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Electing Local Heroes

Seven steps to rejuvenate Local Government

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Synopsis

The Scottish Executive has recently proposed to introduce proportional representation in local council elections. This will enhance local democracy but do little to improve the efficiency of local government. This paper argues for a series of changes to the constitution of Scottish local government. These will complement electoral reform and improve the accountability and performance of local councils. The central theme is to de-couple local government from national politics. The proposals include introducing fiscal responsibility, encouraging independents, reducing the size of larger authorities, and introducing term limits and residency requirements.

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Democracy and Efficiency

‘Publick services are never better performed than when their reward comes only in consequence of their being performed, and is proportioned to the diligence employed in performing them.’ Adam Smith, *The Wealth of Nations* (Smith 1981: 719)

How many people can name their local councillor? How many bother to vote in local elections? Of those who do vote, how many vote for council candidates as a result of their local performance and ideas? The answer: not many.

There is a widespread and widely recognised apathy today about local government in Scotland. Where people do participate, they tend to vote along party political lines. They give little attention to the particular individual they are voting for. As a result there is a national element in what should be local politics. This paper examines ways of improving the constitution of local government by returning its attention to local issues. The idea behind this discussion is that **by altering the constitution of local government we can create a more accountable and efficient political system.**

After the recent Scottish Parliament elections it emerged that the coalition deal between Labour and the Liberal Democrats included the introduction of proportional representation for local authority elections in Scotland. Following the reports of the McIntosh Commission and the Kerley working group on Renewing Local Democracy the Scottish Executive has proposed the *Local Governance (Scotland) Bill*.

The Bill proposes the introduction of an electoral system based on the Single Transferable Vote (STV). The STV system has a long history. John Stuart Mill supported a version of it in his 1861 essay *Considerations on Representative Government*. Mill argued that the system would ensure a more representative assembly by allowing voters to rank their preferences on the ballot form instead of merely selecting one candidate. As a result ‘every vote would count’ and not just those for the candidate with most votes. Advocates of the current Bill also advance this argument. They argue that by making local authorities more representative the STV system will increase local democracy and hopefully lead to a growth in interest in local politics.¹

¹ The STV system works by creating larger constituencies that are represented by multiple candidates. Each voter is asked to rank their preferences on the ballot form and the candidates who pass a threshold determined as a percentage of the total vote are elected. Once the first preferences

Though the Bill may make local authorities more 'democratic', what is not often considered is whether making local authorities more 'democratic' will make for better local government. Will the current proposals help to make local authorities more efficient? Will they do anything to stop the periodic scandals over corruption, nepotism and sectarianism in the practices of some local authorities?

Enhancing the level of democracy and improving representation are noble ideals. But they are only part of the criteria by which we should approach local government reform. **Elections are merely a system for selecting representatives. They are not enough on their own to ensure good government.** We need a set of constitutional rules which restrict and guide the powers of our representatives.

The current proposals on electoral reform will go some way to improving accountability in councils by breaking the monopoly of power enjoyed by some parties in certain areas. However, they will do little to improve the efficiency of local government services.² As a result they will fail to make any real impact on the practice of local government in Scotland. This is because they fail to address the root causes of apathy in local politics.

Those opposed to the Bill, chiefly the Convention of Scottish Local Authorities (COSLA), argue that STV will sever the direct connection between councillors and their wards, leading to less representative local politics. Now it is easy to argue that COSLA has a vested interest in the current system, as do those councillors in authorities with entrenched majority 'regimes'. But might their argument actually point to a broader problem with the Bill? That its focus on representation and democracy lead it to ignore those local aspects of local government that ought to be at the heart of any reforms.

are counted the electoral officials move on to the second preferences and so on until all of the seats are filled. Though the process of the count is complicated the actual ballot form remains relatively simple for the voter to understand and this is one of the reasons for the popularity of STV amongst advocates of electoral reform.

² As Professor James Kellas has noted: 'While a belief in the virtues of local government has undoubtedly been part of Scottish political culture, there has also been an equal emphasis on the efficient performance of functions. Where the structure of authorities stands in the way of efficiency, Scots have been ready to change it, and there does not seem to be the almost mystical belief in local democracy which has dominated English thought (derived in part from John Stuart Mill, a Scot whose ideas on this subject are based on English experience).' (Kellas 1990: 163-65). A return to this sort of pragmatic attitude is long overdue.

