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Responses to Urban Budgetary Stringency: The Managerial Dimension in London

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The Managerial Dimension in London

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What is it like to manage an urban public service under circumstances of budgetary stringency? What are the role perceptions of such administrators? This paper reports on some recent evidence gathered on this question in London. It is part of a larger comparative study of responses to urban fiscal crises in the United States and Great Britain.¹

The material reported on here is drawn largely from interviews conducted with local-level administrators, and with national administrators with responsibilities for local services, conducted during the summer of 1979.² While there are some commonalities among these managers, I will be arguing that there are three patterned distinctions which divide them.

The first of these distinctions, and the one on which this paper will report, concerns differences in management between differing tiers of administration. Budgetary stringency impacts differently, it can be argued, on those parts of the governmental structure with direct responsibilities for delivery and administration of services, and those organizations with a more removed mandate. Although national government is responsible for a wider range of services in the U.K. than in the U.S., it is nevertheless a characteristic of both systems to have central government primarily involved in urban administration as a provider of funds and a setter of rules, and not in the actual administration or delivery of local services. While we would expect budgetary stringency to impinge on both central and local administrators, the impact ought to be different.

The second distinction, not reported on in detail in this paper, can be found within particular local governments between administrators serving in different departments. As an extension of the first distinction, discussed above, we can anticipate variations in response to stringency between staff and line agencies. The position of staff agencies, and those who administer them, is in some respects closer to that of central authorities than to line administrators within their own local government. As with many central government personnel, staff agency personnel, even within local government, are relatively insulated from day-to-day contact with the most direct effects of stringency. This is not to argue that they are unaffected, but insofar
as stringency is related to service decline and client dissatisfaction, they are not so regularly exposed to these phenomena as are those administrators with field responsibilities.

In contrast to central government administrators, however, staff personnel of local governments do share an exposure to common local political controls with their line agency colleagues. Thus, the effect of stringency on the local political climate, such as might be expressed through the local Council, does impinge on the world of local government staff personnel.

The third distinction in the larger study is one which distinguishes between differing types of local governments. Despite the "smoothing" effect of the British version of revenue sharing (the Rate Support Grant), local authorities in the U.K. do differ considerably in their political willingness to engage in local public service spending. Such a distinction, between authorities which are more fiscally conservative, and those which place greater emphasis on service delivery, is a mainstay of British politics, probably even more clearly than is true in the United States. It is often a fundamental distinction between Conservative and Labour local administrations.

Budgetary stringency impacts differently on authorities with differing historic perspectives on public spending, and therefore we can expect that managers in these differing types of local governments will also be differentially affected. It should be pointed out, however, that there is little a-priori reason for thinking that historically conservative local governments will be more or less responsive to pressures for increases in budgetary stringency.

It can be plausibly argued, for example, that local governments with a history of low public spending are likely to be under less pressure to reduce expenditure precisely because expenditures are at already low levels relative to other local governments. In this argument, historically fiscally conservative administrations will feel less pressure to reduce expenditure because the constituency for such reductions will already have gotten its way, and the "outrageous examples" of high public spending which often form part
of the ammunition for attacks on local government services will be less likely to be present as inviting political targets. Voters and/or other actors who wish to hold down local government spending will recognize the "prudence" of such authorities, and they will be largely exempted from either mass public or elite pressure for further reductions.

But an equally plausible argument can be made for the converse. Authorities which are historically low in public spending are precisely those where the confluence of local political forces is such that conservative points of view have more significant influence than in local governments with historically high spending levels. Insofar as the pressures for local budgetary stringency receive national attention (as clearly has been true for both the U.S. and the U.K. in recent years), such local governments have political environments which are particularly responsive to such forces.

Even though such communities may begin with relatively low levels of spending, conservative influentials within such communities may still think of public spending as being absolutely too high, and wish to work to reduce local government expenditure still further. Authorities in which such individuals and groups have been historically influential are also likely to be particularly open to enhanced influence from such sources as pressure for fiscal restraint building in national attention. Under this argument, therefore, it is precisely those local authorities with records of low spending in which the political attractiveness of further budgetary stringency will be highest.

