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**Corruption in Municipal Government in the late
Victorian Period, (1871 – 1902).**

**A study of the conduct and attitude of the Councils of
Manchester and Salford to delivering government with
integrity, and the extent to which allegations of
malpractice made by critics were warranted.**

PAMELA MARY NUTTALL.

**A thesis submitted to the University of Huddersfield in partial
fulfilment of the requirements for the degree of Doctor of
Philosophy.**

Department of Music, Humanities & Media Studies.

March 2019.

‘The past is a foreign country – they do things differently there...’

The go-between - L. P. Hartley (1953).

‘The enormous condescension of posterity...’

The making of the English working class.- E. P. Thompson (1963).

‘The Council became a byword for corruption and institutional conservatism...’

‘Municipal corruption and political partisanship in Manchester 1885-95’.
James Moore in

Corruption in urban politics and society. -Britain 1780-1950. (Eds. James Moore and John Smith.2007).

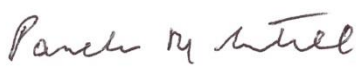
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I would also like to thank the staff of Manchester Metropolitan University, Huddersfield University and Manchester University libraries, Manchester Central Reference Library and Salford Local History Library for their prompt and helpful responses to my requests for assistance.

Declaration.

I hereby certify that this dissertation is entirely my own work.

Signed: ... 

Date...21 March 2019.....

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Glossary and abbreviations used in the thesis.

Allege: State to be the case (without evidence.)

Bureaucracy: The organization in municipal Government, usually staffed by officials selected on the basis of experience and expertise, responsible for carrying out the policies of the executive, the Council.

Conflict of Interest: A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

Corruption: the abuse of power by a person in a position of trust for personal gain.

Council Corruption: Mismanagement by knowingly and consistently using an unreasonable practice or policy in the conduct of Council business which did not conform to the implied duty to act with competence and integrity.

Defalcation/embezzlement: The illegal use of money by a person who has responsibility for it, for example by a municipal official whose duties included the receipt of payments from ratepayers.

Ethical: Morally correct, honourable.

Insider trading: The practice of members of a municipal council entering a contract to supply goods or services to the council, contrary to the provisions of section 12(1) (c) of the Municipal Corporations Act 1882.

Integrity: The ability to make wise choices and intelligent moral decisions.

Moral: Concerned with accepted rules and standards of human behaviour.

Morality: Compliance with a code of moral conduct.

Nonfeasance: Failure to perform an act required by law.

Officer: An employee of the Council employed to carry out the services provided by the Council.

Official: An employee of the Council whose role in providing the services of the Council including an advisory or developmental aspect.

Systemic Corruption: The conduct of government where corruption becomes the rule rather than the exception and is exempted or immune from punishment or recrimination.

Venal: Corruptible; prepared to do dishonest or immoral things in return for money.

Venial: A sin or offence that is excusable or pardonable, as opposed to an offence involving immorality.

Vested Interest: A situation where a person or a group of persons have a very strong reason for acting in a particular way, for example to protect an interest such as the reputation of the Council or the interests of property owners.

AMC: Association of Municipal Corporations.

MCA: Municipal Corporations Act.

LGB: Local Government Board.

ILP: Independent Labour Party.

Abstract.

This thesis provides a contextualised study of the behaviour of municipal government in the municipalities of Manchester and Salford during the late Victorian period, when the work load of both Councils was increasing in both volume and complexity, and the necessary expertise to deal with this workload was not always available.

This thesis addresses one main question: why did the two Councils of Manchester and Salford prove incapable of avoiding situations where both their competence and at times their morality were brought into question? The evidence used to assess how the two Councils conducted their business relies heavily on the reports and commentaries detailing Council behaviour provided by the contemporary local weekly press. These were a factor in moving public opinion towards the need to improve the standard of integrity which was expected of local government. The mindset and resulting attitude of both Councils to municipal government, which in many cases was derived from commercial practices, has been explored. The result of this attitude led to a failure to take effective action to deter behaviour which had previously been tolerated, and to deal fully with councillors and officials responsible for this behaviour; damaging the reputation of the Council for integrity. The failure of the Councils to recognise the need to act to improve the standard of integrity has also been discussed; this was the reason for the delay in implementing changes such as improvement in audit procedures. The final chapters of the thesis bring together evidence which explains why the proposition in the main question was valid.

This thesis argues that the majority of allegations of Council corruption were merely cases of mismanagement by incompetence, or ignorance. These actions, which involved misfeasance, fell short of Council corruption, with the implication that the actions of the Council lacked integrity. There were however cases where the behaviour of the Council did constitute an abuse of power and by present day standards would be regarded as Council corruption. Nevertheless, the evidence of this thesis suggests that whilst criticism in these cases concentrated on castigating the Councils for their actual behaviour, allegations of Council corruption were usually absent. The Victorian Councils of Manchester and Salford in the late Victorian period were thought to have done a 'good job.'

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Corruption in municipal government in the late Victorian period, (1871 – 1902).

A study of the conduct and attitude of the Councils of Manchester and Salford to delivering government with integrity, and the extent to which allegations of malpractice made by critics were warranted.

Part One The content and context of the thesis.

Chapter One. - Introduction.

1.1. The aim of the thesis.

This thesis is a study of Manchester and Salford municipal corporations during the late Victorian period, - to examine the validity of the allegations that the conduct of government in the two municipalities lacked integrity. Samuel Norbury Williams, an Elective auditor, ¹ writing about the conduct of the Manchester Council generally in managing Council business, was an exemplar of the view that the Council was guilty of corruption. This was a view later shared by James Moore, who in 2007 referred to the behaviour of Manchester Council as 'a byword for corruption'. ² Salford Council also attracted allegations of misfeasance when conducting Council business. A major and long- running scandal, which blew up in the 1880s, led to the sacking of the Gas manager Samuel Hunter. It drew attention to a system of government in the borough where it was alleged that mismanagement and sleazy practices were condoned. R. L Greenall writing in the year 2000, headed his account of the Hunter affair as 'Gas and corruption.' ³ This study will, therefore, consider the validity of allegations that both Councils were guilty of corrupt practices.

¹ .. Norbury Williams, Letter *Manchester Examiner and Times*, 12 April 1890. The generality of this allegation, which was seen by the Council as implying that the Council was corrupt, was the reason the Council took action for libel against him. Norbury Williams was chairman of Manchester Ratepayers' Association; he was elected as an. Elective auditor for Manchester Council in 1894, and continued to act in that capacity for 34 years until 1927. He died in 1929 at the age of 77.

² The phrase 'byword for corruption', was used by James Moore in the article 'Municipal corruption and political partisanship in Manchester 1885-1895,' James Moore and John Smith, (editors) *Corruption in Urban Politics and Society, Britain 1780-1950*. (Aldershot: Ashgate, 2007, p.95.) The statement was not qualified.

³ R. L. Greenall, *The Making of Victorian Salford* (Lancaster: Carnegie Publishing) Chapter 9, 'Gas and Corruption'.

The aim is to build up a picture of the Victorian world; the problems which municipal governments faced, the resources which were available to deal with them, and the attitude of the Councils and officials to government with integrity. This was at a time when municipal corporations faced increasing pressures to deal with the serious environmental and public health problems arising from rapid urbanisation. The analysis used recognises that contemporary perceptions about what constituted integrity in public life at this time were significantly different from present-day values, but were changing, and the assessment of the integrity of the conduct of municipal government is therefore based on a contextualised study, because our argument will be that whatever corruption arose must be understood in this time-located context.⁴

This thesis examines factors which had an impact on the ability of the municipal corporations of Manchester and Salford to provide governance with competence and integrity. These factors include the increasing volume of the duties which the two councils were required to provide, the lack of expertise to undertake the variety and technical complexity of many of these duties, and the absence of a mechanism in the constitution of a municipality for coordinating the services provided by a municipal corporation. It is however the contention of this thesis that the competence and integrity of the two Councils was significantly influenced by the attitude and mindset of councillors in the two municipalities, many of whom had obtained experience in the commercial field, and believed the practices used in commerce were the practices which should be used by municipal government. As audit practices in commerce were lax, the result was a failure of both Councils to recognise the need to improve the standards of audit used in conducting Council business, to ensure the probity of the borough accounts. The behaviour of the Councils dealing with Council business was based on the belief that the commercial experience that many councillors had obtained meant that the Council itself and its committees had the resources to take on the actual management of the day-to-day services provided by the Council. The consequence of this belief was the failure to set up a management system which would make available to all Council Departments when needed, the resources of expertise which did exist within the municipality. It is argued that the result of these patterns of behaviour led to an unfavourable public perception about the integrity of the conduct of the two Councils and inferences by critics that the two Councils had a reputation for corruption.

⁴ L. P. Hartley summarised the situation when he stated: 'The past is a foreign country: they do things differently there.' (Prologue. *The go-between* (1953)).

1.2. The scope of the thesis and selection of subject matter.

No substantial study has been carried out on the subject of municipal corruption in the late Victorian period. The municipalities of Manchester and Salford, chosen for this study, are situated on either bank of the River Irwell. Both had to deal with the same legacy of urban squalor resulting from rapid urbanisation and population increase; with the consequence that mortality rates in both boroughs were amongst the highest in England.⁵⁶ The starting date selected (1871), was the date when the Local Government Board (LGB) took over the public health and local government responsibilities of the Home Secretary and the Privy Council.⁷ This was the beginning of a period when the duties required of municipal corporations had expanded considerably. The *Public Health Act* of 1875, unlike previous legislation in the public health field, was mandatory, and legislation such as the *Artisans and Labourers' Act*, (1875) also included mandatory requirements to improve public housing. As a result, it was obligatory for Councils to implement environmental improvements which were both costly and could involve technically complex solutions. This task was made more difficult because of the need to comply with the *Borough Funds Act* 1872, which imposed a more complicated and administratively demanding system for seeking government loans to carry out improvement schemes. These increased duties occurred at a time when the two Councils and their committees needed to develop structures and modes of operation capable of meeting these challenges, both to manage and deliver these new services with competence and integrity, and to deal with major public health problems such as sewage management when the technical knowledge and expertise necessary to provide solutions were not available.

The late Victorian period was selected because this was also a time the local arena was 'intensely visible', even absorbing to its inhabitants, so too were the local and political elites inhabiting this 'arena',⁸ and 'local self-government' was still believed to be the primary objective of municipal government, which was to be defended. Manchester had a vibrant daily press with titles such as the *Manchester Guardian*, the *Manchester Times* and the *Courier*,⁹ which carried both national and local news, including information about the Council meetings in the two municipalities. The affordable 'penny per week' local press

⁵ F. Engels, (editors W. O. Henderson & H. Challoner.) *Condition of the working class in England* (Oxford: Oxford University Press.1958).

⁶ In 1831, the population of Manchester was 182,000; the figure for the three townships in Salford was 50,810. By 1871, Manchester's population was 351,000 and the population of the Salford municipality had increased to 124,801. During the period selected for this study, the population of both municipalities continued to increase...Manchester's population in 1901 reached 544,000; Salford's population had grown to 220,957. (Census figures).

⁷ The LGB was created by the *Local Government Board Act* 1871, (c. 70).

⁸ John Garrard, (editor) *Heads of the Local State; Mayors, Provosts and Burgomasters since 1800* (Ashgate: Aldershot, 2007.) p. 12. Garrard made this statement about the period 1880 until 1914.

⁹ A fuller discussion of the role newspapers which gave detailed reports about the conduct of municipal business in Manchester and Salford is given in Chapters 2.4, 3.2 and 3.3.

became widely accessible in the second half of the nineteenth century, when it enjoyed a 'golden' period. By the 1870s there were three 'titles' published in Salford, and one in Manchester, all of which included detailed information about the conduct of Council business. It is highly likely that as this was the only source of information available to the public other than word of mouth, this information was a major factor in determining public attitudes to practices used by the two Councils and their members, which had previously been tolerated, but were no longer regarded as acceptable.

The date '1902' was chosen as the end-point because this was a key date when the impact of central government legislation on local government increased dramatically. The *Education Act 1902*,¹⁰ which abolished locally-elected School boards and passed the authority over schools to borough Councils, had added greatly to the scope of local government and provided a new and very different set of challenges for municipal Councils, which is outside the scope of this thesis.

•

The analysis used here to explore the validity of this conclusion is based on investigating one main question:

to what extent did the Councils of Manchester and Salford prove incapable of avoiding situations where both their competence and at times their morality were brought into question?

Three subsidiary questions have been used to explore the proposition inherent in this question. These are:

1. What was the source of criticism and the nature of the behaviour of the Councils of Manchester and Salford Councils which was being identified by contemporaries as incompetent, and /or ethically dubious or corrupt?
- 2.. How far was the criticism of the Councils warranted in terms of their actual behaviour during the late Victorian period?
3. What was the attitude of the two Councils to the management and delivery of Council business and why did this lead to frequent incidents of mismanagement and allegations of corruption?

The thesis consists of four parts.

Part One consists of two chapters. The first chapter which deals with the content of the thesis, the historiography and key questions, also includes the sources available, and the

¹⁰ The *Education Act 1902*, which became known as the 'Balfour' bill, led to intense wrangling in both Councils about the nature of the education which should be provided under the legislation.

methodology used. The second chapter includes the context relevant to the conduct of municipal government during the late Victorian period, with emphasis on the increase in both volume and complexity of the duties to be provided by municipalities.

Part Two, entitled 'Corruption in municipal government?' contains three chapters. Chapter Three, entitled 'Assessing the integrity of the Council,' deals with the first subsidiary question. It considers what the Victorians meant by personal corruption and council corruption, and then examines the sources and nature of the allegations of mismanagement reported in the local press. The chapter concludes by giving examples of the types of allegation and the inferences of corruption made by critics about the behaviour of the two Councils. Chapter Four entitled 'The validity of the allegations,' considers the second subsidiary question by examining how attitudes to previously tolerated practices were changing, and the extent to which many of the allegations made about the lack of integrity of the two Councils were really complaints about mismanagement. The final section of the Chapter which considers embezzlement, notes how the investigation of these cases led to a focus on mismanagement by the two Councils, and how cases of mismanagement formed the causal underpinning of council corruption.

Part Three of the thesis entitled 'Municipal government; a machine out of joint?' contains three chapters which examine how in practice municipal services were managed, by focussing on the manpower and methods used by the two Councils. This part deals with subsidiary question Three.

Part Four of the thesis entitled 'A reputation for corruption?' consists of three chapters which brings together the findings of Parts Two and Three to address the key question posed by the thesis. Both Chapter Eight entitled ('Morality and governance') and Chapter Nine ('The interests of the community') explore situations which illustrate why the behaviour of the two Council could call into question not only their competence and integrity, but could also suggest that their behaviour at times lacked morality. The final chapter Ten includes a summary of the findings of the thesis and the contribution which the thesis makes to the historiography of corruption in municipal government in the late Victorian period

One area which has been associated with corruption in local government is not included in this study; and that is policing and the role of the Watch committee, which was concerned with the management of the Police force. The establishment of law and order was seen as a priority by central government and the establishment of a 'Watch' committee was a mandatory requirement of the Municipal Corporations Act (MCA) 1835, which made policing a compulsory local government service. It provided that the powers of the local Watch committees were subject to central-government control, and although the Watch Committee

was appointed by the Council, its proceedings on the policing side were not subject to Council review. There were serious complaints against the police, concerning the personal conduct of police officers, such as drunkenness or consorting with prostitutes, and some criminal actions by members of the force, which did damage the reputation of the two Councils.¹¹ These matters have however been omitted because they lie outside the main theme of this thesis, which concerns the actions of the two Councils in carrying out the business of dealing with improving public health and the environment.

1.4. The historiography and its limitations.¹²

Although the conduct of national and local government during the Victorian period has attracted considerable academic attention, the areas of political and commercial corruption have proved more attractive to historians than to investigate the extent to which, as a result of the increased demands on local-authority resources, and failures to meet local expectations of integrity, criticism, which could be expressed as allegations or inferences of corruption, misfeasance or mismanagement was valid.

Prior to the 1950s, a number of authors published books and articles on the structure and operation of local government. The book by Joseph Redlich *The History of Local Government in England* originally published in 1903, but updated by Bryan Keith-Lucas, was written about the development of local government in England from the standpoint of an Austrian who had studied the attempts to develop a democratic system of governance in European countries by revolution.¹³ His succinct historical review of the development of the English constitution is still useful. Herman Finer's book, *English Local Government* published in 1933 and revised in 1945, provided a text for students of government.¹⁴ Although he discusses the structure of local government in the nineteenth century, it is as a backdrop to a detailed account of the structure and operation of local government and its relationship to central government at the time of publication. There is some useful detail and criticism about the development of the 'amateur' committee system. The book by E. L. Hasluck *Local Government England* published in 1936, was also written as an introduction to local government.¹⁵ Writing from a national viewpoint, he provides a brief outline of the operation of local government, intended to act as an introduction to more advanced texts.

¹¹ J. Platt, *A History of Salford Police* (Salford: Salford Corporation, 1945).

¹² Members of the European Association of Urban Historians have published papers on municipal politics and civic culture, for example, Doyle, B. & McElligott, A, 'The rise and fall of European municipal power since 1800.' *International Journal of Regional and Local History*, Volume 7, 1-2, p. 9-37, (2011).

¹³ Joseph Redlich & Francis W. Hurst, *The History of Local Government in England* (London: Macmillan. (2nd edition, Bryan Keith-Lucas, 1958)).

¹⁴ Herman Finer, *English Local Government* (London: Macmillan 1933; second edition 1945).

¹⁵ E. L. Hasluck, *in Local Government England* (Cambridge: Cambridge University Press 1936,) p.72.

He stated that his aim was to draw attention to 'problems and controversies arising out of the local government system'. He devoted only one page to jobbery which he described as 'favouritism in the appointment of local government officers.' Many of the other problems which he identified were directly relevant to the late Victorian period, but as he was mainly concerned with identifying the problems, rather than exploring causes, he did not discuss any of the issues which he raised in any detail. Unfortunately, the book is not referenced and does not contain a bibliography. He is the only author writing during this period to identify the type of problem which could beset a system of municipal government set up using the provisions of the 1835 Municipal Corporations Act, some of which were relevant to the late Victorian period. The single volume *Methods of Social Study* by Sidney and Beatrice Webb described how they conducted their investigations into social history.¹⁶ Their description and commentary about municipal government, compiled on a short visit on Manchester and Salford in 1899, provides useful insights into the difficulties of providing government with competence and integrity.

Two books, two of which deal with Manchester Corporation, which were written to celebrate the one hundredth anniversary of the implementation of the 1835 *Municipal Corporations Act*, focussed on the achievements of local government. The multi-authored work edited by Laski, Jennings, and Robson, *A Century of Municipal Progress* was published in 1935 under the auspices of the National Association of Local Government Officers. This book is a eulogy for the collectivist philosophy, which the authors see as the basis of the services of municipal government. Manchester, which received praise as the first municipality to supply gas, and to include in a local act of 1867 provisions leading to a slum clearance program, was stated to be a leader in forwarding this philosophy.^{17 18} The treatment of the history of local government is variable; some chapters, for example the chapters on the Council and committees describe only the situation in 1933, other chapters, for example on housing, policing and education, give information about the development of the services; but the struggles of Councils during the Victorian period both to develop new services and adapt the system of governance to meet new challenges were not considered. The achievement of the book is that it reveals how the role of local government expanded over the period. Only a few chapters give footnote references and there is a very brief bibliography for each chapter.

The *History of Local Government in Manchester* by Arthur Redford which is in three volumes, was written to celebrate the one hundredth anniversary of Manchester's 'Charter

¹⁶ Sidney & Beatrice Webb, *Methods of Social Study* (London: Longmans Green & Co., 1932).

¹⁷ Harold J. Laski, W. Ivor Jennings & William A. Robson, *A Century of Municipal Progress* (London: George Allen & Unwin, 1935.) E. D. Simon, 'Housing and city planning,' p. 204.

¹⁸ *Ibid.*, William A. Robson 'Public Utility Services,' p. 303.

of Incorporation', but the history of the Manchester is actually described from medieval times to 1938.¹⁹ The second and third volumes cover the late Victorian period. The material used to trace development of the municipality was taken mainly from the 'Proceedings of the Council'; the 'Minutes of the Committees of Manchester Council' or the 'Epitomes of the Council. There are occasional references to books and articles written by councillors and ex-councillors and extracts from relevant official reports are included. There are also a few references to the daily Manchester newspapers, mainly the *Manchester Guardian*; the local weekly press was not cited. Redford provides a factual account of the problems experienced by Manchester Council in dealing with environmental and the technical problems, and the resulting public health issues. Although the intent was to show the achievements of the City during the period, the author did also discuss some major incidents of mismanagement which occurred in the last decades of the nineteenth century, which he attributed primarily to the structure of the Council committees and their relationship to the Council.²⁰ He alludes to other problems arising from the lack of expertise of members of the Council and officials, and the difficulty of coordinating and managing Council services but he does not discuss the impact of these factors on the extent to which this resulted in allegations of corruption. Redford's volumes II and III were a major reference source for this study. Shena Simon, in *A Century of City Government*, also written to celebrate 100 years of municipal governance in Manchester, gives a largely uncritical account of the operation of the Council. She does give useful data on aspects of the Corporation's services, and as an ex-member of the Council she is able to provide some insights and comments on the implementation of Council policy.²¹ There are no comparable histories of municipal government in Salford.

It was not until the late 1960s that historical interest focussed more specifically on the problems associated with the government in urban municipalities. A number of published studies examined the development of municipal governance in urban authorities, usually emphasising a different facet of the organisation and function of the Council in a particular municipality. G. W. Jones, in *Borough Politics* written in 1969, analysed the membership of Wolverhampton Borough Council between 1888 and 1963, looking at 'who they were...and what they did.'²² However Jones did not deal with either the growth of services or the administrative history of the municipality, but instead he examined inter alia, whether, and to what extent the background of a councillor was a factor in determining the contribution made to Council business. E.P Hennock's *Fit & Proper Persons. Ideal and Reality in 19 c. Urban Government*, written in 1973, considered the qualities needed by those who serve

¹⁹ Arthur Redford, *The History of Local Government in Manchester*, Volume II, 'Borough & City.' Volume III. 'The last half century.' (London: Longmans Green & Co., 1939).

²⁰ Ibid., Volume II, Chapter XXIX: 'Administrative Machinery.'

²¹ Shena D, Simon, *A Century of City Government* (London: George Allan & Unwin Ltd, 1938).

²² G. W. Jones, *Borough Politics* (London: Macmillan 1969).

on a Council if it was to command public respect.²³ He examined in detail the operation of two Councils, Birmingham and Leeds, and the extent of their success as a weapon for promoting community welfare, but he did not explore how in practice the two Councils carried out Council business. John Garrard's study *Leadership and Politics in 19c Salford, a Historical Analysis of Urban Political Power*, used the background of Salford councillors to test the hypothesis that the process of political change in the borough could be correlated with changing membership of the Council when there was a slow decline in Council membership of those 'with social and economic power', and an increase of those 'lacking proprietorial standing'.²⁴ As a part of this study he considered how much power councillors had, and what determined that power. In a later study, *Leadership and Power in Victorian Industrial Cities 1830-1880*, he examined the factors which influenced the exercise of the power by councillors in the municipalities of Rochdale, Bolton and Salford, noting inter alia factors such as how far the proprietorial weight was a central determinant of power amongst councillors, the growing numbers and expertise of municipal professionals, and external factors such as the influence of neighbouring areas.²⁵ Derek Fraser in the first of two books on Victorian local government, *Urban politics in Victorian England*, stated that he was 'searching for a general model of urban history'.²⁶ He concluded that the structure of politics in Victorian urban municipalities was determined by the local need for policies which would lead to environmental control, and this requirement in turn limited the policies which an authority could pursue. In his second book, *Power and Authority in the Victorian City* published in 1979, he examined the role of the 'municipalisation' of local government, noting how the central government legislation of the 1830s, which was concerned with the political and administrative reform of local government in urban municipalities, also provided a system which enabled municipalities like Manchester and Salford to tackle local social priorities.²⁷ He commented that, whilst central government encouraged these initiatives by permissive legislation, improvements in public health during the last half of the nineteenth century were largely achieved by local private acts, which were to form the basis for national legislation. He noted that by the late Victorian period, English municipalities were all pursuing similar policies for the improvement of public health. Although he examined how the priorities were determined in different urban municipalities, he did not address the practical problems experienced by a municipal Council in delivering Council services with

²³ E. P. Hennock, *Fit & Proper Persons. Ideal and Reality in 19 c. Urban Government* (London: Edward Arnold 1973).

²⁴ John Garrard, *Leadership and Politics in 19c Salford, a Historical Analysis of Urban Political Power*, Salford City Politics Research Series (Salford: Salford University ?1967).

²⁵ John Garrard, *Leadership and Power in Victorian Industrial Cities 1830-1880* (Manchester: Manchester University Press, 1983).

²⁶ Derek Fraser, *Urban Politics in Victorian England* (Leicester: Leicester University Press, 1976).

²⁷ Derek Fraser, *Power and Authority in the Victorian City* (Oxford: Blackwells, 1979).

competence and integrity, which could result from factors such as a lack of appropriate resources or expertise.

None of the studies which discuss local government in the Victorian period, deal in any detail with the subject of fraud and corruption committed by members of municipal corporations. Redford recognised that weaknesses in the organisation and management of services provided by Manchester Corporation could and did lead to corruption. He cites problems on the Waterworks Department and the Borough Surveyors Department but does not develop this theme. Shena Simon's book, *A Century of City Government, Manchester 1838 - 1938*, referred to 'echoes of municipal corruption' in Manchester.²⁸ She mentions that 'one or two Councillors had retired after charges were investigated by a committee of the Council,' but gives no details. She added that the Council 'were jealous of its reputation for integrity' and failed to accept that there was a serious problem of corruption; dismissing the allegations of Norbury Williams because they were 'never on a scale to justify an inquiry.'²⁹ Two books published in the twentieth century did examine aspects of corruption in local government. R. L. Greenall's book, *The Making of Victorian Salford* published in the year 2000 consists of a series of studies about aspects of Salford's Victorian history.³⁰ He included a chapter dealing with the so-called 'Gas scandal,' where the Gas Committee of the Council was shown to be incompetent, and the Gas Engineer pleaded guilty to offences which amounted to corruption. A collection of papers edited by John Smith and James Moore, entitled *Corruption in Urban Politics and Society Britain 1790-1950*, which dealt with corruption in urban politics and society, was published in 2007.³¹ The editors' introductory chapter noted that franchise reform and the reform of municipal corporations represented a new phase in urban political development, which they refer to as 'urbanisation'; a period when, they stated, new interests might challenge existing institutes and practices in urban political development. They noted that this led to practices which had previously been tolerated becoming unacceptable and commented on the inadequacy of attempts to legislate to prevent abuses such as insider trading. Moore and Smith also stated 'that some consensus did develop' about the ethical standards necessary for the conduct of public life, but do not provide any information about the nature of this consensus.³² No evidence has been found suggesting that there was a generally accepted code of ethics, and although both Councils condemned practices such as jobbing of contracts, many of these practices

²⁸ Shena Simon, *A century of City Government, Manchester 1838 - 1938* (London: George Allen & Unwin Ltd, 1938), p.404.

²⁹ Samuel Norbury Williams, Letter: *Manchester Examiner and Times*, 12 April 1890.

³⁰ Greenall, *The Making of Victorian Salford*.

³¹ James Moore and John Smith, (editors), *Corruption in Urban Politics and Society Britain 1790-1950* (Aldershot: Ashgate 2007), p.6.

³² *Ibid.*, p.8. It is not clear what the authors meant by 'consensus'. There were certainly no attempts to enunciate a policy on ethical standards either at a national level or local level.

continued throughout the Victorian period.³³ Any assessment of the extent of corruption in municipal governance in the late Victorian period is faced with the problem of identifying what were considered to be the ethical standards necessary for the conduct of public life, and how these were changing. There is little guidance in the literature, although Alan Doig's book, which is a survey of cases of corruption and misconduct in political life post 1945, includes an historical perspective which considers the reasons why, with the exception of electoral corruption, there was no criminal legislation to deal with municipal corruption until 1889.³⁴ He noted that the *Municipal Corporations Act* of 1835 did provide the sanction of disqualification for councillors who were guilty of entering a contract with their Council, but did not discuss the reasons why the sanction was not used. John Garrard examined the changing attitudes to the practice of commission-taking in the municipal gas industry.³⁵ He noted that allegations of corrupt practices used in tendering for coal, which revealed the extent of commission taking, led to the dismissal of Salford's Gas manager and a changing attitude to the acceptability of the practice. In a fuller account of the scandal, Garrard discusses more fully the factors opening the way for municipal corruption, including the role of grievances and the growing self-confidence of municipal professionals.³⁶ James Moore also examined municipal corruption and political partisanship in Manchester.³⁷ The major focus of his article was the political manoeuvring in Manchester Council to obtain a voting majority during the period, and the role of aldermen in decision-making in the high spending departments of the Council. He accepted at face value the allegations of misfeasance and inferences of corruption which had been made in the 1874 report by Joseph Scott, who censured the behaviour of Manchester Council.³⁸

During the last quarter of the twentieth century and the recent years of the present century, incidents of corruption in public life which were highlighted in the media, have led to a resurgence of academic interest in the subject. Whilst the historiography continued to emphasise the impact of corruption on the integrity of governance both at a national and international level, the more recent analyses have been focussed on the effectiveness of anticorruption measures. Jens Ivo Engels.³⁹ reviewed a widely held theory, why corruption occurred in Europe in the early modern era (1500-1800) This theory argued that early modern societies were very corrupt because there was no separation between public and

³³ The *Municipal Corporations Act* 1882 contained the provision that if a councillor entered a contract or employment 'with by or on behalf of the Council', this was grounds for being disqualified from Council membership. (section 12). This sanction was not enforced.

³⁴ Alan Doig, *Corruption and Misconduct in Contemporary British Politics* (Harmondsworth: Penguin Books 1984), p.66. In discussing attitudes to corruption in the early nineteenth century, he also noted that the attitude was that 'corruption is bribery and bribery is corruption.'(p. 25).

³⁵ Garrard, *Manchester Regional History Review*, Volume II no 2 1988/9,12.

³⁶ Garrard, *The Great Salford Gas Scandal 1887* (Altrincham: British Gas North Western, 1989).

³⁷ James Moore and John Smith, *Corruption in Urban Politics and Society* p.95.

³⁸ Joseph Scott, *Leaves from the Diary of a Citizens' Auditor* (Manchester: Manchester City News, 1884).

³⁹ Jens Ivo Engels, *Die geschichte der korruption. von der frühen neuzeit bis ins 20. jahrhundert 2014*. (The history of corruption from the early modern period to the 20th century). Jens Ivo Engels is professor of Early modern history at Darmstadt University Germany.

private interest. The result was that patronage, clientelism, nepotism and the use of public office for private and family benefit were commonly accepted. This were seen to be a consequence of tradition and privilege, and not the result of moral wrong-doing, a theory has continued to be accepted. Engels suggested that this has affected our understanding of corruption in the modern era (1800-now). In the UK, the *Municipal Corporations Act* (1835) set up a more democratic form of government, with an elected Council albeit with a limited franchise. No research has been undertaken to explore whether or to what extent this removed any corrupting influence which might have been attached to, and exerted by holders of various public offices which existed in the pre- incorporation period.

Engel's second book, published in German,⁴⁰ reviews the work of authors whose interest was in how power was exercised in the modern era, in towns and cities in Europe and beyond. He commented that although these studies were not necessarily directed towards uncovering specific practices which might commonly be regarded as corruption, there were cases where these occurred but were not being recognised as such. Action was, nonetheless, needed and taken to combat these practices. His conclusions suggest that in determining when behaviour was seen to be corrupt has to be seen in the context of the time, when factors such as urbanisation played their part in attitudes to integrity. The degree to which this conclusion is relevant to the study of the attitude of Manchester and Salford Councils and their critics to behaviour which lacked integrity, will be examined in the upcoming thesis

The trend of more recent publications which has been to examine corruption and hence anticorruption in an historical context and as an international problem. Mark Knights, in a blog entitled *Old Corruption – what can Britain's past tell us today?*, argued that the growth of the state is both part of the problem, because it facilitates corrupt access to enlarged resources and power, but is also the solution, since it offers the best means to curb, restrain and punish corrupt behaviour.⁴¹ In the book *Anticorruption in History. From Antiquity to the Modern Era*,⁴² James Moore's chapter entitled 'Corruption and the Ethical Standards of British Public Life. National Debates and Local Administration, 1880-1914' summarised his

⁴⁰ Jens Ivo Engels, *Stadt-Macht-Korruption (Beiträge für Stadtgeschichte und Urbanisierungsforschung, 2017* (Short title, City, Power, Corruption).

⁴¹ Mark Knights is Professor of History at Warwick University. The reference to the blog entitled 'Old Corruption – what can Britain's past tell us today?' is blogswarwick.ac.uk/historyofcorruption, dated 10 November 2016.

⁴² *Anticorruption in History. From Antiquity to the Modern Era*, editors Ronald Kroeze, André Vitória, Guy Geltner (Oxford: Oxford University Press University Press, 2017). This book contains papers written by participants in ANTICORP, a research initiative funded by the European Commission with the objective of investigating the factors that promoted or hindered the development of effective anticorruption policies. The research was carried out between 2012 and 2017. The editors were members of the research group at the University of Amsterdam, which participated in the project.

arguments by noting that that despite the implementation of anticorruption legislation, corruption remained a problem in municipal government.⁴³

The extent to which reports of mismanagement, which often resulted in overspending, fuelled allegations that corruption may have played a part in these incidents, has not been examined in the literature. Peter Jones' book, *From Virtue to Venality* examined three cases of corruption which occurred between 1930 and 1995.⁴⁴ Jones argued that the only check on corruption is a strong civil society engaged in urban life. Where there was effectively unchallenged one-party rule, this could allow corruption to flourish. Suess Law writing about Manchester politics during the period 1885-1906 saw a slightly different aspect to the problem.⁴⁵ Although he agreed that the Liberal party dominated Manchester Council in the mid-nineteenth century, he saw the problem as a deficiency in understanding the needs of the municipality and an incapacity to design solutions to meet those needs. The result was a failure to take steps to reform the relationship between the Council and its committees, and hence ensure greater control of the conduct of Council business. In a wide-ranging review of the development of local government during the nineteenth century, James Moore and Richard Rodgers focussed on the nature of the knowledge network available to local authorities, which could be used to obtain information about the different options which were available to Councils having to dealing with the environmental and public health problems of urbanisation.⁴⁶ Although the authors do not discuss corruption, they comment that the expertise necessary to provide some municipal services could lead, *de facto* to the management of a service by an official with the necessary expertise. This was the situation in Salford which Samuel Hunter, Salford's Gas manager was allowed to exploit, because of the failure of the Gas Committee to control the tendering system for ordering the coal and cannel used in the Gasworks.

Two studies address in detail the events which led to corruption in the Metropolitan Board of Works, (MBW), and the situation which was said to have resulted in the passing of the *Public Bodies Corrupt Practices Act* in 1889. David Owen examined the MBW case in the wider context of governance in London in the period 1855-1889;⁴⁷ Gloria C Clifton examined

⁴³ James Moore, *Ibid.*, Chapter 18. Dr Moore is a lecturer specialising in Modern British Social History in the Department of History, Leicester University.

⁴⁴ Peter Jones, *From virtue to venality. Corruption in the City* (Manchester: Manchester University Press, 2013), p.117.

⁴⁵ G. Suess Law, *Manchester's Politics 1885-1906* (Unpublished PhD. Thesis, University of Pennsylvania, 1975).

⁴⁶ James Moore and Richard Rodger, 'Who really ran the Cities? Municipal Knowledge and Policy Networks in British Local Government 1832-1914.' *Jahrbuch Für Europäische Verwaltungsgeschichte XV* (2003), 37-69.