The Example of Independents

One of the criteria used during the discussion of electoral reform by the McIntosh Commission was whether the chosen system would allow a fair chance to independent candidates. This was why the Party List system used for Scottish Parliament elections was rejected. The success of independent candidates, such as Margo McDonald, Denis Canavan, Jean Turner and John Swinburne, *in spite* of the list system in the recent Holyrood election, suggests that the Scottish tradition of independent politics is making a comeback. The STV system, together with the existing tradition of independent involvement in local politics, will enhance this trend. But more should be done.

What is required to renew Scottish local government is not just more democracy but a greater focus on local issues by both candidates and the electorate. One of the clearest paths to achieving this lies in a rejuvenation of the role of independent local politicians.

Scotland has a long tradition of independent councillors and non-partisan local government. As the table below shows, there continues to be a preference for independent politics in many parts of rural Scotland. However, in urban areas the tradition has almost totally disappeared, with local politics in most cities reflecting the party political system of Westminster and Holyrood.

Where Independents Flourish

Scottish Local Authorities with Continuing Independent Traditions - Numbers of Independent Councillors 1999/2003 Elections. * indicates independent control of council.

	1999	2003
Aberdeenshire	10	11
Angus	3	6
Argyll and Bute	20*	22*
Dumfries and Galloway	13	12
Falkirk	5	7
Highland	48*	57*
Moray	13*	16*
Orkney	21*	21*
Scottish Borders	14	15
Shetland	13*	17*
Western Isles	22*	24*

Sources: 1999 Hassan & Lynch 'The Almanac of Scottish Politics' p. 369-70. 2003 Guardian Unlimited Website

While national political parties have been active in local politics since the 1835 Municipal Reform Act, they did not begin to dominate local politics until after 1945.³ The rise of Labour led to a process of party politicisation of local government. At first Labour were opposed by the Progressives (see panel below).

The Progressives formed as a loose alliance of unofficial liberals, conservatives and independents. They organised in opposition to the entry of Labour into local politics. As William Miller notes: 'Apart from their single-city parochialisms, the essence of these anti-socialist groupings was instinctive distaste for Labour policies and Labour style plus a desire to avoid splitting the anti-Labour vote.' (Miller 1985: 199). Progressive groupings formed in Edinburgh in 1928 and Glasgow in 1936. Their members were mainly drawn from small businessmen opposed to the introduction of municipal socialism. The Progressives dominated Scottish local politics for almost 50 years. As late as 1972 Edinburgh council was made up of 21 Progressives, 9 Conservatives, 33 Labour and 5 Liberals. However by the end of the 1970s they had completely disappeared. The entry of the Liberals and Conservatives into local politics supplanted their role of opposing Labour. In the end the entry of national parties opposed to Labour destroyed the Progressive's ideal of keeping national politics out of local government (Miller 1985: 206).

Where in the past councillors were elected on purely local manifestos they have now come to be elected as an extension of the national parties. The key year in the politicisation of Scottish local government was 1968. In the elections of that year the Conservative Party began to sponsor local candidates to stand in opposition not only to Labour candidates but also to independents as well.⁴

As a result of this process local elections are now viewed in a national context. Local elections that fall in the mid-term of the Westminster Parliament are viewed as a referendum on the popularity of the incumbent party. After the 2003 local election in England and Wales the newspaper headlines dwelt solely on the significance of the results for the national party leaders. Moreover because the Scottish local elections fell on the same day as those for the Scottish Parliament,

