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**Reading Room**: Public Ownership & Accountability

## **Public Ownership & Accountability**

This is the text of a presentation that Peter McKinlay gave to the Wairarapa Funders Seminar on 4 May 1999. The audience was made up of local, regional and national organisations involved in funding voluntary and community sector activity in the Wairarapa. The main thrust of the presentation was an overview of issues raised by the ownership and management of public wealth, substantially through local and regional trusts.

I understand that a principal reason for the invitation to address you today is interest in the project which we have been undertaking on public ownership. The focus of this project has been on the questions raised by the restructuring of what I term "ownerless" public entities. The two best known examples were the regional trust banks and electric power boards.

Both were restructurings of single purpose entities established to undertake a particular function at a time when questions of ownership were not regarded as an issue.

You may wonder why undertake such a study. The first answer is that I am a policy analyst and both of these restructurings raised fascinating questions of public policy. There is, though, a much more practical answer and one which matters directly for this audience and for the communities with which you work. The two themes of this address, public ownership and accountability, go to the heart of the governance of our society, the relationship between different components within that society (the public, private and voluntary sectors; central government, local government and citizens). Different views on those matters reflect deeply held and differing values and perceptions about the nature of society.

Their importance goes beyond that. Questions of governance, at both a national and a local level, and of the resources to support governing activities, are being re-examined afresh as a consequence of globalisation and what many would argue is the breakdown of the sovereign state. On this argument, power and influence are moving upwards to the international community and downwards to the local community - thus making issues of ownership and accountability at the local level crucially important.

I need to start by talking about the meaning and nature both of public ownership and of accountability. Surprisingly for terms which are used so frequently, they are very poorly understood. As a consequence, the quality of public debate on

these matters is all too often abysmal.

Let me start with ownership. Discussion of ownership usually treats the concept as though it were one single indivisible right. This can be seen both in advocacy for public ownership and that for private ownership. Those who support public ownership are typically arguing that a particular kind of activity should be owned by the public. In doing so, they seldom define the public or explain what rights the public as owner might have and how those might be exercised. Advocates for private ownership talk about ownership in terms of investors making decisions about where to allocate their capital as though ownership were purely about return on investment.

In practice, ownership comprises at least four separate and very significant rights. These are the rights to:

- receive the income generated by the asset
- claim the capital represented by the asset (including the right to allocate the use of that capital over intermediate time periods)
- regulate, that is to say, within the general law, how the asset should be managed and for what purpose.
- transfer one or more of the preceding rights to other parties either permanently or temporarily.

What about the term "public"? We are accustomed to hearing appeals to the "public" or the "community" as a body whose interests should be served by some particular activity. Seldom, though, are we given a definition of just who that public or community is. One New Zealand writer has said of the term community (and much the same could be said of the term public) that it is "a subjective concept which generates considerable confusion between *what is* (empirical description) and what the practitioner *feels it should be* (normative description). Sociologically, it is a meaningless term attributed to widely diverse groups ranging from Kibbutzim, religious associations and ethnic groupings, to neighbourhoods, cities, national and even international "communities".

One of the principal issues which should always be looked at when questions of ownership are being discussed is what is the nature of the connection between the owner and the owned? How can that relationship work so that the owner has both the incentives and the ability to ensure that her/his/their objectives are reflected in the way in which the asset is managed or the associated income and capital allocated? Are they able to monitor the performance of the manager and act to deal with poor or inappropriate performance (and for that matter to reward good performance)? For public ownership this begs the question - to which I will return later - of how that relationship between owner and owned can be established and made to work if we cannot even identify in some meaningful way the public (or community) which is the owner.

I turn now to the question of accountability. This is an extremely vexed matter, not so much because it is difficult to set out the requirements for good accountability - in my view it is not - but because there is a huge difference between the public respect which most people will accord to the idea of accountability and the private resistance they have to its full application to the organisations which they govern.

The UK government has currently embarked on a major shake-up of local government. In one of several white papers, "Local Leadership, Local Choice", it describes accountability as a process "where people can measure the actions taken against the policies and plans on which those responsible were elected to

office". Look carefully at that definition. The key element is the expression "policies and plans". Implicit in this is a view of accountability as requiring those who are to be accountable to spell out in advance what they are proposing to do and why. Central to this understanding of accountability is that it is about establishing, **in advance**, their intentions so that these can be the subject of a specific mandate before the activity takes place. Reporting against those policies and plans, and effective means of addressing failure to perform, follow as a logical complement.