Each of these three distinctions arises in examining local public management in the U.K. (and, I suggest, within the United States as well.) But we can also inquire about distinctions between the management climate in British local government as a whole, when compared with that of the United States. I have argued elsewhere that despite greater formal constraints, British local administrators can be freer actors than some of their American counterparts. 4

The reason for this lies in the quite different perceptions of the "causes" of urban fiscal problems in the two societies. In the
British case, local government spending is almost always discussed in the context of national economic policy. Public debate, and national-level political attention, focuses on local government spending in the aggregate, and very little on the particular spending patterns of specific local authorities. In the United States, by contrast, there remains a tendency to "explain" urban fiscal problems largely by reference to particular characteristics of the local government involved.

New York City is, of course, the classic case of such characterizations, but a similar pattern of explanation can be found in widespread interpretations of the problems of Cleveland, often accounted for in terms of the personalities and political preferences of individuals, particularly the Mayor. More recently, the problems of Wayne County, Michigan have received considerable national attention, and this attention centers on political conflict between the city of Detroit and its surrounding suburban ring.

For purposes of this study, however, what I want to emphasize is the climate for urban management, and its expectations about autonomy. Any discussion of the distinctions I outlined above rests on certain fundamental premises about the public administrative system. Of fundamental importance in Britain is the largely national nature of labor relations (although this has been under some stress recently), and the very widely shared norm that dismissal of public employees is not an acceptable response to budgetary stringency (although there are some indirect forms of increased unemployment that appear more possible politically.)

For both of these items recent extensions of national pressures for local budget-cutting have had impact. The existence of national wage settlements gives British central government a powerful lever for the control of total local government expenditures. Intervention in these discussions is relatively simple precisely because they are national in scope. Negotiations have high public visibility, and any national government effort to reduce public expenditure would need to include this particular aspect of spending in order to be credible.
Unlike American practices, where labor agreements of individual local governments rarely become items for attention outside the particular community involved, British patterns ensure that wage settlements which affect almost all local government job categories will become widely known. Continuing environments of budgetary stringency change the consequences of this practice.

While national agreements had their historic support largely from employee groups which saw them as a way to bring recalcitrant local authorities "up to national standard," the practice today can serve to inhibit public employee union power in environments which might otherwise be more favorable to such unions. Even if a local union makes the calculation that its chances for higher local settlements are good, a long history of national negotiation, and ongoing structures which provide for this, make any such change difficult to achieve.

But to say that employee groups find it difficult to break out from national negotiation does not mean that the effort will not be made. An extreme example of this occurred in the past year in parts of London, when social workers employed by local government authorities went on strike seeking higher wages than had been obtained by their organization nationally. (For some time national negotiations have included a "London weighting," intended to adjust for higher costs of living in the capital, but London social worker groups took the extremely unusual action of seeking to break out of the wage settlement above and beyond the traditional "London weighting" exception.)

While all managers interviewed in London argued against making changes in national settlements, and some London Boroughs took long social worker strikes rather than compromise on this point, it is clear that one impact of continuing budgetary stringency has been an increased challenge to national wage bargaining.

A number of managers discussed a tendency to have an indirect form of local bargaining, through the local power to reclassify employees into different categories of responsibility. Even though
wage settlements are made nationally, there is no national body with formal responsibility for deciding on job classification within any particular local authority. Thus, local governments have some leeway in making adjustments in wage rates, by being more or less willing to reclassify in ambiguous cases. While the historic use of this leeway was concentrated in local authorities which wished to pay relatively higher wage rates, budgetary stringency opens the possibility of its more aggressive use by local decision-makers to hold down expenditure by a more restrictive set of practices in job classification. "Grade creep" can operate in a downward as well as an upward direction.