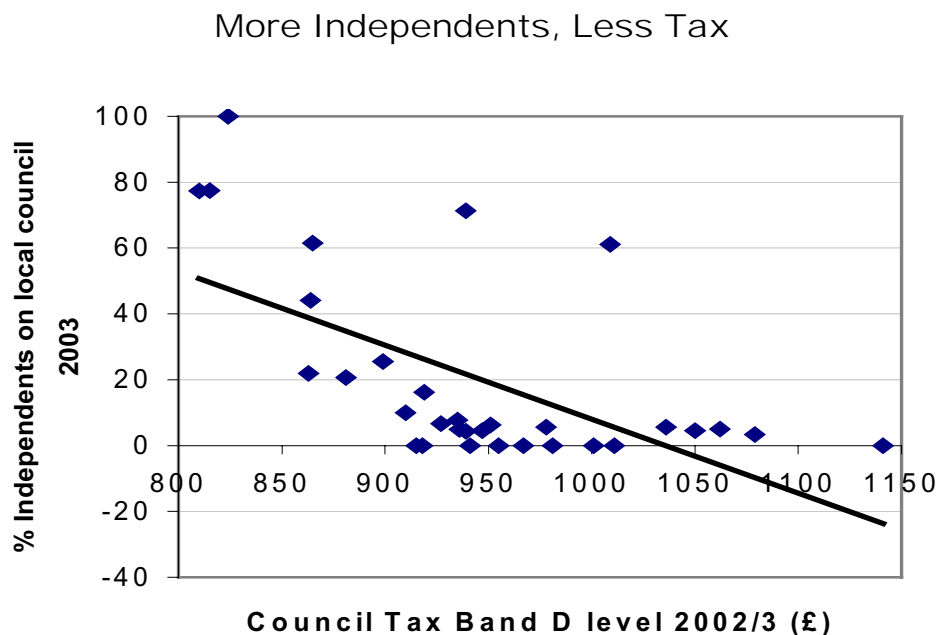
³ Gyford & James (1983: 1) provide a clear discussion of how national parties have gradually encroached on the practice of local politics.

⁴ Thus in the 1968 Edinburgh Municipal elections Conservative candidates stood against the independent Edinburgh grouping of the Progressives who organised against Labour (Grant 1977: 41; Monies 1996: 40). The Labour party's move into local politics and the subsequent Conservative reaction to this has led to the death of independent local politics in much of Scotland.

interest in local politics took second place to that in the national chamber. The participation of national parties in local politics has led to a shift in focus that has drawn attention away from the local issues that should be the focus of local election campaigns.⁵

If we wish to renew local government in Scotland it is precisely this process of 'nationalisation' that we must reverse. The history of Scottish local government before 1945 and the flourishing of independent administrations in rural Scotland demonstrate that de-nationalised local politics is feasible. It is not only feasible, but also desirable. Independent candidates stand on local manifestos. People who vote for them do so because they agree with their ideas for local government. They are not simply selecting their favoured national party. As a result the presence of independents focuses attention on the issues that should be at the heart of local politics.

Moreover, there is evidence that councils with a large independent element tend to be better run. The following graph shows a clear correlation between tax levels and the number of independents on local councils:



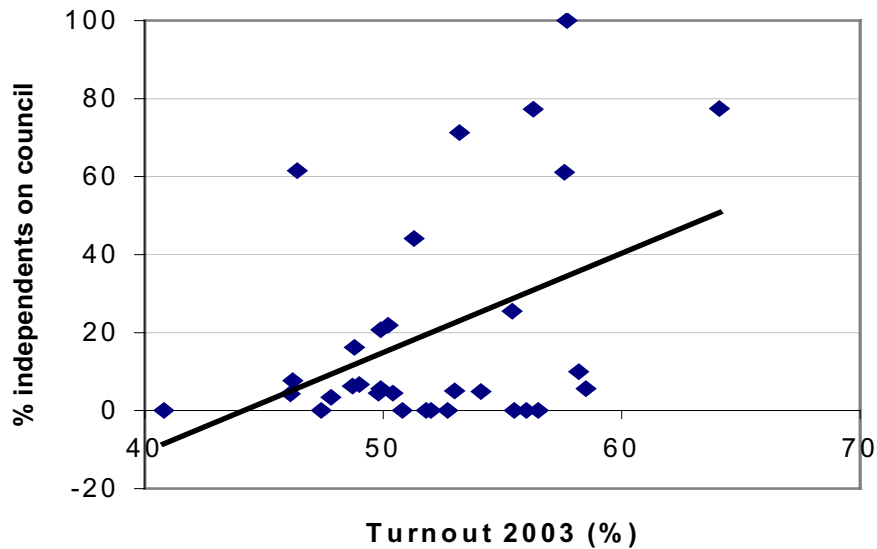
Source: Scottish Executive local government statistics

There is also some evidence that independent candidates attract higher turnout and thus greater voter interest. The next graph shows some correlation between independence and turnout, though the figures are less stark, probably

⁵ Wyn Grant has described this as a process of the 'nationalisation' of local politics (Grant 1977: 1).

because the local election coincided with the Scottish Parliamentary elections:

Independent Councillors and Voter Turnout



Source: Scottish Executive local government statistics

In their study of *The Changing Politics of Local Government* Gyford, Leach and Game note that two of the chief complaints about the ‘nationalisation’ of local government have been that ‘**party organisation constrains and politicises debate**’ and that ‘**party organisation concentrates policy leadership in the hands of a few and excludes others**’⁶.