That approach to accountability underlies the comprehensive framework put in place for local government in 1996. It is a country mile removed from the token accountability of bodies such as community trusts. In making this comment I want to draw a distinction between the individuals who are trustees and the system within which they operate which in terms of modern understandings of and accountability falls far short of an acceptable minimum, thereby providing significant ammunition for those who would argue for their abolition. Consider the following paragraph from an article "Why Community Trusts Should be Dismantled" by Gareth Morgan in the NBR for 16 April 1999.

"...its distribution policies will either fall captive to the patronage preferences of the dominant among the incumbent trustees or, in order to avoid that bias, will arbitrarily allocate investment proceeds across the myriad of "deserving" causes that submit a claim. Neither are optimal allocations because they do not involve any market mechanism whatsoever - there is no exchange where the parties mutually benefit from the transaction."

Gareth Morgan's solution to the problem of lack of accountability is to dissolve community trusts and hand the capital back to individuals within the community. An alternative solution is to improve the quality of accountability.

What is the relevance of all of this to somebody who is involved, day to day, in administering a consumer or community trust, working with other organisations in the community or communities to which it relates? Equally what is the relevance to the people or communities to whom that trust is (notionally) responsible?

The traditional answer is probably not much - that arcane meanderings about the nature of ownership and accountability have little practical day to day implication.

I want to suggest that almost the exact opposite is the case. Understanding and being able to deal effectively with these issues is at the heart not just of the operation of the trusts themselves but of the future of the communities in which they function. To make the point, first consider some contextual issues. I have just returned from the Public Administration and Development Jubilee Conference held in Oxford. This was a gathering of public administration practitioners and researchers from around the world. Two themes came out of that conference which are of real importance for this audience.

The first was the impact of globalisation. There is an emerging consensus that the various influences which make up globalisation are significantly reducing the power of national governments. Treaty commitments, changes in world capital markets, the growth in information technology and the increasing mobility of firms and of labour, especially skilled labour, combine to mean that national governments:

• have little or no scope to intervene to provide support for industries, regions or activities through formerly conventional means such as import licensing,

tariff barriers or other forms of subsidy - not only are they typically breaches of international treaties, they also distort local cost structures making them relatively uncompetitive

- are severely restricted in their ability to increase tax burdens above international norms
- have limited capacity to apply egalitarian policies in the salary and wages area. Thus, if New Zealand requires internationally competitive skills then increasingly it must pay internationally competitive salaries even though that may increase the perceived gap between the well off and the poor
- gradually are losing control over significant areas of activity such as tertiary education as this becomes an international market.

A second theme was that of subsidiarity. This principle has been described in a number of ways including:

- one of satisfying community needs by allocating responsibility for areas of service delivery to the sphere of government responsible for the smallest functioning units through which the service can be practically provided (an Australian Local Government Association submission on tax policy).
- the principle of local autonomy and self government which allows us to build on local strengths, on adapting to the needs of each region and each province of the country (a 1996 address by the Canadian federal minister of intergovernmental affairs).

Combined, these two principles imply that much of what we have traditionally thought of as central government responsibility may not only be better delivered at a local level, this may now be the only practical level. Consider for example the question of economic development within the Wairarapa. If organisations within this sub-region combine together to use their resources to create what they see as favourable conditions for particular activities, then:

- that does not breach any international treaty obligations
- is far likelier than a central government intervention to be carried out with genuine knowledge of local circumstance
- may be rational in economic terms in a way in which central government intervention cannot it can make good sense to think of a sub-region or community as something akin to a multidivisional business. Investment in shoring up or supporting one part of that business may have strong spin-off benefits for others. Thus, there will inevitably be strong linkages between the level of business activity within the sub-region and the value of property assets. Such investment, though, is best made by those who stand to reap the collateral benefits.

That analysis suggests that we should be at the very least planning for improved capability at a local and regional level - capability both in terms of quality of governance, human capital and financial capital. To put it another way, if you accept the implications of the globalisation and subsidiarity arguments, then you put a strong premium on preserving and enhancing resources available to the local community including accumulated capital.

