints that the Tories had about the conduct of local governments was that their budgets were used to provide employment well beyond the needed numbers. These jobs not only contributed to inefficiency and excessive costs, but also provided a means of creating a political clientele among the employees. The Conservatives also believed that many local government employees — social workers, teachers, and similar “helping professions” — were a major part of the problem, rather than a solution for the problems, of the British economy and society. In particular, they wanted to be certain that the evaluation of the services was separated from the providers so that a more objective judgment could be rendered.

On the other side of the fiscal equation, the Conservatives also sought to control local government revenue sources. The Thatcher government wanted to spread the burden of taxation among the entire population so that it would not be too easy for local councils to load too much of the tax burden onto the individual and business rates (property taxes), or on the central government grant. More significantly, Mrs. Thatcher in particular appeared to believe that everybody in the society should

share in paying for public services. Therefore, the concept of the community charge or "poll tax" had a great deal of appeal for her and her loyal supporters.⁽³⁾ She obviously did not understand the political furor that this legislation would create among the population, nor that it would contribute directly to her losing the leadership of the Conservative party.

The Reforms

We have argued that the Conservative governments of Thatcher and Major had both partisan and more objective, policy reasons for attempting to reform local government. This combination of reasons produced a large number of reforms, and those reforms in some cases imposed sweeping changes on subnational government in Britain. These reforms also mirrored similar changes being imposed on central government by the Conservatives, so that these changes should not be seen just as a vendetta against Labour dominated local authorities but as part of a more systematic effort to change British government. Given the number of reform efforts and the various targets of those reforms I will discuss them in three basic categories: Structural, financial, and managerial. As is true for any attempt to create a taxonomy of this type there is some overlap among the categories but the classification is still a means of approaching what has been occurring in local government and for understanding the implications of those changes for the citizens who live in, and are governed by, those local authorities.

Structural

One way for the central government in Britain to gain greater control over local authorities is to manipulate their structures and thereby to alter the pattern of influence of various groups in society. We have already pointed out one of the major reforms of local authorities in Britain — the elimination of the Greater London Council and a number of other metropolitan area governments. These were the most dramatic changes, but by no means the only structural changes implemented by the Conservative governments.

1. Dismantling London. One of the important symbols of the triumph of the Conservatives was the empty County Hall standing just across the Thames from the Houses of Parliaments. This had been the home of the Greater London Council (GLC) but when that government was abolished in the early 1980s the building was emptied of its former workers and the search began for a new occupant, with the London School of Economics and a luxury hotel owned by Japanese investors being several of the numerous options mentioned. The same fate befell other major urban agglomerations such as that in Yorkshire where this additional tier of metropolitan government was used to coordinate the activities of a number of almost contiguous cities. The result was a reversion to government through more numerous local authorities, and the creation of more special authorities.

There were several rationales for these changes in local government structure.

One goal was increasing efficiency by removing another tier of government that cost a great deal of government and was argued to provide no services that could not be supplied by the constituent governments (the London Boroughs) or by special purpose governments in areas such as transportation (see below). Further, because these governments had few distinctive services to provide (at least in the eyes of the Conservatives) they tended to search for new policy areas and to expand the role of the public sector. The GLC in particular was a target for the Conservatives, given the power of various left-wing elements of the Labour Party in its government.

2. The New Magistracy.⁽⁴⁾ Another important structural change has been the creation of a number of organizations specialized in the delivery of services but not directly responsible to the electorate, and only indirectly to elected officials (Painter, Isaac-Henry and Rouse, 1997; Stewart, 1993). These organizations are to some extent an analogous development to the creation of the "Next Steps" agencies at the central government level (Greer, 1994), as well as the creation of numerous new quasi-governmental organizations, or quangos. Rather than being tied directly to elected officials in the city or town council these organizations were organized with boards or other corporate control structures of their own. This structure is meant to at once reduce the level of political control from local (often Labour) councils and to enable these quasi-governmental organizations to operate in a more business-like manner.

