

Local Government in Britain: the experience of the GLC

Robin Murray

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I

Britain is the most centralised of the larger countries in Europe. West Germany, Italy, Spain, Belgium, even France have substantial regional autonomy. In Britain there is no regional government - the Scotch, Welsh and Northern Irish administrations are all controlled from Whitehall, and during the 1980's the Thatcher government has conducted a sustained campaign against the size and autonomy of counties and local district authorities.

In part this attack has been narrowly political. The control of Britain's major cities is largely in Labour hands, and the same is true for the large county councils in Scotland and the North of England. Labour authorities have resisted Thatcher's monetarist policies in a whole variety of ways - campaigning to keep public housing, opposing privatisation, declaring themselves nuclear free zones and so on. They have been a political thorn in the flesh.

But the attack on local government has had a wider strategic significance. The early years of monetarism focussed its policy on weakening labour in the private sector. The government raised the exchange rate, made importing easier and exporting more difficult, squeezed profits, and destroyed whole swathes of British industry. British industrial output has only just caught up to its pre 1979 level, and its employment is some 25 per cent down. The explicit aim of this policy was to destroy trade union power which was held to be responsible for British industrial performance. Within four years this policy had been remarkably successful. There had been massive labour shedding, and the unions had been decimated.

From 1983 Mrs Thatcher concentrated her attack on public sector labour. The aim - and it was again made explicit in documents at the time - was to cut back the size of the state and break up the nationally organised public sector unions in order to weaken their bargaining power. In some cases the attack was direct, as in the coal industry and the miners strike in 1984. In others - notably local government - she aimed to do it through first a financial squeeze, and then privatisation. Privatisation became the leading

instrument of Thatcher's economic policy in her second and third terms.

Local government, however, has been a particularly awkward victim. Its finances came from three sources: a local property tax (the rates) set by the local authority itself; income from the sale of services, like bus fares and council rents; and government grants. The government's so called 'rate support grant' was adjusted to take account of a particular local authority's needs, and also the wealth of the town. A town with low property values but a high level of homelessness would get a greater share of the grant. Complicated statistical formula were used to calculate the correct level of grant.

In 1979 the government grant accounted for 63 per cent of local council spending. It is now down to around 40 per cent. Further the government tried to get the local councils to cut their own property taxes by making a punitive deduction from the central grant if central government believed a council's local tax was too high. Those following the government's guidelines were effectively given a premium. This hit Labour councils - concerned to maintain their level of services - severely. As government grants went down because of the penalties, local rates went up. The government also brought in measures to force Councils to raise their charges on buses, school meals, public housing rents and so on. It was one part of dismantling the welfare state.

The result, however, was financial chaos. It was also quite evidently unjust. Residents in neighbouring parts of a town would pay property taxes only half that of others because of the workings of the penalties. Councils raided their reserves, mortgaged their properties, some extended their speculation on financial markets. Then in 1990 the government introduced the poll tax, shifting the local tax from property to people. Its argument was that many voters who supported high spending councils did not pay rates and didn't therefore care about the levels. Some got rebates. Others lived with their families who paid only one rate for the house they were

living in. Others had their rates paid by the landlord. Now everyone pays at least some tax.

Or rather should pay. The new tax has led to a major riot in London, and demonstrations throughout the country, including the conservative south. It is so clearly politically regressive, with the Duke of Westminster (one of the richest landowners in Britain) paying the same as a widow in a small flat. 75 per cent of the population are now paying more tax, poorer households twice or three times as much. At the same time the government is moving to enforce limits on the amount of poll tax that can be charged. The aim throughout has been to force down local services and weaken the unions.

So far the unions have held firm. But privatisation has been more difficult. From 1983 there has been a parallel set of measures to force local authorities to put their services out to tender. This is now compulsory, so that my local Council in Brighton for example has its own staff bidding for the contract to empty the dustbins, clean the streets, repairs its own public housing. The same has happened on local bus transport, while new public housing has virtually stopped. The government's vision is of a local authority that meets once a year to approve contracts for services that are privately provided - and some councils are re-organising themselves like this - with their own employees grouped in service 'enterprises' as though they were private businesses. As this 'competitive tendering' has come into force, new multinationals have taken over public services in many towns and counties - providing school meals, cleaning, disposing of refuse. In Brighton our streets are now cleaned by a Spanish company, which made a loss making a bid to undercut the Council and get a foothold in Britain.