⁴⁷ David Owen, *The Government of Victorian London, 1855-1889: The Metropolitan Board of Works, the Vestries, and the City Corporation* (Cambridge MA: Harvard University Press, 1982).

why the corruption occurred.⁴⁸ The legislative consequences of the MBW scandal are considered in this study.

The changes in Victorian society produced by the development of a professional middle class have been discussed by several authors.⁴⁹ Harold Perkin noted the rise of a class, which subscribed to the belief that anyone with energy, if so minded, could become a success, for example by gaining professional status.⁵⁰ Many municipal officials who were members of this professional middle class, believed that their possession of expertise should lead to both status and appropriate financial reward. John Garrard focused on the status and lifestyle expectations of Samuel Hunter, Salford's Gas Engineer, a middle-class professional, who regarded himself, and was regarded, as the equal of business men on the Council.⁵¹ The extent to which these men possessed a mindset based on the attitudes in commerce is an important aspect of the analysis of how Manchester and Salford municipal Councils conducted business.

The problems of agreeing acceptable audit practice in commerce which was also relevant to municipalities, were discussed in the *Routledge Companion of Accounting History*.⁵² H. M. Coombs & J. R. Edwards, who noted that Councils defended the use of the system of audit by amateurs, commented that private accountants, who wanted to obtain contracts to undertake municipal audit, were therefore keen to find reasons to censure the system used by municipalities.⁵³ The failure to specify and implement more rigorous audit procedures in commerce has parallels in the attitudes of councillors to the audit of municipal accounts by Councils; which will be explored in this thesis. Areas where the two Councils had to find solutions to 'new' problems included the need to define a system of 'Best practice' for use in municipal accounting, particularly where Councils undertook municipal trading activities. Tom Sowerby noted the problems of providing a system of accounts to deal with a funding method which was unique to municipalities.⁵⁴

⁴⁸ Gloria C. Clifton, *Professionalism, Patronage and Public Service in Victorian London: The Staff of the Metropolitan Board of Works, 1856–1889* (London: The Athlone Press, 1992), p.167.

⁴⁹ For example - Harold Perkin, *The Rise of the Professional Society England since 1880* (London: Routledge, 1989), and *The Origins of Modern English Society 1780-1880* (London: Routledge & Kegan Paul, 1969); W J Reader, *Professional Men, Rise of the Professional Classes in Nineteenth Century England*. (London: Weidenfeld & Nicholson 1966), Geoffrey Millerson, *The Qualifying Associations. A Study in Professionalism* (New York: Routledge & Keegan Paul, 1964).

⁵⁰ Perkin commented that attitudes propagated in books such as 'Self Help' by Samuel Smiles, were in fact very successful propaganda by the middle class to justify itself. (*The rise of the Professional Society*, p.225).

⁵¹ ...John Garrard, *The Great Salford Gas Scandal 1887* (Altrincham: British Gas North Western, 1989).

⁵² S. Walker, *Routledge Companion to Accounting History* (London: Routledge, 2008).

⁵³ H.M. Coombe & J. R. Edwards, 'The audit of municipal corporations - a quest for professional dominance.' *Managerial Auditing Journal*. Volume.19, No.1 (2004), .71.

⁵⁴ Tom Sowerby, *The History of the Chartered Institute of Public Finance, 1885-1985* (London: CIPFA, 1985).

1.5 The sources available to the researcher and the methodology used.

This thesis relies heavily on contemporary local material. Although there is a dearth of private papers which shed light on the activities of members of local government in the two municipalities during the late-Victorian period, the exceptions are three diaries of Bosdin Thomas Leech, who was elected to Manchester Council in 1880; became an alderman in 1891 and was a director of the Manchester Ship Canal, and *The Passfield Papers*, which contain the private papers of Sidney and Beatrice Webb.⁵⁵ The Webbs, who visited 1899 to assess the extent to which reforms in Council practices had been undertaken, made notes after they interviewed senior aldermen in the two municipalities.⁵⁶ There are also the papers relating to the defalcations of two Salford Council officials, Samuel Hunter the Gas Manager and John Graves, Salford's Town Clerk.⁵⁷

There are a few contemporary pamphlets which were published to comment or criticise aspects of Council policy or action. As early as 1875 a widely-circulated pamphlet, questioning the quality and cost of gas in the municipality and written by a Salford councillor, alleged malpractice in the management of the Salford Gasworks.⁵⁸ The series of reports published in 1884 by Joseph Scott, giving details about the day to day spending by Manchester Corporation, provide information which Scott alleged, demonstrated mismanagement, illegality, and some incidents of corruption by individual members of the municipality.⁵⁹ There are no corresponding, and independently published critiques about the conduct of Salford Council. The *Transactions of the Manchester Statistical Society*, which were published annually after 1853, contain papers given by members of the Society, who were not statisticians in the modern technical sense, but were in many cases leaders of the community.⁶⁰ A limited number of their papers provide insights into contemporary thought about local issues, relevant to the conduct of local government. An important contribution to the debate about the problems with the management of Manchester Council services was provided in a paper by T.C. Horsfall.⁶¹

The wide scope of the subject matter used in this thesis has involved the use of particular issues of a small number of professional journals which are referenced in the text and the

⁵⁵ *The Leech diaries*, Chetham's Library Manchester (LCH Collection - Shelf position: Mun.A.8.10).

⁵⁶ *The Passfield Papers*, (Local Government Collection), volume 156-160 Lancs. 20), held in Imperial College Library, London.

⁵⁷ *The Graves papers*, Ref. No L/CS/CL38 and the *Hunter papers*, Ref. Parcel 1, Box no. 90. are both held in Salford Local History Library.

⁵⁸ J.T. Mandley, *Why is our gas so bad and yet so dear?* (Manchester: John Heywood, 1875).

⁵⁹ Joseph Scott, *Leaves from the Diary of a Citizens' Auditor* (Manchester: *Manchester City News*, 1884).

⁶⁰ T.S. Ashton, *Economic & Social Investigations in Manchester 1833-1919. A Centenary History of Manchester Statistical Society* (London: P. S. King & Son Ltd. 1934).

⁶¹ *Ibid.*, *Transactions of Manchester Statistical Society*. 1895-6, p.1.

bibliography. A number of Royal Commission reports which had an impact on the policies of the Councils, are also included in the bibliography.

Any examination of the integrity of municipal government relies on an understanding of how the business of municipal government was conducted. A vital resource for this study is the 'Proceedings' of both Councils, which give the agendas for the various Council meetings and the business which was discussed. They also include the reports from standing and special committees. These are available for the period of interest. The 'Epitomes' published by Manchester Corporation and the 'Synopses' published by Salford Council, are also available; these give a list of all resolutions passed in committee meetings held since the previous Council meeting. There are very few 'minutes' books of Manchester Council committees; none of the 'minutes' of the committees in Salford are available.

The other main source of information about the conduct of the Councils is provided by the local papers. The daily Manchester papers, such as the *Guardian*, the *Courier* and the *Examiner*, all published during the Victorian period, provide selective reporting of the actions of the both Manchester and Salford Councils and discussion of local issues. More importantly, the local weekly papers, (the three Salford papers, the *Weekly Chronicle* and the *Reporter* and *Manchester City News*) provide reports of Council meetings, and some public meetings, and often include a commentary or an editorial about some aspect of Council policy or behaviour, as well as an occasional independent report on some aspect of Council actions or proposals for developments. The local papers also contain comment columns which provide 'gossip' about members of Council or the actions of the Council, and letters from readers, which often contained critical comments about aspects of the matters discussed by the two Councils, or allegations of mismanagement. Although the microfilm sets of the local papers cover the period, a number of the microfilmed copies of some issues of the papers of the Salford are in a poor condition and unreadable, and microfilmed copies of some issues are missing. The quality of the microfilming of some of the pre-1875 editions of *Manchester City News* are also unreadable, nonetheless these local weekly papers have been a very important source of the information used in this thesis.

The methodology of this thesis which uses a contextualised approach to the study of municipal corruption, necessarily requires an understanding about what critics in the late Victorian public meant by corruption. Whilst it was clear what the Victorian critic regarded as corruption when dealing with the behaviour of an individual,⁶² it is less clear what critics meant when the term was used about the behaviour of the Councils. A preliminary examination of the subject of this thesis identified that the causal underpinning of corruption in municipalities was mismanagement. This suggested that a workable system is to classify

⁶² Personal corruption was seen as abuse of power by a person in a position of trust for personal gain. The Victorians saw personal corruption as behaviour lacking morality.

the behaviour of the two Councils into one of two categories, as misfeasance or council corruption. The definition used for the term misfeasance is 'mismanagement which was the consequence of unacceptable actions by the Council, which were the result of incompetence or ignorance.' The term 'council corruption' is used to describe 'Mismanagement by knowingly and consistently using an unreasonable practice or policy in the conduct of Council business which did not conform to the implied duty to act with competence and integrity.'

The attitude of the two Councils to the management and delivery of council business has been studied by examining the factors which determined the ability of the two councils to deliver services with competence and integrity. The attitude of the two Councils to factors such as managing the increase in the volume and complexity of the workload, the problem of the lack of the availability of expertise and the problems of constitution set up under the 1835/1882 MCAs are considered. Many of the councillors serving on the two councils had gained their business experience in commerce where attitudes such as 'laissez faire' and 'caveat emptor' continued to hold sway. This thesis examines the extent to which the conduct of council business in the two Councils was influenced by these attitudes and was to lead to the questioning by the public of their integrity. There is no direct way of assessing this information, there were no surveys dealing with public attitudes to Council actions during the late Victorian period. The methodology in this thesis uses contemporary evidence provided by the local press to build a picture of the two different factors, how the municipal councils conducted Council business and the reaction of contemporary commentators and critics to the standards of integrity with which Council business was conducted.

One difficulty for the historian in dealing with the evidence of contemporaries, as reflected in the local press during this period, is that this evidence will be from members of the public who had a stake in what they were saying; and how they expressed their views reflected that stake. In this study of municipal government, a major source of criticism was from ratepayers and their representatives, which included the editorials in the press which reflected local concerns. Their criticism was mainly directed to the implications of the cases of mismanagement, and the extent to which an individual ratepayer might be affected by increased costs, the usual outcome of these cases, although the wider interests of the community were increasingly recognised. Although their indictment of the failure to provide competent government was influential in identifying the need to improve the standards integrity in local government, whether or not the two Councils were thought to be guilty of council corruption or misfeasance was not often identified. On the other hand, the evidence of Elective auditors, whose role was to carry out audit on behalf of the ratepayers, has to be examined by taking in to account that in some cases their role was used to pursue a

political agenda, achieved by damaging the reputation of the two Councils by criticism which was couched using the rhetoric of corruption.

Chapter Two – Context.

This chapter examines the context to two important facets of this study; how the constitution of the two municipalities of Manchester and Salford developed, and the means whereby the information about the performance of the two Councils was disseminated. The main features of the *Municipal Corporations Act* of 1835, and the subsequent legislation of 1882 are vital to understanding the powers of a municipality and how the limitations of powers provided by the Act became evident as the duties of a municipality, driven by the need to deal with environmental and public-health issues, increased in both volume and complexity. The chapter also studies the development and role of the local press which, by providing a spotlight on how the two Councils carried out municipal business, directed attention to the need for greater integrity and openness in their conduct.

The constitutions of Manchester and Salford, set up using the template provided by the 1835 legislation are analysed. As a result, it is argued that it was the failure of this template to recognise that the inevitable increase in the workload of a municipality would require also the setting up of an administration capable of managing and coordinating municipal services, as well as a system of financial management and audit capable of ensuring the probity of the municipal accounts.

This section explores the nature of the powers devolved by central government to the boroughs of Manchester and Salford, using the template provided by the Municipal Corporations Act of 1835; and the ability of the structure of municipal government derived from the implementation of these powers to deliver government with competence, efficiency, and integrity at a time when demands for improvements in the fields of Public Health and the environment were increasing.

The relationship between local government in urban authorities such as Manchester and Salford, and central government in the Victorian period, was characterised by the struggle of both municipalities to retain local self-government by preventing the encroachment of central control over local autonomy.⁶³ Despite this, both Councils found that in practice there was increasing need to get approval for new powers and loans from Parliament or the Local

⁶³ Elizabeth Gaskell, *North and South*, (London: Wordsworth Editions Ltd.,1994), p.309. In this novel, John Thornton, the Manchester mill owner expressed a widely-held view in the Councils of Manchester and Salford, when he said to a business man Mr Bell, 'We hate to have laws made for us at a distance. We wish that people would allow us to right ourselves instead of continually meddling, with their imperfect legislation. We stand up for self-government and oppose centralisation.' '*North and South*' was published in 1854/5. Gaskell was reflecting the importance with which Manchester Council, like Salford Council regarded local self-government; i.e. as a prerequisite in their relationship with central government.

Government Board, (LGB) the arm of central government which was set up in 1871 to manage central- local matters.⁶⁴ The drafters of the 1835 MCA, which was primarily intended to reform the 178 existing municipal corporations, were aware of the need to take account of local sensitivities, and accepted the argument of urban authorities for local self-government; that only by vesting power and accountability at local level, could the needs of local inhabitants be met. The 1835 Act which was therefore a compromise to 'encourage' the acceptance of the legislation. It accepted the principle of local self-government by providing a system in which powers were to be exercised locally, allowing municipalities to develop services to meet local priorities. The 1835 MCA was superseded by the 1882 MCA, a consolidating Act which brought together some 40 statutes, or parts of statutes with amendments, passed since 1835 which were applicable to Municipal Corporations.⁶⁵ The sections of the 1835 Act dealing with the constitution and governance of a borough were, however, reproduced without change in the later legislation. These sections specified that the powers obtained from Parliament should be vested in an elected Council, whose members were subject to re-election every three years. A candidate for election to the Council had to be on the burgess roll, the qualification to vote, which involved both a residence requirement and a property qualification. To avoid the loss of experienced councillors, (as re-election every three years was mandatory), the Act provided that the Council itself could elect aldermen either from their own number or any person qualified to be a councillor. An alderman could serve for 6 years before there was a need to stand for re-election. In practice, in both Manchester and Salford, an alderman, once elected, served until death or resignation.⁶⁶

The new municipal Councils were empowered to delegate decision-making to a series of committees, however s.22 of the 1882 Act confirmed the provision of the earlier legislation, that any decisions made in committee had to be confirmed by the Council to take effect. Only one committee was mandatory in the 1835 MCA and the later 1882 legislation, a 'Watch' committee which dealt with policing and public order. Early municipal corporations were answerable to rate-paying burgesses as trustees, whose main duties were administering corporate property, employing corporate revenues, and dealing with matters such as the administration of justice and the conduct of Parliamentary elections. In urban authorities like Manchester and Salford, the responsibilities for functions such as sewerage, paving, lighting, and duties in the public health field were previously carried out by Improvement

⁶⁴ The LGB was set up by central government in 1871 'for the supervision of the laws relating to the public health, the relief of the poor and local government.' The Board took over the public health and local government responsibilities of the Home Secretary and the Privy Council.

⁶⁵ E.L. Hasluck, *Local Government in England* (Cambridge: Cambridge University Press, 1936), p.176.

⁶⁶ Whilst this provision did provide some continuity of experience, there were problems with having aldermen on the Council who were not subject to re-election. These problems are discussed in Chapter Five.

Commissioners and similar bodies, using statutory powers obtained prior to incorporation. There was clear evidence by 1835 that municipalities set up under this legislation particularly urban municipalities such as Manchester and Salford, would need to take on the difficult and complex role of providing new services and undertaking expensive and technically schemes to deal with the public health problems arising from urban squalor. Despite this, a major weakness of the new legislation did not specify the need include in the constitution of a municipality a mechanism which would facilitate the overall management and coordination of the services provided by a Council.⁶⁷ It did provide that the Council should elect annually one of their number to be the Mayor, the 'first citizen', to act as Chairman of the Council and undertake both judicial responsibilities and duties associated with parliamentary and local elections.⁶⁸ It seem that the Mayor as chairman of the Council was expected to undertake this role.

The provisions in the legislation for the management and audit of the finances of a municipality also failed to take account of the increase in the spending and the complexity of the budget as a result of the developing role of municipal services.⁶⁹ There were provisions in the legislation for the appointment of a treasurer (MCA 1882 s18), and there was a procedure for the submission of the accounts of the municipality to the Local Government Board (LGB), every 6 months. (MCA 1882s27). There was no requirement that a Council should appoint a Finance Committee, although both Manchester and Salford did appoint a committee with the remit of dealing with the finances of the municipality. A further failure of the legislation was however the inadequate arrangement made for the audit of the municipal accounts (s25, MCA1882), which specifies that the audit should be conducted by two amateur auditors to be elected annually.

Both Manchester and Salford applied for and obtained 'Charters of Incorporation' under the MCA 1835, enabling the two boroughs to obtain the powers available to a municipal corporation. In urban authorities like Manchester and Salford, the responsibilities for functions such as sewerage, paving, lighting, and public health, previously undertaken by Improvement Commissioners and similar bodies, were transferred to the two municipalities upon incorporation; and became core activities of municipalities in succeeding years.

⁶⁷ The primary purpose of this legislation was the reform of existing corporations many of which were corrupt. When this reform was undertaken it was already clear that the role of local government had changed. The use of municipal trading operations had already been recognised as a method which a municipality could use to increase its income. By 1835 Manchester and Salford, for example, were already involved in the supply of water and gas on this basis.

⁶⁸ MCA 1882 s.15.

⁶⁹ Sections 2.2 and 2. deal with aspects of the funding of Council services; Chapter Seven which reviews in more detail how the finances of the two municipalities were managed, Chapter 7.2 deals with audit of municipal accounts.

The Manchester charter of 1838 initially resulted in a complex structure for the six townships within the municipality. Part of the powers to act in services such as lamp and scavenging and paving remained a local concern, but the powers to act in fields such as the suppression of nuisances, and sanitation, were transferred to a central Borough Council.⁷⁰ By 1875, considerations such as efficiency savings and the need to deal with problems such as sewage management over a wider area, led to the consolidation of the administrative machinery. The result was that Manchester Council was responsible for all services within the Borough boundary.⁷¹ Further additions of townships to the Manchester 'Charter of Incorporation' took place in 1885 and 1890; the consequence was that between 1838 and 1894, Manchester Borough Council increased in size from 64 to 104 members.⁷² This led to the various Council committees, which had to be seen to be representative of the Council membership, also increasing in size. The result was that the task of convening meetings and communication between the Council and the members of committees became more difficult. Important decisions were therefore taken by 'chairman's action' on the grounds of expediency. As the work of committees became more specialised, each saw itself the only source of information about how business referred to it by the Council should be discharged. By the late Victorian period, the result was that each committee acted autonomously, resenting any intrusion by the Council. In practice, many of allegations of mismanagement, misfeasance or Council corruption were the result of actions by a committee.⁷³

Salford's situation was more complicated. By 1835 it was apparent that there was need to reform the constitution of the Borough by obtaining a 'Charter of Incorporation' to provide the necessary legal status to apply for powers to tackle serious public health problems. Overcrowding and the results of industrialisation led to Salford Township, one of the three townships which formed the Salford parliamentary constituency, having one of the worst mortality rates in the UK.⁷⁴ The first application for a Salford charter submitted in 1843 proposed that the boundaries of the municipal corporation should be co-extensive with the boundaries of the Parliamentary constituency, which therefore also included the townships of

⁷⁰ ...Legal provision for these transfers was contained in the *Manchester Police Act* 1844. Although these services were provided locally, the various townships were accountable to the central borough Council for both the standards of the services and the use of resources.

⁷¹ *Manchester Corporation Waterworks & Improvement Act*. (1875).

⁷² ...The incorporation of Bradford; Harpurhey and Rusholme in 1885 was given legal effect in *Manchester City Extension Act* (1885). A further extension Act of 1890 saw an additional 7 townships amalgamate with the Borough. Additional extensions of the boundaries of the city took place in the twentieth century.

⁷³ How the constitution in Manchester developed to lead in autonomous committees and the extent to which this led to an increase in allegations made about the integrity of the Council is discussed in Chapter 6.4, p.133 which discusses the failure of both Councils to develop an administrative structure.

⁷⁴ The national average mortality rate for 1845 was 21.6 per thousand. The corresponding rate in Salford Township was 30.9. and in Pendleton Township 24.4 per thousand. In Broughton, a middle-class residential area, the mortality rate of 16.3; this was on a par with suburban or rural areas. (R. L. Greenall. *Local Government in Salford 1830-1853*, Unpublished M.A. University of Leicester (1970), gave information from the 'Health of Towns' report (Lyon Playfair 1845).

Pendleton and Broughton. This provoked bitter opposition from Pendleton ratepayers, who feared that Pendleton rates would be needed to subsidise the cost of improvements in Salford, and Pendleton councillors would be outnumbered and outvoted in Council. As a result, the Charter of Incorporation, granted in 1844 included only Salford Township.

By 1851, the populations of both Pendleton and Broughton had doubled, and it became clear that the sanitary conditions in Pendleton and Broughton could only be tackled as part of a wider scheme to cover all three townships. To allay fears that Salford, with the largest population, would be able to outvote the other two districts, the new charter of incorporation included a federal arrangement, in which the number of councillors in Salford did not exceed the sum of the numbers in Pendleton and Broughton, and all three townships were to have a district Council with autonomy over local matters such as scavenging, lighting, paving and sewerage, which met in separate and specially-built town halls. Each of the district Councils had a set of district committees including a Finance committee, which set its own rates to cover the expenditure on these local services. There were also General committees dealing with services provided across the municipality. As the membership of the General committees had to have the same proportions of Salford, Pendleton and Broughton members, who each saw their duty to the district as paramount, arguments were likely to break out about the level of the service provided from the general budget to the different districts. The consequence was that

the intricate 'borough' and 'district' arrangements made improved local government services difficult. Borough finances took on Byzantine complexity, inter-district jealousies over finance, gas, and water were virtually in-built, and it may be doubted that sanitary improvement of the borough, the main reason for incorporation was well served by these arrangements.⁷⁵

The result was an executive which was often unable or unwilling to take decisions; a situation which continued until 1891 when the case for unity on the grounds of increased efficiency finally prevailed, and a local Act uniting the Salford districts was passed, finally leading to the abolition of the district committees.⁷⁶

⁷⁵ R.L. Greenall, *The Making of Victorian Salford*, (Lancaster: Carnegie Press, 2000) p.58.

⁷⁶ *Salford Improvement Act*, 1891.

2.2. Obtaining additional powers and funding for capital projects.⁷⁷

This section considers the steps which the Council had to undertake to fund and carry out the schemes necessary to meet the mandatory duties specified in the *Public Health Act 1875* and other necessary environmental improvements.

The powers obtained by a newly-incorporated municipality were only those already held by the borough under Acts of Parliament obtained pre-incorporation. For both Manchester and Salford, the legal authority conferred by the existing 'private' Police Acts was limited to enabling the Police Commissioners to undertake some basic services such as street lighting, scavenging, sewerage, and paving, which did not involve major capital expenditure, and could be either charged to the rates or to householders. By the 1840s concern about mortality figures, and an alleged lack of priority in urban areas to improve sanitary conditions, led Parliament to pass a *Public Health Act* in 1848, which established a central Board of Health. The Act included additional duties dealing with the responsibility of municipal boroughs for drainage, water supplies, removal of 'nuisances', paving etc. but these were not mandatory. Both Manchester and Salford had already added to the powers obtained pre-incorporation to make some improvements in the public health field, and both had appointed a medical officer in 1868; John Leigh in Manchester and J. E. Syson in Salford. The *Public Health Act, 1875* which consolidated the provisions set out in previous legislation, contained a range of mandatory requirements dealing with matters to improve the environment and public health.⁷⁸ Although a municipal corporation might have the necessary powers, the capital needed to undertake a development still had to be obtained. By the 1870s there were two main routes for obtaining capital funding, and any additional powers to undertake a particular scheme; a 'local private' bill or a 'Provisional Order'. The procedure for obtaining a private act involved a complex, lengthy and regulated procedure to obtain parliamentary consent.⁷⁹ There were no special concessions for the fact that local authorities were representative bodies; instead a municipality was subject to the same adversarial committee procedures as any other promoter of a bill. It was a costly procedure; and because of a court ruling in 1872, any expenditure of a municipality associated with a private bill could not be charged to the municipality's Borough Fund.⁸⁰ The *Municipal Corporations (Borough Funds) Act (1872)* did enable municipal

⁷⁷ Appendix 1, p.190, gives a table of the numbers of private acts and provisional orders obtained by the two municipalities in the Victorian period.

⁷⁸ Under this Act, municipal corporations were also given the means to obtain the necessary powers to appoint medical officers, local sanitary inspectors to look after slaughterhouses; to prevent contaminated food being sold; and to meet the requirement that sewers were covered and kept in good condition, a supply of fresh water was supplied to their citizens, street lighting was provided and rubbish collected.

⁷⁹ Christine Bellamy, *Administering Central-Local Relations 1871-1919* (Manchester: Manchester University Press, 1988).

⁸⁰ This arose from the ruling in the legal case '*Sheffield Waterworks Co v Sheffield Corporation*' where it was held that Sheffield Corporation, which opposed the plans of a private company which wanted to develop reservoirs in Sheffield, could not charge the costs of these proceedings to the Borough Fund.

corporations to promote or oppose parliamentary bills at the expense of rates, but conditions were imposed. This Act specified that in addition to the absolute consent of the Council to a proposal, the consent the ratepayers and owners of rated property must also be obtained. Notice of the scheme had to be advertised in the local press, and as municipalities did not hold a register of property owners, 'borough fund' meetings, which were difficult to organise, had to be arranged to get the necessary consents. These meetings could be hijacked by an individual or group with a particular interest, and since the Act also provided that if a single request was made for a ballot of ratepayers and property owners, this had to be arranged, causing additional costs and providing a method of delaying a scheme.⁸¹ The failure to accept that a simple vote by the elected Council alone should define the measures required in a municipality, was seen to be an attack on the principle of 'local self-government,' and an unwarranted encroachment of central government in local matters. The widespread opposition of municipal corporations to the Act led to the formation of the Association of Municipal Corporations (AMC) in 1873, set up:

to protect the interests, rights and privileges of Municipal Corporations as they may be affected by public Bills and Legislation ...and to take action in relation to any other subject in which Municipal Corporations may be generally interested.⁸²

The passage of private bills through Parliament was a lengthy procedure involving a first and second reading, followed by a crucial committee stage prior to third reading, giving plenty of opportunity for obstruction and amendment on behalf of local special interests. In some cases, there was an alternative method of proceeding, by using the 'provisional order' procedure, administered by the Local Government Board, (LGB). The availability of a provisional order had to be specified in an enabling act. The *Public Health Act 1875*, the *Tramways Act 1870*, and the *Local Government Act 1888*, all authorised the making of provisional orders covering aspects of the legislation. Other types of orders available from the LGB covered a limited range of applications, but could be used to extend borrowing limits of authorities and could sanction amendments to local acts. Even where legislation allowed a local authority to obtain an order, the procedure could be onerous, but was often used because it was more likely to be successful than the alternative, a private bill. To obtain a provisional order, the local authority had to apply to the LGB with evidence to justify the making of the order, and if funding was required, provide evidence about the financial position of the authority. The procedure, in most cases, required a local inquiry to be held before the order could be made. This was conducted by an Inspector of the Local Government Board, who had powers to examine whether the purpose of the scheme was justified and the request for funding was reasonable. He had considerable discretion in dealing with a request for an order; he could refuse to agree

⁸¹ Bellamy, *Administering Central- Local Relations 1871-1919*, p.201.

⁸² Redford, *The History of Local Government in Manchester*. Volume II, p.298.

to a scheme or accept and fund only part of the scheme.⁸³ The inquiry also gave an opportunity for objections to the scheme to be considered. If the inspector's report was favourable, the proposed order had to pass a Parliamentary Committee stage, which was the same as a private bill; this again provided an opportunity for proposers, objectors, and expert witnesses are heard, and if necessary, the Inspector who carried out the public enquiry. If the order passed this stage, it was then added to a schedule of other orders in a 'Provisional Orders Confirmation Bill' to be approved on the 'floor' of the House. Rejection of a bill at this stage was very unusual. If the provisional order procedure was not available or could not be used, or the municipality required powers to carry out a number of smaller actions, these could all be included in a single 'private' bill. Even where the 'provisional order' procedure could be invoked, the private bill could be preferred because it allowed more flexible repayment terms to be negotiated for any loan which had been agreed, avoided delays in the processing of the request by the LGB and gave the local authority more control over the implementation of the powers. A private Act also had the advantage that its title could link the name of the municipality with a prestigious project, which could be felt to be more in keeping with the dignity and pride of a large urban authority.

2.3. The funding of Council services.

A major part of the income of a municipal corporation during the Victorian period was raised by the levying a rate, a tax on the ownership of real property.⁸⁴ This was based on the rateable value of the property; where the definition of the 'rateable value' of a particular property was stated as:

...the rent which could reasonably be expected after deduction of the average annual cost of repairs insurance and other expenses if necessary, to maintain the property in a state to command such a rent...⁸⁵

The actual tax paid was calculated by multiplying the rateable value of the property by the rate payable in the particular borough, which was stated as a 'charge per pound' of the rateable value. The process for calculating the rate payable involved the various departments of the corporation drawing up estimates of their expected expenditure for the following year. The rate in the pound was calculated from the total estimated spend divided by the sum of all the

⁸³ Any qualifying scheme, for which the Council needed permission to undertake and to fund, had to use this procedure. The request for funding of the Wilton House scheme in Salford (which will be described later) to provide a permanent infectious diseases hospital had the request for a loan of £10,000 refused by the LGB inspector. Instead a loan of £2,500 for a temporary facility was offered.

⁸⁴ Redford, *The History of Local Government in Manchester*, Volume III; Epilogue.

⁸⁵ *Parochial Assessment Act 1836*.

rateable values in the municipality. The role of the Treasurer and the Finance Committee in setting the borough rate, and the reasons why wrong estimates of future spending led to overspending and mismanagement, are considered in Chapter Seven.⁸⁶

The number of duties imposed on municipal corporations by central government legislation or adopted in private acts in the last quarter of the nineteenth century, resulted in the need for municipalities to increase their income.⁸⁷ The shortfall in funding the cost of the services provided by both Corporations could not reasonably be met from the rates alone. Both Councils were sensitive to criticism from ratepayers about the level of the rates; councillors in both authorities, concerned about being re-elected, would not support any increase which would alienate ratepayer-voters. Local authorities had to look for other methods of raising income and therefore enthusiastically embraced the method of generating income by 'municipal trading,' whereby a municipal corporation acted as the monopoly supplier of a utility. Both Manchester and Salford used the method, originally supplying water and gas; profits from these operations being used for public purposes. Manchester was a pioneer, building the first publicly-owned gas works, initially in order to meet the demand for gas to power street lighting. Thomas Fleming, who in 1818 persuaded the Police Commissioners to build a gas works, also recognised that the profit from gas production was a means of funding the building of a Town Hall, and subsidising other local developments. This initiative, which required a private Act of Parliament, was to establish 'Municipal Trading' as a viable part of municipal government. Salford was the first municipal authority to municipalise gas supplies by the purchase of a local private gas works in 1831. Therefore, besides having responsibility for the conduct of the business of the municipalities, each of the two Councils was also therefore responsible for the management of these large 'manufacturing' operations within their respective boroughs.

A system of 'Grant in aid,' ad-hoc payments from central government, had been introduced in the 1830s to relieve the burden on the ratepayers, by allegedly compensating corporations which had been required to implement costly changes as a result of additional legal duties imposed on authorities. The only apparent rationale for making particular payments seems initially to have been to promote acceptance of legislation; for example, payment was made towards the salary of poor law medical officers to encourage acceptance of the *Poor Law Amendment Act* of 1834.⁸⁸ Later payments were made to encourage the development of local services, such as a contribution to the salary of the medical officer of health, and to the cost of providing education. The demands from local authorities for new or increased grants, for example, the costs of highways, or to support the implementation of a police superannuation

⁸⁶ Section 7.1, p.141, discusses the problems of 'keeping the books' in a municipal corporation.

⁸⁷ The shortfall in the cost of services in Manchester compared to the monies raised by the rates had reached £103,468 by 1901 and rose steadily thereafter.

⁸⁸ Bellamy, *Administering Central-local Relations 1871-1919*, p.25.

scheme, caused concern to central government about rising costs, and led to demands from Parliament that spending on local and central finance should be separated. As a result, changes were made in 1888 to the central government budget. The local taxation account, which had been set up to meet the cost of grants in aid and had been the subject of an annual vote by Parliament, was changed.⁸⁹ Instead, certain revenues, received by the government as excise duties, and a portion of the probate payment receipts were paid into the account. This was distributed to the various authorities, who could also retain the revenue arising from certain local taxation licences. As a result, the exact settlement from central government to municipalities was delayed, and when the revenue from the scheme fell, the local authority income was reduced, complicating the task of making the estimates of the borough rate which needed to be charged to meet the projected borough expenditure. Although the yield from this source of income in the last decades of the century was small compared with the total expenditure of Manchester municipality, these changes still required new and costly administrative arrangements to be made.⁹⁰

By the last half of the nineteenth century, Councils were having to deal with the increasing complexity of the administration necessary to raise the monies which were needed to fund the routine services of municipal government. Additionally, there was the problem of coping with the financial and administrative complexity of implementing the major capital and revenue schemes needed to improve public health. This occurred at a time when officials with the necessary managerial expertise to deal with these problems were in short supply, and the development of a system of book keeping which took account of the special problems of municipal accounting was taking time to evolve. The availability and the role of the local press in determining contemporary attitudes to the reputation of the councils both for competence and integrity during this period is a theme of this thesis. The development and character of the local press is considered in the next section.

2.4. The development of a local press.

By the early nineteenth century, the Manchester and Salford public had already developed a taste for local news; particularly news which affected the public as individuals, such as the conduct of local government and the how this affected the individual ratepayer. The vicinity of Manchester had an extensive periodic press.⁹¹ This provided news about local issues and

⁸⁹ *The Local Government Act 1889*, section 121.

⁹⁰ Redford, *The History of Local Government in Manchester*, Volume III; Epilogue, gives the figures for the yield of these grants. In 1880-1, it was £1,338; 1890-1, £3,162; 1900-1, £20,568. In 1900-1, the cost of services in Manchester was £1.007 million.

⁹¹ Michael Powell and Terry Wyke, 'Charting the Manchester tributary of the golden stream: Leary's History of the Manchester Periodic Press.' *Manchester Regional History Review*, Volume 17ii (2006).

opinions and published detailed reports about the conduct of the Council.⁹² The influence and importance of a local press, particularly in its support for the principle of local autonomy, was recognised by the middle of the century. Abel Heywood, the Manchester publisher and wholesale news agent,⁹³ commented in evidence to a *Select Committee on Newspaper Stamps*, that the abolition of Stamp Duty in 1855, which would result in the publication of more local newspapers, would lead to a more stable society in Manchester.⁹⁴ He stated that as local people tended to discount the views of London editors and publishers, 'if they bought papers from parties whom they knew in their own locality, the influence upon them would be greater than it can possibly be from reading London papers.' John Garrard also commented on the importance of the local newspapers in encouraging local identity and community 'democratic virtues' by detailing local concerns and local priorities, and ...'were capable of producing and reinforcing liberal democratic virtues like the independence of the state, attachment to liberal freedoms, political participation and debate.'⁹⁵ The local press, with its focus on matters such as the conduct of municipal government also provided a forum for discussion about the standard of integrity of municipal government in Manchester and Salford. Despite the cost, Garrard stated that the yearly national circulation of newspapers, estimated from the receipts from stamp duty, totalled 25 million copies by 1826.⁹⁶

The cost and availability of newspapers changed dramatically by the 1860s. The abolition of stamp duty in 1855; the lower cost of newsprint, and improvements in the technology of newspaper production when the rotary press became available, all resulted in a reduction in the cost per copy of a newspaper, usually to 1d. The demand for newspapers in the Manchester region during the late nineteenth century was met by a large number of locally-produced titles. The titles of newspapers included in this section do not demonstrate the full diversity of the Manchester suburban press or the types of publication available to the Manchester and Salford readership, but are examples of the daily press in the Greater Manchester Region. During the period 1872 to 1902, readers had access to a number of daily newspapers which provided full coverage of national issues, but also included coverage of the local news. The '*Manchester Courier and Lancashire Advertiser*,' originally a weekly paper supporting the Tory cause, started publication in 1825; it became a daily paper in 1855. The *Manchester Guardian* was founded in 1821; by 1857 it was a daily paper costing 1d per day. By 1861 the Guardian had 7 reporters, enabling it to provide detailed reports on national

⁹² Lucy Brown, *Victorian News and Newspapers* (Oxford: Clarendon Press, 1985).