This form of organization has become a major mechanism for delivering local government services. Local government "quangos" — the more formal term is now "local public spending bodies" — are being made responsible for a wide variety of local public services, including social services, housing, transportation, education and training and almost anything else that local governments traditionally have done in Britain. We began this essay discussing the problem of local democracy in Britain and it is clear that this form of organization presents real difficulties for democracy — large portions of the public budget are being administered by appointive bodies with little or no direct control from the elected components of the public sector (Painter and Isaac-Henry, 1997).

As noted, this form of structural change is analogous to other changes being imposed in British government, and in governments around the world. The fundamental idea is to separate the roles of "purchasers" and "providers" in the provision of public service. This is sometimes done artificially within a single organization, as it has been with split between health authorities and hospitals within the National Health Service in Britain (Robinson and LeGrand, 1994). In other cases the separation is achieved through empowering some organizations to purchase services for their clients from other organizations, within or without the public sector.

No matter what type of organization is involved the logic of this arrangement is the same. Government is attempting to create a market where none has existed before. In this case the logic of a competitive market is expected to improve services and reduce costs. Further, the evaluation of services is expected to be separated from the provision, thereby increasing the level of accountability of the service providers,

both to clients and to the funding organizations. In the past, especially for professional services the service providers also were the evaluators. The separation of these two activities is now intended to require a more comprehensive and objective assessment of the quality as well as the cost of the services.

What is perhaps most interesting about the creation of these bodies and their expansion is that the Thatcher government came into office dedicated to eliminate these bodies at the central government level (Hood, 1983). The argument about eliminating quangos was that they limited democratic, i. e. Conservative, control over public expenditure and policy. Given the domination of Labour in many local authorities, the creation of quangos was done for the flip-side of the same basic reason — it eliminated partisan control over policy.

3. Local Government Review. The final structural reform of the Conservative era comes as a result of the Local Government Review. This five year fundamental review of the nature and role of local government had as a general outcome the movement away from a two-tier system of local government toward unitary local authorities, especially for larger metropolitan areas. There were some other general principles within the review but the general plan was to move from the two-tier system of local government to single tiers, largely for efficiency reasons.

The entire format for local government in the United Kingdom was under reassessment by the Local Government Review for almost five years (1991–1996). This process was in essence initiated by formed by Michael Haseltine as a part of his drive for the leadership of the Conservative Party. Once it began to be implemented the review fractured along a number of separate dimensions. Perhaps most importantly there were separate reviews for England, Wales and Scotland. Further, especially within England, the consideration of finance and the consideration of structural features of local government were separated. Even within the structural considerations the issue of local democracy (elected mayors, see below) was separated from more fundamental questions of local government structure.

Unlike most other reforms of local government under the Conservative government this reorganizational effort lacked a clear ideological element. Also, unlike other reforms the Review involved a good deal of consultation, even before launching of the framework legislation for the review. This is in contrast to what had been the usual pattern for local government legislation of simply imposing changes from the centre. (Leach and Stoker, 1997). Further, the appointment of three Secretaries of State for the Environment with differing levels of commitment to local government reorganization during the course of the review meant that even the vague principles that guided the initial interest in change were lost in the process of going from consultative documents through to the final reorganization plans for local authorities (Leach, 1996). This was and is one of the strangest efforts at changing local government in recent history.

Financial

Financial reforms constituted a major portion of the activity in changing local

governments during the Thatcher and Major years. The principal reason for these reform was to prevent local governments from spending "too much" money, with that evaluative term of "too much" being determined through the values of the Conservatives. Local authorities did spend, and continue to spend, a great deal of money. In 1979 local authorities spent one-fourth of total public expenditure in Britain, and this proportion increased slightly during the years of Conservative rule. Much of this apparently local spending is in pursuance of central government programs and continues to be funded by central government grants, but still the money was passed through local governments and they therefore can have some modicum of impact on how it is spent.