What this demonstrates is that policy decisions tend to be taken in the private meetings of the dominant party rather than in the public forum of council meetings. Gyford goes on to point out that in councils dominated by independents this is not the case. In the absence of formal parties meetings tend to occur in formal committees where discussion is public and the focus is on local issues rather than factional disputes.⁷ A subsequent effect of this is that proposals are openly debated and have to be acceptable to a majority of councillors on the grounds of their belief in the public good and not their desire to retain partisan loyalty. This in turn may have the effect of making councils more fiscally responsible by focussing their attention on practicability rather than ideology.

⁶ Gyford, Leach & Game 1989: 75

⁷ Gyford, Leach & Game 1989: 193-94

While the introduction of proportional representation aims at the democratisation of local government, we should also be seeking the localisation of local government. The current proposals are therefore a missed opportunity. Regardless of the form of the electoral system we ought to consider moves to restore the local focus and character of municipal government. It is only by doing this that we will increase the efficiency of local service provision.

Seven steps to 'denationalise' local government

One: Establish Fiscal Responsibility

In a bizarre throwback to the American War of Independence, we are all subject to 'Taxation without Representation'. This is because we are taxed centrally to subsidise local councils over which we have no democratic control (apart from the one we happen to live in). It does not need a history lesson to tell us how unhealthy this can be. Under the current system local government relies on a mix of council tax and grants from central government. This does little to encourage fiscal responsibility as it fails to provide proper incentives to local authorities.

For example, many councils rush to spend the remainder of their grants at the end of the financial year in order to avoid the grant being reduced in subsequent years. This leads to superfluous spending.⁸ We should ensure that local authorities are more fiscally independent so that **responsibility for expenditure establishes a direct relationship between councillors and their constituents.**

The council tax bill would then become a more accurate bill for services provided. Local government would become more transparent and accountable for its expenditure. As part of this councils should also be obliged to send proper annual financial reports to residents. If councils were forced to account for their expenditure in a clear manner then residents would be allowed greater scope to assess the value for money provided by their representatives.

There are two approaches to establishing fiscal responsibility. The first would require a reduction in the services provided through local government. One possibility

⁸ Arthur Midwinter has noted that national government has become increasingly distrustful of the ability of local councils to behave in a fiscally responsible manner. As a result policies restricting council expenditure and 'capping' tax-raising powers have been used to limit the ability of councils to behave irresponsibly (Midwinter 1995: 26-37). These moves have undermined the independence of local government. They have also removed the incentive structure that made councillors responsible to the electorate in a direct manner.

is to examine the position of education funding. Much of the block grant to councils is spent on education. While this is not the place to discuss educational reform in detail, one way of increasing the transparency of local government spending would be to remove local authorities' role in education and transfer the powers to the Scottish Parliament. If the funding of education were to be handled at a national level then local bureaucracy would be reduced at the same time as enhancing the transparency of council tax bills. Education expenditure accounts for some 80% of the Revenue Support Grant from central government. Removing it from the remit of local councils would mean that the money they raised would nearly cover their total expenditure. Their dependence on central government could be broken, making them responsible solely to their voters.

However, although this might establish fiscal responsibility, it would remove so much power from local authorities that the attention of the public might be diverted from them altogether. Our goal here is the clear division of responsibility for expenditure between the layers of government, not eliminating one layer altogether. To this end we should **re-assess the entire funding system for local government**, and transfer fiscal powers to local authorities that allowed them to fund all local services directly. This would enhance accountability without increasing the danger of electoral apathy. It would also have the added advantage of encouraging greater experimentation and competition between local authorities on both tax raising and education policy.

