

## Changing the Centralist Culture



Westminster Photocredit: [Alex Muller](#)

*The relationship between central and local government remains a key debate in British politics and public policy. Whilst focus is often on failure at a local level, [George Jones](#) writes that change to the centralist culture is necessary and achievable, but only through substantial reform.*

There is too much centralisation in central-local relationships. The fault lies with central government. Too often, reformers focus on local government instead of tackling the defects of central government that have led to this country being called the most highly centralised in Europe.

The core reason for the failure of genuine localism lies with ministers and civil servants. Centralism is deeply embedded in the workings of departments and of central government generally. The centre knows no other way of relating to local government than through command and control, involving detailed prescription, often masquerading as guidance, and ministerial rhetoric.

The behaviour of ministers and civil servants towards local government needs to change. Simply urging them to do so will not be enough. Changes in the institutions and processes of public administration at the national level are essential.

### **A statutory code**

A new pattern of central-local government relations is required through the enactment of a semi-constitutional statutory code expressing the principles of localism. Whitehall departments would recognize a statutory code more readily than words that carry no legal weight. A statutory code is essential to grab the attention of central departments and make them behave differently in their daily work.

The purpose of the Code would be to provide criteria against which specific proposals from government and the legislature could be assessed, and general changes in central-local relations throughout the year appraised.



The Code should recognise:

- the constitutional position of local government;
- the primary accountability of local authorities to local people;
- the responsibility of local authorities for community well-being
- the need for local authorities to have a wide scope for local choice to discharge that responsibility;
- the need for parliament and central government to be limited to where there is a clear national interest;

## Monitoring

Codification of the key principles of central-local government relations will not be enough to secure change. Procedures for monitoring and enforcing the Code are necessary. Within central government there should be a Cabinet committee supported by an official unit at the very centre—in the Cabinet Office, and chaired by the Prime Minister – to monitor the operation of the principles set out in the statutory Code, and to ensure its application in a consistent way by all departments. The Prime Minister needs to be the Chair of the Cabinet committee to which the unit reports, to give it authority and punch.

Just as important would be a joint committee of the two Houses of Parliament with responsibility for examining central-local government relations in accordance with the principles of the Code, reporting to parliament both with an annual review and on specific legislative proposals and administrative actions. A select committee of either House alone would not carry sufficient weight.

With these reforms the culture and practices of central government would change, as the principles of localism, embodied in a strong Code, permeated throughout all departments.

## Financial reform

A Code and changes in the structure and processes of central government are not enough. There needs to be financial reform. As council tax provides only 18% of revenue, authorities are supplicants for funding from central government. Rather than engaging in a dialogue with their citizens about local priorities, authorities moan ‘give us more grant’, and ‘no cuts in handouts.’ Centralism will prevail as long as local authorities are so massively dependent for their resources on central government.

George Osborne’s latest proposals for devolution to local government, leaving the proceeds of non-domestic rates to local authorities and conferring on them wider discretion over spending on infra-structure projects, are essentially centralising since local authorities cannot determine the rate of the tax and have to accept the imposition of a directly-elected mayor.

This country needs a local-government financial system based on the principle of genuine financial accountability, with grant reduced to that required for making a level playing-field, and decentralization of local taxation, so that local authorities would draw the bulk of their resources from their own voters through taxes whose rates they determine. In practice that would mean a combination of (i) a local income tax and (ii) property taxes, based on regularly up-dated valuations, and without any form of capping – which is against all principles of localism.

## Essential reform

These reforms are essential to ensure that local government is no longer just a division or agent of central government, treated with contempt and derision by Whitehall and Westminster, but is respected as an essential element of the British Constitution.

That is the goal. The pity is that many convinced of the intellectual case for it feel it will never happen because of politics. It will certainly never happen if they don’t demand it.



*Note: this article gives the views of the author, and not the position of the Department of Government, nor of the London School of Economics.*



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