⁹³ Elected to Manchester Council in 1843, Abel Heywood was elected as an alderman in 1853 and served Mayor for the years 1862-3 and 1876-7.

⁹⁴ *Select Committee on Newspaper Stamps*, P.P. 1851, 558, XVII (1) (Minutes of Evidence) p.2481-2613, quoted by Margaret Beetham, 'Healthy Reading.' A. J. Kidd & K. W. Roberts, *City Class and Culture: Studies of Cultural Production and Social Policy in Victorian Manchester* (Manchester: Manchester University Press (1985)), p.170.

⁹⁵ John Garrard, *Democratisation in Britain*, p.126.

⁹⁶ The figure does not therefore include the unstamped press.

issues.⁹⁷ The 25-year old C. P. Scott⁹⁸ was appointed to the post of editor of *Manchester Guardian* in 1871; under his editorship the paper supported a radical Liberal programme. He became the paper's proprietor in 1907. *The Manchester Times*, which started publication in 1828 to support a liberal Cobdenite agenda, had a chequered history, suffering from circulation problems and finally closing in 1894.⁹⁹ The rail link with London meant that papers published in the capital could be on sale in Manchester in the morning. As a result, London papers such as *The Times* founded in 1785 as *The Daily Universal Register*, which was renamed in 1788; and the *Daily Telegraph* which was published on 29 June 1855 as first penny newspaper in London, were available to the Manchester reader.¹⁰⁰ There was also a Manchester satirical Press, publishing titles such as *City Lantern*, *City Jackdaw*, *Sphinx* and *Free Lance*, whose epigrams drew attention to misfeasance by the Council. The avidity of the Manchester readership for news attracted the *Daily Mail* to start a print run in Manchester in 1898, and in 1900, a new paper the *Daily Dispatch*, which was to achieve a circulation of 500,000 copies, was also printed in Manchester. There were two evening papers; the *Manchester Evening News* first published in 1868 and noted for the space devoted to advertisements, and the *Manchester Evening Chronicle* which was published in 1897, both titles costing 1/2 d per issue. The 1860s also saw a rapid rise in the number of local 'penny a week' publications. These weekly newspapers became economically viable after 1855; their labour costs were relatively low; much of the general material was syndicated, and the 'staffing' would often consist of an editor, one reporter and one junior with the compositor in the next office. Many townships had a local paper; the weekly and independent *Manchester City News* for example, which was founded in 1864, claimed to have the 'the largest circulation of any paper, daily or weekly in Greater Manchester.' There is no independent validation of this claim, which was made in an advert printed on the back of the booklet by Joseph Scott, *Leaves from the Diary of a Citizens' Auditor*, which was itself published by *Manchester City News*. (MCN.) It was edited by John Howard Nodal from 1871 to 1904, who campaigned to get improvements made in the competence, efficiency, and accountability of how the Council conducted its business.¹⁰¹ He turned the MCN into a campaigning newspaper; publishing, *inter alia*, the reports of the

⁹⁷ Lucy Brown, *Victorian News and Newspapers* (Oxford: Clarendon Press, 1985).

⁹⁹ C. P. Scott, was a journalist, publisher and politician. He was the editor of the *Manchester Guardian* from 1872 until 1929 and its owner from 1907 until his death in 1932. A life-long liberal Scott argued that "comment is free, but facts are sacred." He was made a freeman of Manchester in 1930.

⁹⁹ The *Manchester Times* changed its name between 1875 to 1893 to *Manchester Examiner and Times*. For the last few months before closure, when it had circulation problems, it was called simply the *Manchester Examiner*.

¹⁰⁰ The availability of a national press did play a part in setting national standards for what constituted integrity in public life; for example, the reporting of cases of electoral corruption strengthened the need for electoral reform, and it did help to publicise the extent of commission taking, which eventually led to legislation.

¹⁰¹ John Howard Nodal (1831–1909,) was first President of the Manchester Literary Club and Chairman of the Manchester Arts Club. He edited two of Manchester's satirical journals, *Free Lance* and *Sphinx*, becoming editor of the *Manchester City News* from 1871 to 1904. He greatly expanded its coverage and turned it into a campaigning newspaper.

Elective auditors, Joseph Scott,¹⁰² Frank Hollins,¹⁰³ and S. Norbury Williams¹⁰⁴ and the reports of the Manchester Ratepayers' Association on the mismanagement of the Victoria Hotel scheme by the Improvement Committee of Manchester Council. Salford did not have a district press until 1859 when the *Salford Weekly News*, which supported the Liberal party, was published. It closed in 1891. The first issue of *Salford Chronicle* which supported the Tory party, was published in 1868, the *Salford Reporter* which first appeared in April 1879 claimed to be politically neutral but in 1892 switched allegiance to the Liberal party. All the Salford weekly papers and *Manchester City News* were published on a Saturday costing 1d. per issue. Although all three papers included brief reports on the outcome of parliamentary debates and international affairs; the emphasis of the reporting was on local news. Manchester daily newspapers did report Council matters and local controversies, but their reports are more valuable when dealing with local government issues where there were matters of principle at stake: they did not in general get involved in comment on the nitty-gritty of Council behaviour. All three Manchester daily titles had a correspondence column which attracted readers' letters. Very occasionally a local matter would attract coverage in the national press. The Hunter embezzlement in Salford, which dealt with commission taking in the gas industry, did attract coverage not only in the national press, but also in trade papers, for example '*Gas World*.'

The publication of information about practices in public life which had previously tolerated did lead to some changes in attitude during the Victorian period about what was acceptable behaviour. Attitudes did change to a more rigorous expectation of the standard of integrity expected in public life, and led to some previously accepted practices being regarded as scandalous.¹⁰⁵ The integrity of the Council in exercising its powers or authority was also questioned, and although many of the decisions were made in a committee, the Council as the executive of a municipal Corporation was held responsible for mismanagement resulting from the actions of a committee.

¹⁰² Little is known about the life and career of Joseph Scott. Apart from his period as Elective auditor for Manchester in the 1880s, and the notoriety he gained from his attempts to expose what he saw as corruption and waste in the City Council, he played little part in the public affairs of the city. He failed to be elected Elective auditor in 1882, but succeeded in 1884, serving for two years until 1886. His nomination forms for 1884 identified him as an estate agent, of 100 Stretford Road. He apparently later became a provision merchant; and his business remained a substantial one into the 1930s, when he retired to Wilmslow. (© Martin Hewitt 2002-2005).

¹⁰³ Frank Hollins served as Manchester's Elective auditor with Joseph Scott for the years 1884/5 and 1885/6. and with Wallace McGuffin Greaves in the years 1886/7 and 1887/8. His role as an Elective auditor is considered below.

¹⁰⁴ Samuel Norbury Williams, an accountant, was chairman of the Manchester Ratepayers' Association. He was elected as one of the two Manchester Elective Auditors in 1893, and served as an elective auditor for 34 years until 1927. He died in 1929 at the age of 77.

¹⁰⁵ John Garrard, 'Scandals: a tentative overview, p.23-41, in '*Corruption in Urban Politics and Society, Britain 1780-1950*, editors James Moore & John Smith (Aldershot: Ashgate 2007). This chapter examines the role of scandals in changing public perception about what constituted unethical behaviour.

Findings and précis of Chapter Two.

This chapter has examined the constitutions of the municipalities of Manchester And Salford set up by using the template provided by the MCAs of 1835 and 1882. The period selected for this study started less than thirty-five years after both Manchester and Salford Councils obtained a 'Charter of Incorporation.' The findings of this research show that although this legislation provided for a system of democratic government, (albeit with a limited but expanding franchise), it failed to recognise the enormous expansion both in the diversity of duties and in the increase of spending which a municipal government in the late Victorian period would be required to undertake. The first problem was that the legislation did not specify the need include in the constitution of a municipality a mechanism which would facilitate the coordination services provided by Council. The second problem was that as the service of a municipality expanded and the spending on Council services increased, the system of amateur audit, provided by the 1835/1882 legislation became increasingly unable provide confidence about the integrity the accounts published by the two Councils. How the impact of these omissions affected the conduct of the two Council and their reputation for competence and integrity is an underlying theme of the subsequent chapters of this thesis.

These developments occurred at a time when the local weekly press in Manchester and Salford was enjoying a golden age providing reports about the behaviour of the two Councils. How the local press developed and became the main source and shaper of public opinion about the conduct of the local councils is also discussed in this chapter.

Part Two. Corruption in municipal government?

The aim of this part of the thesis is to analyse the extent and nature of corruption in municipal government. The two chapters in this part therefore address two of the subsidiary questions posed by this thesis,

Chapter Three entitled 'Assessing the integrity of the Councils' considers question one.

What was the source of criticism and the nature of the behaviour of the Councils of Manchester and Salford Councils which was being identified by contemporaries as incompetent, and /or ethically dubious or corrupt?

Chapter Four entitled 'The validity of the allegations' deals with the second question.

How far was the criticism of the Councils warranted in terms of their actual behaviour during the late Victorian period?

Chapter Three. Assessing the integrity of the Councils.

The aim of this chapter is to understand what was meant by term 'corruption' when used in the late Victorian period, whether about an individual or the Council itself. It examines the nature of the reporting of Council business by the local press, and the extent to which the objectivity and thoroughness of reports in the press about the behaviour of the two Council provided a valid basis for the assessment of critics about the integrity of the two Councils. The final section of the chapter gives examples of the range and nature of the criticism and allegations made about the conduct of the two Councils.

This chapter will argue that the local press by focussing attention on the conduct of municipal government. played a pivotal role in drawing attention to the need for improvements in the standard of integrity of both Councils in when conducting municipal business.

3.1 The changing language of corruption.

Private benefit from being a member of a Council, for example by 'helping the Council out,' by supplying goods or services needed by the municipality; and electoral corruption where the vote was seen as private property, available for sale to the highest bidder, were accepted practices in the eighteenth and early nineteenth century. Only bribery, the use of inducements or rewards to influence actions of public servants, particularly the judiciary, was regarded as corruption. Alan Doig noted that:

Victorian legislators faced with the prospect of distinguishing transactions which they wished to outlaw from the multitude of innocent dealings chose (in general) ¹⁰⁶ not to legislate against specific transactions.¹⁰⁷

He commented however that rather than formalising and codifying general standards of behaviour expected of public servants, a difficult task, the approach of Parliament was to use legislation to deal with specific abuses; offences which were seen to be damaging to the democratic process. As a result, bribery, where the concern was bribery of the judiciary, continued to be regarded as a criminal matter, and legislation was enacted to deal with electoral corruption which interfered with the free and fair conduct of the ballot. In both of these situations there were therefore provisions in the criminal law to prosecute offenders. Offences such as conflict of interest, or misusing Council facilities, both examples of behaviour lacking integrity which fell short of the behaviour expected of a public official, were considered to be acts of personal criminality, for which there was no statutory criminal sanction.¹⁰⁸ Instead the emphasis was on the type of person being elected to serve in public office who needed to have integrity, 'the right moral values,' and this involved having personal honour and rectitude. The only definition of the qualifications needed by a councillor is given in the early sections of the *Municipal Corporations Acts* of 1835 and 1882 which deal with the constitution of the Council.¹⁰⁹ Section Nine sets out the requirements which a burgess, to be eligible to serve on the Council of a municipal corporation, must meet. He must own 'qualifying property,' have paid the rates due on this property, have not received 'parochial relief or other alms' and was not disentitled under any Act of Parliament, (and this included personal bankruptcy.) The available evidence suggests that this section of the Act was adhered to; a number of members of the Council and officials resigned when they were made bankrupt or when bankruptcy proceedings had been initiated.

In the late Victorian period, the local weekly press included reports of individual cases of corruption by councillors and Council officers, persons in a position of trust who abused their position for personal gain. Their behaviour was seen to be the result of spiritual or moral impurity¹¹⁰ or deviation from the ethical values expected of such a person.¹¹¹ The court case

¹⁰⁶ The qualification in brackets has been added to the Doig quotation.

¹⁰⁷ Alan Doig, *Corruption & Misconduct in Contemporary British Politics*. (Penguin Books: Harmondsworth 1984), p. 25.

¹⁰⁸ The Common Law provided criminal sanctions for offences such as embezzlement and fraud, the former being used to prosecute those committing embezzlement within a municipality. The Common Law definition of fraud was not considered to be applicable to offences committed by municipal officials such as insider trading or conflict of interest. It was not until *Public Bodies Corrupt Practices Act* in 1889 that a criminal sanction became available for these offences. This Act is considered in Section 4.3. p.68.

¹⁰⁹ MCA 1882 s.9.

¹¹⁰ The word 'immorality' as used by the Victorians inferred moral depravity.

¹¹¹ The modern usage of the word 'corruption' places emphasis on 'dishonest or fraudulent conduct by those in power,' typically involving bribery, but does not imply depravity.

of *Manchester Corporation v S. Norbury Williams*, where the defendant had accused the corporation of 'corrupt practices', supported this association.¹¹² The Court's judgement which was based on whether the definition of personal corruption could be applied to a corporate body, held the corporate personality cannot be guilty of corruption.....'it does not have the wherewithal;' i.e. the capacity for spiritual or moral impurity which was considered to characterise personal corruption.

The local weekly press seized every opportunity to report malpractice of individuals involved in local government which was good for circulation, but despite the hostility of some of the criticism, even when these allegations were made or inferred, the use of the word 'corruption' was avoided. Instead reports which contained allegations of wrongdoing which was also illegal, tended to use the legal term 'embezzlement', or 'bribery', not corruption, possibly because it was thought to be easier for the reading public to relate to these legal terms.¹¹³ The word 'corruption' may have been avoided because it contained the inference of the spiritual or moral impurity of the offender, a character trait, which might be more difficult to attribute to councillors who gave their time to carry out the duties of the Council. There was also the risk that an allegation of corruption could leave the accuser open to prosecution for libel. The result is there are very few allegations where the word corruption was used to describe situations where there was malfeasance by individuals, although the import of the wording of the criticism was often clear.

The expectation of improvements in the standards of integrity required of an individual. were reflected in an expectation of an improvement in the behaviour of the Councils. The publication of information about practices used by both Councils which had previously been tolerated, but were increasingly seen as unacceptable, mirrored changes in attitude to practices in other areas of public life, for example, electoral corruption.¹¹⁴ John Garrard discussed the effect of the publicity about a scandal in Salford which revealed that the Gas manager, Samuel Hunter, had been receiving commission payments from suppliers of coal to the municipality. He noted that although the practice of commission taking was common and widely accepted in the commercial and professional world; when publicised in the press it came to be seen to be

¹¹² *Solicitors Journal*, 21 January 1891.'Comment' p.200.

¹¹³ The only offence considered to be corruption which was not covered by statute or the common law, was the taking of commission. This offence was covered by the wording of the *Public Bodies Corrupt Practices Act* (1889) which is discussed in section 4.3.

¹¹⁴ Attitudes to electoral corruption, which had also been tolerated in the early nineteenth century, also changed in the Victorian period. A number of factors might have contributed to the pressure for this change, for example the attitudes held by the 'new' middle class and the free churches. These changes in attitudes were however reinforced by legislation; for example, the *Electoral Petitions Act* (1868) which provided that election petition trials were to be heard in the Courts instead of the House of Commons, with decisions reported in the Press, resulting in the naming and shaming of the corrupt constituencies.

unacceptable and in conflict with the standard of behaviour expected in public life.¹¹⁵ A Council was deemed to have accepted the implied duty to provide governance with competence and integrity, having regard to the interests of the community.¹¹⁶ The findings of this research suggest that mismanagement, which was the consequence of actions by the Council and were the result of incompetence or ignorance, was seen as misfeasance. Deliberate behaviour by the Councils, the result of pursuing a policy which failed to meet appropriate standards of competence and integrity when acting in an official capacity, was seen as an abuse of power, and was regarded as Council corruption.¹¹⁷ This was a damaging allegation implying a deliberate pattern of behaviour by the Councils, which was not seen to be in the interests of the community. The problem in assessing the integrity of the Councils is therefore to determine whether the actions of the Council arose from mismanagement; unwitting behaviour which was the result of incompetence or ignorance; or whether the Council knowingly pursued a policy of unreasonable behaviour which was a breach of the implied duty to act with competence and integrity; an abuse of power which amounted to Council corruption.^{118 119} The types of reports about how the Councils conducted their business and the sources and nature of the allegations inferring unacceptable standards of integrity are considered in the next sections of this chapter.

3.2 Governing in the public gaze. How the local Press reported Council business.

Although the detailed reports and commentaries in the local press about the actions of the Councils provided a basis for the reader/critic to form an opinion about the integrity of the Councils' conduct, this section examines the extent to which the press was able to provide full and objective coverage of the conduct of the two municipal Councils. Scandals could be

¹¹⁵ John Garrard, 'The Salford Gas Scandal of 1887' *Manchester Regional History Review*, Volume II no 2 1988/9, p.12. The biography of Samuel Hunter is given in Chapter 6.3, p.126 'Lifestyle choices, the aspirations of officials and members of the Council.'

¹¹⁶ There was no formal statement of the principles on which public life should be based until the publication of the report by the Nolan Committee, (published on 31 May 1995), which set down seven principals which should apply in public life. These are: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty and Leadership.

¹¹⁷ The word 'unreasonable' used in the definition of the abuse of power, Council corruption, is used in the sense of actions which are beyond the limits of acceptability or fairness.

¹¹⁸ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.13. An example of when this was implied was the practice of supplying periodicals and journal to members of the Council which were clearly for personal use, a practice which was apparently accepted by the Council. Scott, who stated that his purpose throughout 'Leaves' was to draw attention to 'the need to reform Council corruption,' (p.52) did not actually use the word 'corruption' in any of the ten chapters dealing with the behaviour of different committees, but his wording in the summary of his findings suggest that he regarded the condoning of this practice by the Council as corruption.

¹¹⁹ Although the ruling in the Norbury Williams case stated that a Council cannot be guilty of corruption, because it could not take decisions based on moral choices, the word was used to describe the behaviour of Councils to imply an abuse of power. The phrase Council corruption is used in this situation.

'promoted' by individuals or groups with a special interest in damaging the reputation of the Council, even where mismanagement, which had resulted from honest ignorance, was the cause of the problem.¹²⁰ Scandals made good copy; and the press did provide detailed reports about matters which would appeal to their readers. Hennock, discussing the incidence of misfeasance and corruption, particularly the jobbing of contracts in local government, commented that reports of these incidents 'are rarely found in the official histories, but those who go to the newspapers will come across them'.¹²¹ This was undoubtedly true; after a dearth of detailed information about the conduct of municipal corporations in the first half of the nineteenth century, the local newspapers became the main source of information about the organisation and management of local government both to the reader and to the historian.

All three local weekly newspapers in Salford included very full reports of Salford Council meetings. *Manchester City News* published similar reports of Manchester Council meetings and also reported Council proceedings in Salford.¹²² These reports covered the items on the agenda directly relevant to the conduct of municipal business. All the local papers included in their reports discussions which dealt with the services provided by the Council; including for example planned or in-progress schemes of work; and reports prepared by a special committee or external enquiries carried out on behalf of the Council. Although editorials in the local press covered a wide range of subjects from international affairs and the conduct of national government, matters which did appear in editorials about municipal government do provide a useful indicator of the issues which were of concern to the readership. The editorial voice often provided a commentary on items discussed in the Council and reported in the particular issue of the paper, and although the comments made could be very critical about the competence of the Council or individual councillors by highlighting departures from acceptable practice, allegations of corruption were avoided. Editorials commented on allegations of incompetence and mismanagement made by critics about the conduct of the Council, but did not, in practice, see their role as being a mouthpiece for critics who inferred that the Council was corrupt. Although their criticism of the actions of the Councils could be robust, their stance in dealing with allegations or inferences of corruption was to comment on the reasons why actions complained of had occurred, and to recommend the steps which the Council needed to take to prevent recurrences. Complaints in the press could also be more general. *Salford Chronicle* campaigned for improvements to be made in how the Council

¹²⁰ The problems relating to sewage management attracted criticism, although there were no satisfactory methods of dealing with sewage waste, but some criticisms of delays in undertaking feasible schemes for minimising hazards were fully justified.

¹²¹ Hennock, *Fit & Proper Persons*, p. 297.

¹²² The local weekly press did give full reports of the debates giving verbatim some of the exchanges between members of the Council about contentious matters.

presented its accounts, commenting repeatedly about the practice of the Council using capital monies for revenue purposes, and *vice versa*, which could disguise overspending. This 'no further attitude' was probably fostered by the need for editors of the local weekly press to maintain good relations with the Council, as the newspaper relied for 'inside' information, particularly about the business carried out in committees, and the advertising income from the Council which published in the press for example, adverts for tenders to provide Council services which was a valuable income.

An editorial in *Salford Chronicle* expressed approval that arguments in Council meetings purely on party political grounds were generally avoided, commenting that:

It is always pleasant to see partisanship dropped in the Council discussions, and we must say in the Council's discussions there are very few manifestations of it. The elections are managed through political organisations but partisanship is merged in an effort to promote the good of the community.¹²³

Although the *Salford Weekly News* expressed allegiance to the Liberal party and the *Salford Chronicle* to the Tories, party politics did not intrude into the objectivity of the reporting of Council Proceedings. This did not however prevent statements and actions of individual councillors made outside the Council chamber being treated by the press according to the party label. Editorial comment could have a party bias in the period before local or national elections when reporting favoured the party to which the newspaper owed allegiance or when it involved speeches or actions made outside the Council. When the performance of Salford's MPs at Westminster was discussed; this was strictly on party lines. In 1868, when Salford, for the first time, returned two Tory MPs, the Liberal *Salford Weekly News* wasted no opportunity to criticise and oppose the statements and policies of the two members, Messrs. Charley and Cawley, whether made in local meetings or within Parliament. The demonstration of allegiance to the party label was also shown in matters such as the reporting the meetings and the social programme of the relevant political association, and at election time, detailed descriptions were published of the candidates representing the party and standing in the municipal or national elections. Although each councillor stood for election on a party label, there were differences in emphasis which cut across party lines, for example between the economisers and the spenders, their objectives overall remained the same. Despite the fact that each councillor stood for election on a party label, Garrard noted that in Salford, after the franchise extension of 1867:

¹²³ Ibid., 14 June 1884, editorial, p.2.

it became increasingly difficult, except in the most middle- class wards to appeal to voters simply on the grounds of celebrity and economic substance. Such appeals had to be supplemented by declarations of position on an increasing range of issues'...¹²⁴

He commented that although political parties participated in the organisation of elections, councillors did not bring to the Council meetings party political programmes or party discipline. Individual pledges, which were often ambiguous, tended to get 'easily lost once the councillor passed through the gates of the Town Hall.' He cited Councillor Bonsor who stated that: 'The proper duty of the councillor was to drop his politics before he entered the chamber and leave them outside in the Town Hall square to dry.'¹²⁵

Whilst this was true of party politics, partisanship in Salford was based on the district representation, which did affect discussions when the division of monies between the individual districts was involved, particularly relating to gas matters and the level of the rates. For issues such as flood prevention which affected Salford Township only, sensible action was frustrated by the unwillingness of the representatives of other two townships to agree to the spending necessary to mitigate the problem.

Seuss Law, who studied Manchester politics between 1885 and 1906, noted that although younger Liberal members of Manchester Council wished to make municipal politics more partisan, many of the older leaders 'still strong in influence and rich in experience,' continued to view municipal politics 'as belonging to a mode of administrative action as opposed to either partisan or ideological action.'¹²⁶ Although councillors identified themselves with a political party, many policies pursued by the Council did have support from both parties.¹²⁷ Party politics did have an influence in both Manchester and Salford, in a few situations, for example in the election of aldermen, where the aim of each party was to achieve a voting majority, and membership of committees where many important policy decisions were made. Seuss Law also identified an additional number of other issues where partisanship occurred in Manchester, for example about the succession to Joseph Heron, the Town Clerk when he retired, and the election of those members of the Council who would serve on the Board of the Manchester Ship Canal.

¹²⁴ John Garrard, *Leadership and Politics in 19c Salford, a Historical Analysis of Urban Political Power*, Salford City Politics – Research Series (Salford: Salford University 1967), p. 69.

¹²⁵ *Salford Chronicle*, 21 November 1874, p.4.

¹²⁶ G. Seuss Law, 'Manchester's Politics 1885-1906. Unpublished Ph.D. University of Pennsylvania (1975), - p.281. A major theme of this thesis was the extent that partisanship played in decision making by Manchester Council. i.e. when did the voting indicate that the parties were split on the basis of policy? In pursuit of this objective he examined the voting pattern in 279 recorded divisions in Manchester City Council between 1 November 1885 and 31 October 1906. His conclusions which are based on an analysis which involved looking at the voting pattern and political attribution of every member of the Council suggested that half the divisions where voting was on a party basis occurred when the matter related to one of the issues identified in the main text above.

¹²⁷ John Garrard commented that the absence of party politics meant that without an established opposition party it was less likely that actions lacking integrity would be held up as disgraceful. Since no party could be seen to be responsible, there was no deterrent to prevent Councils being 'cosily corrupt.'

For the majority of the municipal year, editorials dealing with local government in the weekly newspapers of Manchester and Salford and based on the information in the Council proceedings, provide useful commentaries on the decisions made by the two Councils, and insights into the reasons for or against a particular course of action. The local press supported the cause of public debate and accountability in local government; the exposure of cases of incompetence and mismanagement can be seen as a part of that campaign. All newspapers were also commercial enterprises, which had to compete for business; reports of misfeasance, mismanagement or actions which were seen to lack integrity by the Councils were seen as a successful way of attracting readers.¹²⁸ As a result, the tendency of the press was to publish in great detail, major scandals and any alleged incidents of wrong-doing by the Council or councillors. Criticism by the ratepaying public, when incidents of mismanagement by the Council resulted in a waste of public money, led to concerns that that this would reflect badly on reputation of the two Councils for government with competence and integrity. As a result, both Manchester and Salford Councils made deliberate attempts to prevent these occurrences coming to public notice in Council meetings. The agenda for Council meetings which would enable the reader to assess how efficiently the Council dealt with the business of the meeting was not published in the press. Motions for discussion in Council, including those put down by maverick councillors reflecting disquiet about some aspect of the way the Council conducted its business, which were the last items on the Agenda, were often not discussed as meetings ran out of time. Motions which were not debated were not automatically forwarded to the next Council meeting but had to put down again by the proposer for discussion at the next meeting. It could take determination get such a matter debated; and controversial motions criticising Council policy which were on the agenda often never reached this stage.¹²⁹

Information available to the press about committee deliberations, or other matters which might have been considered by the various committees, was limited.¹³⁰ Motions on the agenda of Salford Council, asking for reporters to be admitted to the General Purposes Committee were always defeated,¹³¹ although there was support for the idea from some members of the Council. Manchester did allow reporters to attend the meetings of the Manchester General Purposes Committee, although this committee was rarely convened. Motions seeking

¹²⁸ All three Salford weekly newspapers and the *Manchester City News* were published on Saturday; the detail in which scandals were reported was no doubt seen as an important factor in attracting readers.

¹²⁹ The Agenda and the resolutions dealt with at a particular Council meeting are included in the 'Minutes of the Council,' published in the annual collection of the 'Proceeding of the Council' for both municipalities.

¹³⁰ The epitomes in Manchester or synopses in Salford which were intended to inform members of the Council about decisions made in the various council committees, were given to the press but contained only the resolutions which were passed. The usefulness of these in promoting greater efficiency in conducting Council business is considered in Section 5.4, p.109.

¹³¹ *Salford Chronicle*, 8 June 1872, Proceedings of Salford Council, p.3. A resolution to admit journalists to the meetings of the General Purposes Committee was rejected by a vote of 24 to 15. The membership of the Council was 64; 25 members were either absent from the meeting or chose not to vote.

agreement that reporters should be admitted to other committee meetings were all rejected; the majority view being that it was important that councillors should be able to express their views in committee freely, before decisions were made, without their actions being scrutinised and analysed retrospectively. The result of the rejections to admit reporters to committee meetings was to give the impression that committees must have something to hide. What happened in practice was revealed in a report with a by-line of 'not reliable'. *Manchester City News* commented sarcastically in 1898 that:

Reporters gather information of public doings, especially of matters of grave concern, in a most precarious fashion. An official is just the person they may not approach when hunting for news... The reporter has to buttonhole members of the committee as they leave the committee room and rely on their loquacity for a few scraps of information. There may be many things in committee which ought not to be divulged; but surely the good sense of the higher officials can be relied upon to supply to reporters such information on matters of public interest as may with advantage be known. ¹³²

Nevertheless, it was accepted in Salford that the Mayor should be able to agree to the release of information from committees to the press.¹³³ In 1892, a motion was passed allowing the various committees of the Council to appoint the Town Clerk as the authority to supply

from time to time, personally, or through his Department such information to the public of the proceedings of such committees as may be expedient; such authority to be of a general character except so far as it may be limited from time to time by special resolution of the committee concern.¹³⁴

Salford Chronicle in 'Comments on local matters' referred to this as a 'good move,' despite the qualification 'as may be expedient'. Access to information about the deliberations of Manchester Council committees was more limited, leading inevitably to suspicions that the Council must have something to conceal.

3.3. The sources and nature of the criticism.

This section provides a selective overview of the sources of the reports made about the conduct of two Councils over the period of this study. including the types of incident and the sources of the criticism where the behaviour of the two Councils was being identified by contemporaries as incompetent, and/or ethically dubious or corrupt ¹³⁵. The language used about the conduct of the two Councils covered both insinuations and allegations of extravagance, mismanagement, whether by incompetence, ignorance, or simply the absence of the necessary scientific or technical knowledge, as well as misfeasance or corruption.

¹³² *Manchester City News*, 14 May 1898 p.5. This was the report of an article in 'The Journalist,' the house magazine of the Institute of Journalists.

¹³³ *Salford Chronicle*, 21 November 1891 p.5.

¹³⁴ *Ibid.*, 5 March 1892 Salford Council Meeting p.4.

¹³⁵ A more detailed description of circumstances which gave rise to the main allegations identified in this section and the validity of the criticism is given in subsequent chapters.

Comments about the behaviour of both Councils ranged from observations of a Council's failure to conduct business in an orderly manner, minor carping about the services provided and how ratepayer's money was spent and accounted for, as well as inferences that the Council condoned the unethical actions of individuals.

Prior to 1870, weekly local papers included letters on a variety of subjects suggesting failures by Salford Council to provide council services, such as the failure to maintain the roads;¹³⁶ or drawing the Council's attention to the need to improve public health and the inadequacy of sanitary laws.¹³⁷ The reports of the 'Proceedings' of the Council were the most important source of information about how the business of the Council was conducted. Salford's reputation for poor governance was originally earned in the 1860s, when embezzlement by the Treasurer, William Noar, was reported in *Salford Weekly News*.¹³⁸ Subsequent reports to the Council about the scandal, and editorials in the press revealed the absence of appropriate record keeping, and audit; a problem which the Finance committee was alleged to have been aware, but had failed to address. The actual reports of a Council meeting revealed clear evidence of incompetence and inefficiency.¹³⁹

The behaviour of individual councillors could also attract press criticism. Editors could be strongly critical about the competence of a particular councillor or the Council, often using language which was far from complementary. The reporting of a statement made in debate by a senior member of Salford Council provoked an editorial to state:

There are probably no more untenable arguments than those put forward by Alderman Husband. They were puerile; indeed, we may say silly in the most extreme sense of the word. They hadn't either sense or reason.¹⁴⁰

The conduct of Councillor Mandley which led to delays in making decisions, and in some cases led to the abandonment of the Council business was also criticised. His trenchant and frequent criticism of the management of the Salford Gas works led, on occasions, to name calling and

¹³⁶ *Salford Weekly News*, 20 January 1866. Letter, p.4. 'Poor Regent Road,' complained about the 'suffering' of those who had to traverse the road. He suggested that the secret of getting a clean-up was 'to have a councillor living there thence the road will be clean and lighted'.

¹³⁷ *Ibid.*, 2 May 1868. Letter, 'A working man' p.4.

¹³⁸ *Ibid.*, 8 September 1866, editorial p.2. William Noar was the Chief Clerk in the Treasurer's Department prior to his promotion. He was recommended for the post of treasurer when David Chadwick resigned from the post in 1860. Although there is no record that Noar was guilty of embezzlement when he was Chief clerk, his defalcations started from the year of his appointment. How the Noar embezzlement was carried out is considered in detail Chapter 7.1. p.141.

¹³⁹ *Ibid.*, Proceedings of Salford Council, p.4.

¹⁴⁰ This comment was made in an editorial in *Salford Weekly News*, 2 October 1876, p.2, a paper which supported the Liberal cause. Alderman Husband, who was Chairman of the Salford Finance Committee, was a builder and contractor, a Tory property owner and a member of the Salford Property Owners' Association on the Council. He was elected an Alderman 1874, had chaired the Salford General Finance Committee and served as Mayor for 2 years, 1881-3.

unruly behaviour by some councillors in Salford Council meetings, providing an unfavourable picture of the competence and efficiency of the Council.¹⁴¹ Although Salford appointed a new Gas Manager, Samuel Hunter in 1875,¹⁴² allegations of misfeasance, and corruption in the management of the Gas department, which had preceded his appointment continued to dominate the attention of critics. Full reports of the legal proceedings and editorial comment in all the Salford weekly press about the trial for libel brought by the Corporation against Ellis Lever, a coal merchant, revealed that the allegations made about the corrupt nature of the tendering procedures used by the Gas committee were proven.¹⁴³ The trial revealed the ignorance of the Gas committee about how the Gas Department was managed, and demonstrated how Samuel Hunter the Gas manager effectively controlled the Committee and had been able to negotiate commission payments on all the contracts for the supplies of coal needed by the gasworks. The aftermath of the Hunter affair continued to attract press comment throughout 1888.

As the reportage of the Hunter affair was dying down, reports of embezzlement by the Town Clerk of Salford, John Graves¹⁴⁴ were reported to the Council. These led to editorials in the press questioning why the embezzlement, which had been over a three-year period, had not been detected earlier.¹⁴⁵ Despite the improvements made to the financial management system implemented after the Noar embezzlement, an overspend of the Borough fund in Salford was reported in 1894 when the Council needed to borrow money from Central government to cover a deficit.¹⁴⁶ The Council's own investigation of what became known as 'The Great Salford Muddle,' revealed a number of shortcomings in the way the accounts were kept in the municipality, leading to both censure and ridicule of the Treasurers Department.

The 'Proceedings of Manchester Council', published in the press, also provided critics with the material to make damaging criticism about the competence of senior Manchester councillors. The presentation of the accounts of Manchester by Alderman Thompson, Chairman of Manchester Finance Committee led to him being called 'irresponsible' by a critic, a comment which was published by the *Manchester City News*^{147,148}. Criticism of the Aldermen Husband and Thompson, the Chairmen of the Finance Committees in the two municipalities can have

¹⁴¹ The biography of Councillor Mandley and the part he played in the Salford Gasworks scandal is given in Chapter 4, p.82.

¹⁴² The biography of Samuel Hunter is given in Chapter 6.3, p.126, 'Lifestyle choices, the aspirations of officials and members of the Council.'

