

Note: Study of the Central-Local Government Relationship and Consultation

Shoichi Miyata, Director, Japan Center for Cities

First, this note explains the aim and the schedule of this research. We met the staff of the DCLG, LGA, SOLACE, Southend-on-Sea Borough Council, and Manchester City Council last December, and surveyed their actions and attitudes about consultation between Central-Local Government. We find many differences between England and Japan, and these differences give us useful hints.

Introduction

This note describes the purpose (Chapter 1) and the research scheme (Chapter 2) of our survey, scheduled to run for about three years from this fiscal year, on the local administrative and fiscal system. It focuses on the relationship between the central and local governments in England (hereinafter called “the UK”), as well as introduces a summary of the survey (Chapter 3) conducted last December.¹

1. Purpose, etc.

In Japan, forums between the central and local governments were officially established in 2011, and issues such as integrated reform of the social security and tax systems and child allowance were actively discussed between the central government and six local bodies.

In the UK, while no set framework has been defined, consultations have practically taken place

between the central and local governments in the midst of their tense relationship, and there has been continuous change of government between two main political parties. Under these circumstances, there seems to be many points that we could refer to in considering our future course of consultations between the central government and local counterparts in Japan. It will serve as a practical reference for Japan, which holds consultations under a legal system, to know at what timing, at what level, specifically by whom, and under what circumstances things are decided in practical consultations. In the UK, where party affiliation is considerably strong even among local government members (hereinafter called “Councillors”), it is considered difficult for such local governments with different party constituencies to come to terms with each other. Besides, the Local Government Association (hereinafter called “LGA”) is joined by various organisations irrespective of its size, including those corresponding to Japan’s prefectures and municipalities. Understanding how to address consensus-building under such circumstances may serve as a good reference for Japan to consider coordination and liaison among six local bodies.

However, there are many differences between the UK and Japan in social systems such as local governance including the roles of parties, roles of politicians and bureaucrats, and classification and power of municipalities as well as background in

¹ The survey of this fiscal year introduced in this note is mainly based on hearings, etc., and there might be some misunderstanding attributable to my language skills. There are also many points which should be substantiated by checking documents and other information sources. Nevertheless, I thought this might help deepen understanding for further research study from the next fiscal year onward, and dared to touch on them. I would welcome and appreciate any comments on my little summary paper to help enrich the research of this Center.

policymaking such as people's views, so neglecting such aspects and superficially addressing the appropriateness and relative advantages of consultations between the central and local governments may lead to misconception. Putting aside authority, procedures, etc., which can be known through documents, enough research has not necessarily been carried out in the actual state of affairs. It is therefore necessary to pay attention to the social system and people's views, and with this in mind, we undertook research on the local governance system in the UK centering on the relationship between the central and local governments.²

2. Research scheme

(1) Research items

a. Relationship between the central and local governments

The research focuses on the consultations between the central and local governments. Since it is considered necessary as a premise to clarify how the social system is different from Japan, we also study the roles of the Department for Communities and Local Government (hereinafter called "DCLG") and its relationship with localities, the roles of the LGA, and its relationship with the central or local government, etc. In doing so, we will also look at the effects by parties (the difference in parties).

b. System and operations of local governments in the UK

The system reforms since the 1990s have brought about the coexistence of a single-tier system and a

² For example, "System comparison of local administration" by Shigeru Yamashita, Administration (2010) P105 points out: "There used to be many people who looked at the UK as the homeland of local administration without giving any particular reasons". "It was only after the birth of the Thatcher Administration and the news on the reform of the local administrative and fiscal system that people commonly accepted such a perception was not accurate"; and "We must break out of the past stereotyped views, and make realistic observations and analyses".

two-tier system as a result of the integration of Counties and Districts, as well as changes and diversities in the leadership system and the roles of Parliament including mayors of direct public elections. For future reference, we will survey, in addition to the purpose of the reforms under the "Unitary authority system" and "Mayor and cabinet system," adopted and non-adopted local governments as well as how they are evaluated by the public.

Next, we must grasp the situation of staff of local government in the UK. There is no local civil servant system in the UK (hereinafter in this paper, "Civil Servant" refers to the government officials, so-called Whitehall), and they are under the same legal system as private company employees. While 53% of them are part-timers,³ there are professions employed at a high salary like Chief Executive (hereinafter called "CE"). Civil Servant and local government staff are different in their employment system and practice, and this survey will look at possible influences on their relations and consultations between the central and local governments.