Budgetary stringency also affects the nature of norms against employee dismissal. While in a formal sense these remain strong, and even the new Conservative national government does not suggest dismissals, this norm too undergoes some erosion as budgetary pressures increase. Distinctions appear between individuals who are formal employees of the local government, and who are therefore deserving of local government protection against dismissal, and other individuals, whose work, though funded by local governments, are not officially on the local authority payroll.

Such individuals, whether employed by private contractors dependent on local government capital construction projects, or employees of non-profit organizations funded by local authority grants, are less secure. Even quite left-wing Labour-controlled London Boroughs have been willing to cut back on grants to outside bodies, even though it is obvious to all that the result of such cutbacks will be unemployment for the employees of such groups.

Expectations remain that employees of contracting firms will not be unemployed as a result of cutbacks in capital spending, but that these individuals can be absorbed by private-sector construction work. But this view seems based less on hard evidence, and more on the political acceptability of forms of budget cutbacks which include employee dismissal, so long as the local Council cannot be said to be "firing its own workers." This remains politically unacceptable, but, as can be seen, the interpretation of who constitutes the Council's "own workers" is open to redefinition.
But changes in norms do not necessarily presage major changes in behavior. Earlier studies of budgetary practices in Britain have argued that attempts to introduce more comprehensive budget planning by the central government reinforced tendencies to distribute funds on a "fair shares all around" basis. Earlier work of mine has shown that this tends to be true for British local governments in periods of budgetary stringency as well. Analyses of successive budgets for several local authorities showed relatively little percentage changes in spending for each of the locally-delivered public services (although each of the studied authorities retained its own distinctive mix of spending priorities).

In the research being reported on here, local managers were questioned about the "fair shares all around" approach. Rather than subscribing to it, as has been the reported British norm, virtually all respondents indicated that they thought this an undesirable approach. They hold this view despite some evidence, as I indicated above, that this is exactly the approach their local governing bodies have taken. What we have here is a change of norms, but significantly less of a change in behavior.

Why this disjunction? I would argue that periods of budgetary stringency reduce the amount of slack in any department's operation, and so make its managers considerably more sensitive to what might otherwise be seen as quite marginal changes. It is one thing to demonstrate that spending mixes remain stable, but quite another for the administrator of a particular service to feel that this is true when his day-to-day tasks revolve around responding to specific stringencies imposed on his own department. The nature of budgetary stringency itself, therefore, can make administrators feel less collegial, and less willing to continue to articulate norms which emphasize collegiality, even when the realities of budgetary shares remain quite constant.

Thus, it can be seen that budgetary stringency does impact upon some long-standing attitudes in British public management, and produces changes in these attitudes. Not only is the adherence to "fair shares" collegiality decreased, but local managers can no longer
as easily take for granted that wage bargaining will be treated as a national matter not requiring their direct involvement. Nor can managers take for granted that strong public and elite attitudes prohibiting employee dismissal will remain operative. The definition of "public employee" is susceptible to change, at least at the margins, and a number of managers indicated that although they did not anticipate significant dismissals in local public service anywhere in the country, that the national budget proposals of the new Thatcher government (which include considerable reductions in central government aid to local government) did make such a development conceivable in ways that had not previously been true.

**Urban Management on Three Levels**

As I indicated above, budgetary stringency not only changes the overall managerial climate, but does so in differing ways for different groups of administrators. This can best be seen by examining administrators at different levels of British government.

In Britain, the part of central government with the greatest responsibility for local administration is the Department of the Environment. (This department's title is something of a misnomer. It is the successor to the Home Office and has, among its other responsibilities, control of the administration of revenue-sharing, and development of the revenue-sharing formulas. Since central government funds approximately two-thirds of all local expenditure through this item (the Rate Support Grant), the details of its calculation (and the calculation) are perhaps the most important point of interaction between central and local governments in Britain. Administrators in the DOE, therefore, are acutely conscious of the financial position of local government and are, in an important sense affected by this (even though their own departmental resources are, of course, centrally provided.)