¹⁴³ There was full page coverage in *Salford Reporter*, 24 March 1887.

¹⁴⁴ The biography of John Graves is also given in Chapter 6.3, p.126, 'Lifestyle choices, the aspirations of officials and members of the Council.'

¹⁴⁵ *Salford Reporter*, 25 August 1888, p.8. Proceedings of Salford Council.

¹⁴⁶ *Ibid.*, 29 October 1894, p.8. Proceedings of Salford Council.

¹⁴⁷ Joseph Thompson was elected to Manchester Council in 1865, and was elected alderman in 1879. After serving as deputy Chairman of the Finance Committee he served as chairman from 1879 to 1885.

¹⁴⁸ *Manchester City News* published the reports by Joseph Scott, who referred to Alderman Thompson as 'irresponsible' on 9 separate occasions. Scott's role as an Elective auditor is considered in Chapter 4.5.p. 81.

done little to reassure readers that the finances of the two municipal corporations were in competent hands.

Editorial comment on the conduct of Manchester Council business highlighted behaviour which appeared to lack integrity. Prior to the 1880s there were very few allegations criticising the conduct of Manchester Council, and the tenor of the criticism which was made was directed to 'unacceptable' practices'. In 1865, for example, an editorial in *Manchester City News* commented on a matter raised in Council about monies paid by the Council to compensate the Royal Exchange, which had to move to allow for a development scheme, were paid to the 'wrong' people. This led to the statement that some members of Council had ensured that their friends had been 'rewarded handsomely'.¹⁴⁹ Although this allegation was denied, there was no explanation or follow up about the reasons why the payments made. An editorial of 1875 raised a similar matter that... 'some members of the Gas Committee had conducted themselves in a manner that could not be tolerated'; by entering an arrangement to purchase land without the sanction of the Council until the transaction was nearly completed. The members were not named.¹⁵⁰ No explanation was offered about why the Council were not involved in the purchase at an earlier stage. The inference was that as the purchase was for a legitimate reason, the failure to get the Council's approval before negotiations were undertaken was not considered as behaviour lacking integrity.¹⁵¹

In the 1870s Manchester Council set up two enquiries to look into how the Council conducted municipal business, with the aim of disarming critics who raised concerns in the Council about mismanagement. A subcommittee set up to consider the way the Council supervised the actions of its committees, reported within a month that no change was needed.¹⁵² Arthur Redford noted that this report was 'a masterpiece of evasion' drawn up by a subcommittee consisting of the Chairmen of the standing committees, plus two other persons, who were very unlikely to see the need for any change.¹⁵³ A report from the Manchester Finance Committee on the audit of the accounts of the Council stated that no changes were needed to the system of local audit by amateur elective auditors which was satisfactory.¹⁵⁴ A Select Committee of Parliament also considered the matter. Joseph Heron, representing Association of Municipal Councils, opposed the idea of more rigorous district audit of municipal accounts, stating that

¹⁴⁹ Ibid., 9 September 1865, editorial, p.2, supporting allegation that the compensation payments were unfair.

¹⁵⁰ Ibid., 9 January 1875, editorial, p.2.

¹⁵¹ An alternative explanation was that the behaviour in both these cases was a hark-back to practices in the early period of municipal government when it was accepted that councillors could personally take on the conduct of council business on behalf of the council.

¹⁵² *Proceedings of Manchester Council*, 9 December 1879. The problems which resulted from the failure of Manchester Council to control the work of its committees is considered in Chapter 5.3

¹⁵³ Redford, *The History of Local Government in Manchester*, Volume II p.433.

¹⁵⁴ *Proceedings of Manchester Council*, 3 December 1874.

Manchester 'audit is complete and efficient.'¹⁵⁵ Audit of the accounts of the two municipalities is considered in more detail in Section 7.2, p.148.

The 1880s saw a greater focus by critics on the competence of the Manchester Council. The first of a number of high-profile incidents, the trial for embezzlement in 1880 of Frederick Hepton the chief clerk and bookkeeper in the Waterworks Department, led to a series of editorials in *Manchester City News*.¹⁵⁶ The trial uncovered evidence of mismanagement and incompetence in how the Council managed the finances of a section of the Department's services.¹⁵⁷ The detailed evidence given in the trial also implicated a senior member of the Council, Alderman Grave, and the Superintendent of the Department, T. G. H. Berrey, both of whom it was alleged had condoned or even connived in the financial misfeasance in the Waterworks Department.

The focus of the press in publishing scandals whether the result of the misfeasance by the Councils or the alleged corruption of individual councillors or officials led to an increasing focus on how the Councils conducted municipal business.¹⁵⁸ The outcome was that criticism which identified this behaviour as lacking integrity. also pinpointed other practices of the Council, or of individuals who committed offences whilst under the aegis of the Council. Many of these related to behaviour which had previously been tolerated but were no longer seen to be acceptable, in effect expanding the definition of corruption. The increasing involvement of the Council in major schemes of work to improve environmental conditions often led to mismanagement which impacted directly on the lives of residents in the two boroughs, particularly poor- quality services. Failures to complete public projects on time or to deliver the expected outcome which resulted in cost overruns, or delays in implementing necessary environmental improvements, led to ever present concerns about the management of finances in the two boroughs, and the possibility of an increase in the level of the rates.

¹⁵⁵ District audit -- the audit of local government accounts by agents of central government. Introduced originally to provide more rigor and transparency in the accounts of poor law authorities, its use was extended to a number of other authorities including, for example school boards sanitary authorities and highway authorities. The intention was to promote public accountability by providing a system of audit conducted by District auditors under the aegis of LGB, who could disallow illegal spending and recover deficiencies by surcharging officers and members of an authority.

¹⁵⁶ Frederick Hepton had been appointed as Chef Clerk and Cashier of the Waterworks Department in 1873. The dual appointment which facilitated the embezzlement was apparently made as an economy measure.

¹⁵⁷ More details about the cases mentioned in this section are given in subsequent chapters of the thesis.

¹⁵⁸ Garrard, *The Great Salford Gas Scandal 1887*, discussed the effect of the publicity about a scandal in Salford which revealed that the Gas manager Samuel Hunter had been receiving commission payments from suppliers of coal to the municipality. He noted that although the practice was common and widely accepted in the commercial world, but when publicised in the press it was seen to be unacceptable and in conflict with the standard of behaviour expected in public life.

Findings and précis of Chapter Three

This chapter has explored what the Victorian critic meant by the 'corrupt' behaviour in the late nineteenth century when using the term about individuals or about the Council itself. It confirmed that the exposure of wrong-doing by members of the two Councils, their employees and the Councils, in the local weekly press led to an expectation of improved standards of integrity in conducting municipal business with the result that criticisms of their behaviour became more severe, however notes the reluctance of critics to accuse councillors of corruption. The research, which included an assessment of the objectivity and completeness of the information published in the local press, found that although the reporting of Committee business was limited, there was sufficiently detailed information to enable critics to assess the behaviour both of the two Councils and of the individuals involved in delivering Council services and make valid judgements about the probity of the Councils and the integrity of individual officers. The concluding section of the Chapter which identified the different sources of information available to the critic gives examples of the allegations and criticism made about the two municipalities.

Chapter Four. The validity of the allegations.

The local press was vital in changing public attitudes about what constituted acceptable practices in conducting municipal business. This chapter examines how this was reflected in the attitude of critics to practices used by officers and councillors had previously been tolerated, and the reaction of the Councils to this criticism. The widespread use of these practices in public life led to the *Public Bodies Corrupt Practices Act* of 1889, which provided a sanction for those guilty of behaviour lacking integrity. The chapter examines the reasons for the failure of both Councils to use the sanction provided by this Act, or the earlier sanction of disqualification from the Council provided by the MCA1835/1882. It considers the reasons why both Councils were unwilling to take action and sanction fellow members of the Corporation who were guilty of corruption but argues that the alternative of not taking action and condoning these offences, did itself damage the reputation of both Councils for integrity.

The final two sections of the Chapter which deal with the attitude of critics to proven cases of embezzlement, argue that although there was no attempt by the two Councils to mitigate the punishment for this offence, the loss of income to the Council from this cause could be significant. This led to criticism focussing on the reasons for the mismanagement by the Council which facilitated the embezzlement. The thesis argues that although the Elective auditors did rightly identify mismanagement by both Councils which amounted misfeasance, or even Council corruption, the rhetorical language used by some Elective auditors who had a political objective to pursue, could lead to cases of mismanagement being understood to be Council corruption.

4.1 Customary practices

The incidents described in this section deal with practices dating back to the early days of municipal corporations, when councillors themselves ‘helped the council out’ by providing the services at a time when the council itself lacked the resources to undertake this role. Many of these practices dealt with behaviour which was seen as both normal and perfectly acceptable in the commercial field. Joseph Scott’s investigation into the spending by the Departments of Manchester Corporation reflected the attitudes which he felt should apply to the behaviour of the members of the Council and their officials in the late Victorian period.¹⁵⁹ His focus, in the early reports in ‘Leaves’ was on extravagance, particularly the spending on ‘customary practices’ which had been seen as acceptable charges on municipal funds. There are two

¹⁵⁹ Scott, *Leaves from the Diary of a Citizens’ Auditor*.

aspects to his allegations: the inference that those who accept Council largesse were personally corrupt, but also that the Council was guilty of corruption by effectively condoning profligacy. Scott placed special emphasis on the spending on entertainment, particularly expenditure on wines spirits and cigars, which he regarded as extravagant and wasteful. Although he did not use the word 'corruption' he made it clear in the conclusion to his reports that that his aim was ...'to indicate to the ratepayers where corruption was to be found.'¹⁶⁰ He spiced the criticism with words like, 'smoking or taking away during the year 3,500 cigars costing sixpence each and wine enough to fill a small reservoir.'¹⁶¹ This was a damaging allegation, which set the tone for his criticism about spending levels on entertainment throughout the departments of the municipality. The allegations were not denied by the Council; there were no apologies or attempts to justify this spending. It appeared that providing wine and cigars for councillors when the Council and its committees were meeting was a long-established practice. For many councillors who were also businessmen attending Board meetings of companies, the provision of wine, spirits and cigars was an expected amenity, if not a necessity. explained that he bought the wine and cigars, and he supplied other committees and the Mayor's cellar.¹⁶² These cigars and the wine were also consumed when members of the Committee were on Council business in the Lake District. He noted that the 18 members of the Waterworks Committee spent more time than any other committee on Council business away from Manchester, but despite this, the number of cigars consumed over an 18-month period represented 2 cigars per member per week. He did not attempt to quantify the amount of wine consumed per councillor. The emotive way Scott presented these allegations did lead to letters to the press from the public with strongly worded criticism, alleging the extravagance of this behaviour, rather than corruption. This suggests these actions were still regarded as customary practices, not undertaken for profit but as a necessary accompaniment to the conduct of Council duties and therefore to be tolerated. As the practice was however condoned by the Council, Scott saw this as a breach of the standards of integrity expected of the Council. James Moore, writing in 2007, was more direct; he regarded these actions as corruption.¹⁶³

Scott's account of spending on hospitality by Manchester Corporation departments is replete with details of what he considered to be excessive spending on food and entertainment, for example the menu and spending on the dinner following the opening of the Osborne Street

¹⁶⁰ Scott, *Leaves from the Diary of a Citizens' Auditor*, 'Conclusions' p.53. He did not define what he meant by corruption.

¹⁶¹ *Manchester City News*, 4 October 1884. Manchester Council Proceedings, p.6.

¹⁶² Henry Patteson, a marble mason by trade was elected to Manchester Council in 1860 and was elected Alderman in 1868. He served as mayor for the year 1879-80, and chaired the Waterworks Committee from 1880 until his death in 1887.

¹⁶³ James Moore & John Smith (editors), *Corruption in Urban Politics and Society, Britain 1780-1950*, p.99.

Baths was given in detail. The event was attended by twenty-one people, although the Baths Committee had only twelve members. The food cost 15s each, but he noted that the drink 'consumed or charged' amounted to 35s per head.¹⁶⁴ He disapproved of any event involving hospitality, even where the purpose was to celebrate and publicise an achievement, for example the presentation of the Royal Institution building to the Council for use as an Art Gallery.¹⁶⁵ His condemnation did attract support, although the detail of some of Scott's allegations was challenged. Many councillors found it necessary to distance themselves from the allegation that they had enjoyed the hospitality of the Council, suggesting that councillors themselves were aware that public attitudes to previously accepted practices were changing.¹⁶⁶ There was no challenge to the implication that some of the spending on entertainment was extravagant, even exorbitant. This behaviour by Councils was seen by later commentators as a necessary and accepted way of confirming Manchester Corporation's claim to civic leadership'; civic rituals like the opening of civic buildings was 'authority made visible;' by inference this spending was justified.¹⁶⁷ James Moore and Richard Rodger noted that public ceremonies formed part of the municipal network, which provided opportunities to meet with the invited representatives of other municipalities to share knowledge, and was a practice followed in other municipalities.¹⁶⁸ For critics it was the lavishness of the spending, which was mainly enjoyed by councillors, rather than the holding of such events, which attracted criticism; but despite this, there is no evidence that this spending was seen as venial, behaviour lacking integrity.

It was accepted practice that members of the Corporation, travelling on council business, could claim expenses. The two municipalities initially used the same formula for reimbursing members; first-class rail travel and a guinea and a half per day (24 hours) for other expenses,

¹⁶⁴ This expenditure has to be seen against salaries and wages during the late Victorian period in the 1880-1900 period for men in municipal employ. Typical salaries for superintendents and officials such as Hunter and the treasurers of the two municipalities were in the £600 to £900 p.a. range. The salaries of the large numbers of clerical staff employed by the two municipalities, for junior staff were in the range of £60 -£90 p.a. More senior staff were unlikely to exceed a salary of £250 p.a.

¹⁶⁵ Scott, *Leaves from the Diary of a Citizens' Auditor*, p. 28, argued that the funding of the event held when the Art gallery was opened (a facility which, he said catered for the middle or upper classes) was *ultra vires* the Corporation. He produced full details of the money spent on the event which cost £4.800 to stage, and did show that no expense had been spared in the hospitality offered to the guests of the Council).

¹⁶⁶ A series of letters published at the same time corrected other misstatements by Scott about attendance at Bath Committee 'feasts'; for example, Councillor Gibson stated that he did not attend the banquet at the Queens Hotel; he was not a member of the committee at the time.' Councillor Ashcroft, who was also accused of being present at one of the Baths committee dinners, stated that he was not on the Council at the time and had never dined at the named hotel. etc.

¹⁶⁷ Simon Gunn, *The public culture of the Victorian middle class* (Manchester: Manchester University Press 2000), p.163. noted the need Councils felt to provide symbols which demonstrated civic pride. One manifestation of 'civic pride' was to have an impressive Town Hall. Examples where the Councils accepted this, were in Manchester, Bolton and Rochdale, all of which were constructed in the 1860 -1870 period.

¹⁶⁸ James Moore and Richard Rodger, 'Who Really Ran the Cities? Municipal Knowledge and Policy Networks in British Local Government 1832-1914', *Jahrbuch fur Europaische Verwaltungsgeschichte* XV (2003), 61.

plus cab fares.¹⁶⁹ Complaints surfaced in the 1870s, when occasional reports about the extravagance of the two Councils were published. The size and cost of the ‘deputations,’ alleged to be on ‘Council business’, and the amount of the payments to councillors for their expenses were regularly criticised. By the 1880s attitudes were changing, the issue of claims for travelling expenses and allegations of extravagance about the numbers of councillors and officials who went on these visits had become a regular feature on the agendas of both Councils. Criticism about the travel expenses claims of members came not just from letters from ratepayers, but also from members of both Councils, where discussion often concerned the size of the deputation who should go on visits, particularly those visits involving an examination of methods used by other authorities, which could be relevant to problems which existed in Manchester and Salford. There was recognition that some visits, referred to as pic-nics,¹⁷⁰ could not be justified on this basis. A regular item on the agenda of Salford Council¹⁷¹ related to the cost of the visit of the Water Committee to inspect the facilities at Woodhead, where both the business need and the size of the group going on the visit were questioned and criticised. Councillor Walker in 1872, unsuccessfully moved in Salford Council that the size of a ‘deputations’ should be limited to five, ‘unless Council directed otherwise.’¹⁷² He stated that trips to the Woodhead Waterworks were known to everybody as pleasure trips and accepted and understood as such. There was no business reason for the Woodhead visit, but every year a motion before the Council to abolish it, or at least reduce the size of the visiting group, was defeated. It was felt this had to be a matter for the individual committees; not the Council which had failed to intervene to provide guidelines about acceptable practices.¹⁷³¹⁷⁴ The Woodhead ‘pic-nic’ became an annual feature of the Salford Council year, and a justifiable target for criticism. The visits of the committee members and officials of the Manchester Waterworks Department to Thirlmere attracted similar criticism of extravagance in Manchester Council, and were a target for Scott’s investigations. His attitude to the expenses claims for visits to Thirlmere and Woodhead, which he referred to as ‘pleasure trips,’ coloured his attitude to all expenses claims. He stated throughout his reports that he was acting on behalf of the ratepayers who elected him, ‘to obtain for the ratepayers the manner in which the public money

¹⁶⁹ No mention is made anywhere in the Council reports that councillors received travelling expenses for the journey from home to Council meetings. Many lived outside Manchester, for example Alderman John Hopkinson lived in Alderley Edge, and had to commute into Manchester for meetings.

¹⁷⁰ The term ‘pic-nic’ was used in a pejorative sense.

¹⁷¹ *Salford Weekly News*, 19 August 1872, p.2, Salford Council Proceedings.

¹⁷² *Ibid.*, p.2. Councillor J.W. Walker was a pattern card maker who served on the Council for 11 years, from 1868 to 1879. He cited one trip where 11 members went to East Barnet to inspect a sewage disposal, installation. He noted that the party could not discharge their duties until Thursday but arrived in London on Tuesday. The following week, an editorial confirmed that the Epsom Derby took place on the Wednesday. Walker did not however allege that the claim for expenses made by members of the deputation included a claim for that day.

¹⁷³ This was recognition that the Council were highly unlikely to be able to agree any common policy.

¹⁷⁴ The policy in both municipalities adopted by some committees was to take a large number of councillors when inspecting equipment which might be purchased even if the group was accompanied by officials who could carry out a technical evaluation of the equipment. This is discussed in Section 6.4, p.136.

is being spent by the corporation'. As a result, he appears to have adopted as the standard for the 'reasonableness' of the expenses claims, was whether ratepayers would agree that the spending was a necessity. Commenting on the size of the 'deputations, Scott suggested that the 21/6 per day plus first-class railway fare. 'is an offer which is difficult to refuse,' and asked:

What reason is there why five or ten members should go on a deputation, when one or two would represent the wealth, wit, wisdom, and every other necessary qualification of the Council? ¹⁷⁵

Manchester Waterworks Committee provided Scott with several examples where there was mismanagement of parts of the scheme to obtain water supplies from Thirlmere. ¹⁷⁶ He cited two examples where he claimed the spending on entertainment and travel costs associated with the scheme were not justified. The 'annual trip' of the Manchester Waterworks department to Woodhead included single rail fares for 69 persons, a banquet at 25/- per person for 70 persons, and carriage back to Manchester by omnibus, clearly gross extravagance and an unjustifiable expenditure on the rates, but it had become an annual tradition.¹⁷⁷ A 'pic-nic' to Thirlmere, which lasted for 9 days, and had five councillors and one official as members, was probably justified; the trip was made at a time when the Council were negotiating land purchases in the Lake District, and involved entertaining of local land owners.. The party size was therefore most likely determined by the extent of the business to be undertaken. Scott commented on the large expenditure on wines and spirits claimed for this trip, stating that the total cost to the rates was £90.¹⁷⁸ Sir John Harwood's report on the development of the Thirlmere scheme provided justification for the business visits to the Lake District made by members of the Manchester Waterworks Committee, noting that many councillors undoubtedly suffered inconvenience, and in some cases discomfort, in carrying out the business of the Corporation. There was general acceptance that as councillors were unpaid, they should be able to claim their expenses when undertaking visits on corporation business,

¹⁷⁵ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.50.

¹⁷⁶ Scott, *ibid.*, cited examples including the cost of maintaining the hotel at Dale Head for use of visiting members of the Corporation which was underutilised and lost money, and the failure to optimise the income which could be obtained from the lease of properties which the Council had acquired as part of the development.

¹⁷⁷ The Victorian equivalent of a 'teambuilding' exercise? Many owners of mills arranged trips as a reward for the loyalty of their workers; a tradition in the North West was a day excursion by train to Blackpool. It is not suggested as the justification for this trip; the cost was exorbitant.

¹⁷⁸ Strange that Scott should cite this as an example! The statement that wine and spirit charges were added to the cost of the trip implies that this was one of the trips to carry out negotiations and meetings with the local landlords whose agreement was vital if the Thirlmere scheme was to be feasible. If the party size was therefore justifiable, the total cost of the trip seems modest, assuming that the daily expenses allowance of 1½ guineas per day plus the cost of the rail fares are presumably included in the stated cost. Scott did add that he might not have included the entire costs of this 'royal' outing as some of the other spending by the Waterworks Committee on wines and spirits might also have been consumed by this 'deputation'.

as 'it would be unreasonable to expect any councillor to pay out of his own pocket for the privilege of serving the city. Nonetheless the system which paid expenses as a fixed sum led Scott to ask:

How many Councillors or even august Aldermen travel first class?.....it is generally assumed that he ought not to put anything into his pocket out of the hard earnings of ratepayers...No exception could or would be taken were the Aldermen and Councillors to charge only expenses out of pocket.... Were such a course adopted, I make bold to say we should have fewer deputations, and the cost could be reduced nine-tenths...¹⁷⁹

Scott's argument did get support, even in the Councils. When a motion to adopt a system for paying the actual expenses incurred was debated by Salford Council, Alderman Mandley noted that 'some members who went on these deputations charged 1st class fares but only travelled 3rd class'. When challenged to reveal the names of these councillors or withdraw the statement, Mandley agreed to withdraw only when it was confirmed that expenses for half-day's absences were paid on the basis of actual expenditure. He added, however that it did not alter 'his knowledge of the facts'. The motion to change the *status quo* was lost by 39 votes to 10. Salford did not change the formula for paying expenses for the rest of the century.

Scott's real complaint was justified; there was no policy in place to rationalise the expenditure on travelling expenses.¹⁸⁰ He did not allege that there was a widespread practice of 'fiddling' expense claims by members of the Manchester Council,¹⁸¹ although as a result of the failure to control the size of the 'deputations' and the length of some visits, he stated that there was unnecessary extravagance.¹⁸² He hinted that some councillors seemed to undertake more travelling than their colleagues. By publishing lists of the expenses claims of 22 members of the Council and 14 officials, which were accompanied by a commentary on some of the claims, he left the clear impression that those making the largest claims had something to explain, irrespective of whether the expenditure claim could be fully justified by the nature of the business undertaken. His criticism did have some effect. Frank Hollins who wrote the Auditors'

¹⁷⁹ ...Scott. *Leaves from the Diary of a Citizens' Auditor*, p.18, added that 'it is a matter worthy of consideration how any man can spend a guinea and a half per day and still be in a condition to attend to his duties.'

¹⁸⁰ *Ibid.*, p.19.Scott's suggestions that only claims which were made for travel to carry out essential Council business should be accepted and the number of members of parties involved in these visits should be reduced, were not formally adopted by the two councils. The standing orders of Manchester Council were changed to state that claims, which should not exceed the one and a half guinea limit per 24 hours, should be for the actual expenditure incurred.

¹⁸¹ *Ibid.*, p.19. He did suggest that a one- day visit could be spread over 3 days with 'a day' and 'a night'. each charged at 1½ guineas but he did not provide any evidence that this had actually occurred.

¹⁸² *Salford Weekly News*, 10 August 1872 p.2. Proceedings of Salford Council. There was regular criticism about the Salford Water Committee 'pic-nics' in the Council.

report for the following year, 1884-5 commented that 'expenses claims are lower.¹⁸³ The 'Standing orders' of Manchester Council' were changed after 1885 to specify that:

Members of the Council shall as far as practicable, charge the actual amount expended, but in no case shall the amount exceed one and a half guineas per day and night.

Although the payment of travelling expenses was seen as warranted, the later questioning of the fixed-sum method of payment and the subsequent change in practice in Manchester is an illustration of changing attitudes to a previously well-established and accepted practice, not only by critics but also by members of Manchester Council. Scott did identify other practices which were open to criticism. He brought to public notice the use of the Council's system to purchase goods for councillors which were for their personal use. The justification was that these services provided councillors with items which they might need during the day whilst they carried out Council business. Scott noted that the paperwork associated with these orders which were usually for small items such as combs, mirrors, and soap, did not identify the names of the recipients of the Council's largesse.¹⁸⁴ He also found that Manchester Council supplied copies of newspapers and journals to the various departments of the Corporation in order that councillors and officials could keep abreast of events and public opinions expressed in the press, a practice he accepted was a legitimate charge on the public purse, but he regarded the numbers of copies of each title which were ordered as extravagance. Nevertheless, when the requests were for titles of newspapers and journals with a content which was clearly for private use, and in some cases were delivered to the homes of councillors and officials, his language rightly inferred that the recipients were guilty of corruption, and the Council, in failing to prevent this abuse was condoning the behaviour.¹⁸⁵ Scott also identified that this system used for the ordering of for 'miscellaneous goods' provided opportunities for fraud, but he offered no evidence that councillors abused the system by ordering expensive items, yet he saw the practice as unacceptable and he inferred that councillors who took advantage of this facility were guilty of corruption.

The Council did carry out and published its own review of the Scott findings.¹⁸⁶ This made no attempt to justify the amount of money which, it accepted, had been spent 'both illegally and

¹⁸³ Frank Hollins, was a member of a family firm manufacturing leather goods. He served as Elective Auditor with Joseph Scott for the years 1884-5, and 1885-6, and after Scott did not seek re-election, he served a further two years 1886-7 and 1887-8 with Wallace M Greaves as co-Elective auditor.

¹⁸⁴ The problem of accounting for the income and expenditure in a municipality is considered in Chapter 7.1, p.141

¹⁸⁵ Scott's criticism of Joseph Heron, Manchester's Town Clerk, made at several points in 'Leaves', amounted to alleging that Heron was corrupt. Scott identified the charging the subscription of a magazine which was for personal use to the Council; excessive claims for travel expenditure, and agreeing payments from the Borough Fund, which Scott alleged were *ultra vires* the municipality, when he was still being paid a salary of £2,500 by the Council.

¹⁸⁶ *Manchester City News*, 29 November 1884, p.5.

improperly....by those to whom the government of the City had been entrusted.¹⁸⁷ An attempt was however made to mitigate the blame falling on councillors by noting that:

No excuse can be offered for the silence of previous auditors and neglect of duty. Their inefficient and inadequate performance' in the matter intended by the legislature to check municipal irregularities, deserves condemnation.

This response probably did not impress the ratepayers who had studied the council's behaviour.

There were clear signs that the Scott findings had been studied by members of Salford Council.¹⁸⁸ Alluding to the Manchester situation, Councillor John Dyson asked about the number of newspapers delivered to each of the three Town Halls at Salford, Broughton and Pendleton; Councillor John B .Foden asked about the opening of the Pendleton Baths; whether there was a pic-nic accompanying the ceremony, and was a silver trowel presented to the Chairman of the Baths Committee and who paid for it? ¹⁸⁹ ¹⁹⁰ There was some public concern that no in-depth study of departmental spending, and the efficacy of audit had ever been carried out in the municipality A correspondent writing to the in the Salford press noted,

the extraordinary revelations with respect to the Manchester Corporation accounts & expenditure have set people wondering why we have heard nothing from the Salford auditor. Are we to believe that our Council and officials are free from the feckless system of our neighbours? ¹⁹¹

A letter headed 'the Salford audit' suggested that an 'influential committee' should arrange a meeting at the Town Hall' to discuss the matter.¹⁹² This was supported by a correspondent who commented that 'many people were asking, after the Scott-Hollins disclosures in Manchester, which may to some extent be exaggerated, whether it was not likely that Salford may be suffering a similar abuse?' ¹⁹³ The report of a meeting at Salford Town Hall to discuss audit in Salford, turned however on how the Salford Elective auditors conducted audit process. The only outcome of this meeting was the disclosure that in practice Salford auditors did not always conduct an independent audit, instead were only given time to inspect the papers of the Council and were then expected to sign the audit off. The matter was not followed up;

¹⁸⁷ The alleged 'illegality' appears to relate to the practice of committees to 'cover up' incidents of mismanagement. Examples of this behaviour are discussed in Section 8.1,p.162.

¹⁸⁸ *Salford Chronicle*, 4 October 1884, p. 2, Salford Council Proceedings.

¹⁸⁹ John Dyson who served on Salford Council between 1867 and 1885, was a carpet manufacturer; John B Foden who was elected 1881-was an auctioneer and valuer. He remained on the Council until 1904.

¹⁹⁰ *Ibid.*, 1 November 1884, p.2. Salford Council Proceedings. Alderman William H Bailey, Chairman of the Baths Committee, an engineer, was elected to the Council in 1874 was elected alderman in 1880. He served as Mayor for the year 1882-3. He stated that the cost of the pic-nic did not come out of the rates; as chairman he paid for the trowel and the picnic himself, and the builders paid for the ceremonial mallet.

¹⁹¹ *Ibid.*, 27 September 1884, p.2. Letter: 'Doubtful.'

¹⁹² *Ibid.*, 1 November 1884, p.4. Letter: W. H. Sutton.

¹⁹³ *Ibid.*, 22 November 1884, p.4. Letter: Veritas.'

Salford critics, unlike their Manchester counterparts, did not apparently regard spending on 'customary practices' as a matter that needed further investigation.

These cases discussed as 'customary practices' provide evidence that as a result of the exposure about how the Council conducted its business, the definition of corruption was changing, and some previously accepted practices, such as the ordering of newspapers and journals for private use, and participation in 'pic-nics which had no business purpose, were being seen by critics as unacceptable, and were practices which lacked integrity, a view which was also shared by some members of the Councils. The underlying problem however in all these situations was the failure of both Councils to set down guidance about what constituted acceptable practices. It seems probable however that both Councils recognised that it was very unlikely that the various committees would be able to agree a common policy or would agree to any restriction on the right of a committee to take decisions about its conduct.¹⁹⁴ To Scott, this was condoning wrong-doing.¹⁹⁵

4.2. Conflict of interest: insider trading.

Municipal government in the two municipalities was not immune from acts of corruption by individuals, which could occur within any branch of municipal services where opportunities existed for conflict of interest to arise. Both Manchester and Salford employed staff to carry out a range of different roles within the municipality, including officers with special expertise, whose roles often involved developing and defining services or having executive responsibilities. The risk that councillors could influence decisions made in Council to further their own interests was recognised; the wording of the MCA para 22(3) provided that:

A member of the Council shall not vote or take part in the discussion of any matter before the Council, or a committee, in which he has, directly or indirectly, by himself or by his partner any pecuniary interest....

G. R. Searle, who noted that even in Parliament where there had been attempts to define a member's 'duties and obligations,' there were cases where ministers had profited from knowledge obtained whilst undertaking official duties.¹⁹⁶ W. Ivor Jennings agreed, writing in 1938 he noted that, whilst improvements had taken place in central government to reduce incidents of corruption, the position in local government was 'by no means so satisfactory,' and that there were situations where a conflict of interest 'was inevitable.'¹⁹⁷ By the last decade

¹⁹⁴ The problem that committees demanded the right to take decisions independently is considered in Chapter 5.3, p106.

¹⁹⁵ The practice of condoning or covering up wrongdoing by a Council is considered in Chapter 8.1, p162.

¹⁹⁶ G. R. Searle, *Corruption in British Politics 1895-1930* (Oxford: Clarendon Press 1987), p.44.

¹⁹⁷ W. Ivor Jennings, 'Corruption and the public service.' *Political Quarterly* Volume 9, no.1, 1938, 37. Jennings is referring to a wider problem here, the extent to which the interests of councillors or the Council itself, could have

of the nineteenth century both municipalities had recognised that there was a problem in allocating members of the Council to particular committees. The development of municipal trading organisations to deliver tramways and electricity services, which were managed by the relevant Council committee, required a wide range of equipment and support services. Although it had been accepted that allocating members to committees which reflected their experience was desirable, but here was also a perceived risk this could provide increased opportunities for insider trading, and decisions by these committees could be open to challenge on the grounds they were influenced by the personal interests of committee members.

Allegations of mismanagement and extravagance made about the Electric Lighting Committee led to some soul searching by Salford Council about the appointment to Council Committees of men whose private business interests could conflict with the Council's interests. It was suggested that Councillor Barrett, an estate agent, should withdraw from the position of deputy Chairman of the Improvement Committee on the grounds that a part of his job involved contacts with property developers, a statement which led Alderman William Robinson to ask Where would this stop? Should Councillor Williams, (a builder by trade and Deputy Chairman of the Building Committee) have to resign, or should Alderman Thompson be excluded from the Watch committee, because of his need to have a licence to conduct his business as a pawnbroker? ¹⁹⁸ Councillor George Jackson, who had joined the Council in 1893 and was a Trade Union Secretary, stated that he had been urged not to take up a position on the Tramways Committee because there might be problems about the working conditions of the men employed in the service. It was agreed that the matter of barring members from particular committees, on the grounds that a conflict of interest that could arise at some future date was impractical, and that the matter should not be pursued. As a result of the Committee's report, no general changes were made to the method of appointing members of Salford Council to particular committees. Changes in how membership of the various committees in Salford was selected did occur in part, because of the 'Great Salford Muddle', where committee overspending was the major problem.¹⁹⁹ Membership of the Finance Committee was changed, so that it was composed of a member elected by each of the Salford standing committees, thus providing a forum where the spending plans of all the committees could be reviewed in the context of the budget of the Council, and conflicts of interest were less likely to occur.

an impact on the actions of the Council. This is considered in Chapter 5.2, p.102, entitled 'Vested interests, a threat to integrity?'

¹⁹⁸ *Salford Chronicle*, 8 December 1900, p.8, Proceedings of Salford Council: Report. The objection to Councillor Barrett was more likely to have been triggered because he had joined the Council only 2 years previously, and his experience was being questioned.

¹⁹⁹ The reasons and consequences of the 'Great Salford Muddle' are considered in Chapter 7.1, p.141., entitled 'Keeping the books.'

There were some published allegations of conflict of interest, which were concerned with how the process of tendering by the Council for the supply of goods was conducted. In these it was alleged the process was suborned by the actions of councillors or officials. By the 1880s tendering was used by both corporations to order goods or services. To ensure fairness to contractors submitting tenders, the conduct of the process used to decide the successful tender had to ensure that application for tender documents was open, and all tenders were treated in the same way, so that the choice of the successful tender was made only on the basis of conformity to the tender specification, the quality of the goods and the price. Evaluation of the tenders was conducted by the relevant committee, and as reporters were not present, the objectivity of the committee making the decision was difficult to challenge. The failure to adhere to these requirements could lead to allegations of corruption, but the extent of the problem during the late Victorian period is difficult to judge because even where the tender process was conducted incorrectly, the evidence could be hidden. The few allegations which did surface, giving detail about what happened during the process of tender adjudication, relate to situations where there was a complaint that the process used had been unfair and the matter was brought to Council notice. These cases suggest that it was not difficult to suborn the tender process. A letter from Frank Hollins, the Manchester Elective auditor, implied that the way samples which were submitted as a part of the tender adjudication by the Manchester Health Committee led to corruption. He challenged the conduct of the tender determination dealing with a contract to supply leather belting to Manchester Corporation. His family business, which produced leather goods, submitted a tender to supply the belting, but was unsuccessful.²⁰⁰ Hollins complained that the way that tender procedure was conducted was unfair, because the selection of the successful tender was predetermined by how the tender and samples were presented to the decision-making committee. He alleged that Henry Whiley, the Departmental Superintendent, who would have been in attendance at the Health Committee meetings, knew the reference numbers under which various samples had been submitted for assessment, and had been able to use this knowledge to influence the Committee's decision.²⁰¹ Hollins claimed that the process used was therefore corrupt. When however, he was challenged by the winner of the tender, a Mr Burgess, to prove that his sample was both better quality and cheaper, Hollins did not take up the challenge. Whiley stated that the reason for rejecting the Hollins tender was because

²⁰⁰ *Manchester City News*, 3 October 1885, p3.