(2) Survey and research system, methods, etc.

a. Cooperation of ex-UK residents, etc.

The present survey will not only cover superficial aspects of the system and operations, but proceed with the cooperation of well-versed experts such as ex-UK resident researchers, taking the social system and the view of people into consideration.

First, we delegated a scholar who has insights into the local administrative and fiscal field in the UK as a chief examiner, and asked him to give guidance and advice on the overall research study as well as participate in the field survey (mentioned later). We are pleased to have Professor Katsuhiro Inazawa, Kwansei Gakuin University, for the post. He has research records of recent reform trends in the UK such as NPM (New Public Management), and

³ "Specialty and personnel administration of UK local government staff – From a viewpoint of the job evaluation scheme and development of human resources – (Vol.I) by Hiroaki Inatsugu, Takashi Ikeda, this publication No.15, P111.

finances and accounts, etc. of Japanese municipalities. He also worked for the Council of Local Authorities for International Relations (CLAIR), London, and is a learned authority on both the UK social system and Japanese local autonomy.

A partial survey will also be undertaken with as much help as possible from ex-UK resident researchers, etc.

b. Implementation of field hearings

To grasp the actual operation, it is necessary to conduct hearings directly with the parties concerned, so hearings will be conducted on local people along with literature searches.

(3) Survey schedule

a. Survey of fiscal 2011

With this fiscal year positioned as a period for preliminary survey, it was decided to kick the survey off with the approximate role of each entity as a main player in the “consultations between the central and local governments”, while understanding the social system of the UK and its historical progress.

First of all, to know more about the local autonomy system of the UK, distinctive features in its actual operation, historical progress and background including party politics, we have had the pleasure of receiving a paper written for publication by Mr. Shigeru Naiki, Professor at Teikyo University.⁴ Professor Naiki stayed in the UK for a long time as a diplomat and Secretary-General of the Council of Local Authorities for International Relations (CLAIR), London. He is well-versed in the situation of the UK, and has written many papers and books.

With respect to the local government staff of the UK, Professor Hiroaki Inatsugu and Mr. Takashi Ikeda are expected to write papers for our publication from No.15 to the next issue (see footnote 2). Also, with the cooperation of Professor Katsuhiko Inazawa, the book entitled “Human resource management in the public sector” will be translated, and the new movement in the UK doubling as CE for different local governments will

⁴ “The Real Face of the Homeland of Local Democracy” by Shigeru Naiki, in this issue of this publication.

be researched by the author of the book, Dr. Peter Smart, the results of which will be contained in a Japanese version.

A field survey (hearing survey) was conducted last December in the UK with the cooperation of the Council of Local Authorities for International Relations. The survey was accompanied by Yukiko Fujita, Professor at Senshu University, who is currently staying in the UK for overseas research, and the author of a book on the public servant system in the UK, and who was kind enough to donate a paper on the survey (contained in this issue). Sosuke Murai, a researcher of this Center who is engaged in “Research on municipal corporation in Japan” and its capacity, has written on how data, etc., a key foundation in the consultations between the central and local governments, are collected and analysed in the UK, which is also included in this issue.

b. Survey plan for fiscal 2012 to 2013

From the next fiscal year onward, the actual situations of consultations between the central and local governments will be made clear through specific case examples.

What is to be made clear, to present a true picture of the consultations between central and local governments, includes: the purpose, members, scope of consultations, holding procedure, technique for ensuring effectiveness, etc., in the Central-Local Partnership (CLP, established in 1997)⁵ under the Labour government; details of consultations which took place in the Consultative Council for Local Government Finance [CCLGF], established in the 1960s), and the Central-Local Partnership on the reduction of independent revenue sources under the Thatcher and Major administrations; the specific subsidy set aside under the Blair and Brown administrations; and the directionality of the decentralisation reform under the Cameron administration and subsequent view of local side and public reputation.

⁵ Mentioned later. See 3. (2) f.

(4) Announcement of the findings, etc.

The findings of this research study will be presented at a meeting of the Urban Decentralisation Policy Center jointly established by the National Conference of Mayors and our Center, as well as in this publication and on our website, so as to contribute to decentralisation reform.

