

UK Johnson government sends unelected commissioners to take over services in Liverpool City Council

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On March 24, UK Communities Secretary Robert Jenrick announced the Conservative government was sending commissioners to oversee services in Labour Party-run Liverpool City Council (LCC). This followed a police investigation into corrupt business deals, including collapsed multi-million pounds schemes, which led to the arrest of now former Labour Mayor of Liverpool Joe Anderson.

Announcing the decision, Jenrick told parliament there had been a “serious breakdown of governance” and “mismanagement, breakdown of scrutiny and accountability” in the city.

Three appointed commissioners will be sent to oversee the council's planning, property management, highways and regeneration departments for a minimum of three years, with executive powers allowing them to take over the running completely. The commissioners will ensure the council's appointed chief executive Tony Reeves implements an “improvement plan”.

Jenrick will also introduce changes to council elections in Liverpool. Full election of councillors will take place every four years from 2023, rather than a third each year in a four-year cycle. Each ward will appoint one councillor instead of three. While the number of wards is expected to be increased, this will still mean a cull from 90 to between 70 and 80, according to the *Liverpool Echo*.

The council will meet on May 19 to discuss and agree the “improvement plan”.

This is a thoroughly anti-democratic intervention by central government into an elected council, unprecedented for a city of Liverpool's size. Opposition, however, does not imply a political amnesty or solidarity with Labour—which must answer to the working class.

In 2019, during police investigation “Operation Aloft” into fraudulent development contracts in Liverpool, LCC's head of regeneration Nick Kavanagh was arrested along with property developer Elliot Lawless. The arrests were initiated after whistleblowers furnished police with an LCC audit.

In January 2020, police seized £200,000 from one of Lawless's properties. In March, Lawless was granted a judicial

review of his arrest and police search of his property, on the grounds they were unlawful. The High Court found in his favour. He has not been investigated since.

Kavanagh was rearrested in September with four others for conspiracy to commit bribery, later released on bail. LCC terminated his employment.

In December, Mayor Anderson and four others were arrested in connection with bribery and witness intimidation. These were his son and property developer David; Alex Croft—an aide to the Metro mayor; former leading member of the pseudo-left Militant Tendency and LCC deputy leader in the 1980s, now turned businessman and property developer Derek Hatton, and Andy Barr, Liverpool City Council's assistant director of highways and planning. They were released on bail subject to further inquiries.

The twice-elected Anderson, who was awarded an OBE, first became Mayor of LCC in 2012. In 2017, police interviewed him regarding a joint venture between LCC and British Telecom (then LDL). Opposing the contract in opposition, as council leader he appointed LDL's then Chief Executive David McElhinney temporary chief executive for the council during contract negotiations. The contract was suspended when McElhinney and others were investigated for payments received from Lancashire County Council amid allegations of conspiracy to pervert the course of justice and witness intimidation.

Controversy further dogged Anderson when a freedom of information request revealed he instructed council lawyers in 2015 to pursue a case for unfair dismissal against former employer Chesterfield High school. This cost taxpayers £89,500. His employment as a “social inclusion mentor” was terminated as he had not worked at the school for two years due to council duties, though being paid £4,500 annually on top of his £80,000 mayor's salary.

In 2019, the council awarded a health and safety contract to dismantle a flyover to a company Safety Support Consultants (SSC). David Anderson is a director at SSC.

Three months ago, the government seized on the police operation to launch its own investigation into LCC led by Max

Caller. Caller, who previously investigated Tower Hamlets Council in East London and Northamptonshire County Council, produced a highly critical report: “*Liverpool City Council Best Value Inspection December 2020-March 2021.*”

The failings and possible corruption in LCC are a product of long-term trends in local government.

Local councils, which provide essential services, have been devastated by funding cuts since the 2008 financial crash. Since 2010, central government cut grants to local councils by a third, disproportionately penalising large Labour-run metropolitan authorities. All councils, including Labour-run authorities, have cut services to the bone while overseeing massive privatisations of local assets and services.