²⁰¹ Henry Whiley was appointed to the post of Superintendent in the Health committee in 1874. Throughout his career his position was challenged; he was accused of having other jobs which would interfere with his duties, he was accused of stealing the patent for a road sweeping device, and undertaking privately work which should have been carried out by the Health Department. He survived because he was very good at his job. A member of the Manchester Statistical Society, he gave a paper on the finances of Manchester Health Department in the 1885-6 session.

the samples submitted did not meet the specification in two important respects.²⁰² The reasons for the non-compliance were not published. Hollins did not take the matter further.

The examples of the conduct of the tendering process described above reveal that it was not difficult for the process of evaluating tenders to be suborned, particularly when samples were submitted as part of the process. What is apparent was the absence in most cases of a specification of exactly what was needed, and an independent report about which of the items tendered met this specification; so that the decision could then be made by the committee, having regard to the cost. Unfortunately, such an action, which would have at least ensured that the Council got value for money, was unlikely to have been accepted by members of the Council, who saw their role as arbiters in the decision-making procedure.

By the early nineteenth century one example of conflict of interest was already recognised as needing a specific sanction. Beatrice Webb referring to practices used for contracting for goods and services in local government; described the situation pre-1835 as an 'orgy of corruption.' It was recognised that the practice known as 'insider trading'²⁰³ would be a major problem in municipal government, and would threaten the development of an impartial method of allocating contracts for goods and services. The 1835 MCA and the subsequent 1882 Act both included a provision to try to eliminate the practice. Section 12(1)(c) of MCA 1882 stated that:

A person shall be disqualified for being elected and for being a councillor, if and while he... ..has directly or indirectly, by himself or his partner, any share or interest in any contract or employment, with by or on behalf of the Council...²⁰⁴

The expansion of the duties faced by the fledgling municipalities set up under the 1835 Act meant that many early Councils had to rely on the expertise and input of its councillors to carry out the duties required of a municipality. As the business of a municipality was to provide services to the community, the role of many commercial businesses, councillors who had commercial experience saw their remit wider than merely taking decisions about matters of policy, but also being involved in delivering Council services themselves by 'helping the Council out'..²⁰⁵ Although this practice of insider trading ran counter to the provisions of section 12(1)(c) of the MCA (1882), it was tolerated as meeting a need, because early

²⁰² Hollins suggested that Whiley favoured 'Mr Burgess' because he had previously done business with him. Whiley did not comment about this allegation.

²⁰³ The practice of members of a municipal council entering contracts to supply goods or services to the council, contrary to the provisions of section 12(1)(c) of the *Municipal Corporations Act 1882*.

²⁰⁴ The earlier clauses in the section, (12(1)(a) and 12(1)(b) are considered below.

²⁰⁵ One practice used was for the employees of a councillor to carry out work on behalf of the Council. As late as 1896, Councillor Corney resigned when he was accused of insider trading because he was alleged to have employed a workman who had carried out work for the Council. Although there were mitigating circumstances in this case, Corney resigned after an enquiry found that his behaviour lacked integrity.

councils had limited resources.²⁰⁶ By the late Victorian period, neither Council needed to rely on councillors 'helping the Council out', and the practice increasingly attract criticism that this was behaviour lacking integrity. The use of the word 'corruption' was avoided.

The debate on how to deal with councillors guilty of insider trading came to focus on the sanctions which were available to deal with those found guilty of the offence. The idea of using the sanction of the criminal law, which would have the effect of convicting an offender of corruption and moral depravity, was seen to be overly severe when that action of 'helping the Council out' was behaviour which had previously been tolerated. Prior to 1889, it was difficult to bring a prosecution using the criminal law of fraud, since to succeed there had to be evidence that the motive for the corrupt action was to make a profit by defrauding the Corporation. As most councillors stated that their motive was 'to help the Council out,' it would have been difficult to prove that the alleged offence had been committed. In the late nineteenth century discussion of insider trading by members of the Council therefore turned on whether section 12(1)(c) of the MCA with its sanction of disqualification, had been breached.²⁰⁷ As the actions of councillors could be seen as acts of altruism; there was reluctance to pursue even this sanction.

The defence to allegations of insider trading which was offered if challenged, was that the goods or services supplied were more specialised, or the materials purchased from the Council were surplus to requirements.²⁰⁸ The actions of both Councils suggest that they were prepared to see this was a valid defence within the exemptions provided within Section 12 itself. This whole section is a part of the MCA 1882 which deals with the constitution and government of the borough, and the qualifications needed to be a councillor. The earlier parts of Section 12 provide other grounds for the disqualification of a councillor, or disqualification from standing for election as a councillor for being, for example, ...'any elective auditor, or a revising assessor, or anyone holding any office or place of profit in the gift or disposal of the Council or is in holy orders or the regular minister of a dissenting congregation'...²⁰⁹ The reason for the sanction of disqualification provided by Section 12 (1) was not therefore a 'punishment', but the provision of a power to exclude from the Council those who could be perceived to have interests which might be at variance with the interests of the Council.²¹⁰ There are however a series of exemptions to the sanction of disqualification provided by

²⁰⁶ Examples of the behaviour of councillors, identified by Joseph Scott, were the supply of an engraved ceremonial trowel to the Council or the purchase of by-products of the gas production process.

²⁰⁷ The attitude of councillors to their fellow councillors who might have been guilty of practices lacking integrity considered in Section 5.2, p.102.

²⁰⁸ The 'altruism' was providing the service, but the goods supplied by a councillor were paid for by the Council. The purchase of goods surplus to the Council's requirements, which should have been sold by tender, was for materials useful to the purchaser obtained at a favourable price. These were not acts of charity.

²⁰⁹ Sections 12(1)(a) and 12(1)(b).

²¹⁰ The qualification for membership of a Council is discussed in Section 5.1, p.90.

Section 12(1)(c) which apply to certain types of contract. Section 12(2) in the 1882 act; provides a defence against an allegation of insider trading in certain circumstances. This section stated that:

A person shall not be so disqualified, or be deemed to have a share or interest in such a contract or employment, by reason only to his having any share or interest in:

- (a.) Any lease, sale, or purchase of land, or any other agreement for the same; or
- (b.) Any agreement for the loan of money, or any security for the payment of money only: or
- (c.) Any newspaper in which any advertisement relating to the affairs of the borough or Council is inserted; or
- (d.) Any company which contracts with the Council for lighting or supplying with water or insuring against fire any part of the borough: or
- (e.) Any railway company or any company incorporated by Act of Parliament or Royal charter, or under the Companies Act, 1862.

This was a pragmatic approach to a problem that was likely to arise in the early days of municipal government when a municipal corporation might find that it would need to contract with a member of the Council, because that member owned or controlled one of the interests defined in section 12(2), which the Council might need to use in order to protect or develop its services. The specific exemptions were therefore to avoid the situation that such a councillor would be unwilling to contract with the Corporation if the effect was to be disqualified from membership of the Council. Although section 12(2) is very specific about the areas where the sanction in section 12(1)(c) did not apply, the pattern of behaviour of councillors suggests that it was believed that the section could be extended to cover any goods or services which could be said to be 'difficult' for a Council to provide.²¹¹ The result was that the defence of 'helping the Council out' came to be regarded as an effective way of dealing with all allegations of insider trading. By the late Victorian period, the situation had changed; the development of more comprehensive Council services removed the need the councillors to supplement these services, and there was recognition that an offender could make a large profit by contracting with the Council. The attitude of critics to the integrity of these actions was changing; and acceptability of the defence of 'helping the Council out', was increasingly questioned. Despite this, there were a number of cases where the requirements of 12(1)(c) were breached, but the defence continued to be accepted; hence in effect this behaviour was being condoned by the Council.²¹² Although cases of councillors who had entered contracts with the Council to supply

²¹¹ Some Acts define the scope of the legislation by giving examples of the type of offences covered by the Act and allowing similar matters to be included; the 'eiusdem generis' rule. If this applies, it has to be specifically stated. The rule did not therefore apply to this section. Councillors guilty of insider trading and using the words 'helping the Council out' were in effect using this rule to justify their action.

²¹² Section 8.1, p.162, considers the attitude of the Council to condoning wrongdoing.

goods in breach of section 12 of the MCA 1882 continued to be reported, the defence of 'helping the Council out' was increasingly criticised.

The language used by Scott left no doubt that in 1884 he saw insider trading as a frequent practice in municipal corporations. He stated that:

What concerns the ratepayers, however, is that the Corporation is also a vast Co-operative Mutual Trading Society. ...The books contain invoices by aldermen and councillors.....who supplied to the Corporation, and in some cases even to the committee of which they are members.²¹³

A more damaging allegation was that some councillors employed subterfuge to get orders, by taking out contracts in the name of a relative. Scott did not give the names of any members of the Council who were guilty of this offence but his identification of the practice did heighten public awareness of its existence and led to cases alleging insider trading being brought to public notice. He accused some councillors of being members of the 'Cooperative Mutual Trading Society;' and he named two councillors who had supplied goods to the Council from their businesses. The description of the extravagance of the Baths Committee included the purchase of a ceremonial trowel, costing £15 which was used to lay the foundation stone of Osborne Street Baths as, 'a purchase from an alderman....out of the rates'...²¹⁴ The alderman was William Batty, a retail jeweller with shops in Manchester and Southport, who 'knowingly' supplied the trowel. Batty, who was to serve as Lord Mayor of Manchester in the year 1888/9 made no attempt to cover the fact that he has supplied the trowel; it appears that he saw his action as 'helping the Council out' by supplying an unusual item.²¹⁵ Councillor John Mark, a grocer stated at a Council meeting that he was 'entirely innocent' of having any pre- agreed contracts with the corporation, but he confirmed that successive Mayors 'were in the habit of sending to his establishment for goods for the 'Mayor's kitchen.'^{216 217} His business also supplied some of the cigars, wines and spirits bought by departments of the corporation, purchases which were entered in the accounts in the usual way. Although he could not be accused of using his position as a councillor to seduce this business, he was also accused of selling the Council a horse, and regularly provided the groceries for Council banquets; actions that were evidence of insider trading.²¹⁸ Scott gave details of the spending on a banquet to

²¹³ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.15.

²¹⁴ *Manchester City News*, 17 April 1886, p.5. William Batty was elected to Manchester Council in 1868, and became an alderman in 1884. He was also criticised when he was a member of the Victoria Hotel sub-committee of the Improvement Committee, he supplied the clocks for the building. He was Mayor for the year 1888-9. The mismanagement of the scheme to build the Victoria Hotel, undertaken by the Improvement Committee of Manchester Council, is discussed in Section 9.2, p.176.

²¹⁶ John Mark was elected to Manchester Council in 1877. He was elected alderman in 1889, and served as Mayor in 1889-90 and 1890-1891. As chairman of the Watch Committee, he was criticised by a Home Office enquiry held in 1897 for the part played by the Committee in covering up police corruption, (the so-called Bannister affair). As a result, he resigned from the Council.

²¹⁷ *Manchester City News*, 31 October 1885. Manchester Council Proceedings, p.6.

²¹⁸ Scott, *Leaves from the Diary of a Citizens' Auditor*, p. 28.

celebrate the opening of the Art Gallery which cost £4,800 to stage.²¹⁹ He identified the amount of the total which related to the alleged insider trading activities of John Mark as £37/5/4d. Mark's defence, that he did not have a pre-agreed contract, suggests that he was aware of the sanction of disqualification in section 12(1)(c) of the MCA, and was distancing himself from the provisions of the section. Scott argued that the transactions were illegal and that there were legal precedents which made it 'the bounden duty of honorary auditors to refuse signing the accounts in future if there are any payments to a member of the Council for goods supplied to the Corporation.'²²⁰ He did not give the legal basis for this action; nor did he argue that, since in common law there was a contract between Mark and Corporation, albeit unwritten, Mark should have been disqualified under s12(1)(c) from sitting as a councillor.²²¹ On the information given however, neither Mark nor Batty could be said to have made a large profit from their dealings with the Council. In both these cases it seemed that the defence that the two alleged offenders had acted to 'help the Council out' was accepted.

There were problems about how far the definition of insider trading applied to public duties. When the minutes of the Museum, Parks and Libraries Committee were presented for approval at a meeting of Salford Council, the issue of a member of the committee, Councillor James Higson, a plasterer and decorator, acting as a subcontractor on a Council scheme to build a library at Irlams o' th' Height, was raised.²²² The form of words in the 1882 MCA was the same as that of the 1835 Act and was taken to include anyone who 'knowingly benefited from a contract with the Council, whether as a contractor or subcontractor.'²²³ Higson stated that he had not tried to disguise his involvement in the scheme; he had consulted the Town Clerk, Samuel Brown, who had stated that he was justified in entering the sub contract. Alderman Mandley, the Chair of the Committee, defended Higson, as he had acted on the incorrect advice of the Town Clerk. He suggested that, as Higson had given up the contract, it should be sufficient to offer an apology to the Council. Higson resigned, a resignation that was accepted 'with regret.' Although there were no cases of a councillor being disqualified from Council for insider trading in either Manchester or Salford during the late Victorian period, Alan Doig reported a case where a member of a local Health Board who was disqualified, appealed against the disqualification.²²⁴ The case, *Nutton v Wilson*, (1889) related to the

²¹⁹ Ibid., p. 27. He disapproved of these 'celebrations', stating that the Art Gallery was 'a facility which catered for the middle or upper classes,' which should not have been a charge on the rates, and was therefore *ultra vires* i.e. beyond the legal powers of the Council.

²²⁰ Ibid., p.16, was presumably using the argument that the purchase of these goods was *ultra vires*.

²²¹ In this case, the requirements for a contract were satisfied, there was an offer and an acceptance.

²²² *Salford Chronicle*, Proceedings of Salford Council, 8 December 1900. Editorial comment, p.4. James Higson was elected to Salford Council in 1892, and resigned after this criticism, in 1900.

²²³ Ibid., 22 October 1881, p.2., 'Notes on Section 12 implications.'

²²⁴ Alan Doig, *Corruption and misconduct in Contemporary British politics*, p.66. Doig did not provide any references for this case, which took place in Halifax.

disqualification of a member of a Health board, covered by a similar term in the *Public Health Act* to section 12. The defendant, a joiner, was a member of the Board when a contract for work on health premises was awarded to two plumbers. He was unaware when he took a small job with one of the plumbers subsequently, that the work he was asked to do was related to this contract. The ruling stated that the section was ‘to prevent members being exposed to temptation or even the semblance of temptation’; in effect, irrespective of any question of profit from the contract or corrupt intention, the defendant was in breach of the Act. The disqualification was confirmed.

Whilst the defence of ‘helping the Council out’ continued being used to excuse ‘occasional’ purchases of items, by the 1880s the practice of using the defence to justify a regular business arrangement between a councillor and the Council was seen as a more serious offence. In two cases involving Councillor Charles Stewart²²⁵ and Alderman John King,²²⁶ senior members of Manchester Council, both men used their position to enter long-term and very profitable arrangements involving the purchase of materials which were surplus to the Council’s requirements. In both cases, Council discussion was not about whether the two men were in breach of s12(1)(c), but whether their actions were acts of personal corruption. Frank Hollins reported in 1885, that when he audited the books of the Manchester Highways and Sewers Department, he found that during the period 1881-85 there were 33 invoiced transactions involving Councillor Charles Stewart.²²⁷ At the Council meeting when the minutes of Paving Sewering and Highways Committee were discussed,²²⁸ Councillor Stewart explained that he had visited the Water Street Yard on business, as deputy Chairman of the Highways Committee. He had been told by Mr Stott the Superintendent, that the yard was being blocked by the dumping of loads of waste material chiselled off paving stones. As a result, he agreed ‘to help the Council out’ by taking the material to use as ballast for a house building project he was undertaking, even though he stated ‘ballast would have been cheaper.’ After the initial delivery of scraplings, he continued to use the same source of supply for the material. The opinion was that he should have known that that the material should have been sold by tender as there might have been other customers for the material, and he could not therefore rely on a defence of ‘helping the Council out.’ Stewart did have support for his action; a Mr Horsfield stated that he had bought scraplings on the same basis as Stewart; it was cheaper for the corporation to sell the scraplings locally, rather than to pay to dispose of them

²²⁵ Councillor Charles Stewart, a pawnbroker, who was elected to the Council in 1869, had already attracted Hollins’ critical attention for the level of his expenses claim (which was three times greater than the next highest claim) resulting to Hollins calling him ‘Deputation Charlie.’

²²⁵ *Ibid.*, 31 October 1885, p.6.

²²⁶ The career and behaviour of Alderman King are considered in Section 6.4.p.126, ‘Lifestyle Choices.’

²²⁷ *Manchester City News*, 24 October. 1885, p.5. ‘A Citizen Auditor’s Review.’

²²⁸ *Ibid.*, 31 October 1885, p.6.

at a greater distance. He stated Stewart was paying a fair price, and he concluded that he thought that Mr Hollins was ‘making a mountain out of a mole hill.’²²⁹ Alderman Abel Heywood, the Committee Chairman concluded that the matter was ‘irregular’, but he did not feel the councillor had been ‘dishonest’. He apparently recognised the personal nature of the attack on Stewart, when he commented, ‘It would be a poor reward to condemn him on the mere statement of an auditor;’ not a glowing endorsement of Stewart’s integrity. Charles Stewart did not stand for re-election to the Council in 1885.²³⁰

The affairs of the Manchester Gas Committee in the 1890s had already attracted the attention of Norbury Williams, one of Manchester’s Elective auditors. He reported that when the Gas Committee were applying for powers to extend their trading operations at a Local Government Board hearing, it was admitted that for many years, one firm of asphalters, Lord and Co., had been the sole purchaser of tar, a by-product of gas production. The company used pipes installed in their yards which communicated directly with two gasworks; Gaythorn and Bradford Road, to transfer the material. This ‘unfair’ advantage led to their tender being the only one submitted for tar sales.²³¹ There is no evidence that Lord & Co obtained the contract by unfair means; it seems that Norbury Williams saw this as a case of mismanagement by the Gas Committee. In a later letter to the Lord Mayor, Alderman Abraham Lloyd, in 1889,²³² Norbury Williams drew attention to ‘certain proceedings of the Gas committee’ which, he alleged, were ‘illegal and blameworthy.’²³³ He was referring to the sale of Hucknall coke, a by-product of gas manufacture which was said to be difficult to burn, and hence to sell, but had been sold for 5/- per ton to a mill owned by the trustees of Alderman Lamb, and two mills where Alderman King, a senior member of the City Council, had financial interests.²³⁴ He added that he had been assured ‘by contacts’, that there would be customers who would pay 10/- per ton for the material:

but they knew that the whole quantity produced went to the two Aldermen King mills and, having trading relations with the Corporation, they didn’t think it would be politic to challenge the price.

Norbury Williams also alleged that there was no record of a written contract for these sales and asked how this matter could have been overlooked by the Gas Committee and its

²²⁹ Ibid., 7 November 1885, p.3. Letter: John Horsfield, an Asphalt & Concrete contractor.

²³⁰ The failure of Abel Heywood to make a stronger condemnation of Stewart’s behaviour on this occasion, probably reflected his frustration with what he, like many councillors saw was ‘interference’ in Council business by Elective auditors like Hollins.

²³¹ *Salford Reporter*, 29 January 1898. Letter: W Hunt, Salford Elective auditor.

²³² Abraham Evans Lloyd, a chemical manufacturer was elected to the Council in 1880 He was elected alderman in 1892. and served as Lord Mayor in the years 1894-5 and 1895-6. He died in 1899.

²³³ Alderman King’s actions were illegal under the *Public Bodies Corrupt Practices Act*. 1889, the terms of which are considered in Section 4.3 below. Alderman Lamb was Chairman of the Manchester Gas Committee from 1879 to 1891.

officials.²³⁵ These transactions were defended by Alderman Gibson, Chairman of the Gas Committee,²³⁶ who stated that others had tried to use Hucknall coke and rejected it, and the Gas Committee considered that King had done the Corporation a favour by taking the material.

²³⁷ An editorial stated that no one doubted the good faith of Alderman King, and that most accepted that he had 'erred but erred innocently,' as he saw his actions were in the public interest.^{238 239}

The four cases of alleged insider trading described above, where the defence was that the offenders were 'helping the Council out, were all breaches of 12(1)(c) and were actions which justified the censure of critics. Yet they actually represent different degrees of culpability. There was no suggestion that Batty overcharged for the goods provided; the profit made was small and whilst Mark seemed to realise that his actions were 'irregular', both provided a convenient service for the Council. It is more difficult to argue that the motives of Stewart and King were simply 'helping the Council out.' Both men were senior and experienced members of Council who must have known that there could be a market for material, surplus to the Council which should have been tested by seeking tenders from potential purchasers. By failing to do this, and continuing the profitable business, they were both guilty of personal corruption, the abuse of power by a person in a position of trust for personal gain.

The provisions of 12(1)(c) of the MCA relating to insider trading also applied to cases where there was a contract between the Council and the business in which a Councillor was a partner or director.²⁴⁰ Two cases involved councillors with interests in businesses which had entered contracts with the Council as a result of a successful tender. Charles Rowley and Son, the art dealers, won a tender to provide picture frames to the Corporation, although Councillor Charles Rowley, a junior partner in the company, was also a member of the Art Committee.²⁴¹ It was alleged that in this situation he could have influenced the decision about awarding the

²³⁵ Norbury Williams stated that in the 1895 account books, two invoices were sent to Alderman King for 2,460 tons of the Hucknall coke at a cost of 5/- per ton. Assuming that the coke was saleable at 10/- per ton, this represented a total loss of £615 to the Corporation, and a corresponding saving for Alderman King.

²³⁶ Robert Gibson, a luggage manufacturer, was elected to Manchester Council in 1882. He was elected as an alderman in 1893, and took over the Chair of the Gas Committee in 1894. He was Lord Mayor in the year 1897-8.

²³⁷ *Manchester City News*, Manchester Council Meeting, 8 February 1896, p.5.

²³⁸ *Ibid.*, 7 March 1896, editorial, p.4.

²³⁹ It is hard to believe Alderman John King was innocent! He was elected to Manchester Council in 1856, became an alderman in 1867 and served as Lord Mayor in 1864/5. A manufacturer, he fought the battle to delay the Thirlmere scheme arguing that Manchester did not need additional water. He was Chairman of the Finance Committee from 1886 to 1903. (The profile of Alderman King which appeared in *Manchester Faces & places*, 10 March 1891 p. 117, was published prior to the date that these allegations were made.)

²⁴⁰ Section 12(1)(c.), uses the phrase 'has directly or indirectly ...by himself or his partner any share or interest in any contract' ...This was interpreted as covering both owners and directors.

²⁴¹ Charles Rowley was a philanthropist. He founded the Ancoats Brotherhood in 1878 to bring art music and literature to the working classes...He was elected to the Manchester Council in 1875 serving until 1884. He resigned from the Council after Scott made allegations that his behaviour lacked integrity. Scott denied that he had brought 'a charge of dishonesty' against Rowley. He stated that he had not intended to infer that Rowley was dishonest; merely that it was 'undesirable for his own sake that he should sign an invoice for goods. (Scott, *Leaves from the Diary of a Citizens' Auditor*, p.30).

tender, although there was no evidence that Charles Rowley was involved in the day-to-day business of company and the tender was awarded to Charles Rowley and Son because their price was the lowest. Mr. A. Turner, who was the chairman of the Manchester Council Arts subcommittee, stated at a governors' meeting of the Manchester Royal Institute that the tender awarded to Rowley's was to supply one particular size of frame; the other parts of the tender were awarded to a different company.²⁴²

In 1899, Salford Corporation invited tenders for the supply of 16 boilers for installation in the new Electrical Works which was being built. The contract was awarded to a local firm, Galloways, where Sir Richard Mottram, ex-Mayor of Salford, had trained as an engineer.²⁴³ He was one of several directors of the Company; he also held directorships in other companies. An editorial in *Manchester City News*²⁴⁴ stated that the features of this transaction 'invited comment,'²⁴⁵ but the matter was not pursued by the press. The cases of Rowley and Mottram illustrate the problem in ascribing a breach of 12(1)(c) to their actions. Whilst the actual wording of the paragraph could be construed to apply to the two councillors, in both these cases the companies involved were prominent suppliers of the products specified in the tenders and there was no evidence that either man had solicited the business.²⁴⁶ By the late Victorian period, many businesses companies originally founded and managed by members of the Council had changed, with the introduction of professional managers; so that a councillor-Director or even a partner in a business might no longer have any interest or control in the company's day-to-day running. This is suggested by Sir Richard Mottram's statement that, if he had had his way, Galloways would not have tendered for the contract. The sympathy shown by the press to Mottram was likely to have been recognition of this dilemma; the suggestion that he was guilty of an offence under the '*Public bodies Corrupt Practices Act*' was not raised in the press report.²⁴⁷ Salford Council seems to have taken a pragmatic view of the Galloways situation. The company, who were a leading supplier of boilers and transformers, supplied the equipment to the Electricity Works. No action was taken to disqualify Richard Mottram from sitting on Salford Council; and although sympathy was

²⁴² *Manchester City News*, 27 October, 1884 p.3: Column headed 'Protests and Correspondence.'

²⁴³ Richard Mottram was elected to Salford Council in 1877. He was elected alderman in 1885 and served as Mayor for 3 years (1894-5, 1895-6 & 1896-7). He was knighted in 1897.

²⁴⁴ *Manchester City News*, 4 November 1899, editorial, p.5.

²⁴⁵ It appears that the decision to award the contract to Galloways was because it was said to supply a reliable product. It was also a local company and local companies were favoured, although Galloways did not submit the lowest tender.

²⁴⁶ John Garrard suggested that the very presence of these two men on the Council, which behaved as 'an exclusive 'club' was sufficient to ensure that their companies were favoured in any tender determination.

²⁴⁷ Although the '*Public Bodies Corrupt Practices Act* was passed in 1889, which provided *inter alia* a statutory sanction for those guilty of insider trading, no members of either Council or their officials were prosecuted under the Act during the nineteenth century. The Act and its implementation. is considered in the section 4.3.

expressed for position of Charles Rowley, he did not stand for re-election to Manchester Council in 1885.

There was a further problem. Municipal government in the two municipalities was not immune from acts of corruption by individuals, which could occur within any branch of municipal services where opportunities existed for conflict of interest to arise. Both Manchester and Salford employed staff to carry out a range of different roles within the municipality, including officers with special expertise, whose roles often involved developing and defining services or having executive responsibilities. The risk that councillors could influence decisions made in Council to further their own interests was recognised; the wording of the MCA para 22(3) provided that:

A member of the Council shall not vote or take part in the discussion of any matter before the Council, or a committee, in which he has, directly or indirectly, by himself or by his partner any pecuniary interest....

G. R. Searle, who noted that even in Parliament, where there had been attempts to define a member's 'duties and obligations,' there were still cases where ministers had profited from knowledge obtained whilst undertaking official duties.²⁴⁸ W. Ivor Jennings agreed, writing in 1938 noted that whilst improvements had taken place in central government to reduce incidents of corruption, the position in local government was 'by no means so satisfactory;' and that there were situations where a conflict of interest 'was inevitable.'²⁴⁹ By the last decade of the nineteenth century both municipalities had recognised that there was a problem in allocating members of the Council to particular committees. The development of municipal trading organisations to deliver tramways and electricity services, which were managed by the relevant Council committee, required a wide range of equipment and support services. Although it was recognised that allocating members to committees which reflected their experience was desirable, there was also a perceived risk this could provide increased opportunities not only for insider trading but for the decisions by these committees being challenged on the grounds they were influenced by the personal interests of committee members.²⁵⁰ With the passage of the 1891 act to abolish the Salford District Committees, the membership of the new unitary committees particularly the Electric Lighting Committee led to some soul searching by the Council. The membership of this existing committee, an off-shoot

²⁴⁸ G. R. Searle, *Corruption in British Politics 1895-1930* (Oxford: Clarendon Press 1987), p.44.

²⁴⁹ W. Ivor Jennings, 'Corruption and the public service,' *Political Quarterly* Volume 9, no.1, 1938, .37. Jennings is referring to a wider problem here, the extent to which the interests of councillors or the Council itself, could have an impact on the actions of the Council. This is considered in Section 5.2, p102, 'Vested interests, a threat to integrity?'

²⁵⁰ *Salford Chronicle*, 8 December 1900, p.8, Proceedings of Salford Council: Report. The dilemma faced by Salford when discussing membership Council Committees is discussed in Section 4.2, p.56.

of the Gas committee set up to supply electricity as a municipal trading operation, had already attracted allegations about mismanagement and extravagance. The membership of the committee was completely changed. The conclusion of discussions about the general problem considered by the Council was that barring members from particular committees, on the grounds that a conflict of interest that could arise at some future date, was impractical, and that the matter should not be pursued. As a result, no general changes were made to the method of appointing members of Salford Council to particular committees. Changes in how membership of committees in Salford was selected did however, occur in part, because of the 'Great Salford Muddle', where committee overspending was the major problem.²⁵¹ Membership of the Finance Committee was changed, so that it was composed of a member elected by each of the Salford standing committees, thus providing a forum where the spending plans of all the committees could be reviewed in the context of the budget of the Council, and conflicts of interest were less likely to occur.

4.3 The *Public Bodies Corrupt Practices Act 1889*.

By the late Victorian period, when opportunities to profit by insider trading had increased, the practice, which could prevent competitive tendering from taking place, was increasingly seen not to be in the interests of the ratepayers. There was no sudden change in attitude, but gradually more practices which were previously accepted as customary practices were being seen as unacceptable or even shady (venial). The number of councillors who were involved in these practices is difficult to assess; even where a committee became aware that one of its members was involved in insider trading, it seems that the rule of 'loyalty to the committee' applied; and it was 'hidden' offence.²⁵² Despite this, reports of insider trading did reach the press; in some cases the matter was discussed in the Council itself. There were also increasing complaints about decisions made by councillors or officials where it was alleged to there was a conflict of interest which made the decision unfair. The result was increasing concern about the standards of conduct in public life and the recognition that there was a need for a clear definition of what constituted acceptable behaviour when carrying out Council business. Two major and continuing scandals which received national coverage were undoubtedly the spur for the 1889 *Public Bodies Corrupt Practices Act*, the first anti-corruption

²⁵¹ The reasons and consequences of the 'Great Salford Muddle' are considered in Section 7.1, entitled 'Keeping the books.'

²⁵² *Manchester City News*, 26 April 1886 p.6. The conclusion of the report about the mismanagement of the Victoria Hotel project noted that members of the Improvement Committee did not report the problems with the projects being managed by the Committee at the meetings of the Council. The report concluded 'Loyalty to the committee is the bane and curse of representative bodies.'

legislation applicable to deal with personal corruption in public bodies arising from these causes.²⁵³

The scandal involving Samuel Hunter, the Engineer and Gas Manager of Salford Gasworks, who had in effect taken over the decision-making processes in the Gas Committee, attracted huge attention.²⁵⁴ It revealed how the tendering system for the supply of coal and cannel, a major expenditure for the Council, had been suborned by the decisions which he made to secure commission. The nature and extent of the practice of commission taking was revealed when Ellis Lever, a leading coal merchant in the region, was prosecuted for criminal libel.²⁵⁵ It was alleged that he had 'unlawfully and maliciously written and published a certain false and defamatory libel' about the award of tenders in Salford. He had stated that in a telegram to the Mayor that 'Bribery, corruption and fraud have prevailed in (the) borough to an enormous extent for many years,' with the implication that Hunter had been accepting bribes (in the form of commission), and the Gas committee had connived in the wrong-doing.²⁵⁶ The Gas Committee reluctantly took legal action and Lever was sued for criminal libel. The three-day hearing, which was fully reported in the local press, attracted national coverage. The evidence presented gave details about how the tenders for the supply of coal and cannel were evaluated, and how Hunter managed to arrange that suppliers willing to pay him commission were selected.²⁵⁷ Lever was found not guilty of libel and Hunter was dismissed. After a delay, the Gas Committee, whose behaviour suggested that it had in effect connived in Hunter's malfeasance, resigned.²⁵⁸ It was not until March 1888 that Hunter was prosecuted, not for bribery, because it was considered too difficult to prosecute him for that offence, but for perjury and forgery, both criminal offences.²⁵⁹ He pleaded guilty and was sentenced to five years imprisonment with hard labour.

²⁵³ There was already a criminal offence of corruption by embezzlement, which will be discussed in the next section.

²⁵⁴ The Salford local press reported the trial of Ellis Lever for libel in great detail, for example *Salford Chronicle* devoted full page coverage in March 1887. Garrard *The Great Salford Gas Scandal 1887* noted that as every large town had a gasworks the trial attracted press attention for more than 12 months because it brought out the extent of commission-taking in the industry.

²⁵⁵ Commission-taking in this situation involved a confidential agreement for the payment of a fee to the agent of the customer (Hunter) by the supplier of goods (a Coal merchant or colliery), as a precondition for the award of a contract, in effect a subversion of the tendering procedure.

²⁵⁶ *Salford Reporter*, 12 March 1881. Lever had previously made similar allegations about the Salford system of contracting for coal supplies in a letter to the Chairman the Gas committee, but when threatened with an action for libel he had retracted the allegations and paid Hunter's costs.

²⁵⁷ Subsequent publicity and comment in the press about commission taking confirmed that these practices were a normal part of contracting, not only in the gas industry, but also in many other types of business.

²⁵⁸ It is difficult to believe that the Gas Committee were unaware of Hunter's practice of taking commission. This raises the possibility that there was sympathy for Hunter's actions because he was thought to be receiving a salary which was not commensurate with his alleged achievement in making the sale of gas a profitable enterprise. The connivance of the Gas Committee might therefore be explained because 'allowing' Hunter to seek commission' was compensation for this situation.

²⁵⁹ The allegation of perjury arose from the evidence which Hunter had given at the Lever 'libel' trial; the forgery allegation arose from his forgery of the signature of the Chairman of the Gas committee, written to a supplier of coal, purporting to confirm that the payment of commission to Hunter was acceptable.

It was the scandal of the Metropolitan Board of Works (MBW) which finally led to the recognition that legislation was necessary to stamp out unacceptable practices which were being used in local government by many local councils. Reports in the London press in the mid 1880 suggested that the practices associated with the sale of surplus land by the MBW, which was no longer required when the street improvements were completed, were a scandal. The culmination of these claims was the publication of two reports in the *Financial Times* alleging that corrupt practices were being used in the way tenancies were being awarded for building plots on new streets.²⁶⁰ A Royal Commission, chaired by Lord Herschell, was set up in February 1888 to investigate these claims. His report confirmed that the use of corrupt practices in the MBW was widespread.²⁶¹ His specific criticism was focussed on two members of Board who were practicing architects, and several officials of the Architects Department including two surveyors, all of whom had made money by misusing their positions for personal gain. The report noted that these practices had been in use for many years. The scandal also drew attention to the administrative failures of the Board. Gloria Clifton, in a detailed study of the organisation and management of the Board's services, noted that the MBW was one of the first local authorities to develop an extensive bureaucratic administration,²⁶² The majority of permanent staff of the Board were recruited by competition for advertised posts which were in a management structure which provided for the supervision and training. The MBW had been set up in 1855; the first act of the 59 members of the Board who were mainly nominated, was to elect a Chairman who agreed to serve full-time in the office and was paid a salary. His role was to guide the affairs of the Board. This was very successful, perhaps because of the post holders who were elected, the first of whom was (Sir) John Thwaites. Clifton noted that despite these considerable management arrangements, scandal had occurred. She commented that whilst it was the professionalism of men such as the architects, engineers and surveyors who developed the specific skills needed to undertake the specialised work of the Board, the quality and integrity of the senior officials responsible for maintaining the probity of the practices used was crucial.²⁶³ In a situation where the increasing numbers of professionals became employees of public bodies such as municipal corporations, and who had therefore lost the freedom to pursue opportunities in private practice which might be financially advantageous, there was a clear risk that they would ignore or fail to see that there was a conflict of interest with their public duties, the situation in the MBW.