3. Summary of the UK field survey of fiscal 2011

(1) Survey schedule and main destinations to visit

The survey in the UK was conducted in the period from December 6 through December 16, 2011. The main parties for hearings and respondents were as follows:

- LGA (December 7): Respondent to the hearing; Mr. Ben Kind (Public Affairs and Campaigns Manager)
- Society of Local Authority Chief Executive and Senior Managers (December 7): Respondents to the hearing; Mrs. Kathryn Rossiter (Managing Director), Mr. Graeme McDonald (Director of Policy & Communications), Mrs. Philippa Mellish (Policy Manager)
- Southend-on-Sea Borough Council Policy & Improvement (December 8) Conservative Party stronghold): Respondents to the hearing; Mr. Tim MacGregor (Senior Policy Advisor), . Miss Suzanne Wright (Engagement Advisor)
- Manchester City Council City Policy Team (December 9, autonomy of the Labour Party stronghold): Respondent to the hearing; Mrs. Louise Hope (Policy Officer)
- DCLG (December 12): Respondents to the hearing; Mrs. Andrea J. Lee (Deputy Director, Head of Strategic Analysis Team), Mrs. Sue Westcott (Team Leader, Strategy and Performance Team – Localities), Mr. David Fry (Deputy Director, Strategic Statistics), Mr. Danny Rothberg (Head of David Prout's Office| Director General of Localism)

(2) Main survey items and summary of the survey by hearings, etc.

a. De facto consultation counterpart between the central and local governments

(a) Typical example

Policymaking in the UK starts at the stage of deliberations by each party, followed by compilation of a manifesto. In the next process of materialising the manifesto into specific policies by the ruling party (government party), central government first compiles specific points at issue into a policy discussion document called a “Green paper” and consults widely with ordinary citizens, authorities concerned, etc. (anybody can provide opinions). Based on the opinions, the government compiles and releases a policy implementation plan called a “White paper” embodying specific policy details, prepares a bill, and submits it to Parliament.⁶ A law is made by deliberations at Parliament, during which amendments are made.

Local authorities and the LGA express their opinions on the Green paper or other Government consultations in this wide-open process, present their views to central government individually, and engage in lobbying at the stage of deliberations in Parliament.

In the representations to central government, politicians talk to each other, that is, between Leader (a local assembly member responsible for politics in the local government) and Minister⁷, and administrative staff among themselves. For example, the CE, exchange opinions with a first division.⁸ The

⁶ “Creation of Greater London Authority” by Council of Local Authorities for International Relations, CLAIR Report No.195 (2000), P24

⁷ Secretary of State (in the Cabinet) and Minister (out of the Cabinet); same hereafter.

⁸ This has not changed since the 1990s. “Central-Local governments relationship in the United Kingdom (Vol.I) – Fierce Competition in the Homeland of Local Governance” by Mitsuo Yokota, Jichi Kenkyu Vol.75 No.4 (1999), P10

fact that discussion (hereinafter called “exchange of opinions”) is carried out between staff of local governments and Civil Servants but decisions are made by politicians was clearly illustrated in the explanations at both local governments and the DCLG. The actual circumstances seem to be that a local assembly member talks to a Minister and the matter is passed on to administrative staff for an exchange of opinions between Civil Servants and staff of local governments. This may relate to the fact that many local assembly members belong to a certain party and jointly work with members of Parliament (hereinafter called “MP”) with close ties with each other.⁹

This “decision” and “discussion” may be understood in a sentence, but specific thoughts will have to be given as to what extent it is arranged by discussion and how it differs from decision under actual circumstances. This will reference the consultations between the government and localities in Japan.

Local assembly members are not subject to prohibition of contact between politicians and bureaucrats¹⁰ (the system and its history are unconfirmed), but in reality, although local assembly members talk to Ministers as mentioned above, they do not seem to talk to Civil Servants. This point was confirmed at the hearing of the DCLG, and they seemed to have no idea of Civil Servants meeting local assembly members for talks. Substantial difference in the contact between local assembly members and (government) Civil Servants was thus seen between Japan and the UK.

