

THE NEW CORRUPTION

By

Charles Goodson-Wickes

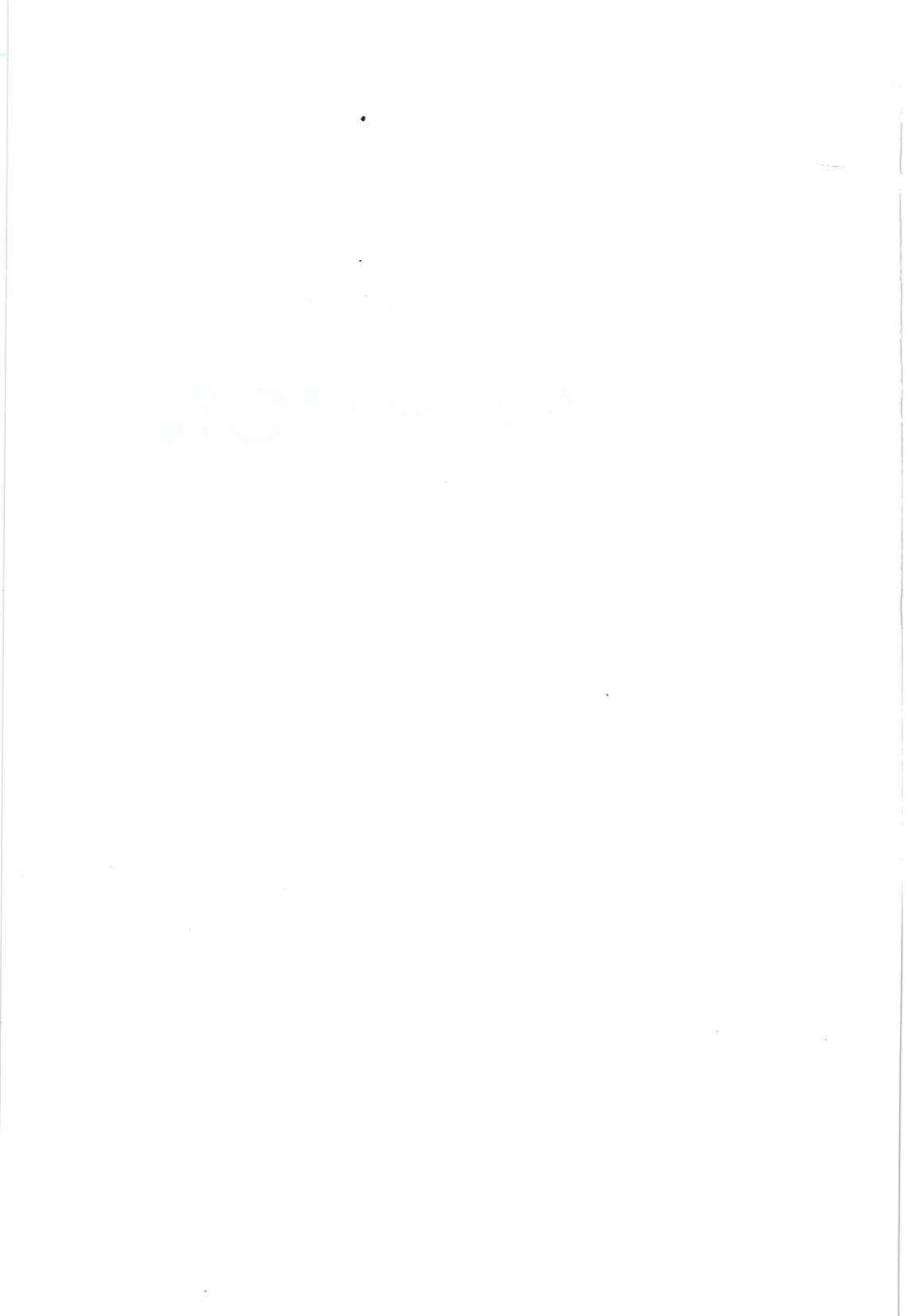
CENTRE FOR POLICY STUDIES

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**By
Dr. Charles Goodson-Wickes**

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Biography

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

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C.G.-W.

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CHAPTER ONE

Introduction

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

The recent debate on the very important issues of abolition of the GLC and the Metropolitan Counties, and rate capping, has diverted attention away from a more fundamental debate about the integrity of local government. Indeed, until one has exposed and satisfactorily resolved the problems identified in this paper the answers to many of the other questions hanging over the structure, funding and future development of local government may continue to elude us.