As with much of British political practice, central control of local government is largely dependent on unwritten understandings. Thus, the central government has the direct authority to set revenue-sharing levels, but can only give advice to local authorities on how
they should spend this money. Official circulars are sent out from
the DOE to local authorities, and calculations in the Rate Support
Grant formula are determined in part by central government preferences
as to the spending priorities of local authorities, but these
directives do not have the force of law.

From the perspective of one DOE official with responsibility
for Rate Support Grant calculations, most local authorities followed
government advice, at least most of the time:

"It's a paradox. There are 405 local authorities.
History shows that they are remarkably of one mind...
A statement from central government is relied upon to
an amazing extent by local authorities in their internal
discussions. There is a view that they ought to do so
and follow central government directives."

When asked why local authorities tend to act in this way, this same
official argued that:

"People around here (the DOE) know that they've got
no sanctions if their bluff is called. It might just be
a British gentleman's agreement. A tacit understanding
that local authorities won't take advantage. If a few
local authorities are bent on doing something different,
it isn't worth having a big fuss about it. This is a
useful cushion (for us) against having to take difficult
positions."

But budgetary stringency did affect the pattern:

"We can get away with formula changes (in the methods
used to calculate the Rate Support Grant) more easily
when expenditures are growing. The political impact of
cuts is more important."

Thus, from the perspective of this central government official,
national decisions essentially determined the mix of local government
spending, but this type of unwritten control was more difficult to
exercise in times of budgetary stringency than when fiscal constraints
were looser.

Another DOE official thought that budgetary stringency might
lead to greater exercise of priority-setting at the local level:

"In emergency cases (of budgetary stringency) everybody
does across the board cuts...On a longer term basis, if
we're going to have the drastic cuts implied by the
Conservative (Party) manifesto, these will be delegated
to local authorities...The situation requires cuts to be
political decisions at the local level."
The central government might be able to impose a requirement that local authorities cut their spending, but would not want to become involved in making too many choices within the overall spending totals it might assign.

A third DOE official's experience indicated that this is present practice. This individual was part of a group of DOE civil servants who had been assigned to work on the staffs of local authorities for a year in an effort to give the DOE a better picture of just how local authorities did in fact respond to central government directives. This type of exposure produced another perspective:

"They (local authorities) delineate for themselves areas where central government had a reasonable intervention, while others were out of bounds...Local authorities get a Public Expenditure White Paper, delineating service by service what they should spend...Authorities will say the only area where central government could (legitimately) control was the total...figure...They said, we take this as a strict limit, but we decide priorities."

"It is extremely rare for an individual authority to follow (our recommended) service mix. 'Swings and roundabouts' effect (things cancelling each other out) leaves total as we set it with associations of local authorities...This has been acceptable so far to central government because it works."

This official, on the basis of his own exposure to local government, and familiar with the experience of his colleagues on the project assigned to other local governments, saw wider scope for local choice than did his colleague who only served at the central government level. Budgetary stringency produced strains:

"They have to define low priorities...But the bulk of the budget is committed expenditure, which they wished to continue...Defining the lowest priorities was very traumatic for them. They find it difficult to decide what are their lowest priorities. They have no objective measures...What matters is who's powerful...Big spending committees (within the local authority) have more powerful chairmen and chief officers, so there's a bias toward big spending committees."
Thus, this official saw a range of local discretion, and budgetary stringency produced "trauma" but retained this local discretion. This official had served with two London Boroughs. One, which he characterized as a "good borough," accepted the centrally-determined total budget figures, but set its own priorities. His second experience, in a "bad borough," was one where the borough "ignored central government and went its own way," -- a way which produced much higher spending totals than the DOE had urged.

What we should notice about these characterizations is that being seen as "good" or "bad" by the DOE would have no effect on a borough's allocation:

"The way the grant system works, if an authority overspends wildly, the penalty is spread over everyone."

And we can also notice that even the "good borough" went its own way on priority-setting, but was "good" because it adhered to spending totals recommended from above, not because it followed the recommended service mix.