(b) Exceptional cases and recent trends

The Manchester CE, together with the Leader, seems to contact Ministers, but it does not

⁹ Mitsuo Yokota, op. cit. (1999), P10

¹⁰ “The Great Administrative Reforms of the United Kingdom and Japan – The True Face of the Homeland of Local Democracy” by Shigeru Naiki (2009), P214

necessarily mean that CEs of big cities generally act like this. There is an opinion that the current Manchester CE which has immense influence is an exceptional case (heard from CLAIR London), which needs further survey.

Heard in the hearings at the LGA was that in such a case as local taxes on which there are not so many experts and politicians are not among the experts, experts on local taxes will attend the occasion for decision.

b. Organisation and activities of the LGA

(a) Organisation, budget, etc.

The LGA was started in April 1997 by integrating nationwide bodies of each type of local government, namely, local governments in England and Wales have become County Council, District Council and Metropolitan Borough Council¹¹.

A post at the LGA is chosen in an election among Leaders of local governments. Groups are formed for each party (four groups of Conservative Party, Labour Party, Liberal Democratic Party and Independent) where a convergence of opinion would be forged first for subsequent coordination of views among the groups.¹² This system seems to remain the same as the operation of National County Association and National District Association before they were integrated into the LGA.¹³ As for group officials, it appears that the Conservative Party group elects officials for each division of County, District, Borough, Unitary, etc., and the Labour Party

¹¹ “Local Governance in Europe and the US edited by the Conference of Comparative Studies in Local Governance: No.10 Local Governance in the UK” by Susumu Takashima, “Chiho Zaimu” No.563 (2001), P390-391

¹² LGA website

<http://www.local.gov.uk/about-politicalgroups> (Accessed January 9, 2012), National Conference of Mayors

“Overseas ‘National Conference of Mayors’ II” (2004), P32, Shigeru Naiki op. cit. (2009), P233

¹³ “Survey report on the British local finance council and French local finance committee” by Local Public Finance Council (1996)

group elects officials for each region.¹⁴

There are about 270 administrative staff members with the CE on the top, including one person on loan from local government and one person on loan from the central government. The cost for the person on loan from local government is paid by the LGA to the local government concerned.

Each political group has four political support staff members. In addition, in the Communication Group comprising of 50 to 60 members (many of them are website producers and seven are in the media relations team), a core group of 10 to 15 members is engaged in preparing proposals for adjustment among groups and lobbying. In the recruitment of staff members of this group, it is not particularly required that the applicant belongs to a certain party, but it is nevertheless important in the nature of the job to have a strong working relationship with Parliament. The Leader of each group seems to take the political background of staff members into account in their work.

The tenure of LGA staff is generally short; two to three years for support staff, three to four years for lobbying staff, and eight years or so for policy team staff who need to work up as specialists. As a policy team should be involved in policy analysis neutrally, they are expected to refrain from being politically active.

Next, as for budget, the fund from the central government accounts for 45% of the budget. They are trying hard to cope with the influence of the recent austere fiscal policy by improving efficiency of work including a review of working method. The principle is that the fund from the central government is allocated to specific activities such as training of local assembly members and municipality staff.

¹⁴ Example of the Conservative Party group: <http://www.conservativegroup.lga.gov.uk/lga/core/page.do?pagelid=10808> (Accessed January 9, 2012),
Example of the Labour Party group: <http://www.labourgrouplga.gov.uk/lga/core/page.do?pagelid=1828919> (Accessed January 9, 2012)

(b) Activities

For a consensus among local governments in the LGA, opinions are integrated per political group for adjustment among the groups as mentioned earlier. Many Leaders of local government belong to parties and are in the top flight as a member of each party. Some of them exert a strong influence on the policymaking of the party, and act to reflect the view of the LGA on the policymaking process of the party.

To the question of how to cope with a possible case of one's own party policy not being consistent with that of the LGA, the answer was "follow the policy of the LGA."

The Chairman of the LGA currently holds a regular meeting with the Home Secretary every Wednesday morning. It is also customary for the Chairman to meet with five Ministers once in a few days and exchange opinions on one or two limited themes.