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

They cover:

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

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

The traditional defence to criticism of a councillor's activities is: "But I am doing nothing illegal". This is more a comment on the inadequacy of the legislation and his own moral outlook, than on the desirability of the activity

in question. It is quite clear that these inadequacies will continue to be exposed and exploited by those already active in this field. Indeed, a whole new subculture is showing signs of emerging, quite out of tune with the majority of opinion in any of the major parties, and running contrary to the tradition of those committed to voluntary service to the community.

The report examines these issues against a background of specific examples of abuse which represent but the tip of the iceberg. It does not pretend to be a comprehensive document, but its samples have been drawn from extensive research material. Much of it is critical of what is seen as distortions in the functions of local government. However, constructive proposals are brought forward which should lead to debate and the emergence of a healthier system, better able to command the confidence of the public. Local government will then be seen to be doing what it was set up to do, namely to provide a range of public services responsibly and efficiently.

Manipulation of Standing Orders

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

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

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

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

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

For example in Lambeth in February 1984, the traditional date of the Mayor-making was altered by bringing forward by three months the date of the annual meeting, with the effect of removing a Tory Mayor from office.

In Brent, Standing Orders were changed in such a way that the opposition was prevented from submitting any motions for debates on Council Committee Reports. At one Council Meeting, in October 1983, nine motions for debate were referred back to the relevant committee, at which opposition councillors were restricted to asking only four questions to the Chairman. A substantial part of a Council meeting in Lewisham was taken up by an address by a striking Kent miner; the rest of the 32-page agenda, which

directly concerned the people of Lewisham, was dealt with in 15 minutes.

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

Stifling of opposition is not confined what is frequently described in the Press as the Socialist Republic of South Yorkshire, and Rates night in Lambeth on 21st March 1984 was guillotined even before the chief opposition spokesman on finance had the opportunity to speak.

The worst instance of this kind of abuse also occurred at Brent, at a meeting where change of control was due to take place. This was the culmination of a long-running farce, during which council meetings had been moved by the Labour Group to school halls around the borough, ostensibly to bring democracy to the people. Before the meeting itself the Labour Leader issued an official Council Press release anticipating "A massive demonstration". The meeting was disrupted by those who did not want control to change and the meeting had to be adjourned by the Labour Mayor, who chose not to restore order by bringing in the Police who were at hand. The Labour Party thereby retained control against Conservative and Alliance opposition for a few extra days. According to "The Standard" [08.12.83]: "One of the principal leaders of the disruption was the Secretary of Brent East Labour Party."

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

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

"It has become perfectly obvious that you are determined to pass any information you obtain straight on to your Party and to the Press. You are simply using it to fuel the campaign of mis-information and distortion which you and your Party are currently fomenting. You are prepared to totally abrogate your responsibilities as a councillor and pass on material to others regardless of how they twist it or whether it bears any relation to the truth by the time they have finished with it."

Information about local government expenditure is the Councillor's raw material; without it he simply cannot do his job. For such information to be withheld because it might lead to criticism – unjustified in the eyes of the

Leader – is crude censorship for which there can be no excuse.

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

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

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

The Women’s Committee of the GLC is a good example. In an article in “New Society” [13.9.84], Anne Sofer wrote:

“At practically every meeting (of the Women’s Committee) I have attended, the co-opted members are the largest voting bloc.”

In the light of these deeply disturbing trends, it is important to realise that Standing Orders are entirely the responsibility of each local authority. Not only can they be changed relatively easily but they have an ominous tendency to be changed to make life easier for the majority party and more difficult for everyone else.

Indeed, in a letter dated July 25th 1984 to all Labour Groups and entitled “Local Government – Strategy for non-compliance”, the General Secretary of the Labour Party urged councillors “to examine closely the Council’s Standing Orders and to make any necessary changes as quickly as possible.” This exhortation can be seen in the context of new battles for power in local government. A member of Newham Council writing in London Labour Briefing (2/82) sees local government as “. . . a weapon in the class struggle.” The Labour Co-ordinating Committee pamphlet “Can Local Government Survive?” endorses this philosophy in almost identical terms.