Commonly privatisation may mean that the original public sector workers are re-employed, but on private sector conditions. Many of the problems which led to municipal services in the first place have re-appeared: poor wages and working conditions, difficulty of supervising contracts by the Council as it loses its expertise, poor quality, corner cutting. The fragmentation of the bus service has concentrated competition on the busy routes at busy times, at the

expense of the less used routes, and services in the evenings and week-ends. Some cities have had traffic jams of buses competing in the rush hours - though now it is the financially stronger ones which are surviving and establishing private monopolies.

The overall picture then is of local government in Britain having been a principal battleground between monetarism and social welfare. The government has used budgetary control and the market as a means of cutting services and the strength of the unions, but it has been less effective, and more transparent, more clearly political than was the case in private sector monetarism. Local government in Britain in the 1980's cannot therefore be seen solely in administrative terms - it has been politics carried on through administration.

II

At the heart of this struggle was the Greater London Council - the largest local authority in Britain. Its own direct employment was 25,000 but it was responsible for the running of London Transport (57,000 workers), and was closely linked to its sister body, the Inner London Education Authority which shared the same building (85,000 people). The GLC's revenue budget was over £800 million in 1985, with a substantial capital budget on top of that.

It had been established in 1963 as an expansion of the London County Council, the city wide government set up in the late 1890's. The LCC had been a pioneer of municipalism - providing many of its own services in house to ensure proper wages and high quality. It fought a long political battle in the 1920's for the re-organisation and control of London Transport (which it won with the victory of the Labour Party in the 1929 general election), under its Labour administration in the 30's it became a major provider of public housing, and created a basic structure of public health and hospitals which became the basis for the National Health Service in 1948.

Suburban London extended beyond the boundaries of the LCC and the Tory government in Westminster decided to extend the boundaries to a point where it estimated there would be sufficient suburban

Conservative voters to ensure Tory control of the expanded council. This was the origin of the GLC.

It was charged with London wide responsibilities - and was called a strategic authority. Its key task was land use planning, linked in to transport (through its control of London Transport), to housing (of which it remained an important provider) as well as functions like disposing of refuse, running the London Fire Brigade, building a barrier across the Thames to control flooding and so on. Other services - collecting rubbish, much of the public housing, social services, street cleaning, were the responsibility of the 32 borough councils, most of them between 200,000 and 250,000 people, who also took charge of education in those boroughs outside the original LCC.

London's politics has always been centred round three things: jobs, homes and transport. During the 1960's and 1970's it was transport which dominated. The city was more than 8 million when the GLC was set up; most people worked outside the borough where they lived. There were more than a million commuters into central London every working day. Lorry and car traffic was choking the centre. The Tory answer to this was to build more roads. An inner London ring road was planned, which ran through many middle class areas. In spite of the wider boundaries the Tories lost the election, Labour scrapped the road plan, made some improvements to public transport, the traffic crisis increased. The Tories got back in and resurrected the plan for roads. In 1981 they lost again.

This time the Labour administration was different. Previously the core of the Labour Party had been a mix of a traditional white male working class and middle class professionals. By the late 1970's the occupational structure of London and its political reflection had changed. In 1961 there were 1½ million manufacturing jobs. By 1980 their number had fallen to 600,000. Instead there had been a rise in the new service industries - the planners, designers, controllers, and financiers of public and private industry. In 1980 there were an estimated 375,000 people in work as engineers, architects, market researchers, accountants, financial analysts, and so on, plus another 1 million supporting them as secretaries, librarians, couriers, and

administrators. This was the 'head' of capitalist development and it was increasingly replacing the 'hand'. Its reflection was the growth of white collar jobs, many of them deskilled, as well as expanded professions like teachers, local government administrators, trade unions researchers and the like. There was too a further growth of cheap labour service jobs - in hotels, restaurants, cleaning, retailing, part of the 60 per cent of London employees in the peripheral labour market, surrounding the 40 per cent core. This growing periphery were the main sufferers from Thatcher's policies. Three quarters of them were either women and/or black people.