²⁶⁰ *Financial Times*, 25 October, and 23 November 1886.

²⁶¹ *Final Report of the Royal Commissioners Appointed to Inquire into Certain Matters Connected with the Working of the Metropolitan Board of Works*. BPP1989 vol 39. 5705. Farrer Herschell, who chaired the meetings of the Commission, was a leading QC and parliamentarian who had served as Solicitor General and was Lord Chancellor from 1892 to 1895.

²⁶² Gloria C. Clifton, *Professionalism Patronage and Public Service in Victorian London* (London: Athlone Press, 1992).

The MBW scandal brought to public notice the issue of the standards of professional conduct of architects and surveyors in particular, but also other professionals working in the wider field of public service where practices such as insider trading were increasingly seen to be improper, and allegations of—could lead to questioning of decisions made where these professions were involved. The result of public pressure for legislation to deal with this issue was the *Public Bodies Corrupt Practices Act, 1889*. Section 1 of the Act prohibited a person covered by the Act whether by himself, or in conjunction with any other person

from corruptly soliciting or receiving, or agreeing to receive, for himself, or any other person, any gift, loan, fee, reward or advantage whatever as an inducement to, or reward for, doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed, in which the public body is concerned.

The Act therefore included the practice of insider trading, and cases arising from a conflict of interest, but it was not retrospective.

Although the expectation 1889 Act, with its criminal sanction was that it would deter councillors or officials from attempting to exploit their position to gain a financial advantage, it is difficult to prove that this was the case. Both Councils were in practice reluctant to impose any sanction when wrongdoing by councillors occurred, and neither Manchester nor Salford used the Act to prosecute offenders in the nineteenth century.²⁶³ Comment about sanctioning councillors for insider trading, if it was mentioned, was usually concerned with whether the penalty of disqualification from the Council was appropriate. Allegations of insider trading continued to be publicised, particularly when the development of the electricity industry in the 1890s needed a wide range of equipment both for use in Electricity works and the street installations, but the use of the sanction of disqualification was avoided. The purchase of this equipment much of which was manufactured in Manchester and Salford, provided opportunities for councillors who had interests in acquiring a stake in these developments. As late as 1900, William Hunt, one of Salford's Elective auditors alleged that the method used for awarding contracts for the supply of equipment to be used in a new Salford Electricity works was corrupt.²⁶⁴ He stated that there was 'something rotten in the state of affairs' when, on one occasion, (the date was not given) it was only when the Electrical Engineer, C.L. Turner was able to convince the Committee that one tender was not 'suitable for purpose' that the acceptance of an inappropriate tender was avoided, despite considerable pressure for a different decision from another Committee member. He also alleged that on another occasion, a luncheon was provided by one contractor who had an interest in a tender, just before a meeting to discuss

²⁶³ As the Act created an indictable offence, the complication of undertaking a prosecution using the Act might have been a deterrent to using it to prosecute cases of wrongdoing, particularly as both Councils failed to accept that the offences which it covered were cases of corruption.

²⁶⁴ *Salford Reporter*, 21 June 1900. Letter William Hunt.

tenders and that threats were made against one member of the Committee who held out against a particular decision. A further allegation related to an incident where, at a meeting held to open tenders, pressure was brought to make a decision before proper discussion and advice was taken. On this occasion, 'foul language and abuse' was used by one member to make his opponent 'amenable to reason.' No evidence was provided that these examples of conflict of interest did result in benefit to the offending councillors, who he did not name, and no attempt seems to have been made to identify the guilty parties. The Council's response to these allegations was to replace the membership of the Electricity Committee. Although Manchester Council avoided cases which led to the level of publicity engendered by the Hunter case, there were 'conflict of interest' problems with the tendering procedures used by the Council. The Chairman of the Electricity Committee, Alderman Lloyd Higginbottom, an engineer who was the Chairman of several electrical companies, also had an interest in the award of tenders for developments in the electricity field.²⁶⁵ He was accused by the Elective auditors of 'decidedly improper conduct' when it was revealed that he had used his influence to assist these companies to gain orders. He was forced to resign.²⁶⁶

Allegations of conflict of interest arose when an individual was accused of using the opportunities which presented themselves when carrying out duties attached to his position for personal benefit. Using Council property or resources for a private purpose was regarded by both Councils as a breach of duty, and one area where the imposition of a sanction was seen as appropriate. Senior members of the corporation who held managerial positions, apparently saw this practice as a long-standing tradition, a perk of some posts. It was not until the 1880s that examples of the practice came to public notice. As there were concerns that this behaviour set a bad example for more junior staff, the approach of both Councils was to set up a special committee or an independent inquiry to investigate the matter.²⁶⁷ An early reported case arose from the report of the subcommittee set up by Manchester Council following the conviction in 1880 of the Chief Clerk of the Waterworks Department, Frederick Hepton for embezzlement. This confirmed that the Chairman of the Waterworks Committee, Alderman John Grave, had used departmental facilities as a private banking service to provide loans on demand, using monies held in a section of the Waterworks Department which should have been banked.²⁶⁸ This was with the connivance of the Superintendent of the Department, T.G.H. Berrey, who had also borrowed money from the same account. These irregular transactions dated back to April 1875; no interest had been charged or paid on any of these

²⁶⁵ Lloyd Higginbottom was elected to Manchester Council in 1890, and became an alderman in the same year.

²⁶⁶ *Manchester Council Proceedings*, 5 November 1900.

²⁶⁷ Public exposure of the practice was usually as a result of the matter being raised in Council by a member of the Council, rather than as a matter identified by critics.

²⁶⁸ The Hepton embezzlement is discussed in Section 4.4, p.78.

dealings. Although no evidence was given suggesting that Alderman Grave²⁶⁹ had embezzled monies belonging to the Corporation, the Subcommittee set up to investigate these dealings noted that it was 'lamentable' that:

any direct part taken in these irregularities by a gentleman holding the high and honourable position of Alderman of the city and Chairman of this important department, that the example thus furnished must have had a detrimental effect on the discipline of the department and given encouragement to the deplorable laxity that has prevailed.

²⁷⁰

The word 'corruption' was not used in the Council report about either man; the Council's actions suggested that they thought that both were guilty of venial rather than venal conduct.

The enquiry into the stewardship of Samuel Hunter whilst in post as Gas Engineer of Salford, following his dismissal on 9 February 1887, also brought to light the extent to which he had used Council resources for private purposes.²⁷¹ A Mr J.F. Halligan, deputy manager of two of the Salford Gasworks, confirmed that Hunter used employees of the gasworks to undertake work at Beech House, his property in Salford, for periods of four and five weeks at a time. He also stated that he got his supplies from the storekeeper at the Gas works. In the next weeks, the enquiry heard a succession of other members of the Gasworks staff about private work undertaken for Hunter. In two later cases an inquiry was set up as a direct result of an allegation that Departmental managers were using Council property for a private purpose. W. D. Callison, had succeeded Henry Whiley to the post of the Superintendent of the Cleansing Department of Manchester Corporation in 1893. Rumours of malfeasance which were reported to the Council, eventually led to an enquiry being set up under an external referee, a Mr E Sutton.²⁷² His 'brief report' was published in June 1898.²⁷³ The main allegation made against Callison, which was confirmed, was that he had used workmen, paid by the Council, to do painting and decorating work at his property, using materials from the Council store for which he failed to pay the full price. C. L. Turner, Salford's Electrical Engineer, was accused of patenting and exploiting design work which he had undertaken whilst in the employ of Salford Corporation, and which, the Council alleged, he had stolen. Turner was also accused of 'misleading the Electric Lighting Committee' on certain important matters. He had lied about the date he obtained a patent for the design work he was alleged to have stolen, and how the list of possible contractors came into the possession of a pipe work company. An independent

²⁶⁹ A biography on Alderman Grave is given in Section 6.3, p.126, 'Lifestyle choices, the aspirations of officials & members of the Council'. The biography of T. G. H. Berrey is given on page 79.

²⁷⁰ Proceedings of Manchester Council, 1 September 1880. The sanctions imposed on those guilty of this type of offence are discussed in Chapter Eight.

²⁷¹ *Notes from the Investigation committee on Salford Gasworks* (held at the Gas Office, Bloom Street 21 February 1887 onwards). The Hunter papers, parcel 1. Box no.90. Salford Local History Library.

²⁷² The complaint was originally referred to the Mayor, as titular head of administrative services. As he took no action, pressure from members of the Council led to the setting up of the external enquiry.

²⁷³ *Manchester City News*, 25 June 1898 p.4.

committee set up to consider the matter which reported on 12 May 1900, confirmed that the truth of the allegations and why Turner had 'lost the confidence of the Committee.'²⁷⁴ In each of these cases the finding was that the individuals concerned were guilty of behaviour lacking integrity and should be sanctioned.

There was particular concern that members of the Council involved in insider trading could undermine the fairer system of purchasing goods by tender, or that decisions could be swayed if conflicts of interest arose. As a result of rumours that Council members had contracts with the Council to provide services, Salford Council agreed in 1901 to set up a Special Subcommittee:

To consider whether any member of the Council has, directly or indirectly, by himself or his partner, any share or interest in any contract or employment for, by, or on behalf of the Council, in contravention of the Municipal Corporations Act 1882.

The Subcommittee considered three cases.²⁷⁵ The first, involving Councillor James Corney, a builder by trade, who was elected in 1894 to Salford Council, occurred in 1896 when he was a member of the Baths Committee. He agreed to supervise repairs to the roof of Pendleton Baths, as a cheaper alternative to the more expensive complete roof replacement, and he arranged for an unemployed joiner, a Mr Barnard, to do the work 'on his own account' although he borrowed the ladders and equipment which he needed from Corney, who also gave him instructions about the work required. The invoice for the work, submitted by Barnard, had no bill heading. The issue was whether Barnard was an employee of Corney; if yes, this was a breach of s.12(1)(c) the MCA 1882. Whilst Corney's actions undoubtedly saved the Council money, the pretence that Barnard was self-employed was difficult to sustain, as Corney submitted the account for the work done for payment, and paid Barnard, thus supporting evidence that Corney was guilty of insider trading. Councillor Arthur Haworth, a leather goods manufacturer who was elected to the Council in 1895 had been chairman of the Salford Electric Lighting Committee. He was accused of sending a letter to a subcontractor of a successful tender for electrical plant in 1895, soliciting a contract to supply leather belting. He stated that his family firm had previously done business with a Mr Stead, one of this company's directors, and it was only at his suggestion that he wrote the letter soliciting business. The belting contract was awarded to Haworth's family firm, although Stead stated this was strictly based on price and quality, but he denied suggesting Haworth should contact him about a contract matter. The contradictory evidence was not explained or apparently investigated. The third case involved Councillor William Huddart, a coal merchant, and member of the Gas Committee, who was elected to Salford Council in 1891 He was alleged to have acted as

²⁷⁴ *Salford Weekly News*, 12 May 1900. Salford Council Meeting, p.7.

²⁷⁵ *Proceeding of Salford Council*, 6 March 1901. Report of the Special Subcommittee.

agent for the Salford Gas Department in 1895 in the negotiations about a contract for the transport of coal from the rail sidings to the gasworks. A separate contract was awarded to a Mr Scholes, to carry out his coal deliveries to various Corporation gasworks, yet it was alleged the work was done by Huddart using his carts and men. Huddart stated that he had sold his business to his nephew; the carts had not been painted with the new owner's name. He was not asked to explain why he took commission of 10d per ton from the monies paid to him by the Gas Department, when the sub contract with Scholes was signed.

The report of the Special Subcommittee noted that Councillors Corney, Howarth, and Huddart had shown 'a lack of scrupulous regard for their obligations as members of the Council' and were in breach of paragraph 12(1)(c) of the MCA 1882. The use of the words 'lack of scrupulous regard' implies abuse of position i.e. corruption.²⁷⁶ In the Council debate which followed, it was argued that there was insufficient evidence to bring a charge under the *Public Bodies Corrupt Practices Act (1889)*.²⁷⁷ As the Act was not retrospective and none of the alleged acts had been committed in recent years, prosecution was not an option. When the subcommittee report was considered by the Council, an attempt was made to mitigate the subcommittee verdict by an amendment to a motion simply to accept the report, by adding an additional phrase, (shown here in italics):

*that it be placed on record that the alleged incidents of contracting or subcontracting have not been established, ...the Council are nevertheless of the opinion that no members of the Corporation should enter into relations, however innocent, with contractors likely to disturb public confidence in the Council...*²⁷⁸

The amendment was lost, and the motion to accept the report was passed. The correspondence columns of the two Salford papers reflected a variety of views, including letters asking when the three councillors were going to resign; when disqualification proceedings would take place, and comments about the consequences of 'tolerating this behaviour.'²⁷⁹ There was agreement that the Special Committee had done a good job, and delivered a fair verdict, but one correspondent felt too great a fuss had been made of the problem. He noted that 'a mountain of labour had produced 'a miserable mouse indeed!' None of the correspondents used the word corruption, although one stated that the actions of the three councillors were 'a clear abuse of position,' which should have led to disqualification. Corney resigned from the Council, citing pressure of business. Huddart, who received a vote

²⁷⁶ The inference made by the Council itself, that acts of personal corruption, performed by its members of the municipality acting under the aegis of the Council, could be seen as evidence of Council corruption, was made in the case of three Councillors Corney Howarth and Huddart.

²⁷⁷ The *Public Bodies Corrupt Practices Act (1889)* is considered in Section 4.3.

²⁷⁸ The amendment was tabled by Councillor Desquesnes, the deputy Chairman of the Health Committee, which was chaired by Councillor Huddart.

²⁷⁹ *Salford Reporter*, 6 April 1901, p.5. Letter from the 'Salford Municipal League', to the Town Clerk L. C. Evans, calling for the three men to resign.

of confidence from the Regent Liberal Association, was elected as an alderman in 1909. Howarth made no comment about the subcommittee report, but did not stand for re-election to the Council in 1901.²⁸⁰

The reported cases of insider trading which breached the requirements of section s.12(1)(c) of the MCA 1882 show the changing attitude from a practice which was tolerated, to cases where critics increasingly regarded the practice as venial or even corrupt conduct. The apparent unwillingness of both Councils to implement the sanctions which were available to deal with councillors who were guilty of this behaviour, which damaged the reputation of the Councils for integrity, is discussed in Chapter 8.1, p.162, which examines the extent to which the two Councils condoned wrongdoing and the reasons why this happened.

4.4. Embezzlement.

This section considers cases of embezzlement where the allegation of corruption was proven. In a number of these cases, the embezzlement resulted in a significant loss of Council monies. As a result, the allegations of critics were not merely about the attitude of the Council to the sanction of these offenders, but concentrated instead on why the embezzlement had occurred.

Corruption by embezzlement was committed by staff ranging from junior clerical staff to the most senior officials in the municipality, all of whom were involved in the process of handling money received by the corporation, which they diverted for personal use. Although there was no attempt to condone incidents of embezzlement, both Councils tried to avoid publicity in dealing with employees guilty of the offence, because this reflected badly on their ability to provide government with integrity. As a result, legal action was avoided if possible; offenders such as officers, who were responsible for receiving monies for Council services were dismissed, and the moneys lost were recovered from the 'security' which all members of staff were required to provide on appointment.²⁸¹ For the posts of municipal town clerk and treasurer, the security was usually £3,000, although for more junior staff the figure could be as low as £100, still a significant sum of money for junior staff in municipal employ. It is not therefore

²⁸⁰ *Salford Reporter*, 13 April 1901, p.4.

²⁸¹ Robb, *White Collar Crime in Modern England*, p.136. The MCA 1882 section 20, provided the power to require security from every officer appointed by the Council. When insurance companies required prosecutions to be brought against those committing embezzlement, Salford Council decided to set up its own fund in 1866, to avoid the publicity which this could attract. The premiums paid by staff were intended to build up a fund to cover the recovery of any monies embezzled, instead of the staff providing their own security. When the Noar defalcation occurred the resources in the fund were inadequate, so the monies to replace the loss suffered were charged to the Borough fund. The use of the Borough fund for this purpose was not queried. The system of using commercial insurance companies was reintroduced.

possible to know how many actual cases there were of embezzlement; the few cases reported were almost certainly the tip of a wider problem. Although the security would have been initially provided by friends and relatives, by the 1860s companies selling insurance policies had replaced these personal guarantees. Robb stated that before restitution was made, some companies required the employer to publicise the punishment for embezzlement by prosecuting offenders in order to act as a deterrent, as a result some cases were reported in the press.

It was more difficult to cover up incidents of embezzlement committed by more senior members of the Council which resulted in significant losses of Council monies, a matter of concern to ratepayers. These usually came to public attention as a result of an announcement in Council about the 'accidental' discovery of a shortfall in the monies in a departmental account.²⁸² In these cases, after disclosure of information about who committed the embezzlement and which department was involved, critical comment not surprisingly focussed on the internal investigation to determine how the embezzlement had been carried out, concentrating on the management and audit systems in use in the municipality. William Noar, who was appointed Treasurer of Salford Corporation in 1861, was found in 1866 to have embezzled £3,100, offences which had started from the date of his appointment.²⁸³ Noar's work was never checked. The state of the Treasurer's account books had been criticised by the Elective auditors, but no action had been taken to improve the record keeping in the Department. It was only when Noar was instructed to 'balance the books' by the Finance Committee, prior to implementing some minor changes in departmental financial procedures, that the shortfall in the accounts became apparent. Two further cases where there were prosecutions for embezzlement in Salford, used the same method. Jos. Kenyon, who had been employed for 12 months by a Local Health Board, was charged with embezzling £80, monies which he should have banked.²⁸⁴ A 'Mr Stansfield' a collector of Paving accounts for the Salford District committee, said to be a 'perfectly respectable man' was prosecuted on two sample charges of embezzlement of £24 and £58. He had embezzled more than £1,000 which he used to speculate on property. In neither case was the work of these officers checked on a regular basis.

John Graves, Salford's Town Clerk, appointed in 1882, embezzled three instalments of money received from the overseers in the years 1885, 1886 and 1887 - monies which had previously

²⁸² This could be by notification to the Council of a shortfall in the accounts of a particular department found by professional auditors, a discovery made when changes to the procedure used which resulted in a check of the account books or an occasional random check as part of the annual accounts.

²⁸³ *Salford Weekly News*, 22 September 1866, editorial, p.2.

²⁸⁴ *Salford Chronicle*, 12 July 1879. Magistrates Court reports.

been paid directly to the Treasurer.²⁸⁵ He also embezzled *inter alia* some other small sums of money he should also have paid to the Treasurer. As he absconded, there was no prosecution, but reports to the Council about how the embezzlement was carried out, and the full extent of the shortfall, provided the reasons why the embezzlement occurred and the extent of the incompetence of the Elective auditor, Salford Finance Committee and the Council.

The embezzlement by Frederick Hepton, a senior clerk of Manchester Waterworks Department, who was prosecuted in 1880, led to the financial procedures in a section of the Department being open to full public scrutiny. It was as a result of an annual audit that led William Aldred, a professional accountant and author of the audit, to state in a letter to the Chairman of the Waterworks Committee:

I regret to report that I have discovered irregularities in the accounts of the Chief Clerk and Cashier, who has purposely withheld from myself and previous Auditors certain books in which discrepancies appear.²⁸⁶

For two years Aldred had been unaware of how the accounts were kept and the number of account books being used in the small section of the Department which dealt with miscellaneous sales. He did not apparently meet with the staff of the section and only examined the books which were presented to him for audit. The accounts dealing with the supply of water to customers were found to be in order, but the fact that this problem could occur in a major municipal trading operation led to sustained censure of the Council and analysis about how the embezzlement had been made possible.²⁸⁷ The editorial in *Manchester City News* published on 17 July 1880, examined why the audit of the system of book keeping used in the Waterworks Department had failed to detect the fraud. Surprisingly it did not blame the Waterworks Committee, although the appointment of Hepton in the dual capacity, (apparently as a cost saving measure), provided the opportunity to carry out the embezzlement.²⁸⁸ The poor performance of the professional auditor; William Aldred also

²⁸⁵ The Graves embezzlement came to light when a family who had entrusted money to him, asked to see the legal papers. He absconded, and the embezzlement of the Council moneys was then identified. This case is considered in more detail in Section 6.3, p.126 'Lifestyle choices, the aspirations of officials & members of the Council.'

²⁸⁶ The letter was not read into the Minutes of the Waterworks Committee of Manchester Council until 3 March 1881.

²⁸⁷ Hepton used a similar technique to Noar, but in this case, Hepton gave the 'customer' a receipt for the moneys received in the sale of materials which were surplus to the Council's requirements, but entered a lesser amount in the Assets ledger.

²⁸⁸ There was one very important requirement if embezzlement was to be avoided; there had to be a clear separation between the role of the Chief Clerk and Bookkeeper, responsible for producing the invoices, and the Cashier, responsible for receiving payments and producing the receipts confirming payment. Without this separation, a person with a dual appointment could receive one sum of money, credit the payer's account with a different and lesser sum and keep the difference; and then take care not to send invoices to those customers where the books continue to show that the account is not settled. On audit, the payer will still show as a debtor, but the ledgers will balance. In the Hepton and Tetlow/Hallard cases, the failure to separate these functions provided the opportunity for embezzlement.

escaped criticism; instead it was T. G. H Berrey, who as Hepton's supervisor, was expected to carry out weekly checks on the Cash Book, but failed to do so, who was held to be primarily responsible.²⁸⁹ The editorial stated

that the system of bookkeeping and audit had its faults is too palpable now to be denied, and though we do not in any degree blame the committee, we cannot help thinking that a gentleman of Mr Berrey's ability and experience ought long ago to have suggested improvements which would have brought Hepton's career as a defaulter to an end...

The problems with the accounts of the Waterworks Department in 1880 had wider implications. This was the first major case in which the detail of the mismanagement and incompetence in a section of a large municipal trading operation was put under the spotlight; accounts which had been audited by a professional auditor without the problem being identified. For critics, the Hepton embezzlement raised concerns about whether the same problems might be common to the activities of other Committees in the municipality, but this matter was not pursued.²⁹⁰

The lessons of the Hepton case were not learned. In a much later case, a variant of his method was used by John Tetlow, a Director of John Tetlow & Sons, earthenware pipe manufacturers and David Hallard aged 22 years, a clerk with Manchester Corporation.²⁹¹ They were jointly charged with specimen charges of receiving 6 sums of money (£51-£64) from the Corporation by false pretences and conspiring together for this purpose. The Corporation bought clay piping from the Tetlow Company. John Tetlow one of the Company directors, obtained the correct invoice for the goods ordered by the Council, from the bookkeeper of the firm, which he suppressed, and generated a new invoice which used a larger cost for the goods. Hallard, had a dual role. He both ordered the goods and cleared the new invoice for payment. Tetlow then presented this invoice personally at the Manchester Offices of the Treasurer's Department where he received a cheque payable to a special company account which he held at the Union Bank, and from which he made a payment to the Company for the correct amount of the original invoice. The profit to the fraudsters was roughly £50 per transaction. The fraud was discovered when the Union Bank notified Alfred Tetlow, another director, that a cheque for £184, a payment from the Treasurer's department had been 'lost.' He informed the City

²⁸⁹ *Faces & Places, Volume 5* (1894) p.106, includes the obituary of T.H. G. Berrey. It noted that his Municipal service began in 1839 when he joined the staff of Manchester Council's Waterworks Department undertaking clerical duties largely associated with the Committee's finances. He was appointed Superintendent in 1851. He took over the role of outdoor superintendent in 1874, and despite having no engineering training he instituted improvements in water delivery and the testing of water fittings. He was elected Associate of the Institute of Civil Engineering in 1874. The obituary fails to make any mention of Berrey's role in the Waterworks scandal of 1880.

²⁹⁰ A number of departments had 'side lines'; for example, the Highways and Paving Department sold scraplings, & the Health Department built privies and sold manure. As the full financial accounts of the various Departments are not available, it is not clear whether these activities were separately identified in the accounts and were audited.

²⁹¹ *Manchester City News*, 23 April 1898, p.6.

Treasurer and this led to an investigation which led to the discovery of the fraud and prosecution of the offenders

For many low paid clerical officers whose duties involved handling money on behalf of the Council, the temptation to embezzle council monies must have been very great, particularly when audit procedures were inadequate or non-existent and supervision was minimal, so the risk of being found out was believed to be very low.²⁹² As the volume and complexity of Council business increased, the means of preventing embezzlement was then, and remains so in the twenty first century, a battle to continuously improve the methods of audit and supervision of staff to discourage embezzlement; or if it happens, to identify the wrongdoing before a significant loss of money occurred.²⁹³ A case of embezzlement in Wolverhampton in 1917 by an officer of the Council showed how serious the consequences could be of failing to implement these requirements.²⁹⁴ In 1905, the Council passed a resolution bringing the accounts of the Education Committee in line the accounts of all the other committees of the Council i.e. under the 'control' the borough treasurer and the borough accountant. The day-to-day financial business of the Committee was carried out by Jesse Varley who had been appointed as an account clerk in 1898. In theory he was responsible to the Education Committee as a whole which in turn was responsible to the Town Clerk, but the Chairman of the Education Committee, who was also Chairman of the Finance Committee, and the Town Clerk had complete trust in Varley. The result was that there were no proper arrangements to supervise and monitor his work, and any checks which were made were cursory. His main role was to pay in cash the salaries of teachers, including any extra duties which might have been undertaken. The embezzlement was carried out by including in the Salary Account book, used to record these transactions, a number of blank pages, duplicates of which he obtained from the printers. Payments to the 'real' teachers were recorded in this book, so that nothing untoward would emerge if the books were inspected, as the names of the teachers could be checked against the official list of teachers employed by the municipality. Varley 'invented' a large number of teachers, whose names and payments were entered onto the Salary Account duplicate sheets. Prior to the date for the audit, which was notified to Varley in advance, the Salary Account book was sent to the printers where the blank sheets were removed and replaced by the duplicate sheets giving details of the payments made to the phantom teachers. The binding was then made good. Varley forged receipts for these extra payments. The

²⁹² This issue is considered in more detail In Section 6.1, p117.

²⁹³ *Manchester City News* 17 July 1880, editorial, p.4, commenting on the failure to prevent embezzlement in the Hepton Waterworks case considered above, stated, 'if a cashier is determined to rob his employer, he will do so whatever the system of checks.'

²⁹⁴ This account is taken from Chapter Seven by John Smith entitled "Ingenuous and daring": the Wolverhampton Council fraud 1905-17' in editors, James Moore and John Smith *Corruption in Urban politics and Society, Britain 1780-1950* (Aldershot: Ashgate 2007).

apparent overspending of the Departmental budget which audit revealed was explained to be the result of delays in receiving government grants; no check was made to see if this was the case. It was well-known that Varley enjoyed a life style well in excess of his Council income of £325, which he stated was the result of family money inherited by his wife. This was untrue. The Varley defalcations, which continued from 1905 to 1917, totalled £84,336, and were only uncovered when a junior clerk, newly employed in the audit department noted the discrepancy between the official list of teachers employed by the authority, and the names of those in the altered Salary Account book, sent for audit. This check has not previously formed part of the checks carried out during the audit process. The long-term implications of the Varley affair which led to the issue by the LGB a revision of the duties of district audit and an acknowledgement the role of the Finance committee, did have a major impact on the control of local government finances in the following years.

4.5. Mismanagement; the rhetoric of corruption?

The evidence of the previous section confirms that corruption by embezzlement committed by individual members of the Council was no longer seen as an isolated event, but instead was increasingly seen to be one facet of a wider problem; mismanagement by the Councils. Embezzlement could lead to the loss of a considerable amount of Council monies a matter of concern to ratepayers. As well as the allegations which were reported to the Council when shortfall in departmental accounts were discovered, allegations of corrupt behaviour by the two councils were also made or inferred by a small number of critics including maverick councillors such as Councillor Mandley in Salford.²⁹⁵ It was, however, the Elective auditors, who saw that their role as being to confirm the integrity of the spending decisions made by the Council, who provided the evidence that embezzlement was facilitated by the mismanagement of the two Councils.²⁹⁶ Their audit reports, which identified factors such as a failure of the Councils to provide an appropriate financial or management system to carry out and audit business transactions, were compiled on the basis of information which was said to have been obtained by examining the account books of the municipality. These reports were therefore seen to be authoritative. This section focuses on how the Elective auditors presented

²⁹⁵ *Manchester Faces and Places*, Volume 4, 1892-3 p.55. James T.G. de Thiballier Mandley, who was elected to Salford Council in 1876, made allegations about management of the Gasworks which he criticised for poor quality and expensive gas and he queried whether the Gasworks actually made a profit. Although his allegations of mismanagement and misfeasance were later proved to be valid, his regular disruption of Council business left him open to criticism both by members of the Council and in the press.

²⁹⁶ *Manchester City News*, 30 September 1894, editorial, defined the duties of an elective auditor was 'to detect abuses and show them up, i.e. see money is spent legally and not recklessly and or for the wrong purposes.....; This is discussed in Section 7.1, p.152.

their findings, the motivation of these men as critics, and the extent to which the language which they used, which was both emotive and persuasive, and often used the rhetoric of corruption, is able to provide an assessment of the integrity of the two Councils.

Three of Manchester's Elective auditors Joseph Scott, Frank Hollins, and S. Norbury Williams published their reports in *Manchester City News*.²⁹⁷ Joseph Scott's role and the nature of his allegations have been considered in Section 4.1. The most assiduous of Manchester's Elective auditors, his analysis of the spending by Manchester Council during the municipal year of 1883/4. was based on an examination of 40,000 invoices issued by the Corporation, as well as all the account books of the authority. The publication of his findings had the effect of focussing attention on areas of Council spending usually hidden from ratepayers, and he sought to direct attention to practices which had previously been accepted but which he regarded as abuse of position and power.²⁹⁸ Very few of the incidents which Scott identified in 'Leaves' had been reported in any of the Council proceedings or other press reports, and few complaints had been previously made about the matters he identified and criticised.²⁹⁹ No other Elective auditor in the late Victorian period, either before or after Scott carried out such a detailed audit. The number of incidents which came to public attention, both in the years before the Scott reports and subsequently, was a small fraction of the numbers which Scott's detailed audit revealed. It is reasonable to assume that had each Council year been studied in the same depth, the findings would have been comparable to the Scott study. This assumption is supported by the fact that the few incidents which were reported by later critics contained similar allegations, suggesting that Scott's findings did represent the types of mismanagement, misfeasance and Council corruption which occurred and recurred throughout the period.

Roughly 25% of his reports dealt with matters of 'routine' spending in the various departments within Manchester Corporation. He examined matters such as travel claims and entertainment, particularly the spending on wines and cigars, and day to day expenditure on departmental administration which was not specifically identified in the accounts of the Borough. He also made detailed allegations about the spending by committees and individuals, identifying what he claimed were incidents of extravagance, and unjustifiable spending which was sometimes *ultra vires*, or was, as he hinted, behaviour lacking integrity.

²⁹⁷ The biographies of these three men are given in section 2.4, p.31.

²⁹⁸ Joseph Scott, *Leaves from the Diary of a Citizens' Auditor*. The ten reports plus an eleventh summary, in which he stated his aim in writing these reports, were published weekly between September 13th 1884 and November 22nd 1884.

²⁹⁹ In previous years, matters such as the need for visits to Woodhead to inspect the Manchester Water Works, and the cost of entertainment had been discussed in both Manchester & Salford Councils as part of unsuccessful attempts to cut down expenditure on 'deputations' and 'pic-nics', but no details or costings were given. The Scott reports gave the costs of examples of this type of expenditure.

Examples of the detailed allegations made by Scott are considered in the previous sections of this chapter. Although nowhere in his first ten reports does he use the word 'corruption', he made the purpose of his audit clear when, in the eleventh and concluding report he stated that he had endeavoured, 'to the best of my ability to indicate to ratepayers where corruption is to be found'.³⁰⁰ His criticism was made more effective by the way he presented his findings. He left the readership in no doubt about his opinion of members of the Council, often by the use of satire, which caught the readers' attention and was an effective way of making a point. He compared, for example, the pantomime 'The Forty Thieves' with the 'pantomime' performed in November, by which he meant the first meeting of the new Manchester Council. Dealing with expenses claims particularly claims for cab fares, he asked why 'as soon as a man enters the Council chamber, he is seized with an acute form of paralysis of the lower limbs.'³⁰¹ He also employed parody to provoke the reader to believe that corruption must be rife in the conduct of the corporation business; for example, by stating that the amount of wine drunk in a year by members of the Council was 'sufficient to fill a small reservoir'³⁰² Referring to the failure to optimise the use of expensive Council resources he noted:

It sometimes happens that one department may be so busy that they have to hire horses.....all the while perhaps the horses belonging to another department are eating their heads off in the stable, waiting for work.³⁰³

The significance of these statements would not have been lost on the reader; this language would have set the scene for a critic to put the worst possible construction on the ability of the Council to provide competent and efficient government. The publication of his findings provoked responses from the public, the Council and some named councillors, which were also reported in the press, many denying Scott's conclusions or his interpretation of a situation. There are valid criticisms of some of his allegations. He did not check the facts with the various departments before he accused its members of misfeasance or incompetence, nor did he seek to establish whether there was an explanation for the allegations he made. More seriously although he was not afraid of naming names, he failed to name the perpetrator(s) involved in many of his most damaging allegations. He alleged, for example, that councillors, who could be guilty of having contracts with the Corporation, a matter which could lead to disqualification, used the names of 'brothers, sons, cousins, and other relatives' as the holders of the contracts, but does not name them, nor does he name the councillor who charged the Council commission on the purchase of the weighing machine, or the councillor who, he alleged, had been paid commission on loans.³⁰⁴ He had prejudices; he did not believe that officials who

³⁰⁰ Scott, *Leaves from the Diary of a Citizens' Auditor*, p. 53.

³⁰¹ *Ibid.*, p.19.

³⁰² *Ibid.*, p.5.

³⁰³ *Ibid.*, p.36.

³⁰⁴ *Manchester City News*, 4 October 1884, Manchester Council Proceedings, p.6. The allegation that commission was paid on loans was explained by Alderman Thompson. He stated that it was found that a councillor had invested

were getting a salary from the Corporation should be able to claim a fixed sum to cover their expenses, unlike councillors; but conceded that they should perhaps be allowed out-of-pocket monies. Although he recognised that the duties of the Mayor involved entertaining visitors, he did not agree that Mayoral entertainment should be funded by the Council. Whilst he accepted that the Mayor should be given a fixed entertainment budget, he felt he should pay for any spending over that limit. He argued that no deputation should require more than one or two members of the Council, and by publishing a list of the actual expenses claims by many of the members of the Council, he inferred that these were excessive and not justified.

There is no evidence that Scott undertook the duties of an Elective auditor for personal advancement; after two years' service as an elective auditor he played no further part in municipal life. He was unpaid and did not attend the monthly lunches provided as a service to auditors whilst undertaking audit duties.³⁰⁵ Although there are some reservations about how he interpreted some of his findings, he did identify unjustified spending, misfeasance, and the behaviour of the Council in condoning the actions of councillors or officials who were guilty of personal corruption a state of affairs he suggested was Council corruption. He also identified actions which were *ultra vires* the powers of the Council. His findings were seen as a powerful indictment of the conduct of local government in Manchester.³⁰⁶

Whilst still serving with Joseph Scott as Elective auditor, Frank Hollins produced a series of reports, 'A Citizen Auditor's review' which were also published in *Manchester City News*, covering the Council year 1884/5. These reports continued the Scott tradition of reviewing the spending of the various departments of the municipality. Although he lacked Scott's presentational skills, and he duplicated some of the findings of Scott's earlier reports, he did add some additional examples of extravagance and unjustified expenditure. Nonetheless care has to be taken in accepting at face value any of the allegations made after 1886, when Hollins had Wallace McGuffin Greaves as his co- elective auditor. The Hollins family had failed to win a tender for supplying goods to the Health Department, and Hollins was unsuccessful in proving that that the tendering procedure used had been corrupt.³⁰⁷ The apparent consequence of this failure was that Hollins-Greaves audit reports, which mainly dealt with the Health Department, constituted a campaign alleging corruption and mismanagement by the Superintendent of the Department, Henry Whiley and the Chairman Alderman Schofield. This

in Council stock as a trustee on behalf of the Trust. Advice was taken by the Finance Committee over whether commission should be paid in these circumstances. Sir Joseph Heron had approved the payment.