But the rights which are at stake are fundamental to democracy. They should be safeguarded by a robust framework, within which legitimate debate can take place; not prejudiced and undermined by opportunist changes at the behest of controlling groups. Legislation may be appropriate to prevent these abuses by making mandatory a number of key standing orders for all authorities.

CHAPTER THREE

Politicisation of Officers

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

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

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

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

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

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

Nor, it should be added, have such developments helped to foster a climate of mutual respect between councillors and officers. The emergence of a new breed of councillor has resulted in the impartial advice of dedicated officials, where it is inconvenient, being construed as unaccountable

obstruction, to be overcome by their gradual replacement by "sympathetic" officials, more likely to rubber-stamp what is taking place. A senior officer of Islington council recently found it necessary to criticise the Labour group for council expenditure on purely political matters. His action was applauded by the Press, but can hardly have been welcome to his listeners. Perhaps it is not surprising that we see an authority such as Sheffield posing the question in an advertisement: "Could you work in a highly charged political environment?". Haringey advertised in 1983 for the post of a Co-operative Development Officer with the requirement that any applicants should: "demonstrate a commitment to co-operative principles". Officers may further feel threatened by the increasing practice of appointing so-called political and legal advisors and research assistants, which has recently caused outrage in Bristol.

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

If the distinction which has served the country so well is to be preserved, the threat to the independence of senior officers must be removed. If the distinction is not to be kept, it should be done openly after an informed debate. Anne Sofer of the GLC fears that the trend is "moving fast towards the American system, where the party that wins the election decides not only on policy and budget matters, but on who gets all the top bureaucratic jobs as well". Well-qualified candidates for senior posts may already be deterred from applying because they know they could not demonstrate the political commitment which would be expected at the interview.

Cross-Employment

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

It would be wrong to debar from an elected role in local government all those who are employed in this major sector in the economy, numbering about one and a half million people full time and eight hundred thousand part time. Such a sweeping action would deprive local government and ratepayers of a potential source of able councillors.

If this point is conceded, three important qualifications necessarily follow.

- Firstly, if the preponderance of councillors in a particular authority themselves work in local government (or for Trade Unions whose membership is drawn from local government), this should not lead to decisions passed in favour of that public sector background, to the disadvantage of ratepayers generally.
- Secondly, the practice of the ratepayer paying for the full time services of a local government employee who does little or no work in that authority but is a full time councillor next door, should be challenged.
- Thirdly, there should be careful scrutiny of the impartiality and neutrality of the advice given by a local government employee acting in that capacity, when he is well known to be politically committed in his alternative capacity as a local councillor.

For example, if the Chairman of a Housing committee works in the housing department of the neighbouring local authority, is the advice that he gives his own Chairman likely to be dispassionate, or will it be influenced by his own perception of housing issues? More complex difficulties arose where a Camden councillor was not only General Manager of a Housing Association, but also the Camden representative on a Housing Co-operative which benefited from the same council's decision to waive rates on short-life property.

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

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

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

For example, a local councillor receives a salary from a youth project which is given grant aid by the very same council. There is evidence that a subtle and invisible network of political relationships is becoming established, dependent on cross-employment, funding of sympathetic "voluntary" organisations (in which councillors may have a direct and incestuous interest), or relationships within local government trade unions. This removes decision making from the public gaze and from democratic accountability.

A close look at the composition of the Labour majorities on two London councils show how disproportionately they depend on local government and the public sector for their councillors. Of 41 councillors in Lewisham, 5 are employees of ILEA, 3 work for the GLC and no less than 7 are themselves employed by other London Boroughs. It was also revealed that the Head of the Lewisham Members' Secretariat was a Labour Councillor in Greenwich. Of Southwark's 53 Labour councillors, no less than 14 are local government employees, whilst a further 6 work in the public sector.

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

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

This phenomenon of cross-employment is not confined to London. An excellent example of mutual cross-employment exists in South Yorkshire. A lecturer at Barnsley College of Technology is better known as Leader of Sheffield City Council. Indeed he has been given indefinite leave from his

post at Barnsley (apparently on full pay and with pension rights) in order to discharge his municipal obligations. However, ratepayers in Barnsley need not feel disadvantaged as the Leader of Barnsley Council is employed by the City of Sheffield. No reasonable person could possibly justify such practices, and even the granting of full time leave of absence by an employer, which occurred in the recent case of a Mayor of Camden employed by the Post Office, is questionable.