But we can also examine the impact of budgetary stringency from the rather different perspectives of the recipients of central government grants. Although the Greater London Council (the London metropolitan government) is not a direct recipient of Rate Support Grant funds, it does receive comparable forms of aid from central government, and its own budget decisions can impact on those of the London Boroughs below it. (The reorganization of London area government in 1963 sought to describe the range of functions to be performed by the GLC and those to be performed by the London Boroughs, but, probably inevitably, there is considerable overlap and conflict between the two levels.)

From the perspective of the Greater London Council's Treasurer's Department, things looked somewhat different than they did at the Department of the Environment. As one officer at the GLC put it:

"We feel under considerable constraint and moral pressure (from central government) that we have no choice but to respond to...We fear that if we didn't agree with central government, they would be bound to bring recalcitrant local authorities into line."
Another official, while agreeing with this author's earlier conclusion that British local government managers were under less constraint than some of their American counterparts, argued:

"I agree, it's less, but it's not free... We can take on (central) government on revenue expenditure, but there is a strong threat to take powers in future (to control this type of local spending) if an authority is out of line."

And, this officer pointed out:

"We are very much directed by (central) government on capital expenditure."

Because borrowing had to be approved centrally, local governments could not seriously diverge from central priorities on new construction, unless they had the resources to finance this out of their own current revenues.

Budgetary stringency had its impact in two ways. One was the implicit threat to limit the freedom of local governments to spend as they chose. Absent any constitutionally-ordained federal structure, the national government could, by Act of Parliament, require compliance from local authorities. Anticipated feedback -- desire by local authorities to avoid this possibility, made them comply with central directives even when they were not formally compelled to do so, in this view.

However, the second major impact of budgetary stringency is more problematic in its impact. Several GLC officials indicated that one consequence of stringency was an increase in the consultative processes between central and local governments. This process can itself be seen in two ways. On the one hand, it can, of course, be interpreted as a sign of growing power for local authorities as their avenues for influencing the decisions of central government departments increases. But it can also be seen as co-optation. As one GLC officer put it:

"All the time we're compromising ourselves. Once we're a party to a discussion it's very difficult to attack them and get into a conflict situation."

From this same officer's perspective:

"There is increasing domination by Whitehall, and less scope for local initiative... Traditions of homogeneity in British local government are growing. There is a growth of looking to Whitehall for guidance for public expenditure."
And in striking contrast to the perspectives of the DOE official quoted earlier:

"If one or two local authorities step out of line, central government will step in."

But despite these general observations, discussion of the details of GLC budgeting practices and spending practices revealed greater flexibility. A special case of this flexibility arises around the role of "user fees." Discussion of the responses to Proposition 13 in California often suggest an increased reliance on user fees as one possible response of fiscally strained local governments. Such fees, however, are usually at the margins of American fiscal debate. The services which might be funded in this way, such as recreation, are largely marginal to the central responsibilities of the local governments involved, and the amounts raised are not all that significant.

The matter is somewhat different for the GLC. Although public housing is a shared responsibility between the GLC and the London Boroughs, and there are plans for the GLC to divest itself of much of its remaining housing function, public housing remains a major element in GLC budgets. Since rent levels are largely set by the local government, one choice always open to close any budget gap is to increase public housing rents, and thereby reduce the subsidy which must be provided to the Housing Department. Because public housing is used by a much larger fraction of the British population (and especially in London) than is true for the United States, debate over housing rents is both a highly salient public issue and a possible place for significant budgetary impact through rent increases.

A second "user fee" available to the GLC derives from the fare structure of much of London's mass transit system. Busses and the underground, run by London Transport, draw a heavy subsidy from the GLC. Although London fares are already high (a trip from one end of the metropolitan area to the other could easily cost several dollars on the Underground), the generally lower level of automobile use, and much higher gasoline cost, means that private transportation is not
an easily substitutable item for mass transit, as is commonly the case in the United States. The fare, therefore, is an attractive locale for London budget-makers to increase their locally-generated revenues.

