

The coalition government's Localism Bill is inconsistent and restrictive for local government. Ministers are actually legislating for a confusing mix of new central controls and only minor local 'freedoms'

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The proposed Localism Bill is touted by the government as a way of putting more power in the hands of communities and local people. On the surface, it will also give local authorities more freedom over their funding, through the removal of ring-fenced grants. However, as [David Walker](#) explains, councils will still be subject to top-down diktats and will be denied badly-needed fiscal devolution at the local level.



Anticipating the coalition's [Localism Bill](#), due shortly, housing minister Grant Shapps promised: 'the removal of all ring-fencing from local government grants – giving councils freedom over the funds they receive'. Here is one of the Cameron government's most precious self-images on display. It is extending freedom downwards, towards the 'little platoon'. It is removing 'red tape' and diminishing the power of Whitehall and the central state.

But that is not what the government is doing. Or rather, the government turns out to be pushed and pulled by contending impulses, the strongest of which (unsurprisingly in the self-proclaimed age of austerity) is fiscal centralism. Plans for any reform of local government finance are completely absent from the government agenda, speaking to the limits of its localist commitments.

Yet amid the inconsistencies, this is not just centralism as usual. For the Tories, if not all the Liberal Democrats in the government, localism takes second place to cutting the size of the state, the local as well as the central state. Ministers rejoice over job losses in the civil service, as well as in the town and county halls. As well as attacking the salaries of council chief executives, Eric Pickles the Secretary of State for Communities and Local Government (CLG), wants fewer of them. He has been telling councils to share chief executives – though he seems to have backed off the earlier proposition that the role of chief executive and council leader should merge.

The Tories might have opted for radical decentralisation as a way of accomplishing their principal aim of shrinking the state. Writers such as Simon Jenkins have long argued that fiscal devolution is the way to go: in his view localizing taxation and spending is the best way of cutting them.

But the Tories were never likely to go in that direction, partly because of their bad memories of the 1980s. Ministers know where local government autonomy can lead when Labour is in control of councils. And Tory ministers are not convinced that the radical localists are right: they fear that more local control could lead to demands for more spending, not less.

So the government is inconsistent. The Localism Bill will offer reductions in ring-fencing of grants from the CLG but they are matched by more restrictions elsewhere. We will shortly see the government's plans for public health. Councils are being given more specific responsibility but, lo and behold, they will be incentivized with a ring-fenced budget, tightly controlled by the Department of Health. Andrew Lansley, the Health Secretary, coldly excluded councillors from any role in the GP consortia that are to commission local health services instead of the Primary Care Trusts (to be abolished).

In a further Whitehall department, Michael Gove, the Education Secretary, is unveiling a plan to take control of how much councils spend on school maintenance, special needs and generic administration of education, to complement a more directive regime of grants passing straight from centre to individual schools.

With policing, the Tory plan is to introduce directly elected police and crime commissioners under scrutiny from panels on which elected councillors will sit. The panels will have the right to ask for a referendum if the commissioners' budgets are deemed excessive.

Another possible plebiscite would be given residents who object to a local council's choice of auditor, under the regime that will replace the Audit Commission. This is of course a version of localism.

On the welfare state, localist and centralist lines are confused. At the Department of Work and Pensions, Iain Duncan Smith's promised 'universal' credit would rub out local variation in benefit. But he has not touched council tax benefit, with its steep tapers. On housing benefit, the push has been for more rather than less local variation, to cut subsidy for private renting in high rent areas. The coalition government's localism, in other words, is a shape shifter.

A senior Tory was quoted in the Financial Times recently saying ['Localism is not just about giving more power to local authorities: sometimes they are the problem'](#). Eric Pickles, the Communities Secretary, instructs councils when to empty residents' bins, proscribes councils' efforts to inform the public and insists he knows better how much council officials should be paid.

The puzzle here is that empirical evidence suggests, historically, that single-purpose public management bodies tend to be more expensive. Current Tory plans fly in the face of two decades of 'partnership working' and they fatally damage recent efforts to unify local public sector budgets under the Total Place and similar rubrics.

One paradox of the times is that a precondition of the shrinkage of that state that the coalition evidently wants is central planning, for example of council boundaries and functions. But it is not expedient, in terms of Tory party internal dynamics, to assault district councils, which would have to be abolished to secure enough savings. We are left, instead, with a set of policies simultaneously moving in different directions. Localism rhetoric is strong, but the practice is different.