The new Labour administration in 1981 reflected the changed class composition in London. Its new leader Ken Livingstone, had worked as a zoo keeper, and as a medical technician. Many others were trade union or local government officers, researchers, former secretaries. Many came out of the new social movements of the late 1960's and 70's, the women's movement, community activists, squatters, protest groups against office development, and the black movement.

Their programmes (set out in a Manifesto of 150 pages) was to meet the transport crisis by a major shift to public transport; to launch a large employment programme to counter London's job crisis (there were more than half a million people unemployed by the early 1980's); to democratise the GLC's arts policy which had always been one its areas of activity, and to work for those Londoners facing discrimination in all aspects of the capital's life - women, ethnic minorities, gay people and people with disabilities. All these programmes - and others - developed during the five years they were in office. For what soon became apparent was that the GLC was the most evident sustained source of practical opposition to the Thatcher government. Its large municipal offices were directly opposite the Houses of Parliament. On its roof was a large banner announcing the growing numbers of unemployed in London. With each government initiative, the GLC developed an alternative policy. And it had the money and people to do so.

Transport

The first battle came over transport. The GLC announced a 30 per cent reduction in fares, and an improvement in services. It meant increased public subsidy and implied higher property taxes. One of the Tory borough Councils challenged the policy in court - and judgement was finally given in the House of Lords that the GLC policy was unlawful. The Law Lords questioned the powers of the Council to subsidise transport at all, and the Council was forced to double fares in 1982. In May 1983, however, the Council tried again, finding ways round the legal arguments, producing a lot of paper work, and cutting fares by 25 per cent at the same time as introducing a travel pass that could be used on either bus or tube. The cut was not as large as they wanted, but was an immediate success. In the first year underground use rose by 40 per cent, and bus use went up by 10 per cent in spite of people switching to the tubes. So successful was it that the subsidy needed was much less than forecast, while road speed in central London rose from 11 m.p.h. to 14 m.p.h.

There was still an internal tension, however. The GLC appointed the Board of Directors to London Transport, and its chief executive. They laid down the broad plan for its operation. But LT itself was managed by a traditional management, with an anti-Labour chief administrator who had been removed from the GLC itself for sabotaging their policies. This management wanted to follow a conservative line of privatising LT maintenance, reducing less used services, cutting staff numbers and introducing one person operation on both buses and tubes. This threatened the quality of services and employment. New directors were appointed to the Board to enforce GLC policy. The GLC's transport planners (some of whom accepted the LT line) conducted inconclusive negotiations. The GLC itself supported a campaign amongst the trade unions in LT against the management plan. There was then a pincer movement against LT management, which was finally successful. At that point, on July 1st 1984, the Tory government stepped in - linked in with LT management - and took over direct control. They imposed a nationalisation that had failed in the 1920's and immediately implemented the LT management strategy. Fares have risen, staff have been cut, one person operation has been

introduced (disastrously on the buses) and services have declined. As road speeds have fallen, and congestion increased, the central government have resurrected plans for major road building, though they have now withdrawn some that run through marginal constituencies. Transport in London and the South East is shifting its political significance from regional to national level, and promises to be a key determinant of the outcome of the next general election.

Jobs

Defending wages and working conditions had been one of the reasons for the growth of local government. But councils for the most part had not ventured into the private economy, not least because of legal restrictions on them taking equity in firms. The GLC found a way round these restrictions by setting up the Greater London Enterprise Board (GLEB), a development bank charged with intervening directly in industry to save jobs, turn round firms, provide investment funds, necessary property investment and new technology. GLEB had a budget of £30 million, and over the three years between 1983 and 1986 it invested in 200 companies, creating over 4,000 jobs, and perhaps most important, showing that there was an alternative to the Government's monetarist policies of restructuring.

Many of the GLEB investments were in company turnarounds - firms that had been starved of finance, and modern management. In each case GLEB required that the companies agree an enterprise plan with their workers, which would cover long term strategy, pay and working conditions, and an equal opportunity policy to counter discrimination in the workplace. Side by side with this it started technology networks, most of them prototype workshops with equipment and skilled advisers to allow Londoners with skills and ideas to come in to work on new products, and to develop alternative types of technology to meet particular needs. Thus they developed a number of medical expert systems, (to help in diagnosis), a variety of devices to help people with disabilities (such as a mini gym for wheel chair users) and most ambitiously, the £4.5 million project with Danish and German partners, to build an automatic factory system, whose distinction is that it is built round the skills of craft engineers who can

programme the machinery directly through their own manual operations. There was a medical application of robotic vision systems, an electric bicycle for energy economy, and a fifth generation computer which has been particularly successful (earning GLEB over £2 million).