The present Chairman of the LGA is also a Leader of the Royal Borough of Kensington & Chelsea. To our question of the effect of such a busy schedule of the LGA on his duty as a Leader of a local government, and based on our knowledge of the meager salary of local assembly members, and on the difficulty of earning a living by spending most of the time for the job as a local assembly member as well as for the LGA, the answer was that he divides his time between the job at the LGA and job as a Leader of Chelsea by almost half and half, remuneration is being paid by the LGA for the chairmanship, and the amount is disclosed on its website.¹⁵

In addition to communication with the central government at a political level, the administrative staff of the CE and under at the LGA is said to have meetings and exchange opinions with Civil Servants quite often (heard from both the LGA and the

¹⁵ <http://www.local.gov.uk/senior-staff-remuneration> (Accessed January 9, 2012)

DCLG)¹⁶.

Response to the Green paper, etc., of the central government is reviewed by administrative staff, and opinions are submitted upon the approval of the Leader. On this occasion, administrative staff tries to prepare a proposal acceptable to the four groups. There are times when a decision must be made within a few hours in top-level meetings, and at such times, the influence of majority political groups is likely to be reflected most.

As a factor behind the LGA wielding a strong influence on the central government, it was pointed out that many officers serve a long time under the stable political foundation of the LGA while Ministers rotate frequently.

We were told that the LGA is also engaged in human resource development with the assistance of the central government, such as teaching promising local assembly members enough skills to assume a vital role of leadership in the future.

c. Treatment of local governments by the DCLG

The DCLG has assumed the role of strictly monitoring the performance of local government by setting many benchmarks for their jobs, etc., and having them submit a large volume of data¹⁷.

Some changes are seen in this role after the change of government and under the concept of Localism advocated by the present ruling party. In view of many benchmarks already set by local governments along with their evaluation by collecting data independently, the central government has changed its stance by abolishing this role (watchdog) and leaving everything to local governments. The role of the central government has shifted (from instruction) to helping such as by responding to consultations from local governments or prompting them to promote information disclosure, and their

¹⁶ No change has been seen since the 1990s on this point as well. Mitsuo Yokota, *op. cit.* (1999), P10

¹⁷ Shigeru Naiki, *op. cit.* (2009), P247-284

role has changed drastically, according to them.

With regard to the network of personal contacts between the DCLG and local governments, such a network is available and the situation is generally known for relatively large local governments such as Manchester and Newcastle, but for small-scale local governments the situation is hardly known due to the lack of information.

It is pointed out in the Naiki paper of this issue that a person who used to work for a local government assumed a post of DCLG Permanent Secretary last November, and Mr. David Prout who assumed the post of Director-General, Localism Group of the DCLG in September, has served the Royal Borough of Kensington and Chelsea as Executive Director for Planning and Borough Development (after working as Director of Local Government Policy of the DCLG).¹⁸

While these symbolic examples have begun to be seen, there still seems to be very few people in central government who have working experience at local governments.¹⁹ Local government staff tend to be of the opinion that the lack of personnel in central government who know about the work of local authorities makes it harder to ensure their views are reflected in the policies of central government.

We had an impression that Civil Servants of the UK move between ministries without boundaries and they are not employed by respective ministries and agencies as in Japan, so there seems less awareness for being professional in a particular field. This may be one of the reasons why we felt that there is less personnel exchange, and the conventional way of thinking of personnel in charge of local governance focuses more on the "control" of local governments than their "development"²⁰. This,

¹⁸ DCLG website
<http://www.communities.gov.uk/corporate/about/who/board/davidprout/> (Accessed January 17, 2012)

¹⁹ Shigeru Naiki, this issue

²⁰ "Local Government in the United Kingdom - History, System and Policies" written by Andrew Stevens, translated by Yutaka Iwami, Ashi Shobo (2011), P113

nevertheless, remains a matter of conjecture.

d. The LGA and DCLG seen from local authority perspective.

Southend-on-Sea Borough Council is a local government region with a population of 165,300 and usually a stronghold of the Conservative Party. Manchester City Council is a local authority region with a population of 392,819 (both according to 2001 Census key population statistics) where the Labour Party has their stronghold. In responding to the Green paper, etc., administrative staff of these two organisations analyse and prepare a proposal and seek guidance from leading councillors. There seems to be too many consultations from the central government to submit their opinions.

Although both organisations appear to participate in the activities of the LGA, according to the personnel of Manchester, they are not so much involved in the activities of the LGA now due to less agreement with small organisations which are also members of the LGA.

Our impression as a result of the hearings of both organisations is that as for a channel between politicians, it seems easier for the local government of the ruling party's constituency to approach Ministers, etc.