The quality of local government inevitably suffers if councillors are no longer seen to be representative of the community as a whole, but are known to have a disposition to a certain pattern of municipal activity and an interest in the maintenance of indefensible restrictive practices. In the knowledge that local government accounts for approximately one-quarter of Public Expenditure, how does one judge the resistance of certain councils to the concept of contracting out services when their own leaders have a vested interest, either through membership of relevant trade unions or through their employment by similar departments in neighbouring local authorities? Are they articulating legitimate anxieties on behalf of their ratepayers, or simply defending narrow sectional interests to the disadvantage of their ratepayers? The National Code of Local Government Conduct (1975) (see Appendix A) advises: "Your over-riding duty as a councillor is to the whole community." Even the Society of Labour Lawyers in their evidence to the Royal Commission on Standards of Conduct in Public Life regretted "the timidity of the Redcliffe-Maud Committee in their recommendations relating to the disclosure of interest."—recommendations, indeed, upon which the Code of Conduct was based.

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

CHAPTER FIVE

Relationships with Trade Unions

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

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

On the broader point, the June 1982 edition of "London Labour Briefing" was not reticent in speaking of various activities to "unite Labour local authorities and the trade union movement in a mass campaign to bring down this Government and the system it represents at the earliest opportunity." The involvement of some local authorities in the current mining dispute serves as an example of this philosophy being put into practice, and the potential dangers for the future. Arguably the social services department of Councils in mining areas might provide "free" meals and school holidays to miners' children in the public interest (though they have never displayed similar concern for the children of those who are involuntarily as opposed to voluntarily out of work) but the position of various London Borough Councils and the GLC is hard to justify.

Southwark Council authorised the release of all its staff – with pay – for one hour on July 4th to attend a rally at which miners' leaders spoke. A collection was taken for the striking miners which was subsequently counted in the Leader's room. The direct cost of this exercise to Southwark ratepayers was over £39,000, with additional indirect costs impossible to quantify.

The Council also let the North Peckham Civic Centre free of charge for a dance to raise funds for striking miners. Southwark ratepayers paid the staff costs and also financed coaches to take miners' families to Southwark from Kent. The use of London ratepayers' money to give succour to a trade union involved in an industrial dispute elsewhere in the country is inexcusable.

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

that the article was produced by the so-called "Police Committee Support Unit".

Greenwich Council are trying to introduce a novel kind of closed shop by restricting pay and condition awards to the members of the trade unions which bargained for them. Their action – which may be subject to legal challenge – would mean that staff were paid not for the work which they do, but for belonging to a trade union. In Islington the situation was less subtle, when a councillor carried out pay negotiations with his shop steward brother.

In relation to Direct Labour Organisations, abuses have become rampant with far-reaching financial and political implications. The Competition Regulations require that all highway works and new building works valued at over £50,000 and all maintenance works valued at over £10,000 must be put out to competitive tender before they can be awarded to a DLO. While there is this legal obligation on local authorities to go out to tender on major contracts, this is sometimes done to produce the effect that only a local authority's DLO will be able to tender successfully. This happened in November 1983 in the case of Islington, although the Borough's Director of Finance believed that the procedure was bound: "... to result in higher costs to the detriment of the ratepayer of this borough."

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

Thamesdown managed, in 1982, to protect its DLO by giving it an opportunity to re-tender after all the other tenders were in. Another matter which has been referred to the Audit Commission concerns Liverpool City Council. Between August and September 1983, 11 contracts for Housing maintenance schemes were considered; 6 of which, totalling £20,000, were given to the DLO on the basis that it should "carry out these schemes at the prices of the lowest tenders received . . . any excessive expenditure incurred on these schemes will be charged against the appropriate DLO revenue account." This is in conflict with the advice given in Circular 19/83 which makes it clear that arrangements are unacceptable if they give DLOs an advantage in competing for work.

As worrying is the way Liverpool City Council handled the Wimpey bathroom contract. When originally considered by the Council, competitive tenders showed that Wimpey's had put in by far the best terms. The City Council then decided to split the scheme into two, allocating a small proportion to Wimpey's, and the bulk to the DLO, resulting in Liverpool's ratepayers paying at least £1 million more than they needed to for this work.