As an indicator of the relative political power of the users involved perhaps, rents from GLC public housing pay only approximately one-third of the costs of running GLC housing estates, while the Underground portion of the London Transport system actually generates a profit. (The losses on the bus system, however, leave the entire transport system in considerable deficit.)

A GLC official, noting the major impact of these two types of charges, suggested that when faced with budgetary stringency, particularly when the central government was reducing its aid, that the GLC had three revenue sources from which such deficits could be recovered, rents, fares, and, of course, its own property tax. (From a purely technical point of view the GLC does not levy its own property tax, this is a responsibility of the London Boroughs. However, the GLC issues "precepts" (surcharges) on the borough's own property taxes. The rates for this are a decision of the GLC, and the boroughs are merely the collection vehicles for this tax.)

Because of this triple stream of revenues, in addition to central government aid, the constraints which operate upon the GLC are less strictly financial ones, and more the self-imposed type which comes from its leaders' perceptions of what might happen if they deviated too much from central government policy concerns.

Greater London may, in this sense, be in no danger of going financially bankrupt, but its precarious political position between the central government and the main local taxing and spending authorities, the London Boroughs, means that the risk of political bankruptcy is always present. Given this type of pattern, it is not surprising to hear that GLC managers are acutely sensitive to the potentials for increased central government control of their activities and are, therefore, likely to be deferential to its spending wishes.
The types of constraint which operate on the London Boroughs themselves are both more and less strong. As the major local government entities, the boroughs seem in no danger of political emasculation. They are, however, heavily dependent on central government resources, primarily the Rate Support Grant, for very heavy shares of their local public spending, and require central government permission for new capital borrowing.

Thus, the Chief Executive of one Inner London borough could argue that although central government pressure for budgetary stringency was a "constant problem," central government attempts to control how the Council spent its funds were:

"largely rhetorical. It's the local authorities which set the priorities...There is a central government inspectorate (a central auditing body), but there aren't very many of them."

Equally important, central government had no ability to control the amount of locally-generated council revenue:

"There is no ceiling on the level of rate demand, and there is no ceiling on levels of rents."

Even for the immediate future, this Chief Executive anticipated no cutbacks in his own borough's spending, because of its designation as a "partnership area." This program, a form of special aid to inner-city neighborhoods, was designed to be spent on new programs attacking geographically-concentrated pockets of poverty. But, in a form familiar to American observers of similarly-targeted Federal aid programs, this Chief Executive still felt, even after the first Thatcher budget that:

"I don't think we face an immediate prospect of spending less in future years in real terms, largely because we have been designated a partnership area, (Although) we're only allowed growth in partnership services, we're negotiating to use partnership money for ongoing services."

And, he expected, his borough would be able to do so, since the central government's review procedures were limited, and the borough would not be exceeding the totals for central government aid allocated to it.

A Chief Executive in an affluent suburban London borough presents a picture with both contrasts and similarities:
"There is no cash limit on local authorities. It's largely a question of local authorities following central government advice. Their only control is over grants."

But:

"Most local authorities have stayed close to (central) government guidelines...We believe local authorities should do what they like. But some local authorities do literally what they like and they pay scant regard to their rate-payers and rates tend to go up more rapidly."

Thus, for officers in this Conservative jurisdiction, the problem with local authorities "doing literally what they like" is not that central government priorities are altered, but that local taxpayers get higher tax bills. Their own authority is a "responsible" one, since it carefully adheres to government limits on spending totals. Nevertheless:

"We take the view strongly that we know the local area and the proper mix of services, and so we wouldn't pay so much regard to the (central) government's point of view of our balance (of services)."

One of the prime concerns about the impact of nationally-dictated budgetary stringency was the possibility that the central government might decide to exercise tighter controls. The top officers of this suburban borough seemed less concerned with controls on total spending, since they, and their local political supervisors on the Borough Council, shared norms of holding down public spending. Rather, the risk is that:

"the current government might take statutory powers to force local authorities to do what (the central government) want. This would be very bad."