In 2015, the pseudo-left-supported Labour opposition leader Jeremy Corbyn and Shadow Chancellor John McDonnell instructed Labour councils to set legal budgets, implying they should impose cuts. The Labour Party conference in 2016 made it a disciplinary offence for councillors to “support any proposal to set an illegal budget” or to “vote against or abstain on a Labour group policy decision on this matter.”

The resulting funding crisis has been aggravated by the pandemic, as the government carried out multi-hundred-billion-pound bailouts of big business and the rich while leaving the working class and the services workers depend upon to rot. Up to 25 councils verge on bankruptcy, and 94 percent expect to implement swingeing cuts including job cuts and local tax increases. Liverpool council plans cuts of £15.4 million and a council tax hike to five percent. The council’s budget has lost £450 million since 2010, with cuts to this value imposed against the jobs, terms and conditions of local authority workers and the population of an already socially deprived city.

The combination of cuts and privatisation embraced by Labour has created a cesspit breeding ground for corruption and cronyism, amid the growing impoverishment of the working class. This has now provided an opportunity to the Tory government to intervene and advance their own right-wing agenda in the city. The claimed pretext of fighting corruption is risible.

In 2019, Jenrick himself helped rush through a property deal for Tory donor and personal contact, Richard Desmond, saving him tens of millions of pounds in taxes and affordable housing lost to the local authority. The whole Conservative Party is now embroiled in a corruption scandal over the lobbying efforts of former Prime Minister David Cameron, VIP access to lucrative National Health Service and public health contracts during the pandemic, and undeclared donations to support the lifestyle of Prime Minister Boris Johnson.

The real objectives of the intervention were revealed by Jenrick when he told parliament that the mismanagement of Liverpool council was “damaging the city’s ability to attract investment from reputable developers and investors for regeneration and to take full advantage of the recent application for freeport status.”

The Liverpool City Region (LCR) has been selected as one of the first eight locations in England to be made a freeport—a key pillar of the Tory government’s Brexit agenda. These special economic zones exempt corporations working in them from normal taxes, tariffs and regulations, creating a bonanza for big business at the expense of local revenues and workers’ rights.

According to official documentation, “The LCR Freeport will be a multi-gateway, multi-modal freeport covering 300 hectares of land. This will include three tax sites and strategically located customs zones across all modes of transport, linking to the primary customs zone at the Port of Liverpool. It will take in a 45km diameter (the maximum distance allowed by Government), from the western point Wirral Waters to the eastern point of Port Salford.”

The Labour Party have offered no opposition to the Tories’ intervention, in fact they have welcomed it. Shadow Communities and Local Government Secretary Steve Reed told Jenrick that the Parliamentary Labour Party and Labour’s members in Liverpool council “support his intention to appoint commissioners, not at this stage to run the council as he says, but to advise and support elected representatives in strengthening the council’s systems. This is a measured and appropriate response.”

Recognising the opposition in the working class, he insisted that the intervention was not “as some would put it, a Tory takeover.”

Labour’s complicity exposes the bankrupt opposition to Jenrick’s commissioners put forward by the pseudo-left. The Socialist Workers Party shamelessly appeals to the very forces that paved the way for the takeover: “Labour and trade unionists should resist the Tory takeover with protests and strikes”.

The Stalinist *Morning Star* call on the trade unions, which have worked hand-in-hand with Labour to suppress opposition to privatisations, outsourcing and the slashing of essential services. It writes, “With technocratic commissioners arriving from Whitehall, the dangers for services, jobs, terms and conditions are obvious the... trade unions... have a crucial role to play.” The unions have given no indication whatsoever that they will fight the government’s plan.

None of these organisations will defend the working class. As the Tories move forward with their viciously right-wing and authoritarian post-Brexit agenda, workers’ resistance can only take shape through the formation of new rank-and-file organisations, independent of Labour and the trade unions, fighting on a socialist programme.



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