There are many ways of protecting an inefficient DLO, and thereby

maintaining goodwill with local government trade unions. The GLC issue an application form for "Retention on the approved list of contractors and suppliers to the GLC/ILEA", which includes questions on the composition of the workforce, designed to highlight the role of women and ethnic minorities. Contractors are well advised to reply. West Midlands County Council propose employing three investigators to discover if companies carrying out Council contracts are employing a 'reasonable' number of black staff. Islington Council has had no difficulty in imposing such onerous and wholly irrelevant terms that outside tenders are frightened off.

In Greenwich, the Directorate of Architectural and Engineering Services drew up an application form for contractors who wished to be placed on their list. This form included a question, asking if the Company had been involved in "preparatory or other work for the deployment of ground launched Cruise Missiles or Trident?" Southwark council, in a gesture of solidarity to the Women of Greenham Common, resolved not to employ Tarmac or any of its subsidiary companies on any of its contracts. Neither Tarmac nor indeed any other Company had done anything illegal or reprehensible in carrying out various works commissioned by the Ministry of Defence. Indeed, the only consequence of prohibiting such firms from tendering is to deny ratepayers the opportunity of benefiting from the lowest tender, should such a company have submitted it.

Sunderland council used another ploy in the imposition of impossibly uncommercial conditions. They invited tenders for a complete maintenance service for their entire stock of housing as obliged to by law. However, the period of the contract proposed was only three months which, unsurprisingly, deterred any private contractor from tendering.

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

CHAPTER SIX

Political Propaganda

In the past, political campaigning was conducted by Party organisations and not on behalf of a council. Publicity material was prepared by political parties and paid for by the funds which their respective Party workers had raised. It is thus perfectly legitimate for Constituency Associations to produce and distribute newsletters which, amongst other things, contain news of the work of any councillors of that Party and the local issues in which they have been involved. Any money raised from the public is in the form of voluntary donations and subscriptions, in the knowledge that their money will be used to further that party's cause.

Certain councils have chosen to ignore this convention and use public money to embark upon comprehensive and expensive campaigns to attack the central government's policies. No form of protest is effective. Whilst the trade unionist may opt out of paying his political levy, the ratepayer will be liable to imprisonment if he declines to pay his rates.

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

- Firstly, is the Section now being used to fund activities outside the proper sphere of local government?
- Secondly, is it being improperly used to reward or secure party political support?

With regard to the first problem, many local authorities in London, quite undeterred by the fact that the Home Secretary and he alone is responsible for the Police, and the setting up of such bodies as he believes can best assist him in his task, have used Section 137 to fund alternative monitoring organisations. Haringey Independent Police Committee gets a grant of over £25,000 from the GLC, and Lambeth's Police Unit, chaired by a displaced

Labour MP, gets over £15,000. Camden Council have a Police Committee and a Police Committee Support Unit which, amongst other activities, urge Camden residents to support a national march against the Police Bill. Also circulated to Residents' Associations were leaflets saying the Bill will "Turn Britain into a Police State where the rights of the innocent citizen will be trampled underfoot by the jackbooted powers it gives the Police. The scene is set for fascism." The leaflet, published by the Council, asked people to send £3 to attend a Labour Movement Conference. The GLC itself have used this section to pursue their campaign to undermine London's Police. Their glossy brochure entitled "Policing London - by Coercion", contains leaflets headed 'Black People and the Police Bill', 'Women and the Police Bill', 'Gays and the Police Bill', 'Trade Unionists and the Police Bill'. This may be considered a representative sample of the new left's ruthless espousal of 'moral' or minority causes for their own ends. Members of the public question such expenditure at their peril - the accusation of 'discrimination' awaits them.

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

Another field where responsibility has always rested with the Government is the conduct of the nation's Defence policy. Whilst local government has a defined role to play, through its responsibilities for civil defence, it has never extended to determining whether or not Britain should retain its independent nuclear deterrent, or the conditions under which American bases might remain in the UK. Nonetheless, many local authorities have declared themselves to be "Nuclear Free Zones". This is harmless enough but they have also spent considerable sums of money on various campaigns to support this absurdity. Sheffield has, under the Local Government Act 1972, funded an Anti-Trident Campaign and Sheffield Youth CND. South Yorkshire has spend £5,000 producing a booklet called "South Yorkshire and Nuclear War." As there was no provision in the Policy Committee's budget for this item, it resulted in an additional loss of a grant of nearly £3,000. The Brent "Civic Review" includes a Nuclear Free Zone pull-out. Southwark's Community Affairs Committee has produced signs and posters to promote its Nuclear Free Zone Policy. Camden's Peace Groups' Steering Committee requested a grant of over £15,000, and Lambeth made its mark in job creation by the appointment of a 'peace and nuclear officer'.