So much for some of the theoretical and contextual background. I now want to look at the practical implications of all of this for entities in the public sphere. The first is the debate over ownership itself. One of the reasons I started the public ownership project was concern that there was no equivalent available on the public side of the debate to answer the argument for distribution, that is, privatisation through some form of give away. There was certainly a lot of heat, emotion and political leverage but that is a quite different thing from a rational

argument based on questions of economic efficiency or demonstrated community benefit. Even where arguments from community benefit are put forward - for example from trustees of trust bank trusts - it is all too easy to dismiss that as the vested interest pleading of a group who enjoy the opportunity of exercising patronage with other people's money.

A realistic assessment of the debate would recognise that there are very substantial groups within the community which quite genuinely believe that public ownership in any form, especially forms with such weak mandate and accountability as a number of our major public sector trusts, is inappropriate in a modern economy. The Gareth Morgan article quoted above is but the tip of an iceberg in this respect. The same views are expressed by a number of leading business organisations. It is likely these views are also shared by a goodly proportion of central government politicians. So far these arguments have been overcome not by rational debate but by political leverage. That is a very suboptimal strategy. The risk it carries with it is that the current or a future set of central government politicians may one day see a political window of opportunity which could be based not just on the quite robust arguments on the privatisation side of the debate but on the quite valid claim that current structures for managing public wealth are not well connected to the communities are they supposed to serve. The better strategy is to understand and be able to address arguments for privatisation on their own terms.

The argument for privatisation rests on two principles; efficiency and choice. The efficiency argument is that assets will only be well managed if those managing them are subject to direct and effective oversight by people who themselves have a direct financial interest in the outcome of that management and the ability to act to change that management if it is not performing effectively. The second argument is that individuals are typically better placed to make decisions on how their investments should be held and how the income from those investments should be applied than are trustees elected through a weak franchise by electors who have little knowledge of what they do and poor or no information on which to base judgements. This argument is based on two self evident truths:

- individuals are best placed to know their own preferences
- decisions at the individual level avoid the compromises which seem inevitable with decisions taken at an aggregate level.

The privatisation argument is a strong one. It has three separate strands all of which need to be addressed when making the case for public ownership. These strands are:

- the lack of any proper mandate or accountability between trustees and the communities they serve
- the relatively arbitrary way in which trustees allocate income (arbitrary in the sense that allocation is not based on any means of relating decisions back to community priorities or co-ordinating those decisions with other interveners in the local community)
- perhaps most importantly, the failure to treat capital as a community resource which should be managed in ways which optimise benefits for the community by ensuring that investment goes in areas of greatest community need - at the moment trustees effectively funnel capital out of regional New Zealand or for that matter out of New Zealand itself on the argument that, as trustees, they have to act in accordance with the "prudent person rule", a rule designed to protect the interests of an entirely different class of beneficiary.

The weight of these criticisms bears differently on different types of trusts. Superficially at least, there is a significant difference between (say) an energy trust or a licensing trust whose resources are committed to a specific set of physical assets and a trust bank trust which now holds pure wealth. Trusts with specific physical assets still have available to them the argument that their rationale is to ensure that the interests of consumers in the use of that class of assets is properly protected. Trust bank trusts and other public trusts holding pure wealth face more directly the need to justify the way in which they apply capital and the return from that.

These differences go back to the different rights which make up ownership. A trust owning specific physical assets as its primary purpose will normally seek to justify continuing public ownership on the basis that its ownership gives it the ability to regulate the activity concerned - in other words ownership is seen as a prerequisite to protecting a particular set of consumer or community interests. In contrast, a trust owning pure wealth (as with the trust bank trusts) must necessarily be arguing that the interests of the communities which are its beneficiaries will be best served by the trustees themselves retaining the right to make decisions on how that wealth should be invested and on how the resultant income should be allocated.

At another level, though, these distinctions are superficial. Energy trusts, as an example, have the option of selling their energy assets and reapplying their elsewhere. If they do so, they may be able to sell the physical asset on terms which give them a continuing right to influence the particular consumer or community interests which they see as the rationale for their ownership. Put another way, they can deal separately with the right to regulate and the right to income and capital. Physical assets can be sold subject to conditions regulating their future use. If this can be achieved in a way which protects the regulatory interest in ownership, then trusts whose primary purpose is doing just that become free to look separately at the question of the form of investment in which they should hold their capital or indeed, whether they should hold their capital at all. Alternatively, they have the opportunity of leveraging their investments to apply capital to other purposes. In a sense, therefore, all trusts in the public domain face the same question of what is the optimal application of their capital in the interests of the communities they serve.