GLEB's size and resources restricted it to intervening in small and medium sized companies in light industrial sectors - clothing, furniture, footwear, light engineering, printing, food processing and the cultural industries. Large scale industry, public and private, posed a different problem. Ford Dagenham for example had a workforce of 15,000: a lay off there could cancel all GLEB's work over three years. British Telecom in London employed two thirds of all those employed by London's small manufacturing firms with under 25 workers. The GLC therefore set up a Popular Planning Unit and took on a number of sector specialists. Their job was to work with trade unions, user groups, other local authorities, and researchers to develop strategies for these firms and industries which met social criteria and secured employment, rather than being governed by the market's balance sheet.

Developing these strategies became part of a political campaign for a different type of economy. The Unit produced an economic newspaper with a circulation of 100,000 copies. They organised a major public enquiry on Ford. There were a series of local hearings on the best type of regulatory regime for the new cable technology (together with a special newspaper on cable); they played an important part in the national level enquiries on nuclear energy and London's docklands - in each case producing detailed alternatives to the government's schemes. They linked up with local authorities in Paris and Bologna and unionists from some 20 plants to press the giant firm Kodak not to run down its research spending in Europe, nor close down the heartland plants. Similar work was done with the unions in Unilever, Phillips, For, British Telecom, and the Health Service. An early warning unit, staffed by former industrial trade unionists, kept a close ear to the ground to alert the Council and the trade unions to possible closures or lay offs.

One of the guiding principles which emerged from this work was that the direction in which an economy developed - what it produced, where its plants were sited, what kind of technology it used, what kind of pay and conditions of work it offered and to whom - all these were not merely a matter for private firms and central government to sort out. Central government could so easily get cut off from the detail on the ground that even where they had the will, they couldn't influence the real choices of direction as they were experienced by particular groups of workers and communities. Local government was closer, but what was really required was a strong 'civil society' - popular institutions which could influence industries - much like chambers of commerce and business lobbies have long been set up to do. Trade unions are of course a key institution of this sort - and part of the GLC's programme was to provide support for the trade unions - through requested research for example, or providing funds for Trade Union support units in different localities. But their funding of independent democratic economic groups went much further than this: they set up a special unit composed of ex community activists and trade unionists who funded employment groups campaigning for the interests of women, black people, and people with disabilities; community enterprises and initiatives from the co-operative movement. By 1986 they were funding 200 such groups from a budget of over £5 million a year.

There was also emphasis on strengthening user and consumer groups: tenants associations; local energy groups; campaigns for better public transport; others concerned with the public broadcasting and the press, and with health care. Perhaps the greatest immediate impact was achieved in the food sector. The Council established and funded an independent London Food Commission, with a staff of fourteen, to campaign about the dangers of ill regulated mass produced food. Within four years they have played a major role in changing food politics in Britain - they alerted the country to the health hazards of salmonella in eggs (which led to the resignation of a government minister), to the dangers of feeding animals on other dead animals, and of the long term effects of many food additives and irradiation techniques. Positively, the last few years has seen a change in supermarket stocking and mass food production to take on

board the points made by the Commission and the growing consumer food movement.

In 1985 the GLC produced a 600 page London Industrial Strategy - drawing on the work of GLEB and the GLC's popular planners, and providing a large number of recommendations for further action - some for the Council itself and other local authorities, and some for a national government, if and when it changed its political direction. As the Strategy emphasised, it was not that local government and the independent economic groups replaced central government. Central government and European Commission support was usually needed. Rather the point was that policies which started from the needs and perceptions of those actively involved, with their local government as a first line of strategic help, were more 'rooted' than ones drawn up by national departments and think tanks. They had a democratic foundation - politically and economically - which gave them much greater strength in the face of forces opposed. This is perhaps the central lesson of the GLC's economic work.