Leicester City Council has even asked its employees if they want part of

their income tax diverted from spending on armaments. The EEPTU has sensibly told the authorities that it will not discuss the scheme since it could be involved in illegal activity by its members (Guardian 22nd August, 1984).

How well can one imagine the fury that would descend upon a Conservative council that voted a grant to a Pro-Nuclear Defence Group! It is patent nonsense for a council to claim "a mandate" to challenge the policies of a duly elected Central Government of which it does not approve.

The second abuse relates to improper political influence. The absence of a proper definition of what is 'Party Political' has held up reform, until recently. Observance by Councillors of the unwritten code that ratepayers funds should not be used for party political activities has meant that no such definition has been needed.

Islington council used Section 137 so that the viability of an independently-minded local newspaper, "The Islington Gazette" which consistently criticised the Council's eccentric and extravagant policies, was threatened. Having first instructed the staff not to talk to the paper's reporters and removed all its advertisements, the Council then resolved to fund another paper (quite distinct from the Council's own "Islington Focus") with Labour Party representation on the advisory board. The new paper was to be distributed free whilst "The Islington Gazette" had to be purchased. The deputy leader of Islington Council was commendably frank about these motives. In "The Socialist Worker" of the 15th January, 1983, she said:

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

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

Section 137 has often been the vehicle for the precedence of the dissemination of political dogma over the proper objectives of councils. Not for nothing does the Red flag fly over the Town Halls of "Socialist Republics". Financial support has spread outside proper geographical boundaries to other areas of this country, and even to sympathetic political regimes abroad. Lambeth has been twinned with a suburb of Moscow and Islington had a similar arrangement with pre-revolution Grenada. The GLC's sympathy for the aims of the IRA are well known. The London Transnationals Information Centre, an international anti-free enterprise body has benefited similarly from the GLC.

Section 142 of the Local Government Act 1972 (see Appendix C) entitles councils to publish information on local government affairs and to organise

publicity for that purpose. This provision similarly has had a coach and horses driven through it.

Both Sections 137 and 142 have been used for the wholly unprecedented campaign against the Abolition of the GLC and Metropolitan Counties, totalling the sum of £15,000,000 – more than all political parties spent during the 1983 General Election, expenditure on which is strictly limited by law. The London ratepayer, whatever his own feelings on abolition, has had no choice but to give financial support to a political campaign in spite of the fact that 56 London Parliamentary seats out of 84 are Conservative-held and that the Tory manifesto for the 1983 General Election contained a pledge to abolish the GLC.

“The Londoner”, published by the GLC under section 142, represents little more than a newsheet by the Labour Party attacking Central Government. Other councils inevitably follow suit with publications such as “Haringey Star”, “Southwark Sparrow” and “Hounslow Borough News”. These publications no longer seem to inform local ratepayers what the Council is doing but are more in the nature of one-sided political tracts.

The presentation of the case has been calculated to give rise to the maximum of anxiety and distress, much of it entirely unjustified. Editions of “The Londoner” carry headlines such as “London in chaos”, “Increases in costs”, “Cuts in services”, which are at best conjectural, at worst highly misleading.

The August 1984 edition of “The Hackney Herald”, published by Hackney Council, announced on page 1: “The government wants no more grants to community groups . . . home helps, day nurseries and meals on wheels all axed.” This was in response to proposals under the 1984 Rates Act that Hackney should reduce its expenditure in funding a standard range of services. However, the legislation specifically allows voluntary organisations to make representations, if they feel they are being unfairly treated.

The same newspaper’s campaign on behalf of the miners during the NUM’s strike was too much for one former Mayor. He wrote as follows:

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

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

In the future any group disapproving of government policies will be able to gain succour from The Local Government Act 1972, or from a plethora of

other enabling Acts which have not yet been fully explored in the promotion of sectional interests. Such groups are given a measure of respectability as recipients of grants, and tend to go forth and multiply. It is obviously difficult to look behind some of the pretentious titles (for example "The Campaign for Press and Broadcasting Freedom" which is chaired by a communist, and which has been intimately involved in the formulation of the Labour Party's media policy. All grant applicants should be obliged to declare full details of their personnel, structure and all other sources of finance, for scrutiny in a public register.