The case in support of public ownership must turn on being able to demonstrate that public ownership can overcome the three objections outlined above. Doing so requires the development of means which do tie the activities of trusts back to the public or community which they represent in ways which will allow the trusts to show that:

- they have a genuine mandate such that they can claim to speak on behalf of the public rather than on behalf of their own personal conception of what that public might want (or, as cynics might say, on behalf of their own prejudices dressed up in public interest clothes).
- both the way in which they apply their income and the way in which they manage their capital properly reflects community priorities.
- What does this mean in practical terms? First, it means addressing the question of mandate. At the moment, trustees of major trusts in the public arena are either appointed by the Minister of Finance (trust bank trusts) or elected (energy trusts, licensing trusts, land trusts).

Appointment of trustees by the Minister of Finance is something of an historical anomaly arising from the fact that the driver for the creation of the trusts was the restructuring of the financial sector. It is hard to argue that ministerial appointment amounts to a strong mandate from the local communities whom the

trust is intended to benefit. The involvement of current trustees in discussions over the selection of their successors does not remedy this defect; rather it carries with it the risk of the trustees becoming a self perpetuating group, at least in appearance if not in reality.

My assessment of the position of elected trustees is that many seem to believe that this gives them an effective community mandate. That is not a view which would be accepted by anyone who has undertaken serious study of electoral processes. Analysis of elections for special purpose bodies shows that it is extremely unlikely the electorate will be making an informed judgement. Reasons for this include the fact that very few electors will take the time and trouble to do the research required so that they can make an informed decision on the performance - or the potential - of candidates. Such a judgement would require a knowledge of the performance of the organisation, of the industry or other context in which it operates, and of what individual candidates have achieved (if they are already elected members) or what they have to offer.

Even if adequate information were readily and publicly available, this would be a time consuming task. In practice, for most such trusts, the information is not available. The extreme example is energy trusts which as a matter of law are private trusts, hold their meetings in private, are not subject to official information requirements, and publish a bare minimum of data.

The first task therefore in building the case for public ownership is addressing the question of mandate. I am aware that there are no easy answers.

One possible approach would be to build on (but at the same time improve) the strongest local democratic mandate, that of the local authority. Under this approach, local authorities would assume responsibility for appointing trustees but through a process which was designed to minimise political interference and to ensure that the trusts remained separate entities<sup>1</sup>. There is in fact now a quite well established body of practice for such a process which involves defining the person and job requirements for the trustee (or other) position, appointing a suitably qualified independent person to undertake a search and prepare a shortlist and then and only then referring that to the appointing body to select from that shortlist the actual appointees.

I have aired this suggestion with a number of different parties. Generally, local authorities welcome it, not as an opportunity to take over trusts but as a means of providing trusts with the backing of their own mandate. Trusts on the other hand regard this suggestion as anathema. Their attitude highlights another difficulty which will need to be resolved if the case for public ownership is to be a strong one. This is the extreme territoriality of different groups who purportedly are serving the same community. By way of an aside, this was seen at its extreme with the creation of energy companies following the 1992 legislation. That legislation included provision for ownership to go to local authorities, by default, if the establishing authority and the interim trustees could not reach agreement. Hardly surprisingly, establishing authorities saw local authority ownership as something to be avoided - they, after all, had been selected as the future directors of commercial companies and were generally opposed to public ownership.

What was perhaps more surprising was the attitude of interim trustees, many of whom themselves had been or were currently elected members of local authorities. Their opposition to the idea of local authority ownership was, if anything, even stronger than that of establishing authorities. Curiously it was based on the concern that local authorities might "raid" the assets built up by electricity consumers in order to spend it on things like water and wastewater. Even then, there was recognition of the need for substantial investment in

deferred maintenance and environmental upgrade.

Reflect on this for a moment. Typically electricity consumers also use water and sewerage services. Why on earth would they not want to shift investment from electricity to water and wastewater if that turned out to be the best means of meeting upgrade costs? For me, this really highlights the issue of weak mandates. Trustees taking this kind of view, in my judgement, have completely misunderstood that their role is to serve the interests of their community and this requires looking not just at their own narrow area of concern but at the broad interests of that community.