In addition to the Industrial Strategy, the Council produced a technology strategy, a strategy for the cultural industries, and a London Labour Plan. The Labour Plan summarised what the GLC had done to influence the labour market - through the funding of training, the use of its public purchasing power to promote greater equalities in the labour market, its support of the campaigns against privatisation, coupled with measures to expand the Council's own public sector employment. It also drew up parallel recommendations to those of the Industrial Strategy, concentrating on measures to help disadvantaged groups, trade unions, public sector employment, as well as proposals to improve the quality of working life and aid the distribution of working time.

Planning

One of the GLC's main responsibilities was to act as a planning authority for London. It was statutorily required to produce a Greater London Development Plan, identifying where industry should go, housing, offices, open space, major utilities and so on. This had been an increasingly long drawn out and blunt instrument. There

were enormous commercial pressures to rezone sites for office and commercial development. The central government during the 1980s repeatedly overruled London's planning authorities in favour of developers, and attacked planning procedures as getting in the way of market development.

Yet the economic and social health of the city depended on effective planning. If office and commercial development was allowed to drive out manufacturing - as it did in many areas - it left fewer jobs, and ones geared more to commuters than the local community. There were thus large parts of inner London with poor housing, high unemployment (up to 25% male unemployment) at the same time as commercial redevelopment was taking place at the community's expense. Further, with work not linked in to housing, journeys to work were getting longer - a waste of time and resources - while those locked into the inner cities could not afford the fares (and for women the time) to go further afield to find jobs.

Market led development moved like an internal colonialism - both of homes and jobs - over different parts of London. The most striking case was in London's docklands - taken over by a Government strategy to act as a commercial overspill for the City and Fleet Street, and for gentrified housing. The needs of people who had no money were swamped by the demands of those who had.

The GLC's Planning Committee, chaired by one of the leading campaigners against such indiscriminate office development, worked to restore the effectiveness of planning. Sites in the centre of London were taken back and turned over to local community organisations for the development of housing and industrial workspace. The council initiated a series of Public Action Zones, in which local authorities were encouraged to act as public sector developers, in accordance with publicly agreed area development plans. It used its own landholdings to pursue its policies - notably in completing the redevelopment of the Covent Garden area, in which the increase in site values arising from the redevelopment were used to subsidise shops and open space which were needed for a balanced community (fish and vegetable shops for example, and shops which were not part of

large retail chains). The area has now become one of the most popular in London. The Covent Garden case underlines one major lesson - that public landholding and public sector development is a key instrument for making land use planning regulations effective. General de Gaulle found this in Paris: the GLC's experience confirms it in London.

Environment

Many of the GLC's functions - until recently thought of as dry municipalism - have now been recognised as key to environmentalism. Waste disposal, the control of atmospheric pollution, the reduction of noise levels, the control of traffic, the provision of open space, and the effective use of existing land within the city rather than permitting city sprawl: all these could be found occupying GLC officers in rooms around County Hall. The seventh floor even had a scientific laboratory, with more than 100 staff, to monitor the atmosphere, control hazardous substances, and so on. The Council had pioneered the burning of waste to produce energy; it had a large programme to bring back into use contaminated sites; it banned lorries at night to cut noise levels, and pressed lorry owners to fit hush kits to quieten exhausts. It financed recycling schemes, nature reserves, new parkland, city farms, and cycle lanes. In the field of energy its main focus was on encouraging energy conservation (one of GLEB's technology networks specialised in energy efficiency), and on using waste heat from power stations to heat homes and commercial buildings through combined heat and power schemes.

Cultural Industries

The GLC had always provided funding for The Royal Opera House, The Royal Festival Hall (which it managed), and other key sites in the performing arts. The Labour administration saw these as elite forms of culture - and initiated a policy of opening these places out. They diversified arts funding and expanding it. The Festival Hall was opened up to all sorts of artistic activities in the day (previously it was usually closed until the evening); its orchestra went to factories to play in the lunch hour; third world music came into the programme. The Council organised and funded large public events - popular music festivals, drawing up to a quarter of million

people (in 1985 on the theme of jobs), and encouraging young bands. It financed many hundreds of local cultural groups - particularly black and women's groups - in theatre, video, many different types of music, mural painting, publishing, and record production. It took the view that cultural policy should not only be focussed on the performing arts but on the cultural industries - the music industry as a mass production industry for example, or television and film. These industries were dominated by advertising a small number of media conglomerates, who used the publicly funded performing arts as a seed bed. Cultural policy for the GLC meant working for a democratising of these cultural industries - investing in alternative distribution networks for example, campaigning for a tax on advertising which could be used to fund diversity, ensuring that cable networks were not simply a shop window for cheap US films but served the communities around them. These industries were seen then not only as a rapidly growing part of the London economy - and important therefore for the Council's employment policy - but also as a major factor in determining what it was like to live in London. The pop festivals, the rock groups, and local cinemas, or theatre groups were part of what in Britain at least was something of a cultural revolution.