Further, this grant revenue from the center is supplemented by funds raised by local governments themselves. Indeed, one of the principal changes in local government was to shift the source of local finance from own source revenues — primarily the rates — to central government sources. In 1979, when the Conservative came to office, over three fourths of local government current revenue in England and Wales came from own-source revenues; when they left office that figure had been reduced to less than fifty percent. Further, within their own source revenues local governments had shifted somewhat to fees and charges for services rather than taxes. Both of these changes tended to associate revenue with particular expenditure objectives and therefore reduced the fiscal autonomy of local governments.

The previous Labour government had stabilized the growth of local government expenditure, but after 1979 the Conservative government set about controlling, and then reducing, the level of local government expenditure in several ways. Their first step (1981–82) was to introduce the "block grant" which enabled central government to reduce support for local authorities that spent over centrally-determined "benchmark" figure for each service. This action was followed by a series of targets and penalties that could be used to penalize high-spending local councils. The revenue-support grant is the principal leverage that central government has over local authorities and the more than proportional reduction of grant when councils overspent was a very powerful weapon over those local authorities. Later, the passage of supplementary rates — increasing rates more than once in a single year — was also forbidden by central government. Finally, the government moved to even more direct controls through rate-capping, or limiting the amount of money that local governments could raise by their efforts, even if those local authorities wanted to raise that money. Again, there were very punitive reductions in the central government grant for any local authority that might choose to tax beyond those limits.

As noted above, the other way in which the Conservatives became involved was the substitution of the "community charge" for rates for supporting local government. Rates are property taxes. These taxes have been levied on businesses and homeowners, but at different rates. In general rates on business property were higher than those on private residences, although the differences in local politics made the differential between the rates substantially different in different communities. Likewise, local rates varied in total with higher spending, generally Labour councils, tending to be found in the cities and lower spending councils in more rural

and suburban areas of the country. As a first move in the change of local government finance the government imposed a common non-residential rate so that businesses would be taxed at the same rate no matter where they were in the country (Stoker, 1991).

The community charge, on the other hand, was a per capita charge levied on every adult resident of a community. Within each local authority the same amount was charged regardless of the economic circumstances of the individual, meaning that the net impact of the tax was highly regressive. The community charge was also extremely unpopular, both with citizens and with local authorities. It was unpopular with local authorities in particular because it worked to make the costs of local expenditures more visible to citizens, and therefore to contribute to the Conservative agenda of reducing local expenditures. Further, despite the efficiency emphasis of the central government the community charge proved to be more expensive to administer than the rates had been.

As well as fitting with the Conservative's political agenda these financial reforms also assisted in encouraging greater efficiency in local government. If the authorities can only spend so much money, and that amount is restricted to particular purposes, then a government is forced into thinking about greater efficiency. Further, by funding so much of local government through what are essentially earmarked grant funds, central government can put fiscal pressure on areas in which they believe there is the greatest opportunity for savings. On the other hand, these expenditure controls may have the paradoxical effect of reducing total efficiency. If funds can not be moved from areas of increased performance to areas of lesser performance then there may be a tendency to continue to spend in policy areas in which greater efficiency could actually be achieved.

Management

Much of the emphasis of reform in British local government has been on improving the management of government services and thereby increasing their efficiency. The New Public Management has a series of basic ideas, largely derived from private sector management, that are used to justify and guide the implementation of reforms. Some of these principles are similar to the ideas of reinventing government. e. g. "steer don't row". Others are tied more directly to means of encouraging greater efficiency, and eliminating the monopoly that governments had tended to have over the provision of certain services. Finally, some of the managerialist ideas for reform have the effect of enhancing the accountability of local government officials for their actions and the use of public money.

1. Benchmarking. One important managerialist techniques used by local governments has been "benchmarking", meaning the establishment of performance indicators for local government services. Although begun more informally in a number of policy areas earlier, the use of performance indicators for all local governments was mandated in the Local Government Act of 1992. The idea of this programme was to establish standards against which to compare the performance of real

organizations in the public sector. The use of benchmarks is one way of institutionalizing ideas of "best practice" in the public sector, and of attempting to create some uniform, and high, levels of quality.