Individual approaches of local governments to the central government are from Leader or Sub-Leader to Minister and MP, and from administrative staff of the CE and under usually to the first division. Many exchanges of opinions are through e-mails and websites. In the hearings at the DCLG, it was explained that who joins an exchange of opinions depends not on the post of the counterpart but on who looks after the case which is subject to consultations. Local authorities nevertheless appear to have some rule of thumb on what level of personnel is to be involved depending on each case.

It was also explained with examples that in appealing to the central government, it is important to have grounds (evidence), and for this reason, data

collection and analysis may be outsourced to show its objectivity and high reliability.

e. SOLACE

(a) Organisation

SOLACE is short for Society of Local Authority Chief Executive and Senior Manager, and a specialised institution for the CE of local governments and senior staff.²¹ Its activities include providing members with information and seminars, a national conference held once a year, and a dinner party held once a year with a VIP guest.

The present membership consists of; more than 90% of all the 350 local government CEs, about 40 CEs from other public institutions, and more than 800 senior local government staff. Financial transfer from the central government to local governments has been reduced of late, and this resulted in the abolition of payment for SOLACE membership by local governments which used to be borne by them, as well as an emerging issue of securing the number of members which has been on the decrease partly because of doubling as CE between different institutions.

They appear to have been busy coping with a growing issue of optimising compensation for the CE (criticised for being too high), and the number of applicants for senior staff has been on the decline due to this salary cut for the CE.

(b) Activities

In addition to service to its members, SOLACE liaises closely with the LGA in many things including taking measures for central government policies. SOLACE makes it a principle in this process not to question the central government policies, leaving it for politicians and the LGA to decide. SOLACE expresses its opinions on which policy will bear fruits when put into practice, and which policy should be changed so that policy can be implemented

²¹ Shigeru Naiki, op. cit. (2009), P226

effectively to achieve desirable results.

SOLACE, run by an extremely small number of staff (several members), formulates opinions by organising a working group through the network of members.

Key staff members of local governments such as CEs are normally too busy to express their opinions on all matters, so they join a working group depending on the situation surrounding the organisation involved. Therefore, there are members who do not join such activities at all, and there are also many cases where active members suddenly stopped participation in SOLACE activities after the end of a particular theme.

If it is difficult to integrate opinions by a working group, there seems to be cases where SOLACE staff organise issues and prepare material for further discussion or lead the discussions for a final proposal.

Specific appeals by SOLACE on central government policies include, in addition to expressing opinions on a Green paper, exchange of opinions with the LGA with which they closely liaise and joint participation with the LGA in conference with the central government, quarterly meetings with senior staff of the DCLG for deliberations, and talks on policies under review, particularly those involving multiple government offices, in meetings between Permanent Secretary and Secretary General held twice a year lasting half a day each time.

f. Change of government and its effects

The Central-Local Partnership was established by exchanging a memorandum between the then-Deputy Prime Minister and the LGA Chairman promising that the central government will hold a summit meeting every half year and grant consultation rights on government policies to the LGA,²² but this scheme was abolished by the change of government.

²² Written by Andrew Stevens, op. cit. (2011), P111

We were also told in the hearing at the LGA that before the change of government, there were two opposition parties, the Conservative Party and the Liberal Democratic Party, against the ruling Labour Party, and either of them, more often than not, would take up questions in Parliament; now that the opposition party is only the Labour Party, the Party would not take up the matter unless it was presented to it in complying with its wishes, thus requiring effort.

(3) Other – Movement on local administrative and fiscal system in the UK -

In this section I would like to mention, in addition to hearing details, my impression on information obtained through exchange of opinions with researchers of local governance in the UK.

a. Localism

The current government is trying to give more authority to local governments and the neighbourhood, and the Localism Bill 2010-11 passed the Diet on November 15 last year.²³ We were told in the hearings at the DCLG that, as mentioned earlier, the central government has changed its role from monitoring to helping. On the other hand, it has been decided to transfer 27% of the central government financial burden to local governments in four years to come,²⁴ and the increase of authority is not really felt at the site of local government, according to them. Of the revenue budget of UK local governments, tax (Council tax) accounts for 22.3%, while a total of main financial transfer, specific subsidy (57.9%) and police subsidy

²³ The UK Parliament Website
<http://services.parliament.uk/bills/2010-11/localism.html>
(Accessed January 10, 2012)

²⁴ CLAIR “Latest overseas report – Cuts in the government expenditures and ingenuity by local governments in the UK –” (2011)
http://www.clair.or.jp/j/forum/c_mailmagazine/201102/2-3.pdf
(Accessed January 10, 2012)

(3.9%), comes to over 60%,²⁵ and this tells how this reduction deals a severe blow to local governments. Cutting the number of staff and rationalisation are under way at both organisations and the LGA which we visited for the hearing, and the effect is also seen at SOLACE.

