6 Crises of Management Authority

Introduction

Industrial relations has become increasingly adversarial across British local government. The growing pressures of financial stringency and a more intensely ideological form of politics have compounded the problems of policy change through negotiation, whether it be change in the form of retrenchment or policy innovation. This chapter forms a wide ranging discussion of the problems of management in local government during a period of fiscal crisis and the declining feasibility of corporatist strategies, while the two case studies are used to illustrate these problems. The next chapter will complement this discussion by looking at industrial relations problems from the union perspective.

The first part of the chapter considers how policy makers respond to environmental pressures, especially the changing nature of the central-local relationship and of local politics. The second part looks at changes in the negotiability of change, asking to what extent is change still negotiable? and, in particular, the extent to which it is feasible for ruling groups to pursue corporatist strategies; incidentally touching on the question of the legitimacy of unionism in the public services raised by some pluralist writers. Finally the third part looks at how management roles are differentiated in industrial negotiations and in the day-to-day management of departments.

Coping with environmental pressures

Central government and financial restraint

The 1980s were a period of great strain in central-local relations. Local authorities have been seriously affected by a fiscal crisis...
created by falling central grants and collectively have opposed the new systems of financial targets, penalties and rate-capping. Even many Conservative authorities have questioned the need for such close central control of their finances. Indeed few authorities have cut their expenditure to the extent pressed by the Government. Most authorities have responded with a mixture of spending cuts, rate increases and ‘creative accounting’ techniques.

Those authorities that have most opposed central controls and have been the prime objective of those controls have been Labour. Those Labour authorities that were rate-capped have responded to what they perceived as a major encroachment on their autonomy with a policy of resistance rather than accommodation to central pressures. The capped authorities across the country formed a common front and engaged in what one Labour Leader described as ‘a high risk game of poker’, risking heavy personal surcharges on individual councillors and expulsion from office.

Initially the problem in authorities like Labton was seen as that of managing an external threat to their resource base. But by early 1985 the problem had become that of the political survival of local Party leaderships and thus one primarily of internal Party management: how to hold the Labour Group, the local Party and the local Labour Movement (including the trade unions) together? For instance a leading moderate on the Labton group acknowledged that deferring the rate beyond the end of March:

would not have got the Government to the negotiating table but a longer period was needed to convince people of that fact within the Party and the local trade unions. It might have been possible in a couple of weeks or whatever to convince them that there was not going to be any solution but it would have been very difficult because attitudes would have hardened but at least the logic of it would have become clear.

Inevitably the external threat increased the uncertainties of management policy and strategy in the capped authorities. Central government itself compounded these uncertainties by patching policy together as it went along. The local political leaders themselves were unable to reduce these uncertainties, caught as they were in a difficult dilemma: if they gave in to Government pressure too soon their political survival would become doubtful, yet if