These benchmarks for services have been developed in a number of ways. One was to compare the performance of public sector organizations with those in the private sector that performed similar functions. This was relatively easy to do for some routine functions, e.g. janitorial services or accountancy. Another way was to look at best practice in other public sector organizations performing the same functions, including those in other countries. Finally, when comparative standards were difficult to obtain, standards would be set by a more abstract analysis of the capacity of organizations to perform the service in question.

2. Compulsory Competitive Tendering. Perhaps the most important, and controversial, of the managerialist reforms at the local government level was the use of "compulsory competitive tendering". This programme was imposed by the central government in the Local Government Act of 1980 and extended to all local governments. It required local governments to put a number of activities out for competitive bidding. This bidding program began with a narrow range of routine, manual activities and was later extended (by the Local Government Act of 1988) to cover almost all government activities, including white collar services (Walsh, 1995). Under this legislation government organizations could bid to provide the services but organizations in the private sector also could bid in an open and competitive process.

The intention of compulsive competitive tendering was obviously to eliminate the monopoly that governments have had over the provision of a number of services, and to use competition to enhance the quality and lower the cost of services. This exercise was then the analog of privatization at the central government level; local authorities did not have many assets to sell off but they did provide a number of services that could, at least in principle, be provided by private sector firms, or not-for-profit organizations. In some instances the bidding arrangements were rigged against the local authority organizations, given that they could not compete outside government, while private contractors could compete both in and outside the public sector.⁽⁵⁾

The net effect of compulsory competitive tendering may well have been the reduction of total costs of providing local government services. Local government organizations have been successful in a number of instances, and indeed have been more successful than most critics of local authorities assumed was possible when the programme was launched. This outcome obviously meant that these government organizations were able to become at least as efficient as the outsider organizations. Local governments organizations may have had some advantages in competing for contracts, given their long-term understanding of the demands of the tasks and their connections with the authorities that established the specifications of the contracts.

There are also paradoxical outcomes in this area of reform. By making the income of many service providers in government less certain, the capacity of these

organizations to provide high quality services is reduced. Thus, a programme designed to produce better services ultimately may produce lower quality service. This is especially true in areas of professional services, local engineering, for example, where there are many opportunities for well-trained staff and where a stable salary is an expectation. Further, local governments sometimes provide highly specialized services for which some experience is necessary, not a quality likely to be obtained from contract-dependent firms who go from one topic to another depending upon availability of funding.

3. From Provider to Enabler. The general pattern of managerial reform, following on from compulsory competitive tendering, has been to shift the role of local government from one of a direct provider of services to one of an “enabler” for other organizations (Stoker, 1996). That is, the general pattern for local government has been one of ceasing to provide services directly in favour of providing the financial wherewithal and the legal framework for private organizations or quasi-governmental organizations to provide those services. This change in the role of local government has been brought about because of the same combination of reasons that has produced the other changes in local government already mentioned. One reason is that it costs less, or often is simply assumed to cost less, for non-governmental organizations to deliver the services.

A second reason for the change is that the services that are provided by non-governmental organizations often can be superior because of the capacity of non-governmental organizations to leverage resources (committed volunteers for example) that might not be available to government. In addition, the services may be superior because of the capacity of non-governmental organizations to avoid some of the internal organizational constraints (personnel policies, unions) that may restrict the performance of local government direct services. Finally, the loss of the direct service delivery contact between citizens and their local authorities tended to reduce the political power of those local authorities.

Another purpose of the shift away from so much direct service provision in local government is to break the power of local government unions (Davis, 1996). There are still a very powerful unions composed largely of local government employees, but the overall changes in the operations of local government, and in the style of personnel management within the public sector more generally, (Keen and Vickerstaff, 1997) has shifted thinking about personnel from collectivist to more individualistic patterns. The pattern now is to think about hiring individuals, often for short periods of time, rather than to think about hiring a large workforce. This was an important political goal for the Conservatives and was also seen by them as essential to improving the quality of the services provided.