While authority was transferred, its financial base was substantially reduced as well, so it seems what to cut is left for local governments to decide. For example, the local government's individual decision on the closure of a library has encountered opposition from the public.

It is certainly a problem for the government from its governance viewpoint to see services cut by local governments. It is generally considered that increased authority enables local governments to do what they could not do in the past, namely additional administrative services. Instead, does it mean expansion of authority for local governments to abolish something in financial difficulties which they couldn't abolish because of the benchmark set and evaluation made by the government? It may be for this reason that some people related to local government voiced concern that no expansion of authority has been felt. Is it too much to say that a point in Localism is who should be accountable for judging project cuts in the austere fiscal policy?

b. Faith in local governments

We heard that generally speaking, the public's faith in local governments is rather low in the UK. It may be the reason why the operation of local governments has been limited with targets set and intervention made in the event of deficiencies (it was under national consensus, so to speak).

²⁵ "Financial adjustment system in England" by Takafumi Kanemura, CLAIR "Comparison of local governance series" (2007)
<http://www.clair.or.jp/j/forum/series/pdf/h18-7.pdf>
(Accessed January 11, 2012)

To mention an interesting point, the postal code as used in Japan is used to show an address in the UK. It can specify an address to the accuracy of one's nearest neighbours (the writer was also asked for a postcode instead of an address for identity verification upon advance booking of a concert). This would give less opportunity for people to write their municipality in the name of Borough, and to make them realise which local government they belong to, when compared to Japan.

It was also pointed out that few residents know who the Leader is, much less local assembly members. Such things seem to have led the central government to believe that local governments do not fully represent residents (they do not reflect the views of residents), and their subsequent movement, in the context of Localism, of putting emphasis on their neighbourhood and having it get involved in the decision-making of local government, as well as granting authority to neighbourhoods.

I was also told that while visible work such as fire department staff, teachers and doctors (easier to be recognised as helping people) are duly respected, desk-bound staff at local governments are not respected so much by residents due to the obscurity of their work. This seems to apply to Whitehall as well.

c. Civil Servant and staff of local governments

In the UK, Civil Servant refers only to (government) officials belonging to Her Majesty's prerogative,²⁶ and is a group of elite for long employment filled by Oxbridge graduates. On the other hand, local government staff are considered quite different under the private labour legislation. Some pointed out that the issue of optimising compensation for the CE stems from this

²⁶ Shigeru Naiki, op. cit. (2009), P215

background.

Localism has brought about substantial changes in the content and procedures of work by the central government, but it appears to take some time to completely change the mind-set of Civil Servants.

As an inside story about local government, while it is generally key staff who speak with the Leader, the personnel who responded to the hearing in Manchester could talk to Leader directly, partly because of his being in charge of an international conference. Nevertheless, this seems to be an exceptional case.

d. Movement of big cities following Greater London Authority (hereinafter called "GLA"), and hope for economic development

During our visit this time, we had an opportunity to sit in an assembly at GLA. Assembly members sitting around a mayor in a horseshoe shape gave the mayor a barrage of questions, which the mayor answered calmly. It was a session between a mayor of public election and the assembly, but its proceedings seem to be quite different from a city assembly, etc., of Japan.²⁷

GLA is largely different from other regional authorities in the UK in terms of its scale, system, etc. Large cities like the Metropolitan District have the same system and authority as a normal borough or city, but recently, eight cities (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham, Sheffield) have joined together as Core Cities to strive particularly for economic growth, and work for increased authority and acquisition of funds from the central government.²⁸ They bring their own ideas, get a consensus as Core Cities, and utilise it

²⁷ The details are described on page 67 of "World Local Autonomy Systems Made Easy," supervised and written by Yuzuru Takeshita. Imajin Shuppan (2008)

²⁸ Core Cities website
<http://www.corecities.com/> (Accessed January 10, 2012)

when each organisation appeals to the central government (they would not visit concerned parties jointly at their request as in the case of Japan). The office of the Core Cities is situated in Manchester with one Director, one staff member responsible for policies, and two other staff members.

