








The work of the Local Government Commission for England

The Local Government Commission for England was responsible for making recommendations on structural change in shire England. Its work, from 1992 when its first Chairman was appointed until its recommendations at the end of 1995, attracted political, professional and academic attention - and indeed widespread criticism. Research by Murray Stewart, with Lucy Gaster and Gavin Smart, documented the working of the Commission and concluded that:

-  Despite a statutory framework and guidelines set by Ministers, the Local Government Commission for England operated with a degree of independence largely beyond the control of central government.
-  The Review was based on insufficient research and analysis in general (by Government and Commission) and on an inadequate understanding of the relationship between local government structure on the one hand and community identity, service effectiveness, and cost on the other.
-  In late 1993, the Government precipitated a crisis in the Review by speeding up the process, but the Commission was thrown off course largely by its own inability to respond adequately.
-  Central government departments other than the Department of the Environment played a small part in the Review until its latter stages.
-  The Local Government Associations played an important part in the shape of the Review - the Association of District Councils (ADC) by misplaced optimism about a district-based unitary system in the early stages, the Association of County Councils (ACC) through a determined fight back towards the status quo in the later stages.
-  The managerial styles of the Commission's first Chairman and first Chief Executive played a significant part in determining the conduct and outcome of the Commission's work.
-  The Local Government Review 1992-95 contributed very little to long-term thinking about the territorial basis of government in England.

Towards review - a respectable cloak?

In late 1990 Michael Heseltine, then Secretary of State for the Environment, announced a comprehensive review of local government covering three issues - local government finance, structural change and internal management. In March 1991, a consultation paper on Local Government Structure was published. The Cabinet was happy to see the political embarrassments involved in backtracking on poll tax being concealed, in Nigel Lawson's words, under the "respectable, if oversized, cloak" of local government review.

Setting up the Commission

The apparent political commitment of all three parties to a unitary system reinforced the view that an independent Commission was appropriate and in England there was no debate of the intensity which occurred in Scotland over the desirability of a Commission. Legislation was passed (without one amendment which sought to make it clear that a unitary solution was intended), the Commission's first Chairman - Sir John Banham - was appointed, Commissioners were interviewed and selected, and in July 1992 the Commission first met.

The Commission at work

Inputs to the Commission included the legislation, policy and procedure guidance, national evidence (e.g. from professional bodies), and external lobbying (from the local authority associations, business interests, trades unions, local councils, voluntary organisations, academics and political parties). Above all, local reviews examining the options for change in specific localities and led by individual Commissioners were undertaken. In late 1993 and 1994 Commission meetings were devoted increasingly to decision-making on recommendations on local reviews.

The work of the first Commission fell into three phases, the first two separated by a period (in late 1993) of deep confusion. In the first phase a number of important but untypical reviews (amongst them Humberside, Isle of Wight, Avon, Cleveland, Derbyshire) were undertaken. The outcome from these seemed to reinforce a movement towards unitary authorities but during this phase neither Government (through its guidance) nor Commission (through its thinking or actions) established clear principles under which the Review might subsequently proceed.

In late 1993, the Government precipitated a crisis in the Review by speeding up the process, but the Commission was thrown off course largely by its own inability to respond adequately. In practice from mid-1993 (following a General Election and a change of Ministers) to January 1994 there was a period of policy and procedure review which revealed confusion and disarray. Reinforcement of support from both Government and Commission for unitary

solutions, new guidelines (subsequently deemed illegal), and an accelerated programme for local reviews, failed to conceal the absence of firm policy guidance from Government or well-founded consideration from the Commission. A judicial review finding that one sentence of the Government's revised guidance was illegal, whilst of minimal substantive consequence, was psychologically crucial in demonstrating the Government to have been incompetent and the Commission to be lacking confidence in its own thinking.

In the subsequent second 'accelerated' phase of the Review, the Commission became increasingly aware of service delivery issues, relied heavily on public opinion surveys as the arbiter of local options for change, and shifted away from its preferred solutions of large unitary authorities towards recommendations which emphasised the status quo or new 'hybrid' solutions (a combination of unitary status for one or more parts of a county area with two-tier status quo recommended for the remainder).