"Some would say that (those local authorities which overspend government guidelines) should be brought into line."

but up to now:

"Circulars (from central government) are only advice-giving documents. They always say it is ultimately up to the local authorities to do what they want."

For their own borough, the constraints seemed more locally political:

"The Government gives us less money than we would like to have, and therefore the rate increases...We tend to try to keep the rate increase low, and there is a good case for no increase at all in the rates."
Unlike the situation in Inner London, the prime constraint on
local public spending in this borough came not from the aid formulas
of the central government, but from local political resistance to
tax increases. But both Inner and Outer London managers agreed that
despite budgetary stringency, and central government suggestions
on how available funds ought to be allocated, that they had been
able to retain local control over priority-setting.

Conclusion

What we can see then, is that the impact of budgetary stringency,
and its imposition on local government in Britain, is perceived
somewhat differently by managers on different tiers of the governmental
system. Central authorities see themselves as relatively weak actors,
able to exercise control over their own aid distribution, but not
able to make significant inroads on local priorities.

Second-tier officials of the Greater London Council see central
control as stronger. From their point of view, central government
is able to get its way not only because of its control over aid,
but also because of the co-optation of local government officials.
Since local officials participate with central government in formu-
lating directives, it is hard for many of them to then resist
central advice. Perhaps more significantly, the extent and detail
of central advice sets the agenda for local debate, and reduces the
likelihood of strong independent local initiatives in priority-
setting.

The lowest tier, but by no means the weakest, consists of the
London Boroughs. From the perspective of chief officers at this
level, central government aid sets the parameters within which they
must operate, but, at least up to now, they retain control of their
own services, and feel able to decide upon which they wish to
emphasize or de-emphasize.

Although I have argued that there remains considerable scope for
free local initiative on public spending, even in the face of national
budgetary stringency, there is a widespread view among British local
authorities that central control is too pervasive. Thus, all of the organizations which represent the various types of local government in England jointly produced a Review of Central Government Controls, which argued that:

"the general objective for the future should be to leave as much as possible of the policy making for, and management of, local services to local authorities while Government concentrates on: maintaining only that influence on the aggregate of local authorities' expenditure which is necessary for macro-economic control; (and) the evolvement of broad national strategies within which local authorities and other bodies have the responsibility for operating. Many existing controls go far beyond what is necessary to Government for these purposes."

And the British Social Science Research Council, in a review of Central-Local Relationships, reported "intensified wrangling" in recent years between central government and local authorities.

The Greater London Council, the politically weakest tier of the London governmental structure, commissioned an inquiry of its relations with other tiers of government which concluded that for the GLC to be reinvigorated, central government would have to:

"concede authority over the disposition of resources within its global allocation to London,"

and that the GLC should be a more significant allocating authority.

I emphasized earlier that local government budgetary stringency in Britain begins from a different basis than in the United States, and that a fundamental distinction is that budgetary problems in the U.S. are often seen as having local roots, while those in Britain are perceived as a part of national economic problems. These differing perceptions clearly affect the types of response that British public administrators make to the problem. Rather than needing to defend the particular record of their individual community, they are freer to continue to pursue their own priorities, and to continue to press for less constraint from central government over these issues.
Footnotes

1. For other parts of this project see:

"Organizational Responses to Municipal Budget Decreases," Public Administration Review (July/August, 1978) pp.325-332
Managing the Urban Fiscal Crisis: A Comparative Perspective (London: Macmillan, forthcoming)

2. The interviews reported on in this paper do not come from a random sample. The boroughs studied are ones in which this researcher has previously conducted studies, and they were originally chosen for their social and political distinctiveness. The GLC and national administrators reported on were individuals identified to me as "expert informants," with special knowledge of intergovernmental aspects of urban administration in the U.K. in general, and London in particular.


7. Association of County Councils et. al. Review of Central Government Controls Over Local Authorities (Feb. 1979) p. 1