4. Quality. All of the above changes in management contribute to the more general administrative goal of improving the quality of public services offered by local government (Walsh, 1991). One of the favorite pieces of advice from the managerialist movement in the public sector is “to serve the customer”. Quality is an

elusive concept, especially for services and even more especially for services in the public sector (see Pollitt and Bouckaert, 1995). Assessing quality tends to require both objective — time between contacting an agency and receiving a service, for example — and subjective — perceived quality by clients — measurements. Even with the multiple measures, it may be difficult to distinguish quality especially when the service in question requires a public employee to exercise discretion and perhaps to make a decision that disadvantages a client or a regulated firm. Especially in a field such as regulation the highest quality operations may actually produce the fewest satisfied customers. Indeed, perhaps the most difficult aspect of the entire exercise of promoting quality in the public sector is simply defining who the customer really is.⁽⁶⁾

Many of the reforms of local government in Britain have some directed connection with enhancing the quality of the services provided to citizens. One is the effort to enhance the choices available to citizens in a number of policy areas such as education. This is based on the market orientation of most Conservative thinking, in which competition will (everything else being equal) enhance the quality of services being offered. In addition, the various benchmarking exercises and the use of performance contracts for local government services are all directed at the general end of making government “work better and cost less”.⁽⁷⁾

There are important paradoxes that arise in these attempts to provide higher quality local government services to citizens. One paradox revolves around the issue of choice in public policy. One way of generating higher perceived (if not real) quality is to allow for greater choice by the “customers” of government. This strategy has been tried in a number of policy areas in British local government, but does not appear to have achieved the successes expected (LeGrand, 1991; Ransom and Thomas, 1989). In some instances the exercise of consumer choice can reduce the quality of the services provided, given that consumers may not really be well informed about what they need or the options available to them (Barnes and Wistow, 1995). In these cases professional or bureaucratic guidance, rather than consumerism, is likely to produce the best outcomes for citizens. Unfortunately, this runs counter to the ideology of managerialism in place in British government so is not likely to be implemented.

Another paradox arising with respect to enhanced citizen choice for local government services is that in some important ways the central imposition of local government reforms has denied democratic choice to citizens through their local authorities. The public can no longer choose how to implement their local government programmes — the requirements of compulsory competitive tendering rather than political choice determine what organization will be responsible for implementation (Shaw and Fenwick, 1995). While it might be argued that many voters had little or no direct influence over those decisions before the introduction of competitive tendering, the centralizing effects of the policy are difficult to deny.

5. Accountability. Finally, managerial reforms in Britain have been directed toward enhancing the accountability of local authorities. This movement is to a

great degree related to the promulgation of service standards and benchmarking already mentioned as components of the managerialist agenda. Also, this programme is yet another local government analog of a central government programme. The Citizen's Charter at the central government level was an attempt on the part of the Major government to make central government organizations more accountable for their programmed. Many local authorities promulgated their own service standards, and their own charters; the City of York had a charter that pre-dated John Major's central government charter by several years (Prior, 1995). Even the local authorities without charters began to think seriously about the ways in which local government could be held more directly accountable for their actions in providing services, and ways in which they could improve those services.

Some of the increased accountability of public organizations has been imposed externally, for example through the increased responsibilities of the National Audit Office as well as increased activity on the part of the various inspectorates within central government. The Conservatives utilized these organizations to monitor and report on the performance of local governments, as well as on the performance of their own ministries and agencies. Another of the major tenets of the New Public Management is that the activities, and the costs, of government should be more transparent and the public reporting of these auditing organizations helped to enhance that transparency. It may be only the "attentive public" that is paying any notice to this reportage, but the information would be available to anyone who is willing to seek it out.