The question arises:- when does relevant information about local government become political propaganda? At the moment, it appears that local authorities can argue with anything which central government does which has an impact on people in their area. They have a "mandate" to protect their ratepayers from the consequences of those policies even if the same electorates are represented at Westminster by an MP of the Government Party.

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

Much of the recent debate over the Rates Bill centred on the extent of the autonomy of local authority. One has to remember that all local government's powers and responsibilities are derived ultimately from Parliament and are necessarily limited. Local Government depends heavily on central financing and some exceptional cases, for example the special problems of inner urban areas, prove too complex and formidable for local authorities alone to resolve. In such cases only should the barriers between central and local government be blurred and with good reason. Councils would surely be much better occupied fostering such co-operation rather than diverting funds away from worthwhile causes in the profligate pursuit of political purity. The funding of one-sided campaigns expands the frontiers of local government in a way that was never contemplated. This is enhanced by the setting up of "Neighbourhood Centres". Such decentralisation was described in frank terms by the Labour Chairman of Housing in Lambeth as:

"The formation of a local base for future campaigns against the Tory government." All such machinations cost money, and when rates go up, local businesses come under pressure, with unemployment the inevitable

and sad result. To add insult to injury, those rendered out of work may go to Unemployment Centres, such as in Tower Hamlets, only to receive glossy anti-government propaganda, financed either directly or indirectly by the council. Furthermore, such literature may well be printed in premises, and on presses, where there is further council financial involvement.

The left-wing of the Labour Party has appreciated fully the importance of local authorities as a means of extending its political influence and power. The chairman of the grants sub-committee of the GLC was quoted in April 1984 as seeing grants to community groups as "An efficient redistribution of resources".

Trade Union Research (or Resource) centres, which advertise extensively for staff in 'The Morning Star', have been disowned by the T.U.C. Nevertheless, 'Tribune' reports approvingly that TURC's now "tend to be entirely local authority financed". They are but the latest sinister manifestations of extra-parliamentary bases from which anti-government assaults are launched.

CHAPTER SEVEN

Conclusions

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

Nowadays, in stark contrast, independent advice from officers is increasingly challenged by "professional" full-time councillors, who can manipulate the weaknesses of the allowance system to their advantage. The prerogative of central government to pursue national policies is ignored, whilst thinly-disguised politically motivated bodies are supported out of public funds. The interests of trade unions are protected, whilst natural justice is often denied to minority groups on councils. When seen as a whole, this pattern represents a fraud on the ratepayer, and an affront to the concept of good local government.

This process has fundamentally changed relationships within local authorities, and the relationship between authorities and the rest of the community; a situation which adds to the frustration and the discontent of unenfranchised ratepayers. The result is instability, tension, waste and even uncertainty as to the role of local government itself.

It is extraordinary that this change has taken place without any widespread debate about its implications or desirability, despite the fact that the abuses have, with some exceptions, been perpetrated by one section of one of the main political parties – the Labour Party – to the embarrassment of those many members of that Party who deplore this trend. They see the moral objections to many of these disturbing developments, even if such activities are not, *per se*, illegal.

The test of legality is ultimately a matter for the Courts and their duty is to interpret the legislation passed by Parliament. However, that legislation has been demonstrated to be woefully inadequate, leading to exploitation by certain councils. Perhaps the most worrying of all, is that the insidious picture shown in this report does not mark the end of the process. More and more authorities are likely to tread the path which has been described, and structural change could well lead to the creation of a whole new sub-culture on the rates. This is quite at odds with the views of the majority of supporters of all parties.

In these days, when the cry of "discrimination" is so fashionable, it turns out that the person actually most discriminated against is often the innocent ratepayer.

CHAPTER EIGHT

Recommendations

These recommendations are submitted in the hope that they will, even if not adopted in full, help to lead to a return to the proper function of local government without imposing undue centralisation. Indeed, the aim is three-fold: to allow a greater freedom of action to councils within certain bounds, to preserve the independence of officers, and to protect the rights of the ratepayer:—

“That a Public Inquiry be set up by the Secretary of State to assess the basis, extent and consequences of the growth of Local Government’s activities, inasmuch as these activities may encroach upon and frustrate Central Government’s policies; and to examine the role of the Audit Commission and District Auditors in improving accountability to the general public.