Back to the main theme. Although I see use of the local authority mandate as an important means of strengthening the mandate for trusts, I think the local authority mandate, or rather the governance of local authorities themselves, would need to be improved before such a suggestion could be adopted. Specifically, it would be important to provide a clearer definition of the role of elected members as one of governance not administration and to remove the current barriers which are distorting the structure of local councils. Most importantly, the remuneration system would need to be changed to get away from the present and serious difficulty that it effectively discriminates against people who are actively engaged in the workforce and whose income is significantly above what a councillor can expect to earn. It does this as the present remuneration pattern provides, for most councillors, an income at or above the average wage but as the result of turning the councillor's job into something close to a full time one because of the dependence on meeting fees as a major income source.

Improving the mandate is part of answering the criticism that public ownership has no equivalent to the nexus which individual ownership creates between the owner, the manager and the asset but it is only part.

The more important part is how the "public" or "community" is identified and its (often conflicting) views/preferences brought to bear. In the course of the public ownership project, we spent a great deal of time looking at different means of fleshing out how this issue could be dealt with. In particular we looked closely at the burgeoning work on social capital and civil society and to a lesser extent on work in areas such as trust in and the legitimacy of government.

It was necessary to conclude that, at least so far, we do not have the means of identifying the public or the community in any meaningful way - that is in any way which can allow you to say without your tongue in your cheek that this is the relevant "public" or "community" and what it seeks is...

Instead, the project concludes that the critical issue is the legitimacy of government. Writers on social capital and civil society universally argue that a strong civil society is an important component of a legitimate state but they also recognise that, if the state acts contrary to the norms and perceptions of civil society, even though it may have the lawful authority to do so, it risks undermining the legitimacy of government. This leads to a view that even where economic arguments, of themselves, might argue for privatisation, the state should pay at least as great if not greater attention to understanding underlying public attitudes. Personally I would argue that a case can be made that the way in which successive New Zealand governments have handled issues such as privatisation has had a negative impact on the perceived legitimacy of and that the costs associated with that are becoming significant.

The second conclusion that this approach leads to is the need for legitimate processes in the way in which decisions are made about the utilisation of trust or

community owned resources. If we cannot directly tap the views of the "public" in a manner similar to that in which markets and conventional corporate structures tap the views of private owners, our next best option is to create processes which are accepted as legitimate means of reflecting public preferences (including the effect of diversity). Here, what we are really dealing with is an issue of community governance which needs to recognise that, from a public or community perspective, the major focus is going to be on the mix of activities being undertaken in the name of the community or public and not on each activity treated in isolation.

This brings us to the question of accountability and takes us back to the early part of the paper with its emphasis on policies and plans being laid out in advance of specific activity.

We do have a couple of examples of this practice already. One is found in the Fiscal Responsibility Act which requires the government to publish at defined intervals a budget policy statement, a half year economic and fiscal update and a pre-election fiscal update. Each of these documents is to be publicly available and referred to a select committee so that there is opportunity for parliamentary scrutiny and public submission. In practice, that process is a little remote from the bulk of the population but it has a parallel in the requirements on local authorities to publish an annual plan, a funding policy and a long term financial strategy which together provide a very comprehensive overview of their proposed activities. It is a process which is still evolving and with some, possibly unintended, consequences. As an example, I have argued elsewhere that a local authority, in order to comply with the statutory obligation to prepare a long term financial strategy, is in practice required to complete a strategic plan for the district as a whole and not just for the local authority.

How major trusts use (or do not use) their income and capital has the potential to have as major an impact on local communities as does the activity of the local authority. This reinforces the view that accountability should require those bodies, also, to act in accordance with plans and policies which have been developed in consultation with the affected public.

Accountability, from a public/community perspective, raises one other issue as well. Those plans and policies should not be developed in isolation one from another. Put plainly, it is bizarre that (say) a trust bank trust or an energy trust (and I am aware of several which are doing this) should be developing their own strategies for intervention within the community in isolation from one another and from the local authority. Each is serving the same community or communities (as noted above, the fact that energy trusts and community trusts have a different geographical coverage from local authorities is more a matter of detail and administration - which admittedly needs to be got right - than a matter of principle).

This suggests a process which can provide for co-ordination - not in the sense that one party should have the right to veto the plans or policies of another but in the sense that each should be required to look at how their plans and policies will impact collectively on the community and to do so under the scrutiny of the community.

