

1 Central-local relations before the 1970s

Local authorities depend for their powers on Parliament, which is controlled by central government. Thus some form of central control and changes in the functions that local authorities administer are continuing features of central-local relations. In the past the extent of central control has generally been limited because of tradition and because it has been administratively convenient to give local government a relatively independent role.

From the late nineteenth century onwards, when local authorities acquired or were given new services and public utilities to administer, central government gave itself a range of powers to exert control over local government. Among its powers are those to direct; to act in default; to lay down guidance, codes of practice or regulations; and to cause inspections. Certain decisions or schemes need to be approved by a minister, who can override the decisions of a local authority when appealed to by a third party, for example in planning decisions.

While central government has many powers they have, generally, been used in a negative way. In the past, central government exercised control mainly through the broad guidance and approval of local government decisions, rather than taking a directive role.¹ Powers of direction, such as default powers, were used more as a last resort rather than as a general way of controlling local government;² the Secretary of State traditionally had the role of resolving local disputes. There were many precise controls over local government, of which local

authorities have complained,³ but they were minor and tended not to be used. Central control tended to set the broad outlines of policy, with implementation left in local hands. The legal position in Britain contrasts with the formal framework which, until recently, governed the relationship between central and local government in some European countries, such as France, where until 1982 the prefect, as the agent of central government, had executive powers.⁴

In Britain central departments controlled and influenced local government, through primary legislation, circulars and the selective approval of capital projects. There have been periods of specific central direction, for example in the creation of the post-1944 education system. Such direction occurred when central government introduced a new policy or administrative structure for the services run by local government. When the reform had been implemented, local authorities were left, without detailed supervision, to administer the services.⁵ This framework of control had developed from the system of supervising local government through central boards in the nineteenth century;⁶ the principle was that central government avoided acquiring executive functions, which were regarded as the province of local bodies.⁷

The framework of financial approval could be onerous, and there were detailed controls over current and capital expenditure. However, in 1958, the controls of current expenditure were loosened. A key feature of the system became the general grant – the rate support grant – which ended the ear-marking of central grants for each service and allowed the local authority to allocate funds between services as it thought fit. From then on local authorities had more of a free hand to formulate policy, making decisions about the desired level of funding for each service at the local level. On the other hand, the calculations behind the central grant, which attempted to equalise the resources of local authorities and to compensate them for variations in the need for services, continued the idea that local government was an agent for providing services to standards set nationally.

Local authorities had permissive powers to carry out their functions through legislation that was enabling in character.⁸ They were given some statutory duties, but these tended to be broadly defined or procedural; as long as the service was provided, it was up to the local authority to set its level.⁹ The model was that local authorities were multifunctional organisations subject to local political

control. They implemented central government policy and received funds for that purpose, but they had a broad discretion about how to carry it out. This was reinforced by the power to set rate levels without restriction, except for the possibility that expenditure could be ruled illegal by the district auditor – a rare intervention. The freedom to make local policy was set in the context of the controls and pressures for uniformity. Some of these were legal; some reflected central influence; others were professional, political and, most importantly, financial.

Central and local government were usually in agreement about the general aims of central policy, though there were often disputes over matters such as the level of spending on some services rather than others. Central government approval of capital projects was an area of friction, but these disagreements did not concern fundamentals. Many policies emerged from innovation at – or lobbying from – the local level. Comprehensive schooling, for example, had its origins in the experiments of councils in the 1950s and before.¹⁰ Overt conflict between central and local government was limited to occasions when a local authority had refused to implement central government policy, such as Poplar and other poor law authorities in the 1920s, the refusal of some councils to implement cuts in unemployment benefit in the 1930s and civil defence in the 1950s.

While this was the broad context, local government's functions have always been subject to reform and restructuring, which appeared to many contemporary observers to result in centralisation. Local authorities lost functions in the 1930s and 1940s: trunk roads (1936), main highways (1946), hospitals (1946) and public assistance (1934 and 1948). They lost control of the main public utilities such as electricity supply (1947) and gas (1948). Commentators bemoaned these losses, and regarded the 1930s and 1940s as undermining independent local government.¹¹

Since 1945, however, local government has acquired some new functions and a larger role in providing its existing ones. There was a shift from providing goods and services, such as public utilities, to functions which had a redistributive or welfare purpose. Many precise controls over local authorities were relaxed. Thus changes made by central government in the role and functions of local government should not necessarily be seen as a decline in local government and

an increase in central control. The point may be relevant in interpreting the current changes affecting local government.

Local government is part of a very complicated pattern of local public institutions administering functions such as health, the economy and social security.¹² As will be shown in later sections, the relationship also differs from one central department to another. Some departments have had a stronger control over local authorities than others. For example, the Department of Transport itself has an executive function – the construction of main roads – through which it influences local authorities' plans. The Department of Education and Science has tended to have less control over the actions of local authorities. Relations vary even within departments.¹³ Relations vary between civil servants and officers, and central and local politicians; ministers may be in conflict with a local authority, but at the same time the civil servants may be smoothing over relationships.

Relations also vary between regions or the countries of Britain. In Wales, for example, under the ambit of the Welsh Office and with a very similar legislative framework to England, there is greater contact between central and local government, reflecting the number of local authorities and the role of the Welsh Office in obtaining a better financial settlement for Wales and in promoting initiatives for local authorities.¹⁴

In Scotland, the same applies, but to a greater extent. There is a different legislative framework, because the Scottish Office puts through its own legislation, even for local authorities which have broadly the same legal and constitutional framework as those in England and Wales. Although it should not be assumed that relations are more coordinated, they have been more harmonious because the role of a single local government association, the Convention of Scottish Local Authorities, and the relatively small scale of local government.¹⁵ On the other hand the Scottish Office has traditionally possessed more legal and discretionary control over local authorities than central government departments in England and Wales have had, particularly in finance,¹⁶ but also over education. The variation in relationships adds an additional dimension to the study of how the whole system has evolved since the late 1970s: changes in central-local relations often began in Scotland and experiments in methods of central control were initiated there.

It has often been alleged, from the late 1970s and since 1979 in particular, that there has been a change in the relationship, with a shift of power and influence to the centre and a restriction of the role of local government in setting local policy both in Scotland and in England and Wales. The next chapter describes the main changes and assesses the degree to which the traditional framework of central-local relations has been restructured.

References

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