Just on the previous day of our visit to Manchester (December 8), the Deputy Prime Minister Nick Clegg had announced "City Deals"²⁹ to grant more authority to major cities for their economic development as well as to free them from the control of Whitehall, which was immediately introduced to us by the city staff in charge when we visited December 9 for hearings. The central government also deploys personnel in charge of supporting Core Cities in the Cabinet Office (the system will be strengthened to support all local governments sooner or later). Manchester is said to have requested legislative proceedings to the effect that exceptions on the distribution of authority, etc., for GLA be also applied to Core Cities as-is, and they seemed to have stepped up their campaign to the government.

Southend-on-Sea Borough Council, our other destination for hearings, is not a big city, but their strong awareness of economic development issues was felt in the hearing. We should investigate further in future whether such awareness is common in other authorities, and whether the deregulation of the central government (decentralisation) has a strong objective of the promotion of economic growth in the light of the Deputy Prime Minister's intention to expand the approach taken on Core Cities to other local governments.

e. Characteristics of two-tier system

In the UK, the authority of local governments is disbursed under individual laws, and exceeding such

²⁹ Deputy Prime Minister Website
<http://www.dpm.cabinetoffice.gov.uk/news/do-it-your-way-deputy-prime-minister-launches-new-city-deals>
(Accessed January 10, 2012)

authority is illegal and void according to the “ultra vires doctrine”³⁰. There is no duplication of authority between Counties (equivalent of Japanese prefectures) and Districts (equivalent of Japanese municipalities), and unlike Japan, Counties are not allocated a wider range of adjustment functions or the task of guidance, advice, etc., for Districts simply because of a wide-area organisation. Counties are hardly involved in the administration of Districts.

According to some reports, in London, there is no such registration system as in Japan to accurately grasp residents, and no forecast of the number of school-age children results in many children being kept on standby. We asked a local governance researcher whether GLA takes any measures in such a situation, and the answer was that school education is under the jurisdiction of the Borough and there is nothing GLA can do about it. From this we gather that each organisation is only concerned with the same type of organisation, and they do not create an antagonistic situation in building consensus at the LGA.

4. Conclusion

This note is my description of what I saw and heard in the field including rumours as well as my impression and supposition, and I am ready to be criticised for being far from the level of a research study.

While the essential points will be covered in the main research study to be conducted for about three years starting this fiscal year, I boldly wrote this note on what I observed there on this precious occasion, anticipating some of the contents may serve as suggestions for future research. To reiterate, I welcome opinions including possible errors in this Note for improvement of the research.

As mentioned in 1. Purpose, etc., the framework of the local governance system is quite different

between Japan and the UK, and so is the awareness of people as well as its history. I reiterated my opinion that the systems cannot be compared on their face value. On the other hand, there certainly are some common points like being burdened with similar social problems in many aspects, and it would be very significant also for Japan to study the system of the UK and its operation, taking the social and political system and the background of people's awareness into consideration. The Naiki paper published in this issue fully covers these points, based on which we, the Japan Center for Cities, would like to proceed with our research.

It was also learned through the preliminary survey this fiscal year that, to ask those busy people to attend hearings, obtain significant information from them and have a meaningful exchange of opinions, it is necessary for them to accurately understand the issues we have in mind by providing them with enough information on the Japanese system and actual situation of operations. Therefore, regarding the governance system of Japan and its operation, including the movement of consultations between the central and local governments in particular, enough translated materials should be prepared, ready for submission to the parties involved in hearings. They asked us to let them know about the survey result. To ask for their further support of our survey, I think it necessary to translate relevant papers into English and release them on our website, for example.

Last, but not least, I would like to thank all the persons concerned with the UK local governments who interrupted their busy schedule to attend the hearings, and considerately and meticulously answered our questions, the Council of Local Authorities for International Relations, particularly the people at CLAIR London, for their great support including setting up appointments for hearings, Professor Yukiko Fujita who was kind enough to accompany us on the field survey, Professor

³⁰ Shigeru Yamashita, op. cit. (2010), P94

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