In a third phase in 1995, and following the reconstitution of the Commission with a new Chairman and Chief Executive, and once more working to amended guidelines, the Commission undertook a further twenty-one district reviews. Less strongly attached to public opinion, and with a more consistent approach between reviews, the Commission re-established some confidence in its work. With only eight areas ultimately recommended for unitary status, however, the substantive impact of the 1995 Commission on the structure of local government was marginal.

Outputs and outcomes

Thirty-nine county areas were reviewed by the first Commission. Unitary solutions were being proposed by the Commission well into the process; even in autumn 1994, ninety-three unitary authorities were proposed with only six county areas retaining the status quo. In terms of overall structure, however, the net result of over five years of policy development and implementation was a reduction in the number of local authorities in shire England of seventeen, the emergence of forty-six unitary authorities, the adoption of the hybrid model in twenty county areas, and the retention of the full status quo in a further fourteen county areas.

Local/central relations

In terms of local/central relations the Local Government Commission for England was an intermediary between central government - with its widely expressed wish for unitary authorities - and local government - whose hopes and fears the Commission was directed to translate into the recommendations for change where that would be better.

The Commission and the local

The Commission was present and accessible in local areas to an unprecedented degree, but lacking common principles and often perceived to be offering contradictory advice, the Commission failed to gain local confidence. Where a powerful coalition of local interest might have been built with the aim of making structural review the basis for strengthening the institution of local government (an objective to which the Commission's basic stated values aspired), in practice relations were often fragile and suspicious. The Local Authority Associations played an important part in shaping the Review - the ADC by misplaced optimism about a district-based unitary solution in the early stages, the ACC through a determined fight back towards status quo in the later stages.

The Commission and the centre

To central government the Commission machinery appeared to build in sufficient safeguards against excessive autonomy, but at the same time to offer enough independence both to undertake the task of review and to take the blame if it all went wrong. Ministers had the right to direct the Commission to undertake reviews; to impose a timetable upon the Commission and to reject the Commission's recommendations. But the Department of the Environment (DoE) had little day-to-day control over *how* the Commission did its work, as opposed to what it did.

Relations between central departments and the Commission were channelled through the DoE. Drawing together comprehensive advice to the Commission from departments revealed the very mixed nature of the links between centre and periphery, with interdepartmental machinery producing minimal useful guidance on the relationship of structure to questions of scale, specialisation, or externalities. Central government departments other than DoE played a small part in the Review until its latter stages.

The Commission perceived the Department as giving regular misguidance. The DoE regarded the Commission as being only loosely in control of its own business. From the Commission's perspective, relations with central government were difficult because there was no continuity of view from Ministers about the objectives of the Review. Some Ministers in turn were astounded at the use of public consultation as the arbiter of recommendations, and relations between government and Commission deteriorated through 1994, culminating in the resignation/sacking of Sir John Banham in early 1995.

The local and central

The conduct of the Review was the formal responsibility of the Commission and there were few public links between centre and locality. There were, however, many informal linkages between local and

central government during the Review. These took the form of 'normal channels' (use of MPs, ministerial contacts and visits or deputations to senior officials and/or ministers), direct contact with Westminster and Whitehall (employment of consultants to provide information or to arrange meetings with junior Ministers), and campaigning/lobbying (e.g. through Friends of the County and professional associations).

Issues and conclusions

The Local Government Commission for England largely determined the conduct of structural review and the establishment of a Commission led to an outcome very different from that anticipated by Government. Despite a statutory framework and guidelines set by Ministers, the Commission operated with a degree of independence largely beyond the control of central government.

The explanation favoured by the Commission itself was that the Review adopted a listening and responsive style. In the face of ambiguous guidance and conflicting political pressures, a pro-active, top-down, blueprint approach would be inappropriate. Taking local opinion more seriously than any previous restructuring the Commission followed an autonomous, pragmatic and incremental approach.