The Structure of the State

All these policies required administration. But the structures that the new politicians found were centralised, bureaucratic, and distant from ordinary Londoners. Ken Livingstone was committed to changing the style and culture of County Hall. Committees were opened out to the public, and their documentation made available. County Hall became a venue for conferences and meetings for activists, as well as for open sessions to discuss policy. Some business - notably housing - was decentralised to the boroughs, and area offices established. Rather than just expanding the staff to implement the new policies, community groups were funded to carry them out. Nearly a thousand groups received funding from the GLC in this way. Within the bureaucracy the Leader decentralised control to a cabinet of Committee chairs, most of whom worked full time on a low subsistence income. They brought in advisers from the relevant fields - many of them quite new to local government. New departments were established

- an anti racist unit, a women's unit, a disabilities unit, an economic unit, a unit to deal with equalities policies among suppliers, a unit to monitor the conduct of the London police force. There was no model behind this, rather a sense of the need to open up the building and procedures of County Hall, to have things out in the public domain, to have people advising on policy and administering grants who knew the problems of the people affected by the policy, and who shared the imagination of the political programme.

On the other hand both the politicians and the new recruits into the administration quickly appreciated the importance of structure and procedures for the very aims to which they were committed. The key structure was the Committee. The reports prepared, debated and passed by the Committee were the authority for public action. The justification for that action, its financial implications, the commitments of those receiving funds (if it was a grant to an outside body), the legal basis of the action, were all set down in the reports to be examined by the politicians, the press and the public. Each report had to have a legal and financial 'concurrent' in which the Council's finance and legal officers made their comments on the report. They each had to have paragraphs showing how the action related to the Council's policies on equalities. They were the point of political and administrative accountability, the discipline on the bureaucracy, and the setter of targets against which progress could be monitored. They took the place of profit in the private balance sheet.

The question was how to retain financial and political accountability at the same time as permitting initiative and flexibility in decision making. The formal procedure of the committee reports was one part of this, but they often allowed room for discretion. Discretion could not be controlled by the rule book. Rather the councillors relied on the openness of information and discussion, the close relations that existed between them and the officers, to bring to light cases where discretion was ill used. Above all what was important was the establishment of a common culture. Anti sexism, anti racism, and a commitment to getting the task done were the main

elements of that culture, not merely political commitment to the Labour Party.

III

On March 31st 1986 the Government abolished the GLC and the other metropolitan counties in England. This left London as the world's only major city without a city government of its own. Some of the GLC's powers were taken over by Westminster; some passed to unelected bodies; some devolved to the local Borough Councils. On March 31st 1990 the Inner London Education Authority - the GLC's sister institution - was also abolished, and County Hall has been sold to developers for conversion to a hotel complex.

Much of what the GLC started in these years has gone on - taken up by other councils, continued in voluntary bodies, even occasionally turning up in Government policies. The GLC was in any case only one part of a broader municipalism - to be understood in the particular political context of the 1980s and the changing economic and class structure of Britain. But this movement has left a deeper mark. It has shown the importance of local government as a source of new public policies and new forms of public administration. It has shown the importance of democratic planning - whether of a city's land use or its economy or its culture - as effective in itself and as a foundation for more effective democracy nationally. It has been particularly significant in suggesting a new structure of public intervention in the economy, through the Enterprise Boards, through the coalitions of counterracting power against the multinationals, by co-ordinating the fragmented parts of the central and local state around a common strategy in any one city or region. Finally it has been a continuing training ground - for politicians, administrators, and the civil society itself - not just in the making of policies but in carrying them out.

Institute of Development Studies
University of Sussex, Brighton
England BN1 9RE

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