Two: Reduce the size of larger local authorities

One way to focus local government on local issues is to reduce the geographic area of some local authorities.⁹ Excessively large units, such as the Highland Council, should be divided into smaller units. This would bring local politics closer to the voters and go some way to answering COSLA's objections to the STV electoral reforms.

The traditional argument against this is that larger authorities provide economies of scale in the provision of certain services. But if councils were free to co-operate to ensure efficient service provision there would be no reason why they could not pool resources to set up joint services in certain areas.

⁹ A process already initiated when the current system replaced the old regional and district system.

Contracts between authorities for joint provision would ensure a clear responsibility for expenditure between the different authorities. Councils would be free to withdraw from joint service provision if their electorate demanded it. Arrangements such as this would have the benefits of the old two-tier councils without the voter confusion that went with them.

Indeed it may also be the case that these smaller authorities would come into competition for residents and investment. The economist Friedrich Hayek has argued that this would encourage experimentation and efficiency in local government:

“Competition between local authorities or between larger units within an area where there is freedom of movement provides in a large measure that opportunity for experimentation with alternative methods which will secure most of the advantages of free growth. Though a majority of individuals may never contemplate a change of residence, there will usually be enough people, especially among the young and more enterprising, to make it necessary for the local authorities to provide as good services as at reasonable costs as their competitors.” (Hayek 1960: 263-64).

Smaller local authorities would enhance the scope for such competition and co-operation. A degree of experimentation and competition between neighbouring authorities would allow councils to learn from each other's successes and failures, to imitate successful practices and to introduce innovations of their own. It would also provide an incentive for councillors to act in a cost effective manner.

Three: Dissuade candidates from standing on national party tickets in local elections

We must strive to 'de-nationalise' council elections to ensure that voters consider local issues rather than conduct a mini referendum on the record of the national parties. There is simply no good reason why local politics has to be organised in the same manner as national politics. The argument that parties simplify issues for voters at a national level has its merits. But on a local level, voters are more intimately aware of the issues and better placed to judge the proposals and records of candidates.¹⁰

¹⁰ The historical example of groups like the Edinburgh Progressives show that where independents do organise they need not do so along national party lines.

The rationale behind this move is to focus local government on local issues and to ensure **that those elected are chosen for their commitment to serving the community rather than as a proxy for a national party.** It would enhance the level of personal responsibility of councillors by making them more accountable as individuals and not as part of a corporate body or party. By reducing the element of partisan politics and encouraging 'personal' responsibility, such a move would ensure that councillors act to represent all of their constituents in a non-partisan manner.¹¹

Councillors would be elected in the light of their stance on local matters and their record of performance. As a result of this they would not be able to rely on partisan support for re-election and would be more responsive to their constituents' concerns.¹²

There are a number of possible routes to implementing such a policy. We might either encourage the existing national parties to remove themselves voluntarily from local politics, or we might legislate to prevent candidates standing on national party tickets in local elections.

The first option may seem unlikely to work since it was the parties themselves that deliberately insinuated themselves into local politics. However, if these proposals were ever implemented, a majority in Parliament would presumably be happy for their parties to relinquish local involvement.

But if all parties did not agree, this leaves us contemplating a legal attempt to reduce national party politics in local government. A bar on councillors being members of national parties might be a breach of the principle of freedom of association and would present complex legal problems.

A less radical move might be to discourage candidates from standing on national platforms while encouraging them to develop their own manifestos. Tighter financial restrictions limiting electoral fundraising to the authority area would provide local parties with a degree of independence from

¹¹ George Monies, in his study of local government in Scotland, notes that the traditional belief that 'an elected representative serves the public and not a particular sector of the public' continues to be particularly strong in local politics (Monies 1996: 40).

¹² In Wyn Grant's study of independent councillors in England and Wales he found that when asked to explain their electoral success the councillors identified being 'well known', that they were 'local people' and their 'successful record' as the three most likely explanations for their success (Grant 1977: 19). If we are looking to improve local government and encourage participation then there are few better ways of doing this than by encouraging respected members of the community to take part in local politics.

their central offices. This approach would avoid charges of breaching freedom of association while fostering a culture of independence among local politicians.

Four: A legal stipulation that councillors must reside in their authority

We expect members of the Scottish and UK parliaments to reside in the country. Why not demand the same of councillors?