³⁰⁵ Ibid., 22 November 1884. The editor's reply to a correspondent (Mr. Arthur White) asking about payment to Elective auditors.

³⁰⁶ Scott's more detailed findings on the conduct of the Council of Manchester Corporation will be cited in the following sections of this chapter.

³⁰⁷ *Manchester City News*, 3 October 1885. The allegation, which dealt with a tender evaluation, is discussed on p.57.

led the Corporation to take action for libel. The report of the enquiry into the validity of these allegations, produced with the agreement of both parties to the action, provided an objective assessment of the validity of the Hollins claims.³⁰⁸ The eight-page report of the enquiry, published in the *Proceedings of Manchester Council*, found that although embezzlement could not be ruled out because entries in the account books were altered and spare sheets had been removed, there was no firm evidence of misfeasance or corruption.³⁰⁹ There was no evidence either that the corporation was defrauded of income by the casual attitude to keeping the books at the Corporation Yard, which was used by the Health Department, although again the record keeping was found to be totally inadequate. The serious allegations about how contracts for supplies were concluded were withdrawn by the Elective auditors. The remainder of the report dealt with a number of infringements of good bookkeeping practice used in sections of the Health Department. The detailed conclusions of the enquiry noted the need to implement better systems of record keeping, and to appoint a responsible official at the Health Department Town Yard to ensure that agreed procedures in dealing with goods and income were followed. The report concluded with a comment about the evidence produced by Hollins and Greaves:

it is to be regretted that ...they did not more closely investigate statements made to them, their credulity has been most grievously imposed upon by persons who boasted of their dishonesty, the greater part of whom have left the service of the Corporation and thus they, (the Elective auditors), have been left to make serious allegations ...which they have been unable to sustain. .³¹⁰

The report gave qualified praise to the Health Department, noting that:

No charge of fraud has been sustained against any member of the committee or the committee's responsible officers. True small irregularities have existed.... but I am satisfied that these shortcomings are not greater than in any other concern of equal size.³¹¹

Although this report was intended to reassure critics about integrity in the Health Department, the statement that there were still major shortcomings in how the Department conducted business was hardly persuasive

³⁰⁸ This libel hearing, which lasted 18 days, took evidence on oath. A document Ref F347, 91 Ma1:1877 in the Central Library Manchester contains '*Shorthand notes of the proceedings*' of the High Court QB Division for the first 7 days of the trial, when Hollins and Greaves were cross examined

³⁰⁹ *Proceedings of Manchester Council*, 8 June 1887.

³¹⁰ Hollins' reputation was damaged when the Superintendent of the Health Department, Henry Whaley, retaliated to the allegation of corrupt practices in the Department by noting that Hollins had failed to carry out the improvements which he was required to make to the closets in two blocks of property which he owned; as a result, the Department undertook the work. Although Hollins had agreed to pay the cost of the work by instalments he had failed to do so. The Corporation had been obliged to summon him to the Police Court for 6 out of the 7 instalments on 1 property, 4 out of 5 of the other. Hollins stated that he did not pay because he said the work was 'unnecessary'.

³¹¹ *Proceedings of Manchester Council*, 8 June 1887.

Prior to his election as an Elective auditor in Manchester in 1894, Samuel Norbury Williams had been Chairman of the Manchester Ratepayers' Association.³¹² The damning report by the Association about the Victoria Hotel scheme was published in the name of its two secretaries, although Norbury Williams must have had inside knowledge about the content, and the hints in the report that there had been corruption.³¹³ He subsequently published a letter alleging that 'bribery and corruption prevailed to a large extent,' and he offered ... 'to bring before any commission evidence of bribery and corruption in two if not three departments of the Corporation' The Council which sued Norbury Williams for libel, lost their action on a technicality before any evidence was heard.³¹⁴ He never produced any evidence to support these allegations. As an Elective auditor from 1894 onwards, he was selective in the allegations which he made, which he brought to public attention by publishing the letters he had sent to the Lord Mayor in *Manchester City News*, detailing the alleged corruption. He supported these allegations by information which he had obtained directly from by interviews with councillors and contractors who had dealings with the Council and he also published an occasional 'Elective auditors report' about his findings.³¹⁵

In the 1880s and 1890s, Salford was not well served by its Elective auditors. Edward Harrison, who was elected in 1877 and served until 1898, was an auctioneer and valuer, He was a frequent letter writer to the press, but the subject matter was usually about matters of personal concern. He frequently complained about the price of gas and its luminance, or the failure of the Council to accept his expenses claims. As Harrison did not publish any reports detailing his audit findings, it is difficult to know therefore how thoroughly he examined the account books of the municipality. The amount of time he alleged he spent on auditing the accounts can be calculated from the claims he made for expenses. In 1890, it was reported to the General Finance Committee that Harrison had presented an account for £348/12/-, based on an entitlement of 2 guineas per day (equivalent to 166 days' service) which he claimed under the provisions of the *Public Health Act 1875*.³¹⁶ The Town Clerk was ordered to offer Mr Harrison 20 guineas 'to settle the claim. Harrison was criticised for failure to act in the 1888 case involving John Graves, Salford's Town Clerk, who failed to pay over monies to the Treasurer which he has received on behalf of the Corporation in three consecutive years.³¹⁷

³¹² Samuel Norbury Williams was an accountant. He was elected as an Elective auditor for Manchester Council in 1894, a role he undertook for 34 years until 1927. He died in 1929 at the age of 77.

³¹³ The role of aldermen in the mismanagement of this scheme. to complete the building of the Victoria Hotel is considered in Section 5.1, p.101.

³¹⁴ The Court held that a municipal corporation could not be guilty of corruption. This ruling and its implications are discussed in Section 3.1 p.34.

³¹⁵ His allegations of corrupt behaviour by Alderman King were discussed in Section 4.2, p. 64.

³¹⁶ *Salford Chronicle*, 4 October 1890. Salford Borough Council, General Finance Committee. p.5.

³¹⁷ *Ibid.*, 27 August 1889, Letter, Edward Harrison. In a letter signed SW, the writer noted that after the inspection of the books of the Town Clerk by Harrison, the books were said to be 'in order'.

In letter to the *Salford Chronicle* in which he gave an account of the Town Clerk's indebtedness, Harrison stated that he had not reported the matter because it was 'no great amount... for a man whose salary was £1200 per year.'³¹⁸ He stated that he had been told the matter had been taken in hand, so he took no action. It is hard to believe that there was no misfeasance or corruption in Salford in all the years he acted as Elective auditor; the very few matters relating to audit published during his period of service were initiated by one of his co-Elective auditors. Daniel Sharrock, who served in this capacity for 4 years, from 1884-1887 did attempt to get greater access to the accounts of the municipality. It was revealed in a Salford Council meeting that Sharrock had refused to sign off the accounts, because he said that he was not given adequate time to examine the various account books. The result of this refusal was that the preparation and publication of the spending estimates of the Council, which were based on the audited accounts of the previous year, were delayed.

A number of Elective auditors, particularly those elected to office in the 1890s saw the post as a way of furthering a political agenda, by using the access to the press which the role provided, a tactic used by the Independent Labour Party (ILP).³¹⁹ John Garrard noted the socialists in Salford were able to capture the 'hitherto defunct office of Elective auditor' and were able use the office 'to cause the Council leadership great trouble' by uncovering and publicising examples of Council incompetence...³²⁰ Both John Hemsall who served as Elective auditor for two years 1895-6-1896-7 and William Hunt who served in 1898-1899, and 1901-2, were ILP nominees who served in Salford. Letters of criticism about the reasons for the Great Salford Muddle were written by John Hemsall, and in 1898 it was William Hunt who identified and publicised malfeasance by members of the Electric Lighting Committee, and the incompetent way the matter was dealt with by the Council. Both used the contacts which as Elective auditors, they had with members of the corporation and described their findings using hyperbole. Their letters to the press were influential, focussing the public's attention on the current actions of the Council.³²¹ D.L. Prince, who served as Elective auditor in Manchester with Norbury Williams for 2 years, 1894/5 and 1895/6, was also an ILP nominee. He was supported by the ILP newspaper *Labour Leader* which publicised his findings. He did uncover incidents of financial incompetence and extravagance, rather than corruption, but found it

³¹⁸ Ibid., 31 August 1889. The total amount embezzled by Graves was £752/0/9.

³¹⁹ The Independent Labour Party (ILP), a new socialist organisation was founded in 1893 in Bradford, mainly on the initiative of Keir Hardie and Robert Blatchford. It was affiliated to the Labour Party in 1906 The party had a branch in Salford.

³²⁰ John Garrard, *Leaders and Politics in Nineteenth Century Salford* (Salford: Salford University Research Series 1967).

³²¹ The allegations of these elective auditors are cited in appropriate sections of the thesis.

difficult to get his reports published in the local weekly press. On 28 September 1895, the *Labour Leader* reported that:

Comrade D. L. Prince has issued a report of his work. He has been able to get it into *Manchester City News* and the *Courier*, but the *Guardian* rejected it. The report should be in the hands of all comrades; it contains many important findings, for example savings to be made on commission paid to private firms for investing money.

In Prince's December 1895 report, he rightly questioned the business capability of Tory and Liberal members of the Council, who had agreed to a loan of £8,000 to the Ship Canal Promotions Company, without specifying how the money was to be repaid; he also reported the 'Great to-do' about the charges for services which he had submitted.³²² Although it had been established that payment to the elective auditors could be made in certain circumstances, the Council noted that the payment of these monies in Salford was presently the subject of legal action by Harrison; Salford's Elective auditor. Prince was therefore offered a one-off payment of £150. When Councillor Mainwaring suggested that any expenses paid to Prince would be going to the ILP, and this was why he had been selected as their candidate; he was asked to withdraw this allegation.³²³ Although Redford did not name Prince, he reported that an Elective auditor had resigned because of the 'cowardly attacks and deliberate falsehoods' of some of the councillors. Prince withdrew his application to resign when the Town Clerk demanded the legal fine of £50, the penalty for resigning.³²⁴ He stated 'I have already lost too much in discharging my duties, I could ill afford to add £50 to it.' He refused to undertake any further duties or appear before the Council to account for his neglect of duty. The Executive Committee of the ILP passed a resolution:

In view of the fact that D. L. Prince resigned as Elective auditor without consulting or conferring with the Executive of the Party the Executive Committee of the Manchester and Salford ILP have no confidence in him and suspend him as a member of the Party pending the decision of the General meeting.

Findings and précis of Chapter Four

This chapter has focussed on how attitudes to corruption were quite clearly changing in the late Victorian period. This was illustrated by the attitude to the integrity of practices such as customary practices, some of which continued to be accepted, but were criticised, whilst the attitude cases of insider trading, initially tolerated, were increasingly seen as venial, if not corrupt. Although the *Public Bodies Corrupt Practices Act* (1888) was intended to clamp down

³²² *Labour Leader* 28 December 1895, ILP notes, p.8.

³²³ Councillor Mainwaring was elected to the Council in 1898. A boot maker by trade, he was elected as an alderman in 1898. The report did not state whether he withdrew this allegation.

³²⁴ Redford, *The History of Local Government in Manchester*, Volume II, p.446.

on practices which were seen to be bringing the reputation of the two Councils into disrepute, the research identified the unwillingness of both Councils to fully use the sanctions available against those guilty of behaviour lacking integrity. Whilst the evidence suggested that both Councils were reluctant to accept the guilt of those whose offence related to a practice which had previously been tolerated, the findings suggest that the behaviour of both Councils to the use of sanctions was strongly influenced by the need to avoid the publicity damaging their reputation for integrity which using the sanction could bring.

The last two sections of the Chapter deal with cases of embezzlement where the loss of monies to the Council could be significant and the allegations of personal corruption were self-evident. The evidence of these cases has shown that critical comment began to identify mismanagement; the failure of the two Councils to implement management systems which would prevent or at least reduce the risk of embezzlement occurring. The attitude of Elective auditors to their role, the reliability of their findings and how they reported their findings has been considered noting that they undoubtedly uncovered instances of veniality or corruption by individuals working for the Council, however many of their allegations of Council corruption related to misfeasance arising from mismanagement, or to patterns of behaviour which had previously been tolerated but as a result of changing standards of behaviour were seen as misfeasance

The next part of the thesis, Part Three, entitled 'Municipal government: a machine out of joint?' examines why mismanagement occurred by considering how the municipal Councils of Manchester and Salford conducted Council. business.

Part Three- Municipal government; a machine out of joint?

The aim of this part of the thesis is to address subsidiary question three:

‘What was the attitude of the two Councils to the management and delivery of Council business, and why did this lead to frequent incidents of mismanagement and allegations of corruption?’

This will be undertaken by analysing in more detail how the two municipalities undertook Council business using the constitutions set up under the MCA 1882, and why the procedures used in both municipalities led to the mismanagement of Council business. It identifies two main factors which had an impact on the performance of Councils and affected the reputation of both Councils for competence and integrity. These were the availability and deployment of the resources needed to undertake Council business, including managerial, financial, and technical expertise; and the extent to which the mindset of councillors and officials, derived from the practices of commerce influenced the practices of the two Councils. These factors are considered in the next three chapters.

Chapter Five. The Council and its committees.

An introduction to the constitution of the municipalities of Manchester and Salford was given in Chapter Two. The aim of this Chapter is to focus on how the two Councils actually conducted Council business and to explore the practical problems experienced in delivering government with competence and integrity. It examines the background, mindset, and attitude of the men who served on the Council, and the influence of these factors on their behaviour as members of Council committees. It argues that this behaviour was to lead to the increasing autonomy and dysfunctional relationships of committees with the Council itself, and was a major factor in determining the extent to which the two councils were able to provide government with integrity and competence.

5.1. The councillors, fit and proper persons?

The primacy of the Council in the structure of a new municipality had led to early discussions about the ‘qualifications’ needed by a person taking on this important role. Sir Robert Peel noted that if municipal government was to command respect, municipal affairs should be in the hands of those who ‘from possession of property have the strongest interest in good

government, and, from the qualification of high character and intelligence, are most likely to conciliate the respect and confidence of their fellow citizens.³²⁵ The 'choice' of suitable recruits to be councillors was in fact 'Hobson's choice,' (in practice no choice). The type of managerial expertise needed by councillors in the new municipal corporations was not required or developed in the seventeenth and early eighteenth century. Peel had therefore to turn to the propertied class or their equivalents in urban municipalities to provide governance; the businessmen, merchants, or manufacturers, many of whom had experience in commerce. Although the constitution of both Manchester and Salford changed with the implementation of the MCA 1835, it was these men who had previously taken part in the government of the boroughs who offered themselves for election to be councillors in the new municipalities and were responsible as members of the Council for making the policy decisions about how municipal services were developed.³²⁶ The responsibilities for functions such as sewerage, paving, lighting, and duties in the public health field, previously carried out by the Police/Improvement Commissioners, and transferred to the new municipal Corporations, became core activities for the new Councils.

Municipal corporations were seen to have the same role as a business, whose function was to provide services to ratepayers. Although many of the men who served on municipal Councils accepted the inferred moral obligation (*noblesse oblige*) that those with wealth and position should give service to the community, the motive for taking on Council service was not completely altruistic. As well as social prominence and leadership, which often followed election to the Council, to be elected as a member of the Council was also regarded as recognition of success in life. Having a background of success in commerce, where business practices were based on '*laissez faire*' with near absence of regulation, was regarded as demonstrating business acumen, and the ability to carry out the business of local government on behalf of the community.³²⁷ As business in commerce was flourishing, central government had seen no need to 'burden' commerce with legislation.³²⁸ There was no legal requirement for the books and accounts of most commercial companies to be kept in a particular way, nor was there a requirement for audit in most branches of commerce. This was the experience which councillors saw to be appropriate for conducting council business. Not surprisingly being elected to the Council inculcated in councillors a belief about the rightness of any decisions

³²⁵ E. P. Hennock, *Fit and Proper Persons*, p.311.

³²⁶ John Garrard, *Leadership and Politics in 19c Salford; a Historical Analysis of Urban Political Power*. (Salford University. Research Series) p.6.

³²⁷ By the late Victorian period, the business of municipal Councils such as Manchester and Salford had expanded in both size and complexity, for example, the Gas department of Manchester Council had 1,700 employees. The experience of successful businessmen gained in family businesses which had scarcely any need for accountability herefore had little in common with the expertise needed to discharge the duties of a municipal Council.

³²⁸ Robb, *White Collar Crime in Modern England* p.189. Audit was not mandatory for most joint stock companies until 1900

made as a councillor and an arrogant approach to how the business of the Council should be conducted. The result of this attitude meant that demands for change by critics were seen as interference, even when it had become clear that change was necessary, for example to improve audit systems. Beatrice Webb confirmed that in her interviews with Council Chairmen, who virtually ran some Manchester Council Committees, their actions were often based on an 'I am right' attitude, which was shared by members of the Council.³²⁹ How these attitudes influenced the way the Council approached the implementation of policy decisions is considered in Chapters 5.3 and 5.4.

Hennock, in a discussion about the recruitment of councillors to urban government, noted that from the 1850s there were increasing numbers of critical comments alleging that the calibre of members of councils had declined, and 'these expressions can be found in local newspapers.'³³⁰ The concern both at a local level and a national level was also that 'men of property and station' were increasingly reluctant to put themselves forward to serve on council. He cited a *Manchester Guardian* article in 1861 which noted that 'substantial and respectable men' on Manchester Council had been replaced by people 'lower down the scale' which was a 'deplorable lapse.'³³¹ The implication that there would be a decline in the competence of a council arose because their replacements were men who were drawn largely from the 'shopocracy'; shopkeepers and tradesmen. men who were often the 'economists' on the Council, who sought to reduce expenditure.³³² A letter to *Salford Weekly News* also expressed the view that this was an unfortunate trend because,

It would be unreasonable to expect the small trader who deals in units of tens and seldom reaches three figures to comprehend the sums involving some hundreds of thousands as it would be to expect a man ignorant of geometry and mathematics to calculate the distance and density of Saturn...³³³

An editorial in *Salford Weekly News* in 1878 also supported the view that there had been a decline in the calibre of members of Salford Council suggesting that:

It is true that as in other Town Councils there are members who are not equal to the position they hold and who may think more of the gratification of their personal ambition or fancies than of public service....and the number of these persons latterly we are sorry to say has rather increased rather than decreased in our own town Council.³³⁴

³²⁹ Sidney & Beatrice Webb, *Methods of Social Study* (London: Longmans Green & Co 1932, p.197. She gave the reference to her diary for these comments as 'MS Diary September 1899.'

³³⁰ Hennock, *Fit & Proper Persons*, p.312.

³³¹ *Ibid.*, p.313.

³³² *Manchester Guardian*, 18 November 1861.

³³³ *Salford Weekly News*, 16 July 1867 p.4.

³³⁴ *Salford Chronicle*, 9 January 1892 p.4. Editorial.

Although academic interest has not centred on the subject of corruption in urban municipalities, several authors have studied the process of political change in the late Victorian period. Their findings are relevant to consideration about whether the calibre of councillors declined in the late Victorian period. John Garrard, in his study of the exercise of political power in Salford, examined the changing composition of Salford Council.³³⁵ He noted that the percentage of 'large proprietors' which included manufacturers, business men and merchants, men who were likely to have experience of commerce, fell from roughly 50% of Council membership in 1870 to 30% in 1900; whilst the percentage of 'small proprietors,' which included shopkeepers and tradesmen, rose from 20% to 35%. No comparable study has been carried out for Manchester; the only figures available, which allow comparison of the two Councils, show that Salford Council had a higher proportion of 'large proprietors' than Manchester over the period to 1866-1875.³³⁶ Manchester had a higher percentage of named merchants over the same period; both Councils had similar numbers of small proprietors. As the factors which caused the fall in the large proprietorial class on Salford Council were common to both municipalities, it is very likely that there was a similar decline in the membership of the proprietorial class on Manchester Council during the last quarter of the century.

Comment from councillors themselves also suggested that the calibre of those standing for Council was falling. Alderman Husband, the Mayor of Salford, made the same point in 1882 in an address to the annual meeting of Manchester Society of Chartered Accountants. Referring to the recruits to Salford Council, he stated that the disposition to serve the public by persons qualified to do so was decreasing, and that coincided with the fact that there was:

an increased disposition amongst men, quite unfit for such service, to undertake it...Hence we get into the Corporation men who are little fit mentally or morally... What was needed was good common sense, good business capacity and 'honest zeal for public good and power of expression in concise and clear terms' ...special knowledge was valuable only in special cases, the public too often confide their interests to those whose principal object is self-aggrandisement.³³⁷

He did not provide any evidence in support of these allegations, and might have added to the list of qualities needed by a councillor, a thick skin; he himself had suffered denigration at the hands of the press.³³⁸

³³⁵ John Garrard, *Leadership and politics in 19c Salford, a Historical analysis of urban political power*. Salford City politics- Research Series. (Salford: Salford University, 1967?) p.6.

³³⁶ Appendix 2, p.194, shows the occupational analysis for Manchester and Salford Councils.

³³⁷ *Ibid.*, 6 May 1882, p.2. Alderman Husband was a builder and contractor, a Tory property owner and a member of the Salford Property Owners' Association. He was elected an Alderman 1874, chaired the Salford General Finance Committee and served as Mayor for 2 years, 1881-3. It is not clear what motivated Husband to make such a blatant attack on fellow councillors.

³³⁸ *Salford Weekly News*, 2 October 1876, stated in an editorial, that Husband's remarks in a debate in Council; 'were puerile, indeed we may say they were silly in the most extreme sense of the word. They had in them neither sense nor reason.'

This view was challenged Hennock, who argued that the members of the 'shopocracy,' heavily burdened by rates,' had legitimacy as a councillor.³³⁹ This view also supported by Councillor Harry Rawson, writing in 1894, who defended the competence of the 'exercise of most varied abilities and qualifications.' He stated:

There are superfine and ignorant critics who affect to decry the work that is done by municipalities; but the plain unvarnished truth given...of the recent enterprises of Manchester Corporation will, it is hope convince all thoughtful readers that, in the work of local government, there is ample scope for the exercise of the most varied abilities and qualifications, and for the satisfaction of a laudable and honourable ambition...³⁴⁰

There were a number of disincentives to serving on the Council, including the increased time demands made to carry out the role of councillor, with more and longer meetings; often to the detriment of the demands of their own businesses. There was often a need to stand for election on a party ticket as elections became more frequent after the broadening of the borough franchise, and the press started to take a greater interest in council affairs. The result was regular criticism about council actions or inactions, which were often personalised and generated unwelcome and uncongenial publicity. Many potential councillors who moved to more salubrious surroundings to avoid the polluted conditions in the two boroughs no longer met the residence qualifications necessary to stand for Council, and many others who would have served on the Council for the status and publicity which it gave, used other ways of gaining social status, for example by engaging in charitable activities. The problem is whether or not there is any evidence that this led to a changed membership of the Councils and a reduction in their competence to take the decisions needed to conduct Council business.

Although the occupational background of a Councillor was thought to provide evidence of the likely contribution which a Councillor would make to the conduct of local government, L. J. Sharpe argued that other factors, such as integrity, will-power, judgement, political nous and local knowledge were also important, but he believed that ...'a person's occupation 'can tell us something, but certainly not everything about his likely qualities as a councillor.'....³⁴¹ No studies have been carried out to assess whether this correlation existed in Manchester and Salford, although a study was carried out in Wolverhampton by G. W. Jones in 1969..³⁴² He

³³⁹ Hennock, *Fit & Proper Persons*, p.316, noted that by the 1860s new models emerged to judge the suitability of town councillors. He cited John Stuart Mill who accepted the view that Councils should be bodies with a mixed social composition.

³⁴⁰ Harry Rawson, *An Historical Record of some recent Enterprises of the Corporation of Manchester and of its Cooperation in the Completion of the Manchester Ship Canal*. (1894) p. viii. Rawson who was a printer and bookseller, was Chairman of a subcommittee of the Town Hall Committee which was charged on 2 October 1893 with producing an historical record of 'some recent enterprises' of Manchester Corporation. This 190-page report was the result; it was published in April 1894. He was served on Manchester Council between 1856 and 1865, and was re-elected in 1884 He was elected alderman in 1894. A supporter of Manchester Mechanics Institute, he was made a Freeman of the City in 1903.

³⁴¹ L. J. Sharpe, 'Elected representatives in local government.' *British Journal of Sociology* 1962, 189-209.

³⁴² G. W. Jones, *A Study of Wolverhampton Town Council 1889-1964*. (London: Macmillan, 1969).

assessed the contribution of each councillor to Council business, placing each member in one of four classes.³⁴³ His judgements were inevitably subjective, but the results he obtained do support the view that in Wolverhampton, the councillors who were drawn from the manufacturers group, which was the largest group on the Council throughout the period, made the outstanding contributions to Council business;³⁴⁴ He also found that the same group had the highest percentage of poor contributors.³⁴⁵ The similarity in the demographics of Wolverhampton and the municipalities of Manchester and Salford suggest that comparable results would be obtained had the exercise been carried out in these municipalities; showing that the manufacturers, merchants and business men who had commercial experience were the major participants in conducting Council business on both the Manchester and Salford Councils. One final factor to be considered is whether the commitments of these men to their businesses, meant that the period of service on the Council might be shorter, so that they failed to get sufficient experience of Council business, with the result their ability to conduct Council business could be questioned. Garrard commented that by the last decades of the century, the introduction of the professional manager into commerce and industry, and the practice of handing over the day to day running of the family business to sons, enabled some of the propertied to serve on the Council for longer periods, making it possible for them gain the greater expertise needed to undertake the business of the Council.

Whilst the allegedly declining calibre of the Council received critical comment, it was left to Sidney and Beatrice Webb, who visited Manchester and Salford in 1899, to enquire into the current administration of English provincial local government, to state that there was a direct connection between calibre of councillors and the competence of the Council. Beatrice Webb's record of the visit included a crude generalisation: that the calibre of members of Manchester Council was poor, the quality of debate in the Council ... 'was not more than average'... and the general achievements of the Council 'did not impress them.' She included the following assessment of the members of Manchester Council

so far as we have made the acquaintance of the councillors there are none very good and none very bad: I have not picked out any who seem to be 'rotters'. The abler among them are all old men - a little gang of Liberals who are still the salt of the Council. The social status is predominately lower middle class, a Tory solicitor and an I.L.P. journalist being the only men with any pretension to culture.³⁴⁶

³⁴³ Ibid., p.160. Assessment was made on the basis of contributions to Council debates, membership and commitment to the work of Committees, letters to and mention in the press etc. Class A was reserved for 'outstanding figures'; Class D, for those who made little or no impact on Council business.'

³⁴⁴ Ibid., p 234.

³⁴⁸ Ibid., p.154. The reason suggested was that many business men could not tolerate the somewhat convoluted debates and procedures of the Council, and preferred instead to concentrate on their own businesses.

³⁴⁶ Sidney & Beatrice Webb, *Methods of Social Study*, p.195.

H. G. Wells had noted that Mrs Webb ‘had a tendency’ to moralise and to slip into something of a ‘de haut en bas’ (condescending) attitude’. Margaret Cole also commented that those who disagreed with their (the Webbs) values ‘found them impervious to criticism’.³⁴⁷ Redford was clearly irritated by this assessment. He stated:

One is tempted to ask why men of the stamp of Aldermen Hoy, Harwood and Leech, whose published reports lacked neither academic accuracy nor constructive ability, failed to meet or to impress the Webbs.³⁴⁸

Although Sidney Webb did not comment on the competence of Manchester Council, the calibre of members of the Salford Council did not escape his criticism.³⁴⁹ He referred to Alderman Rudman, the Mayor, as ‘a flashy publican’; and Alderman Robinson, the deputy Mayor, as ‘an aged property owner’... and ‘a Conservative of a vulgar type.’ Greenall noted that Alderman Phillips, who had chaired the Gas Committee after the ‘Hunter’ affair, was marginally more to the Webbs’ liking. Sidney Webb described him as:

a Manchester businessman, somewhat Jewish, of easy familiar manners who represented the honest element in the corporation, but a common unimaginative man, simply regarding the corporation as a business enterprise to be done honestly, economically and efficiently, though without any fads...³⁵⁰

There is no evidence that the increase in the numbers of allegations of mismanagement made about the conduct of Council business in the two municipalities could be attributed to a decline in the calibre of the membership of the Councils. An alternative and more probable explanation was that this increase was the result of the inefficient way the increasing workload of the Council was managed; and this occurred at a time when conduct of Council business was under greater scrutiny by the press. By the 1880s, the problems of dealing with the challenges of improving the health of an industrialised society led a growing volume of more expensive and often technically complex schemes of work needing the Council’s scrutiny and approval. These could take up considerable amounts of the Council’s time. Neither Council recognised the need to change how the Councils conducted their business to accommodate these demands. The MCA 1882 required municipal corporations to hold quarterly meetings, but by the 1870s both municipalities had to hold meetings more regularly to complete the necessary business. In practice both Manchester and Salford held between 12 and 15 Council meetings per year.³⁵¹ Meetings of both Manchester and Salford Borough Councils had to be arranged to discuss special issues, and additional meetings had to be arranged to complete unfinished

³⁴⁷ Margaret Cole, *Commentary, British Newspaper Archive, December* letter to Gertrude Himmelfarb dated 12/01/1968.

³⁴⁸ Redford, *The History of Local Government in Manchester*, p.431n.

³⁴⁹ Greenall, *Victorian Salford*, p.209.

³⁵⁰ *Ibid.*, p.209.

³⁵¹ MCA 1882, Chapter 50, Second Schedule: ‘Meetings and Proceedings of the Council,’ paragraph 1.

agendas.³⁵² Speeches in Council were rarely short; the Victorian councillor was noted for verbosity; every member of the Council claimed the right to speak about an item on the agenda unfettered by time constraints. Whether the business of a meeting was transacted with efficiency depended on the Mayor as chairman. It was unusual to find a Mayor capable of ensuring that, whilst sensible debate was allowed, diatribes and monologues were reined in. An editorial in *Manchester City News* found it sufficiently noteworthy to report that ‘at the Proceedings of Salford Council last Wednesday, there were 16 committee reports and 18 items on the Agenda, three being notices of motions. The meeting started at 10-00 am and finished at 1.45 pm’.³⁵³ The editorial commented that Salford’s Mayor (Alderman Peter Keevney) had ‘an expeditious mode of getting through the work’. Without firm direction from the Chair, debates could end in disorder. A much later editorial in *Salford Chronicle* deplored the behaviour of ‘Councillor Mandley and company;’ referring to a Council meeting as a ‘bear garden,’ and blaming the Mayor (Benjamin Robinson) for failing to keep order. The report noted that as a result important business on the agenda was not reached as the meeting had to be adjourned.³⁵³ *Manchester City News* noted that in the once-a-month Manchester Council meetings ‘business overruns, and business is put back; sometimes matters which members have raised can be put back for 6 months.’³⁵⁴

Where there was disagreement about matters often involving trivial matters or salary increases, but there was said to be a ‘principle’ at stake, delaying tactics could be used. Often this involved tabling amendments to resolutions which were debated, and rejected, only for further amendments to be raised. A motion on the agenda of Manchester Council to increase the salary of the Medical Officer of Health from £500 to £650, resulted in 6 votes on amendments before the original motion was passed.³⁵⁵ The total number of votes cast in the first ballot was 51, (out of a Council membership of 64,) the number of votes cast in the final ballot was 38, suggesting that 13 councillors showed their disapproval of the long- drawn-out procedure by absenting themselves. It was unclear however why seven votes, taken over several Council meetings, were needed to agree the name for the new Manchester civic building. The name proposed in the original motion, ‘Manchester Town Hall’ was finally accepted.

Even when councillors found time to attend the actual meetings of the Council, they usually found it was impossible to set aside the additional time needed to obtain an understanding of the more technical matters on agenda. When complex schemes came before up for

³⁵² *Manchester City News*, 30 September 1893, editorial p.4.

³⁵³ *Salford Chronicle*, 5 April 1890, editorial p.4.

³⁵⁴ *Manchester City News*, 7 January 1893, p.5. ‘Topics of the Week’.

³⁵⁵ *Proceedings of Manchester Council*, 1 April 1874.

consideration, councillors had to rely on the briefing provided by the Chairman of the relevant committee both to explain exactly what the scheme was intended to achieve, and deal with any questions arising about its costings and implementation. Officials with the technical expertise were not allowed to attend Council meetings; the idea of having an official attending a Council meeting able to answer any technical questions when a technical scheme was being considered, was seen as usurping the traditional function of a councillor.³⁵⁶ Councillors were not provided with any notes about issues to be discussed, with the consequence that they could be poorly briefed when making important spending decisions.³⁵⁷ As a result, schemes considered by Council often failed to get the scrutiny needed to ensure that decisions made had a proper foundation. The result was that problems, which should have been dealt with in Council could lead to mismanagement when the scheme was implemented.³⁵⁸

The agenda for a Council meeting was drawn up by the Town Clerk in consultation with the Mayor. Little attempt was made to improve the efficiency in the way Council business was conducted. The problem was exacerbated by the failure to control lengthy debates, often on subjects of marginal interest. Any radical steps to improve how the Councils dealt with its business were frustrated by the belief of councillors that their role in carrying out the powers of the executive meant hearing all the arguments for and against any decision before the full Council. This prevented the making of possible procedural changes which would have improved the efficiency of how the two Councils conducted business. Certain matters concerning mainly with administrative business such as the preparation of by-laws, or ceremonial matters which took up Council time, could have been dealt with by subcommittees of the Council, acting with the authority of the full Council, with a membership drawn from each standing committee and using the advice of officials. Even the time spent on discussing salary increases could have been avoided if the Councils had set up a subcommittee to develop a 'grading and salary structure' applicable to its employees, a major undertaking which would have avoided regular wrangling in Council about salary increases for individual members of staff. The failure of the Councils to accept the need to ensure that officials with appropriate expertise were involved in the development of decisions about major technically complex and usually expensive schemes, and that the presentation of the scheme to the Council was also

³⁵⁶ Garrard, *Leadership and power in Victorian Industrial Cities, 1830-1880*, p.74.

³⁵⁷ Garrard, *The Great Salford Gas scandal of 1887*, p.10, did note however that Council policies and decisions were increasingly made by specialist committees of a main Committee which often involved key committee members particularly the chairman and vice chairman along with the paid officials. How the expertise of officials, who did provide technical expertise to committees, was used, is considered in the next Chapter Six.

