

Who stole the Town Hall?

Patrick Ainley reviews a new book which shows how austerity has inflicted cuts on local authorities, encouraging them to outsource and downsize so that, in his view, disasters like Grenfell Tower are not only inevitable but systemic.

Peter Latham, *Who Stole the Town Hall? The end of local government as we know it*. Policy Press: Bristol, 2017

Dr Peter Latham is a sociologist and former researcher on direct labour at the London School of Economics. As a senior lecturer at Lewisham College he taught housing studies while NATFHE rep (on the old contract) before working full-time for UCU whilst active in local government circles. Amongst his other publications, *The State and Local Government. Towards a new basis for 'local democracy' and the defeat of big business control* (Croydon: Manifesto Press, 2011) is a 500 page compendium vital for serious study of UK local government. This previous *tour de force* is compressed and updated in his new imprint from Policy Press's Shorts series.

Chapter One focuses on New Labour's 2000 Local Government Act that Peter sees beginning the process of concentrating councils' decision-making powers in fewer hands, replacing the committee system by cabinets and offering councils the option of directly elected mayors, 'the optimal internal management arrangement for privatised local government services' (p2). Mayors shift responsibility but not power from central to local government and reduce local democracy to occasional plebiscites on which gang of well-remunerated career councillors should award tenders at the lowest price for the greatest profit to private contractors. They also 'create an arena focused on personalities, not politics' (p54), reliant upon the central government funding that is

continuously and remorselessly cut, increasing pressure to resort to private funding and limiting mayoral attempts to build regional powerbases. Even the Great London Authority mayor 'has quite limited powers', as Peter quotes Ken Livingstone.

Resistance

The real resistance that was presented by the Greater London Council was arbitrarily ended by Thatcher but her poll tax too abruptly sought to impose an individual cash nexus upon local residents. Under New Labour therefore, public services were mediated through markets so that citizens became customers paying for services they were previously entitled to, increasingly going into debt to do so. Chapter Two traces these developments from the 2000 Localism Act to reinforce the argument against directly elected mayors. These include those the Conservatives have foisted upon combined authorities in the so-called 'Northern Powerhouse(s?)' powered by their 'Midlands Engine' - designations straight from estate agents' prospectuses, like 'The Thames Gateway'! Together with other so-called 'Metro-Mayors', these spell 'the end of local government as we know it', to quote Sir Albert Bore, the former leader of Birmingham City Council.

Chapter Three extends this exposure of the corruption and nepotism involved in the US-style of Town Hall politics to the unwanted and unrepresentative Police and Crime Commissioners, likewise 'the optimum internal management

arrangement for a privatised police service' (p3). Peter shows privatisation already goes far beyond merging back-office functions as G4S and other firms deliver a wide range of activities previously carried out by the police, complementing their security and surveillance activities by running prisons and guarding gated communities.

Shells

Chaper Four examines the financial implications of the Localism Act which are reducing local councils to shells of their former selves, so that Northamptonshire County Council, for instance, aims to outsource all services commissioned by 150 directly employed staff. Likewise, Bromley is reducing the number of council staff to 300. Meanwhile Labour-led Haringey hands over its assets to property developers in exchange for a token few 'affordable' homes for the residents who remain. Croydon, Peter's home turf, is also revealed as deep in property speculation, with luxury towers sprouting around the usual promised regeneration through a shopping mall. London is the worst case of such socially divisive hideousness, its half-empty properties a legacy from 'absent mayor' Johnson's encouragement of Russian and further eastern investment.

Chaper Five proposes urgent measures as part of an alternative economic and political strategy to establish a new basis for federal, regional and local democracy. (*PSE* has previously proposed a national education service similarly reconstituted so that tertiary level universities and colleges relate to their local secondary and primary schools. However, schools 'free' from local council coordination are increasingly run through an entirely separate regional bureaucracy.) To fund this alternative strategy Peter advocates scrapping council tax and business rates along with stamp duty, replacing them with annual land value tax plus progressive taxation of income and wealth to fund increased provision of directly provided public services. In addition, abolish the directly and indirectly elected mayors who concentrate more power (and payment!) in fewer hands, and demand instead direct provision by councils of locally administered services to end all forms of marketisation, privatisation and profiteering. Reconstitute the City of London Corporation (with its non-residential business vote extended in 2002) as the 33rd London borough and - following the Icelandic bank crash - place all council deposits in publicly owned banks. Peter considers the Single Transferable Vote the fairest way to replace Supplementary Voting for first and second choices in Mayoral if not all elections.

Peter sees socialist decentralisation implementing these and other proposals. They would be sustained by an ideological counter-hegemony to the consensus with which Thatcher-Major and New Labour dismantled the local and national Keynesian welfare state to introduce a new-market state open to the global economy. To a certain extent building such a counter-hegemony was espoused by Momentum prior to June 8th, despite the debacle of the preceding city, county, district, metro and combined unitary local authority elections on May 4th. Yet Theresa May's opportunism backfired when she failed to mobilise hegemonic illusions in 'taking back control' by consolidating the new-market state ever more closely with its corporate sector. This is the dystopia of a small state in a free market to which 'the strong leader' of a weakened and disunited kingdom was apparently committed. It is still a threat waiting in the wings of a 'hard Brexit'.

Voucherised

Peter's book indicates the local government and other former-public services likely to be for sale to those who can afford them in such a consolidated state: private health insurance and voucherised selective schooling, alongside the raised student fees already announced, plus tax increases, hospital closures and reduced pensions. In the general election campaign such Tory retro-pledges, epitomised by bringing back fox hunting, were undercut by Labour's campaign that developed into a broad-based protest against austerity - one that will not now go away. But the new market-state that New Labour developed has not gone away, indeed Peter's Chapter Four shows how local government is riddled by it through and through, whilst Chapter Two sees the Metro-Mayors and elected police commissioners as a further extension of it. This reality is endemic despite the promise of a return to 1945, belief in the possibility of which shows that the unresolved crisis of social democracy in the Labour Party persists. Even in government Jeremy Corbyn would present a symbol but not a solution to that ongoing crisis, as he continues to do in opposition.