UK government assumes control of Tower Hamlets local authority

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Britain's Conservative-Liberal Democrat government announced earlier this month that it was sending in unelected commissioners to take over the running of departments within Tower Hamlets council in east London.

The move came in response to a report by accountancy firm PWC accusing the mayor, Lutfur Rahman, of cronyism and mismanagement.

According to the report, procedures had not been followed in the handing out of £400,000 of grants to local charities, and in three-out-of-four sales of public buildings, the council had not achieved "best value." In one instance, during the sale of Poplar Town Hall, the report noted that the sale was made to someone who was associated with a company with connections to Rahman.

Conservative Communities Secretary Eric Pickles, speaking in the House of Commons, seized on the report to denounce Tower Hamlets as a "rotten borough," declaring that if he was mayor of the area, "I would hang my head in shame."

Pickles provocatively raised the issue of electoral fraud, insisting that commissioners sent in by the government be allowed to appoint an electoral officer for next year's general election. A challenge is currently underway at the High Court over Rahman's re-election earlier this year, but no charge has yet been laid.

The Labour Party opposition has lent full backing to the government's move. Hilary Benn, Labour's spokesman for community and local government, said in parliament, "In the light of what has been found we support the course of action that the Secretary of State has announced, although he has to recognise that it is a very serious step to take."

Rachel Saunders, head of the Labour group on Tower Hamlets council, called for Rahman to step down. She stated, "It is a cause of sorrow and shame for this great borough that Lutfur Rahman as mayor has taken us to the point of government intervention. He should consider his position. Tower Hamlets deserves better."

For all of the hyperbole, the investigation did not turn up any evidence of a criminal act on Rahman's part. This is in spite of a long-running campaign led by right-wing political forces against Rahman since his election to the position of mayor in 2010. This has included accusations that he is infiltrating extremist Islamist groups into Tower Hamlets.

In April this year, Pickles claimed that he suspected fraud in Tower Hamlets and launched the investigation which led to the PWC report. As Rahman has noted in public statements, no evidence of fraud was uncovered in the report.

The fact that only relatively minor examples of wrongdoing were identified in a report running to almost 200 pages points to the political character of the decision to send in commissioners. Had the government launched an investigation in virtually any local authority, a comparable pretext would no doubt have been found to justify the authoritarian move.

It is more plausible that the misdemeanours attributed to Rahman were seen as an ideal opportunity to bring a local authority in to line which had refused to implement certain government policies, such as the widely hated bedroom tax.

Tower Hamlets will not be the last authority to fall victim to such draconian powers. By taking this measure, the government is consolidating a procedure for the suspension of democratic rights in a local authority whenever it is deemed necessary.

The unelected commissioners sent in by Pickles will run council departments until 2017, drawing up plans for "good governance" and to improve "efficiencies." These are code words for slashing budgets and rationalising services in line with the demands of central government to reduce local government spending and privatise

operations.

The pose by Pickles and the government as defenders of democratic government is grotesque. Such lectures come from a political elite discredited by a series of scandals involving the misappropriation of public funds—and by worse crimes that are deemed to be entirely legal.

The entire political establishment backed the multi-billion pound raid on taxpayer's funds in 2008 to pay for the bailout of a banking system on the verge of collapse due to speculation and outright criminality. The uncovering of the extensive ties between all the major parties and the financial elite would make Rahman's "cronyism" look like child's play.

The austerity measures introduced by Labour and continued by the Conservative-Liberal Democrat coalition to pay for the bank bailout are chiefly responsible for the financial problems confronting Tower Hamlets and hundreds of other councils. Such issues have been entirely ignored in the reaction to the PWC report. No one has asked why the council was engaged in such a large-scale disposal of public property.

Rahman offers no alternative to the government's social attacks. He won the mayoral election in Tower Hamlets in 2010 as an independent, after Labour's national committee intervened to deselect him as their candidate. He cast himself as an outsider who was challenging the establishment and won support among the local electorate, which was overwhelmingly hostile to the mainstream parties. But he is a local businessman and was a career Labour politician, having spent over two decades in the party, including the period of Tony Blair's leadership when Labour shifted sharply right. He led the Labour group on Tower Hamlets borough council, breaking with the party only when it got in the way of his own political career.

Even after having left the party and his victory in the mayoral election, he told the *New Statesman* in 2010 that he thought current Labour leader Ed Miliband would make a "great Prime Minister."

His image as an alternative to Labour was largely created by the pseudo-left groups, including the Socialist Workers Party and George Galloway's Respect. A *Socialist Worker* article on Rahman's victory in 2010 declared that he could be the one to lead a fight back against austerity. Galloway spoke at a meeting on Wednesday alongside former London mayor Ken Livingston defending Rahman.

The services controlled by local authorities must be defended against attempts by central government to assume direct control over spending and public services so as to slash both. But this does not mean an alliance with the local authorities, which are everywhere implementing the cuts demanded of them, or any support for Galloway and others of his ilk who have helped foster the local and communal politics which have also enabled the government to impose its plans.

The line-up of the political establishment behind the government's assumption of control in Tower Hamlets comes as no surprise. All of the major parties have been involved in implementing the legal provisions utilised by the government to send in unelected commissioners.

Audit commissioners were established by the Thatcher government in the 1980s to deal with local councils opposing government demands. The Conservative government used it as a mechanism to compel councils to make cuts and reduce spending, and after Blair came to power in 1997, the powers of the commission were expanded on several occasions. Labour used it throughout its years in office to drive forward its privatisation of public services.

One month after returning to power in 2010, the Conservatives, in coalition with the Liberal Democrats ordered commissioners to take over Doncaster council led by right-wing mayor, Peter Davies. As is now the case with Tower Hamlets, based upon denunciations of failings in children's services, unelected commissioners were given the power by Pickles to "appoint, discipline or dismiss" council officers and supervise the running of council services. The council was only taken out of special measures by Pickles on November 12.

Pickles has since hinted that Rotherham Metropolitan Borough Council could be the next local authority to be placed in special measures, in the wake of the Jay report into the sexual abuse of children in the town.