A residency stipulation would ensure that, even with the larger STV constituencies that were of such concern to COSLA, the candidates are likely to be known to their constituents. In all likelihood successful candidates will already be known to the electorate through other community activities, or simply because they are their neighbours. This approach would ensure that knowledge of local conditions and the concerns of local residents would be brought into the debate. As a result the council chamber would be occupied by those with a personal stake in the efficient provision of services.

Five: Focus the attention of councils on local issues, with some directly elected provosts

Elected officials should constrain themselves to discussion of local matters. By placing a bar on councils discussing or adopting positions on national or international issues we would **focus attention where it ought to be: the administration of local services.**

By separating the layers of government in a clear manner we would avoid inefficient and time-wasting politicking and encourage responsible debate and administration. This could be enforced by rigorous, non-partisan Provosts exercising discretion to rule on the applicability of topics of discussion and striking down topics that strayed beyond the competence of the council.

The reduction of national party allegiances would mean that there would no longer be detailed platforms to the same extent. This would mean that local government would become more reactive than proactive: dealing with issues as they arose and not seeking to conform to a platform worked out at a national level.

The obvious objection to this would be that without organised groupings on the council nothing would get done.

The historical and current examples of independent dominated authorities flatly contradict this. Where independents dominate a council they form alliances on an issue by issue basis. Overall the downplaying of national party agendas will reduce the volume of council activity. It will limit local government to a level acceptable to a majority of community minded individuals intent on the efficient provision of services.

One way to enhance the independence of these Provosts would be to make them directly elected and responsible to the electorate rather than to the council. Such a position would combine the roles of ceremonial leader of the council with that of chairman of the board. This would create a high profile individual directly accountable to the electorate for the smooth operation of local government procedure. Indeed it might be desirable to allow for local referenda like those in England. The voters of a particular authority could then decide whether they wanted a separately elected Provost and whether the extent of the powers of the office should remain procedural or should begin to approach those of an active chief executive or mayor.

Six: Genuine part time politics

By focussing councils' attention purely on matters of local administration the time spent working on council matters would be reduced. This will encourage more people, including those from non-governmental associations and charities and more retired people, to stand in local elections. **Longstanding residents with records of community service would bring a wealth of local experience and knowledge to the administration of local government.** By ensuring that the 'job' of councillor remains part time, we would reduce the temptation for career politicians who seek to bring national politics into the council chamber. At the same time this would encourage individuals with existing community commitments to stand for office.

Part time, pragmatic councillors might reduce the amount of services directly provided by the authority. Contracting out areas of service provision would remove councils from day to day decision making. Instead they would take on a supervisory role, awarding contracts for service provision through competitive tendering. Decisions as to what services ought to be provided would remain with councils while contractors would be responsible for the efficient fulfilment of contracts to provide those services. One of the advantages

of having a diverse range of independent, smaller authorities is that it would lead to more experimentation of this kind.

Seven: Term Limits

One of the chief complaints about the current party-dominated 'first past the post' system is that it allows entrenched regimes to develop in particular authorities. Long serving councillors on authorities dominated by one party face little in the way of electoral competition to impose incentives upon them to act in a representative manner. Indeed in some authorities, for example Glasgow, the only real opposition occurs as the result of factional infighting within the dominant party.

The STV system will reduce the likelihood of one party politics but will not remove it entirely. Moreover alliances and voting pacts are not completely absent from independent local politics. To this end a policy that aimed to prevent the development of any form of entrenched regime would be desirable. One way of achieving this may be to introduce the notion of term limits. **By limiting each councillor to perhaps three terms in office (12 years) we would ensure a gradual influx of new talent while discouraging careerism and regime mentality.**

Conclusion

These proposals represent an attempt to alter the constitutional rules of local government. Making local government more democratic is all very well. But we must supplement this with a set of rules that encourage efficient and responsible behaviour on the part of those elected.

The aim of local government ought to be the efficient provision of local services. National party politics interferes with this in an unhelpful manner. If we wish to restore interest in local government, to diminish electoral apathy, and to achieve efficient and accountable service provision then we must actively seek the 'de-nationalisation' of local government. By reducing partisan politics in local government and by attempting to inject a greater degree of personal responsibility into the process of local service provision we would develop more efficient local authorities.

Craig Smith has recently completed a Ph.D. in Politics at the University of Glasgow.

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