Such an interpretation is largely a justification after the event. This research concludes that although incrementalism and pragmatism characterised the Review, this stemmed more from the absence of general principles which could have imposed greater order and consistency onto the process.

That the Commission chose not to establish such principles was not the consequence of external pressures but its own internal choice, for which there appear to be three reasons.

- In the face of the rigorous timetable imposed by the Secretary of State the Commission turned its back on the research and analysis which might have provided the basis for principle building.
- The Commission's mode of operation (area reviews, Commissioners often in the field) brought a fragmentation reinforced by the absence of internal guidelines or mechanisms to sustain the sharing of experience and the development of common working methods.
- The leadership of the Commission (Chairman and Chief Executive) appeared to reinforce such fragmentation rather than contribute to the building of a corporate culture; their respective managerial styles played a significant part in determining the conduct and outcome of the Commission's work.

The Review was based on insufficient research and analysis (by Government and/or Commission). In relation to the criteria for structural change the Commission did not form any firm view about the

relationship between sense of *community* (however defined) and the definition of structural areas for the purpose of local government and administration. In relation to *effective and convenient services* the Commission again lacked definitive evidence about the relationship between political and administrative territory and effective service planning and delivery. In relation to *cost* the Commission fell back on relatively simple indirect cost formulae which suggested that large authorities were cheaper, that the costs of unitary structures were greater the more authorities there were, and that the less change there was the lower would be transition costs.

Although some Commissioners attempted to broker acceptable outcomes in particular areas, in general the Commission did not 'champion' its own draft recommendations. It consulted, listened and responded, operated reactively not proactively. But even if the Commission had wanted to champion its draft recommendations it would not have been well placed to do so because it had done insufficient thinking. The hybrid model of structural change had received little analysis (and little consultation). Regional issues were largely ignored, local councils (and decentralised services) handled only briefly.

A major objective of the whole exercise was to produce a local government system that was easier to understand. It is clear that this has not occurred and there is continuing confusion about structure. A fragmented review reinforced the fragmentation of the institution of local government. The consequence is that the Commission left a minimal legacy.

The Local Government Review 1992-95 contributed very little to the long-term thinking about the territorial basis of government in England and almost nothing by way of relevance to future discussion about the structure of local government in England. The issue is not whether the Commission arrived at better or worse conclusions. What is more disappointing is that it leaves behind a debate on role, function, territoriality and structure no further forward than when the Commission came into being.

About the study

This research was commissioned by the Local and Central Government Relations Research Committee of the Joseph Rowntree Foundation. The Local Government Review 1992-95 was characterised by gossip, leak and innuendo, much of it designed to influence both the process of review and the

outcomes. In such a situation the researchers chose to rely as far as possible on written sources, and extensive documentation was gathered - the Commission's public documents, Commission minutes, correspondence with DoE, internal Commission papers, notes from the Associations etc. This was supplemented by interviews with Commissioners and officials from both Commission and Civil Service.

In addition to research on the Commission in general, four case studies were undertaken - in Hampshire, Cheshire, Buckinghamshire and Gloucestershire. The areas chosen involved differing stages in the review process, different Commissioners (in order to explore the impact of the individual Commissioner on the review process), different solutions proposed by the Commission (unitaries plus two tier, status quo, all unitaries, status quo after a second review), and different geographies, size and settlement structure.

Further information

A full report, *The work of the Local Government Commission for England*, by Murray Stewart with Lucy Gaster and Gavin Smart, will be published for the Foundation by York Publishing Services Ltd in May 1997 (ISBN 1 899987 34 7, price £9.95 plus £1.50 p&p).

Related Findings

The following *Findings* look at related issues:

- 24 The impact of the European Community on local government (Jun 93)
- 34 The process of local government reform (April 1995)
- 48 Regional boundaries, co-ordination and government (Jun 96)
- 49 Community identity and local government (Jun 96)
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For further information on these and other *Findings*, contact Sally Corrie on 01904 615905 (direct line/answerphone for publications queries only).



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