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

- 1 Examination of the internal conduct of councils, with particular emphasis on the operation of Standing Orders, and the protection of minority parties in relation to co-options, single-party committees and decisions in camera.
- 2 Preservation of the independence of local government officers by means of a publicly understood protocol, in order to strengthen their standing and political impartiality.
- 3 Redrafting of the National Code of Local Government Conduct (1975) in order to encourage councillors to avoid conflicts of interest by declaration of relevant non-pecuniary as well as pecuniary interests, in a register open to public scrutiny.
- 4 Reform of the procedure for tendering of council contracts, where provisions of the Local Government Planning and Land Act (1980) have proved inadequate.
- 5 Review of the operation of enabling legislation for the application of public funds (Local Government Act 1972 et al), and consideration of repeal where such provisions have led to abuse, particularly in the making of grants, and the dissemination of political propaganda at election times and otherwise.”

APPENDIX A

NATIONAL CODE OF LOCAL GOVERNMENT CONDUCT (1975)

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

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1 LAW, STANDING ORDERS AND NATIONAL CODE

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

2 PUBLIC DUTY AND PRIVATE INTEREST

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

3 DISCLOSURE OF PECUNIARY AND OTHER INTERESTS

- (i) The law makes specific provision requiring you to disclose pecuniary interest, direct and indirect. But interests which are not pecuniary can be just as important. Kinship, friendship, membership of an association, society, or trade union, trusteeship and many other kinds of relationship can sometimes influence your judgement and give the impression that you might be acting for personal motives. A good test is to ask yourself whether others would think that the interest is of a kind to make this possible. If you think they would, or if you are in doubt, disclose the interest and withdraw from the meeting unless under Standing Orders you are specifically invited to stay.
- (ii) The principles about disclosure of interest should be borne in mind in your unofficial relations with other councillors – at party group meetings, or other informal occasions no less scrupulously than at formal meetings of the council, its committees and sub-committees.

4 MEMBERSHIP AND CHAIRMANSHIP OF COUNCIL COMMITTEES AND SUB-COMMITTEES

- (i) You, or some firm or body with which you are personally connected, may have professional business or personal interests within the area for which the council is responsible; such interests may be substantial and closely related to the work of one or more of the council's committees or sub-committees, concerned with (say) planning or developing land, council housing, personnel matters or the letting of contracts for supplies, services or works. Before seeking or accepting membership of any such committee or sub-committee, you should seriously consider whether your membership would involve you (a) in disclosing an interest so often that you could be of little value to the committee or sub-committee, or (b) in weakening public confidence in the impartiality of the committee or sub-committee.
- (ii) You should not seek or accept the chairmanship of a committee or sub-committee whose business is closely related to a substantial interest or range of interests of yourself or of any body with which you are associated.

5 COUNCILLORS AND OFFICERS

- (i) Both councillors and officers are servants of the public, and they are indispensable to one another. But their responsibilities are distinct. Councillors are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the council and are permanently appointed. An officer's job is to give advice to councillors and the council, and to carry out the council's work under the direction and control of the council and its committees.

- (ii) Mutual respect between councillors and officers is essential to good local government. Close personal familiarity between individual councillor and officer can damage this relationship and prove embarrassing to other councillors and officers
- (iii) If you are called upon to take part in appointing an officer, the only question you should consider is which candidate would best serve the whole council. You should not canvass the support of colleagues for any candidate and you should resist any attempt by others to canvass yours.

6 USE OF CONFIDENTIAL AND PRIVATE INFORMATION

As a councillor you necessarily acquire much information that has not yet been made public and is still confidential. It is a grave betrayal of trust to use confidential information for the personal advantage of yourself or of anyone known to you.

7 GIFTS AND HOSPITALITY

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

8 EXPENSES AND ALLOWANCES

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

9 USE OF COUNCIL FACILITIES

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

APPENDIX B

LOCAL GOVERNMENT ACT 1972 (Extracts)

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

137.—(1) A local authority may, subject to the provisions of this section, incur expenditure which in their opinion is in the interests of their area or any part of it or all or some of its inhabitants, . . .

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

(7) The accounts of the local authority by whom expenditure is incurred under this section shall include a separate account of that expenditure. . .

APPENDIX C

LOCAL GOVERNMENT ACT 1972 (Extracts)

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

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

(2) A local authority may—

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

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