This suggests using a common process operated so that the public can see the plans and policies of different entities laid out alongside each other and have the ability to make submissions not just on the objectives of individual entities but on how they mesh.

One possibility is to piggyback on what we already have so that community trusts,

energy trusts, licensing trusts and land trusts publish their plans and policies through the annual plan of the local authority. The purpose would not be to give the local authority control. Rather it would be recognising what is already becoming a reality, that the local authority planning process is increasingly a community planning process which the local authority administers on behalf of the community.

On this approach, each entity would publish its plans through that process. Public submissions could then comprehend the whole scope of activity. However, and this is crucial, individual entities would retain the right to make their own decisions. The discipline they would face is the need to justify what they were proposing in the context of what other entities had put forward.

As a simple (and real) example a proposal by a community trust to fund the floodlighting of all of the recreation grounds within its area would be lined up alongside local authorities' proposals for the provision and maintenance of recreational assets and the rates increases needed to pay for the ongoing maintenance and operating costs triggered by the floodlighting decision.

What I am really signalling is that questions of public ownership and accountability cannot be separated from questions of community governance. This is particularly the case if you take seriously the implications of globalisation and the gradual shift of power from national governments to the international arena on the one hand and the regional or local community on the other.

Indeed, there is a growing recognition internationally that government and governance are not one and the same thing. Instead, government is one means through which the community achieves its governance objectives - the process of deciding on its preferred future(s) and selecting the means of achieving that future or futures. This is an approach which recognises that, ultimately, the community is in the driving seat with a responsibility, not just on bodies exercising a formal government role (in New Zealand central and local government) but also on entities whose activities have a major impact on governance, to recognise their responsibilities to the communities they serve and ensure that they have and legitimate processes for doing this.

A community governance perspective also allows us to put real meaning into the rationale underpinning each of these different trust structures that their purpose is to serve the interests of the community. This includes recognising that, typically, they represent the major repositories of community capital in what are capital scarce areas.

I have deliberately put this discussion at a level which is quite different from that which trustees, and those seeking their support, have as part of their daily round. I have done so because I believe these issues finally must be looked at in the broader context of how we best govern our communities and use all the resources available within them to best effect.

Finally, I want to conclude by putting forward an argument in support of the kind of mandate and accountability arrangements I have suggested which should have across the board appeal, not only to local authorities and to trusts in the public arena but also to other groups present here today such as major private trusts and community arts councils. All of you work in an environment which is overshadowed by the state. Some of you face the impact of direct statutory intervention in your activities (for example licensing trusts with the Sale of Liquor Amendment Act and the Government's review of your role). All of you are either at least in part dependent on state funding or find that the state's own funding practices impact directly on what you do. This is the case whether it is a local

authority concerned with "load shedding" on the part of the state, a grant making trust faced with appeals for funding to compensate for reduced support from the state or voluntary organisations adapting to the very prescriptive contracting regime now adopted by state agencies.

At the moment, there is very little counter to government policy in the social sector. Officials advise, ministers decide and the community takes what it gets out of that process. The power imbalance is obvious notwithstanding the ongoing impact of other trends diminishing the power of the state.

From where I stand the reason is obvious. There is no coherent voice representing the interests of the community. Instead there are a series of fragmented voices, often putting different points of view, a phenomenon which makes it easy to disregard them all.

I think it likely that at least the majority of people in this room would argue that Government does not listen as it should to the voice of community and that there is much that needs to be done to improve the way in which government makes and delivers social policy. If that case is to be made credibly, and a better balance struck between the interests of community on the one hand and the state on the other, the necessary first step is that the community be able to speak with a strong and united voice. Without the improvements in mandate and accountability for which I have argued in this paper, the prospects of that are very limited - Government and its advisers are very good judges of the strength of local mandates, the quality of accountability and what that means, and as a consequence the weight they need to give to expressions of what is claimed to be a community view.

Continue with the present fragmented situation, and I expect the present imbalance in power and influence to continue. On the other hand, if you can resolve issues of mandate and accountability, then you can confidently expect a change in the relationship between state and community. You may even see central government itself accepting that the plans and policies of its own social service agencies should also be the subject of consultation/co-ordination through a community planning process.

## **FOOTNOTE**

1. Virtually all trusts have different geographic coverage from local authorities. That, though, is a matter of detail, rather than of principle which would simply need to be recognised in drawing up new appointment processes.

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