Paradoxes arise in this aspect of the managerialist reforms as well as in the others already discussed. For example, somewhat paradoxically, many of the managerialist reforms that have been implemented in local government for other reasons actually make holding local governments accountable for their actions more difficult. The emphasis on service delivery through non-governmental organizations and not-for-profit entities makes holding local government responsible for the outcomes of their own policy process difficult if not impossible. Although these non-governmental organizations may be operating under contracts with the local authority the mechanisms for enforcing the contract will be more attenuated than the use of direct authority within a public organization itself.

In addition, although the managerialist emphasis on quality and performance standards appears to enhance the accountability of the public sector, there also appear to be some contradictory effects. In particular, by focussing attention on the (presumably) clear standards of quality the process of accountability has tended to become mechanical and automatic. As a result it does not necessarily reflect the manner in which public services are actually delivered, or particularly the manner in which they could be delivered. Oddly enough, by establishing minimum standards for performance in a policy area, whether through contracts or through benchmarking, British governments have tended to define the *actual* level of services to be delivered. In this instance attempts to define accountability clearly may produce suboptimal performance. Further, given that public managers know that they currently will be held accountable for any standards established, they will tend to

negotiate for minimal standards. That practice again may produce performance that is less desirable than what might be possible if accountability were managed through more traditional means.

Summary and Conclusions

In summary the reform of local government in the United Kingdom must be read first and foremost as a political exercise. There are a number of managerialist concepts that have been inculcated into local governments as a result of these reforms, and those reforms did generate some increases in programme efficiency. Even those managerialist ideas can, however, be interpreted through an ideological and political lens. Management was used as a means of gaining greater political control for central government, as well as of increasing the efficiency and accountability of those governments. Indeed, the assumption that making costs and benefits of local government more transparent would limit the capacity of local governments to spend was based as much on an ideological premise as on any empirical evidence.

Given the managerial premises under which the reformers initiated these changes in British government the reforms must be counted as overwhelming successes in almost all cases. There have been real efficiency gains in local government and, perhaps more importantly, the culture of local government (and British government as a whole) has been transformed to express a more efficient and businesslike approach to running local public affairs. Further, the public is now more aware of the manner in which public services can be delivered any appear to be less willing to accept sub-standard services than they were in the past.

From the political perspective the reforms may not have been such a great success. The landscape of British government in partisan terms has not been changed for all time, as the sweeping Labour victory in 1997 indicated very clearly. But what may have changed for the foreseeable future at least is the pattern of thinking about government in Britain. The "New Labour" government elected in 1997 is in some ways not very dissimilar from the Conservatives in their orientation toward the public sector and in their emphasis on increased efficiency and accountability in government. Again, local government reform in the past two decades has been as much a process of changing cultures as it has been of changing formal structures or changing the procedures by which services are delivered. That culture change has extended throughout government but it also has permeated the behavior of political parties and the voters as well. That basic transformation of the way in which people think and act politically may be the Conservatives' ultimate triumph in local government reform.

Notes

- (1) This movement toward centralization is in marked contrast to other European governments which have been moving to decentralize. This is true even for regimes such as France and Spain that themselves historically have been extremely centralized.
- (2) Despite the rhetoric the Thatcher government did not really reduce central government expenditure substantially; the continued expansion of entitlement expenditures

- tended to counteract reductions in discretionary expenditures.
- (3) The correct name of the tax was the community charge, but it was referred to almost universally as the poll tax. It was an equal per capita levy on all residents of a local authority, unrelated to any measure of the ability to pay.
 - (4) The term "magistracy" refers to the traditional role of unelected magistrates in a variety of local government activities.
 - (5) This means that the private sector firms can, on average, afford to maintain a more permanent staff given that they have the opportunity for a larger volume of work.
 - (6) For example, in a prison, who is the customer? Or in the case of the regulated industry above who is the customer? Both prisoners and the regulated have the right to fair and just treatment, but the ultimate client is the amorphous society at large.
 - (7) This quote is actually American, from Vice President Al Gore's Reinvention Program, but it does capture the purposes of the local government reforms in Britain.

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