8 Freedom, Performance and Accountability

Introduction

In this final chapter we return to the big questions we started with, and add a couple more. Thus we ask:

- Has decentralisation really taken place?
- What has been decentralised?
- What seems to have been the effect of decentralisation on the performance of the organisations concerned?
- What lessons can be learned from looking at different approaches to decentralisation in different settings and sectors?

These were the questions we posed in Chapter 1. The additional questions are:

- What messages does the experience of the reforms of the decade from 1987 hold for the organisation of representative democracy?
- How well do our chosen theoretical perspectives measure up to the task of explaining and interpreting the events of the period?

Has decentralisation really taken place?

This is a relatively easy question to answer. Substantial decentralisation has occurred in all three of the sectors we investigated, and almost none of the managers we interviewed – even the disgruntled ones – thought it feasible or desirable to go back to the status quo ante. In this bald sense the policies of the Thatcher and Major Conservative administrations can be said to have achieved what they set out to achieve.

However, what is equally clear is that the degree of decentralisation – especially in the case of the NHS – was less than originally envisaged by its most enthusiastic proponents, and that – especially in secondary
schooling and the NHS – the decentralisation was accompanied by significant measures of centralisation. As we have explained, there is nothing contradictory in this: it is perfectly possible to decentralise or devolve authority over certain issues (for example, school budgets) whilst simultaneously centralising authority over other issues (for example, the curriculum). Hence the paradox that, while extensive decentralisation has taken place, it is simultaneously correct to maintain that the UK state, already known to comparativists as one of the most centralised in Western Europe, became even more centralised during the late 1980s and early 1990s. Above all it was the level of local representative government that was ‘hollowed out’, with its powers and authority being transferred both ‘downwards’, to local units such as trusts and GM schools, and ‘upwards’, to central government and its quangos (Housing Corporation, Funding Association for Schools).

Furthermore there is the horizontal dimension to consider as well as the vertical. In all three sectors there was evidence that ‘managerialism’ – the doctrine and practice that overall control by managers is necessary and desirable – was on the increase (see, more generally, Pollitt, 1993). As local service-providing units became more autonomous there seems to have been a general acceptance that they needed strong central leadership if they were to remain ‘afloat’ in the uncharted but potentially competitive waters of quasi-markets. Thus head teachers and NHS and housing association chief executives all needed to begin to think strategically, to position their organisations in their local and regional marketplaces, and to ensure that the dead wood among their staff were not allowed to damage the attractiveness or productivity of their organisations. Of course different individuals took to these duties with greater or lesser skill and alacrity, but in each case there was a recognition that greater external freedom implied tighter internal control.

**What has been decentralised?**

The two principal freedoms – across all three sectors – have concerned the ability to spend budgets according to internal priorities and to organise internally with whatever structures and procedures local management deems most appropriate. Beyond this, however, there has been a considerable difference between housing on the one hand, and the NHS and education on the other. While health care and education have experienced strong central control over capital spend-