³⁵⁸ An example of this type of problem arose when the question of whether the Council should undertake the Victoria Hotel project was agreed. There was no brief from the Council setting out the scope and nature of the undertaking which the Improvement Committee were asked to carry out. The problems with this project are considered in Section 9.2, p.176. The attitude of committees to the conduct of projects delegated to it by the Council is considered in the next chapter.

undertaken by an official with the knowledge to ensure that the Council understood the nature of the commitment which it was undertaking, undoubtedly contributed to misunderstandings about how a scheme should be implemented.³⁵⁹

The constitution of a municipal Council provided that aldermen be elected by councillors either from existing members of the Council or from persons outside the Council who were qualified to be elected as councillors. The original intention was that by having the office of alderman, experienced councillors could be retained for a further period in office, or persons with particular expertise brought onto the Council. One alderman could be elected for every three councillors; they were to be subject to re-election by members of the Council every six years. The provision to co-opt as alderman persons with special expertise was criticised and not used in practice. The dilemma which the method posed was illustrated by the 'Leeming' affair in Salford.³⁶⁰ On the death of Alderman Pochin, there were two nominees for election to replace him; an existing Councillor Goodwin, and an 'outsider' Jas Leeming, a manufacturer who had been a councillor, but had lost his seat in a previous Council election. Leeming was elected. This led to comments that as he had been rejected by a large majority of the electorate in the St Stephen's ward, and was not therefore wanted by the electorate; he should not serve on the Council.³⁶¹ Salford Council did not try to introduce an outsider onto the Council again. The Council did have power to co-opt people with special expertise onto committees; this was used by both Councils to co-opted 'experts' to serve on committees such as the Art Galleries and Libraries, and the Technical Education Committees, but was only used where the decisions taken by the particular committee did not involve major policy areas of the Council's business.

Although the aldermanic system meant that men of long experience were retained on the Council, one consequence was that in practice aldermen, who continued to meet the requirements for election to the Council, served until they resigned or died. As a result of their long experience, many of the committees of both Councils were chaired by aldermen. Criticism about their lack of answerability to the electorate came both from the press and from within the Councils themselves. An editorial in 1872 noted that 'readers have frequently observed that by aldermanic vote measures are carried or rejected against the will of the majority of the representative part of the Council'.³⁶² Rather than curbing the spendthrift, the accusations made were often about the extravagance of aldermen. Councillor B.V. Armitage in Salford,

³⁵⁹ The handling by the Victoria Hotel scheme by the Improvement Committee of Manchester Council, which is discussed below, illustrated the problems which occurred when officials were not formally involved in the planning and implementation of this scheme.

³⁶⁰ *Salford Chronicle*, 20 July 1872, p.3.

³⁶¹ *Ibid.*, 3 August 1872, p.2. Letter: 'Nimrod.'

³⁶² *Ibid.*, 19 July 1872. Editorial, p. 2.

complained about their willingness to support and often initiate the claims of officials for salary increases.³⁶³ He noted that

the aldermen of the Council were not the representatives of the ratepayers; some of them holding office by the courtesy of the Council and some of them would not be there at all if it had not been for the members. Therefore, the councillors were really the Houses of Commons, and had the voting and the spending of money, and were answerable to the ratepayers – the aldermen were not.³⁶⁴

Criticism of aldermen in Manchester was equally vigorous. Councillor Windsor, who was the Mayor's Auditor between 1879 and 1885, tried on several occasions to get Council support for a move to have the law changed and the office of alderman abolished.³⁶⁵ He asked the Council to express an opinion:

That it is desirable that the office of alderman as now constituted should be should be abolished and that the Council should consist only of persons elected by ratepayers and thus be subject to direct popular control.³⁶⁶

Scott commented:

I would suggest the hopelessness of an individual councillor attempting a financial reform, when irresponsible aldermen have the power of spending ratepayers' money without appearing before the ratepayers for election.³⁶⁷

Manchester City News criticised Alderman Thompson's behaviour, noting that:

He has apparently a supreme contempt for the opinion of the ratepayers when it is different from his own...Alderman Thompson seems oblivious of the fact that the affairs of the Council are the affairs of the ratepayers.... The Aldermanic office seems to have had a baneful influence upon his judgement of the rights of fellow ratepayers. If aldermen, because they are safe from popular vote intend to disregard popular influence, they will hasten the abolition of the office which is already a vestige of gone days, an anomaly in modern institutions and an obstacle to popular self-government.³⁶⁸

The *Manchester Ratepayers' Association*, in its report on the mismanagement of the Victoria Hotel project, used the main part of the first instalment of its report to criticise the role of the 'unelected aldermen' on the Improvement Committee.^{369 370} It noted 'our association has openly and often expressed its opinion with reference to aldermen. We contend that, having ceased to represent the ratepayers, they should be abolished.' Although the Association recognised that the Council were legally responsible for the conduct of Council committees,

³⁶³ Benjamin Armitage, a manufacturer, served on Salford Council between 1875 and 1881.

³⁶⁴ Proceedings of Salford Council, 5 June 1880, p.4.

³⁶⁵ William T. Windsor, a merchant was elected to the Council in 1876. He was elected alderman in 1888, resigning from the Council in 1891 when he became bankrupt.

³⁶⁶ *Manchester City News*, 9 January 1886, p.4. Editorial 'The Council shirk the discussion.'

³⁶⁷ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.3.

³⁶⁸ *Manchester City News*, 8 May 1886, p.4, editorial.

³⁶⁹ *Ibid.*, The six reports of the Manchester Ratepayer's Association appeared in *Manchester City News* during April and May 1886.

³⁷⁰ In this section, the focus has been on the role of aldermen on the Manchester Improvement Committee. The wider issue of the relationship of the Councils and their committees is considered in Section 5.3 p.106.

the frustration about the incompetent management by the Improvement Committee was clearly expressed when their report stated that the Committee was responsible for 'all the works and expenditure' in connection with the scheme.' It noted that the numbers of aldermen on the Committee between 1880 and 1886, (shown in the table) ranged from 40% to 60% of the Committee membership.

Year	Size of committee	No. of Aldermen	No. of Councillors
1880-1	18	11	7
1881-2	18	11	7
1882-3	16	7	9
1883-4	16	8	8
1884-5	16	9	7

Their report stated that for a committee of this size, a reasonable number of aldermen was five. It also noted the low turnover of the membership on the Committee; eleven of whose members (which it named) had served more than 6 years. The Committee was alleged to be guilty of approving additional expenditure without any thought to the overall project costs. Councillor Clay stated that on one occasion a 'bare quorum' of the Improvement Committee (three members) had 'voted away £20,000 to £30,000.'³⁷¹ As the total cost of the project at the time of writing was thought to be £100,000, this figure appears to be an exaggeration, but Clay was correct in noting that expensive purchases could, and were agreed with only three members of the Committee present.

The mismanagement of the Victoria Hotel scheme led to highly critical press attacks on the incompetence of the Improvement Committee and the role of its chairman. In his letter of resignation, t Grundy, who was forced to resign, complained bitterly about the charge that aldermen 'behave with reckless extravagance; and are slaves of officialdom clinging tenaciously to office.' *Manchester City News* stated:

In most of this Alderman Grundy is undoubtedly mistaken. Much of the criticism of municipal affairs necessarily falls on aldermen because they are generally chairmen of the Departments criticised, and chairmen generally exercise great influence in committees; it was not a personal attack.'³⁷²

Despite proposals to abolish the role of aldermen, or to subject them to re-election by ratepayers after 6 years, both of which would have required a change to legislation, neither

³⁷¹ *Manchester City News*, 26 April 1886, p.6. Manchester Ratepayer's Association final report.

³⁷² *Ibid.*, 26 September 1885, editorial p.4. Alderman Charles Grundy was elected to the Council in 1857, and was elected Alderman in 1863. He became chairman of the Improvement Committee 1878, and served as Mayor for the years 1877-8 and 1878-9.

Manchester nor Salford Councils supported any change in the existing situation; being elected as an alderman was, after all, the ambition of most councillors.³⁷³

5.2. Vested interests, a threat to integrity?³⁷⁴

Hennock recognised there was a dilemma in having businessmen as councillors. He acknowledged the contribution they could make to municipal government but noted that there would be some 'vested interests' in a town which businessmen were 'almost bound' to want to know about.³⁷⁵ This section considers the extent to which vested interests could influence how a councillor might respond to proposals made by the Council in conducting business. Hennock identified information such as the actions and policies the Council might be considering which could be an incentive for a business man to become a member of a Council.³⁷⁶ W. Ivor Jennings noted that 'It is certain that a substantial number of those who man public health and planning committees 'are in the nature of things prejudiced' i.e. had vested interests to protect.'³⁷⁷

Election to the Council was regarded by many authors and by councillors themselves as obtaining membership of the 'best club' in the town, which provided a support network for its members. Membership of the 'club', which was seen as evidence of ~~provide~~ status, also afforded comradeship where there was mutual trust. Sidney Webb was critical of the behaviour of the Mayor of Salford. He noted in 1899 that at 11am at a meeting in the Mayor's parlour, the Mayor was smoking a cigar, and there were already many bottles of drink displayed on a table.³⁷⁸ He was witnessing what many councillors, who also attended Board meetings of companies where wine and cigars were made available, expected when attending Council or Committee meetings; it was a common practice for councillors to meet before a meeting and enjoy a drink and a cigar. The social life of members of the 'best club' was also often shared with other club members. The diaries of Bosdin Leech³⁷⁹ record social occasions attended by

³⁷³ The post of 'alderman' was abolished in municipalities under the terms of the *Local Government Act 1972*, which took effect on 1 April 1974.

³⁷⁴ Vested Interest: A situation where a person or a group of persons have a very strong personal reason for acting in a particular way, because of an expectation of personal gain. This contrasts with conflict of interest, a situation in which a person is in an immediate position to derive personal benefit from actions or decisions made in their official capacity.

³⁷⁵ Hennock, *Fit and proper persons*, p.170, stated that 'the dangers to public well-being were obvious' but suggested that the danger only arose 'if these were the only concerns represented on the town Council'.

³⁷⁶ *Ibid.*, p.297.

³⁷⁷ W. Ivor Jennings, '*Political Quarterly*', Volume 9, no.1, 1938, 37.

³⁷⁸ Greenall, *The making of Victorian Salford*, p. 54. referred to Salford Council, during the Victorian period as 'the finest club in Salford.'

³⁷⁹ Bosdin Leech, *The Leech Diaries*—LCH Collection Shelf position Mun.A.8.10) Chetham's library, Manchester. Bosdin Thomas Leech, a merchant, was elected to Manchester Council in 1880; and elected an Alderman in 1891. He served as Mayor 1891-2, and was knighted in 1894. A director of the Manchester Ship Canal Company he wrote the two-volume definitive account of the building of the Manchester Ship Canal. (Sir Bosdin Leech *History of*

other councillors when matters coming before the Council could be discussed. In some cases, councillors and officials attended the same church, and were involved with the same charities.³⁸⁰ The protection' of the 'best club' network stretched further. Long serving employees of the municipality were regarded as members of the Council 'family', where the reward for membership was mutual loyalty.³⁸¹ The reluctance of the two Councils to sanction councillors who were guilty of the practice of insider trading, despite the changing public attitudes to the practice, is an example of the attitude of members of the club to the standards of integrity expected in public service. Robb commenting on attitudes in commerce noted

the codes of behaviour and standards of business ethics were poorly articulated.... ethical boundaries were vague, in effect persons in the business community developed private patterns of behaviour that were at odds with the professed public morality. ...³⁸²

These attitudes were apparent in how 'members of the club' behaved. It could be difficult for a councillor to lead the way by condemning established patterns of behaviour and supporting higher standards of integrity in the face of general satisfaction with the status quo, and the hostile attitude to the need to make changes which could be held by other members of the 'club'. The lack of influence of party politics on the conduct of Council business in both municipalities had an effect on the behaviour of members of the Council and its committees. In the absence of a party structure which provided an opposition in the Council chamber, which could draw attention to the actions of the Council which lacked integrity, councillors who raised objections about particular matters could find themselves isolated, even though they might have previously subscribed to a common programme to implement improvements in public health and the environment.³⁸³ The result was therefore a willingness to overcome any scruples held about the detail of particular policies. A commonly held vested interest by members of the 'club' was to minimising harmful publicity about the Council's actions, as this would reflect on the competence and integrity of the Council and its members. This led to attempts to prevent the reporting of the extent of embezzlement by officers,³⁸⁴ and the reasons for mismanagement, although these attempts were often unsuccessful. The attitude of both Councils to the sanction of excluding a fellow member of the Council 'club' from membership of the Council merely because of involvement in insider trading, a matter which

the Manchester Ship Canal, from its inception to its completion, with personal reminiscences (Manchester: Sherratt & Hughes, 1907)).

³⁸⁰ Alderman Davies of Salford Council and Samuel Hunter Salford's disgraced Gas engineer were both officials of Irwell Street Wesleyan Chapel.

³⁸¹ The attitude of Manchester Council to T.H.G. Berrey, the Chief Superintendent of the Waterworks Department, who was undoubtedly guilty of behaviour lacking integrity is discussed in Chapter 8.1 p.162.

³⁸² Robb, *White Collar Crime in Modern England*. p.169.

³⁸³ An extreme case of a councillor who was isolated because of his views, was James Mandley, whose trenchant views about the management of Salford Gasworks and constant disruption of Council business resulted in a lack of support from other members of the Council.

³⁸⁴ For example, avoiding prosecution for embezzlement by dismissing offenders and recovering shortfalls from the guarantee which all the officers had to have.

had previously been acceptable, was that it was too severe. There was also resistance to imposing the legal sanction of disqualification because this would damage the reputation of the Council for government with integrity. Paradoxically by failing to use the sanction which could have been an effectual deterrent for dealing with insider trading, and by apparently condoning the wrong doing, the reputation of both Councils was damaged.³⁸⁵

Property was one subject where a number of councillors shared a vested interest. R. L. Greenall commented that on Salford Council 'the rights of property were most tenderly protected'³⁸⁶ One illustration of how this could be achieved was demonstrated by Salford Property Owners' Association, whose Chairman George M. Jones and several members of the Association were also members of the Council.³⁸⁷ In 1871, the Council approved strict building regulations to improve the standard of new buildings in the municipality. This action had been opposed by the Property Owners' Association, and when the regulations were implemented, they were widely ignored, a situation which was said to be due to the Association deterring the inspectors of the Building Committee from doing their job. The attempt to draw up new regulations was also delayed, leading Councillor J. W. Walker to comment that although something needed to be done, 'they would never succeed until they had the co-operation of the property owners.'³⁸⁸

The belief that mismanagement could be the result of pressure from members of the Council or the Council itself to protect vested interests, was not cited by critics as the cause of mismanagement, presumably because it was difficult to prove. The threat of legal action for libel when an allegation was made about this type of behaviour was no doubt also a powerful deterrent. The editorial response to one case in Salford suggests that vested interests were seen to be a serious obstacle to governance with integrity. The Water Committee which considered tenders to supply material for uniforms for scavengers, were unanimous that a particular sample and tender should be accepted. When however, it was announced that the sample had been submitted by a Mr Thornber a linen draper, two councillors, Huddart and Yearnshaw³⁸⁹ objected to the decision allegedly because 'Mr Thornber was not a friend of councillors.'³⁹⁰ This was a minor incident where the challenge, made after the committee had

³⁸⁵ The damage to the reputation of both Councils by their actions in condoning wrongdoing is considered in Chapter 8 1, p.162.

³⁸⁶ R. L. Greenall, *The Making of Victorian Salford*, p.162.

³⁸⁷ John Garrard, *Leadership and Politics in 19c Salford, a Historical Analysis of Urban Political Power*, p.66.

³⁸⁸ *Salford Weekly News*, 7 March 1874 p.3. J.W. Walker was a pattern card maker who served on the Council for 11 years, from 1868 to 1879.

³⁸⁹ William Huddart, a coal dealer was elected to the Council in 1891 he was elect alderman in 1909, William Yearnshaw a Baker and Flour dealer served on Salford Council from 1889 to 1907.

³⁹⁰ *Salford Chronicle*, 9 January 1892 p.4. Editorial. The inference of the remark 'who was not a friend of Councillors' can be read as meaning that some councillors regarded their role first and foremost to represent their narrow interests and those of 'friends and relatives,' and were not therefore objective when they were asked to make decisions which might clash with these interests.

made their decision, was unsuccessful. The language of the criticism used about this incident by *Salford Chronicle* is noteworthy; suggesting this behaviour was seen as an example of a wider problem of conflict of interest arising from vested interests of the councillors involved in adjudicating tenders. The report in the press which called Huddart and Yearnshaw 'Unscrupulous politicians,' stated that

it is made all too manifest that a certain class of men navigate themselves into public bodies not to represent the ratepayers, but to forward the interests of any shopkeepers or contractors who may side with them politically or whom they may call a friend. This is municipal representation in 1892.³⁹¹

The problems with this tender left the newspaper to comment sarcastically that such was the code of honour of the Council 'that it has perforce been decreed that members shall judge such samples without knowing whence they emanate'.

By the last decade of the nineteenth century, both municipalities recognised that the system of choosing committee members needed to be changed. Allocation of members of Salford Council to particular committees was, until 1892, constrained by the need to ensure that the number of members representing Salford constituencies did not exceed the total numbers of representatives drawn equally from Pendleton and Broughton, on any of the General Committees of the municipality. This made it difficult to allocate councillors with relevant experience to a particular committee. In 1892, the District committees were abolished and committee membership was no longer determined by the district that a councillor represented. After the rationalisation of the constitution of Salford Council, so that its committees served the whole borough, Salford Council had set up an 'Appointments Committee' to allocate members of Council to particular committees. Allegations of mismanagement and extravagance made about the Electric Lighting Committee led to some soul searching by Salford Council about the appointment to Council Committees of men whose private business interests could conflict with the Council's interests, offering opportunities for insider trading or conflict of interest³⁹². After a long debate, it was however agreed that the matter of barring members from particular committees, on the grounds that as a result of their interests a conflict of interest that could arise at some future date was impractical, and the matter should not be pursued.³⁹³

³⁹¹ *Salford Chronicle*, 9 January 1892, p.4. 'Comment on local matters.'

³⁹² This is considered in section 4.2, p.56.

³⁹³ The Council did set up a 'Special Committee' to consider the allegations of insider trading made against councillors Huddart Corney, and Haworth. These cases and the aftermath were considered in Chapter 4.2, p 73.

5.3. Controlling the actions of committees.³⁹⁴

Many of the problems of mismanagement occurred because of the failure of both Councils to monitor and control the actions of their committees, with the result that important issues which might have originated in committee received inadequate scrutiny in Council. Both Manchester and Salford used the powers provided by the 1835 MCA, which allowed a municipal Council to appoint committees to transact any part of their business, 'as they think fit,' and to delegate to the committee the power to make recommendations and carry out instructions from the Council on matters within an area of responsibility which was defined when the committee was appointed. This was usually achieved by listing the sections of Acts of Parliament which imposed duties on the Corporation and which were within the remit of the particular committee. There were real problems in setting up a committee structure capable of dealing with an increasing and varying workload. Arthur Redford examined the operation of the committees in Manchester in the 1870s.³⁹⁵ New duties placed on municipalities often affected the work of more than one committee. He commented that problems of interpretation of the terms of reference were frequent; when more than one committee discussed a particular issue, usually without any communication or consultation and occasionally in competition with other committees which felt the matter lay within their province. As part of a discussion about the committee structure in Manchester, he gave examples of new issues where the definition of the boundaries of a committee's responsibilities was unclear; for example the requirement to close private slaughter houses required cooperation from the Markets Committee, the Nuisance Committee as well as the Health Committee.³⁹⁶ The opposition from interested groups in the community could also delay the implementation of necessary reforms; the Butchers' Guardian Association objected to the scheme to close private abattoirs on the grounds that public abattoirs would 'aggregate the nuisances and sewage exhalations,' ... and the proposals were 'an attack on private property.' Some rationalisation of the committee structure did take place; a 'Health' Committee was set up in 1868; and a further reorganisation of the duties of several committees was undertaken in 1875, when the first wave of amalgamations of townships took place.³⁹⁷ The changing role of the two Councils meant that the organisation of committees to deal efficiently with Council business remained a problem. Although minor adjustments were made in 1890 to the role of the various committees in Manchester, more major changes to the remit of the various committees were needed to clarify

³⁹⁴ The committee structures in Manchester and Salford are described in Chapter 2.2. and Appendices 3&4, pp.192 &193.

³⁹⁵ Arthur Redford, *The History of Local Government in Manchester*, Volume II, Borough & City, p.286.

³⁹⁶ *Ibid.*, p.284.

³⁹⁷ *Ibid.*, p.279. The functions of John Leigh when he was appointed as Officer of Health in Manchester, were found to be divided between nine Council committees.

'who did what,' after the further extension of the city boundaries.³⁹⁸ One important change made at this time, for example, was the formation of two committees to replace the functions of the Health Committee. A Sanitary Committee took over the business relating to health, housing and the food supply, whilst a Cleansing Committee was responsible for the practical work of scavenging, disposal of refuse and keeping the City clean. The Nuisance committee was abolished.

Where a matter was seen to require an input from more than one committee, no attempt was made to bring representatives of the relevant committees together to discuss the matter; each committee met separately and as committee meetings were usually held every two weeks, and issues were rarely dealt with at a single meeting of a committee, this could add to the time taken for any decision to be made. As there was no mechanism to monitor, coordinate and, if necessary, allocate the work to a particular committee, clashes of interest when more than one committee were discussing the same matter persisted.³⁹⁹ The boundaries of the Manchester municipality were extended in 1885 and 1890 by the incorporation of neighbouring townships, so that the Council which in 1871 had 64 members, by the end of the century had 104 members. As 'new' members expected to sit on at least three committees, Manchester committees grew in size, so that by the end of the century many had at least 20 members.⁴⁰⁰

The 'tripartite' constitution of Salford Council made progress to improve public health in the municipality very difficult.⁴⁰¹ Each district made its own arrangements for sewerage and scavenging, and fiercely resisted any criticism or interference from the other districts about the system used or its cost and effectiveness. As membership of the General committees such as Health and Rivers was also on the basis that Salford councillors could not out vote Pendleton and Broughton representatives, it was very difficult to get any cooperation about schemes to deal with issues such as flooding, a problem which affected only Salford District, as this could lead to an increase the general rate also paid by Pendleton and Broughton. All councillors who were members of the General Council committees, and their subcommittees, which served all three districts of the municipality, also needed to attend the meetings of the District committees, which meant travel to a different venue, and they might also be involved with special committees, set up to consider particular issues. Although Salford municipal boundaries did not change after 1853, a local Amalgamation Act in 1891 which united the

³⁹⁸ *Manchester Council, Epitome*, 4 February 1885. The anomaly that the gas supply to the Markets was controlled by the Markets Committee was removed by transferring responsibility to the Gas Committee.

³⁹⁹ The lack of committee minutes makes it difficult to identify the extent of this difficulty. The problem of coordinating the work of the various committees in both Councils is considered further in the next section.

⁴⁰⁰ The sizes of the Committees in the two municipalities and the number of subcommittees are given in Appendices 3 & 4, pp.192 & 193.

⁴⁰¹ This is considered in Section 2.1, p.19.

three districts of the municipality meant each committee of the Council served the whole municipality.

The various committees of both authorities undertook the day-to-day management of the relevant service departments, as well as dealing with matters referred to it by the Council. The meetings of committees were unlikely to be quick affairs and as a result councillors often needed to commit two or three days per week to attend to Council and committee business. Most of the projects which were undertaken by a municipal corporation either originated in or were delegated to one of the Council's committees to provide and manage. The result was that many of the problems of mismanagement and overspending arose directly from the decisions made in these committees.⁴⁰² The minutes of the various committees, which were prepared by or in conjunction with the committee chairman, and could be written to omit or underplay controversial matters, thus ensuring that no difficult questions could arise when the minutes were presented to the Council for approval. By the 1880s both Councils needed to meet at least monthly. The first item on the agenda was the approval of Committee minutes, which were 'Jointly and severally read'. How this was interpreted varied.⁴⁰³ Committee reports in both municipalities were subject to challenge; the result was that debates on the minutes could be lengthy.

Any substantial discussion about such a matter was reported in the press report of 'Council Proceedings' under the committee title. A usual practice was to refer the query back to the full Committee for consideration. At the following Council meeting, objections made to a committee matter in the previous Council meeting were often waived with little or no information about how the query had been resolved. Occasionally when a committee asked for guidance about a matter, the discussion was reported in the 'Proceedings of the Council', but this was rare. Until December 1883, for those minutes which were passed by Manchester Council without significant discussion, the 'Proceedings of the Council' simply gave a list of the committees involved and recorded the resolution to accept the minutes, en bloc. After December 1883, Manchester Council passed a separate resolution to accept each set of minutes, again subject to any query to be resolved. It is not clear why this change was made, although it might have been to stop the use of the derogatory phrase 'nodding through', used to describe the approval procedure when only one resolution was used to approve all sets of minutes.

⁴⁰²...The development by Council committees of a service department both to implement new schemes of work and to deal with problems arising with the services provided by the committee is discussed in Section 6.4, p.13.

⁴⁰³ In the 1870s, committee reports in Salford were often read out in full. The practice in Manchester seemed to depend on the particular committee, and the Council chairman.

Loyalty to the Committee was seen as paramount, and leaks during Council meetings about discussions in a Committee, which could be damaging to its reputation, were unusual.⁴⁰⁴ .⁴⁰⁵

The result of these procedures was that debate about any matters or actions of a committee which might be controversial, could be restricted, leaving the Council unaware of problems relating to projects or services which were being undertaken by the Committee.

As councillors did not have time to read the minutes of all the Committees which were tabled for approval, Manchester Council set up a small committee to consider 'to what extent the proceedings of the various Committees shall be brought before the Council.' Their report led to agreement that an 'epitome' or summary giving the resolutions passed by each committee should be circulated with the agenda, so that councillors had the opportunity to raise in Council any matter which seemed to be of concern to the Council as a whole when the minutes came up for approval. The system was finally implemented in Manchester in November 1884. The circulation of a 'synopsis' for the same purpose with the agenda of Salford Council followed in 1887. The epitome and synopsis were prepared in each municipality by the Town Clerk's Department, on the basis of the minutes of the various Committee meetings. Both the epitome and synopsis contained only a list of the resolutions passed at the meeting and not matters which were discussed where no decision was taken. Copies of both were also sent to the Press. Challenges to Committee minutes did increase in the later years of the Victorian period. It is not clear whether this was due to the information provided by the epitomes; Arthur Redford clearly thought that their influence as a briefing document had been questionable. He noted that in 1905/6 the practice of presenting the various report in the epitomes in historical order, with the Watch Committee first and the Health Committee near the end, would be changed. The reason given was so that each standing committee would be able 'to claim the earliest attention of the Council.'⁴⁰⁶

As Council work became more complex, and involved the implementation of technically involved projects, knowledge of the business of a committee could only be acquired by experience and a commitment to work to understand the relevant practical background. This was the reason for the practice adopted in Manchester which allowed committees to nominate their own members for re-election each year.⁴⁰⁷ The result was that membership of a

⁴⁰⁴ *Report of the Manchester Ratepayer's Association*, April 26th 1886, p.6. 'Victoria Hotel, the spending of £100,000.' The report noted that 'loyalty to the committee' meant that problems identified in Committee were not usually brought to the notice of the Council.

⁴⁰⁵ *Salford Reporter*, June 1900, letter from William Hunt, a Salford Elective auditor, who made serious allegations of jobbery in the awarding of contracts by the Salford Electric Lighting Committee. The detailed information which the letter leaked about how the tender evaluation was conducted in committee could only have come from someone who had attended the Committee meeting. In this case the likely candidate was the Electrical Engineer C. L. Turner, who later resigned when a Special Committee found that he had 'lost the confidence of the Committee.'

⁴⁰⁶ Redford, *The History of Local government in Manchester*, Volume III, p,176.

⁴⁰⁷ Sidney & Beatrice Webb, *Methods of Social Study*, p.196.

particular committee could be little changed year on year, and members developed a fierce loyalty to the committee, and defensiveness when the committee was criticised. It was often long-serving aldermen, who were regarded as having the necessary experience of the Committee's work who frequently therefore served as the Chairman or Deputy Chairman. Redford reported that the Webbs, who visited Manchester and Salford in 1899 to assess the effectiveness of local government in the two municipalities, attributed the ineffectiveness of some committees in Manchester to the persistence in office of an aldermanic chairman who had grown too old for the work. They had suggested for example, that the senility of Alderman King was to blame for the inefficiency of the Manchester Finance Committee.⁴⁰⁸ Beatrice Webb also remarked that some committees were dominated by persons who were 'grotesquely unfit'. She labelled the chairman of the Markets Committee 'for many years,' as 'an illiterate tailor.'⁴⁰⁹ She does not give any evidence to support her allegation; the long-time Chairman of the Markets Committee who was heavily criticised for his handling of the dispute with the market tenants was Alderman Foulkes Roberts, a merchant.⁴¹⁰ Richard L. Read, who was a tailor, had previously been deputy chairman of the Committee; but did not become Chairman until 1897.

The relationship between the Council and its committees was often difficult. Critics of the system considered that, as committees were usually chaired by aldermen who were therefore not at risk of being ousted by the electorate. They were therefore able to exert too much influence, and as a result the Council was unable to supervise the committee's actions. Seuss Law commented that 'the committees became little kingdoms with the chairman possessing almost monarchical powers within them'⁴¹¹ As each committee aimed at this autonomy, supervision and the need to answer to the Council for their actions was seen by chairmen as interference. The result of this attitude was that Committee reports to the Council often and deliberately withheld relevant information. This 'independent behaviour' noted by critics, was highlighted by the Ratepayers' Association when discussing the management by the Improvement Committee of the Victoria Hotel contract. Their report stated:

Only a few weeks ago a councillor thought it necessary to proclaim aloud in the Council the astonishing fact that his committee had generously given a small parcel of land to another committee, as if forsooth, they were competing bodies instead of being (as they should be) integral parts of one body. The fact is that the committees of our

⁴⁰⁸ Redford, *The History of Local Government in Manchester*, Volume II, p.436. The 'inefficiency' of the Manchester Finance Committee is discussed in Chapter Seven.

⁴⁰⁹ Sidney & Beatrice Webb, *Methods of Social Study* p.197.

⁴¹⁰ J. Foulkes Roberts was a Congregationalist deacon who took a particular interest in educational matters and Sunday school work. He resigned as Chair of the Markets Committee in 1897 when he was elected Lord Mayor. He was referred to as 'having a practical business-like mind,' and 'Never a showy speaker,' or 'one inclined to court popularity,' (Taken from *Manchester Faces and Places*, Volume 8, 1897, p.89). His actions in the mismanagement of the markets are discussed in Section 9.1.

⁴¹¹ G. Seuss Law, *Manchester's Politics 1885-1906*. Unpublished Ph.D. University of Pennsylvania (1975) p.67. How the Committees of the Council and their departments achieved autonomy is considered in Chapter Six below.

Council are rapidly becoming if they have not already become, 'corporations' by themselves. Each seems to 'act on its own book' and to resent any interference on the part of any other committee or member of Council. In this lie the seeds of serious mischief, unless citizens are very vigilant.⁴¹²

Most committees met fortnightly. When there were matters which, according to the Chairman of a Committee require more urgent action, these were often dealt with by 'Chairman's action,' on the grounds of the difficulty of convening a meeting of the full committee. Matters agreed by the Chairman were apparently automatically confirmed by the next meeting of the full committee. R. G. Lawson, writing about Manchester Council in 1904 commented critically that business which should come before the Committee 'tends to be conducted by the Chair, Deputy and officials.'⁴¹³ Comparing how decisions were taken in a company, he noted that Manchester Council has 19 standing committees. He commented that the number of members on the committees was between 13 and 22, a situation 'which is not conducive to efficiency'. Using a 'Company' analogy, he suggested that as Rylands Ltd. has a board of eight members and Lancashire and Yorkshire Railways has thirteen directors; a committee size of eight 'might be conducive to more efficient decision making'.⁴¹⁴ Lawson must however have known that whilst it would be within the powers of the Council to have small committees, such a proposal would be unacceptable to the members of the Council who expected to have a right to serve on at least three committees.

5.4. The coordination and management of Council services.

The structure of a municipal corporation, established using the template provided by the MCA1835/1882, failed to provide a system for the coordination and management of municipal services. The only provision in the Municipal Corporations Act, 1835 which was repeated in the 1882 legislation, and was presumably for this purpose, was for 'a fit person' from amongst the aldermen, councillors or persons 'as such', to be elected Mayor for one year at a time.⁴¹⁵ The appointment of a Mayor was intended as a replacement for the pre-incorporation office of Borough Reeve, who, as a member of the important borough organisations was in a position to oversee and coordinate the limited number of functions taken on by local government at that time. A mayor, appointed under the MCAs also had a series of obligations and duties, especially in relation to elections. He was the presiding officer of the Council, ordering its

⁴¹² *Manchester City News*, 26 April 1886, p.6. 'Victoria Hotel. The Spending of £100,000.' Part 6.

⁴¹³ R. G. Lawson, *The city Council seen from within, a first year's experience*, (Manchester: Manchester City News. 1904.) This was a 15- page pamphlet. Lawson, who served on Manchester Council from December 1902 to September 1904, was a member of the Baths, Rivers and Tramways Committees.

⁴¹⁴ The size of Manchester Council, which had originally 64 members, grew to 76 after the boundary extensions of 1885, and expanded to 104 after the incorporation of further townships in 1890. Further expansion post 1900 led to a Council of 128 members.

⁴¹⁵ *Municipal Corporations Act* (1882), s.14.

procedures and debates in accordance with the statutory standing orders, and he had the powers vested in a chairman to regulate and control the proceedings in Council. Although the Act provided that the person elected was 'to have precedence in all places in the borough,' the Mayor had no more legal powers than an ordinary councillor.⁴¹⁶ The standing orders of both Manchester and Salford, which provided that he should have ex-officio membership of all committees, did enable the post-holder to know the work being undertaken across the Council, and could therefore potentially play a role in coordinating the services of the various departments within the municipality. J. H. Warren, however, commented that by custom and tradition, the Mayor was looked upon as the Borough's civic leader, with the function of 'promoting and expressing the Borough's civic sense,' a duty which occupied a considerable part of his time.⁴¹⁷ This meant abandoning much of the ordinary work of the Council. As early as 1842, Councillor Prentice had stated that 'the work being divided amongst various committees, independent of each other, and therefore needing someone as the directing head; that directing head they had found in the late Mayor.'⁴¹⁸ This statement was made when the role of Manchester Council was limited, and the Mayor could play a coordinating role, but the need for the effective coordination of services was already recognised. The Mayor as chairman of the Council was still seen as the *de facto* Head of all services; and as a last resort, answerable for performance of the Council. When the Health Committee of Manchester Council repeatedly failed to take action to deal with the complaints about the conduct of W. D. Callison, the Superintendent of the Health Department, the Mayor was asked to look into the matter, but he had no powers to force the Committee to comply; except perhaps by focusing the disapproval of the rest of the Council on the defaulting committee.⁴¹⁹ Warren also noted that a Mayor should not concern himself with the matters of policy in the Council, and could not direct the officers, who were responsible to the Council through an appropriate committee.⁴²⁰ Councillor Walker, speaking at a Liberal Meeting in Salford in 1877 noted that 'Council members ...honoured and respected their chairmen and deputy chairmen, but these men had to rule in justice and mercy...They did not allow even Mayors to be tyrannical'.⁴²¹ John Garrard noted that although a Mayor might identify objectives to be achieved in his mayoralty, the influence which he could exert was strictly limited. Richard Husband, Salford's Mayor in 1882, recognised the need for discretion 'for if a mayor were to interfere too much

⁴¹⁶ Herman Finer, *English Local History*, p.223.

⁴¹⁷ J. H. Warren, *The English Local Government System*, (London, George Allen & Unwin, 1966) p.89.

⁴¹⁸ *Manchester Guardian*, 12 November 1845 p.6; (quoted in John Garrard (Ed.) *Heads of the Local State: Mayors, Provosts & Burgomasters since 1800* (Aldershot: Ashgate), 2007 p.14.

⁴¹⁹ The investigation into the allegations made about Callison was eventually carried out by an external referee, a Mr E Sutton, appointed by the Council. This case is considered in Section 4.3.p .73.

³⁷⁹ J H. Warren, *The English Local Government System* p.90. The mayor became chief magistrate of the Borough Bench and was ex officio a member of the Bench for a further year after he had relinquished office.

⁴²¹ The 'Richard Husband' quotation and the 'Councillor Walker' quotation are taken from John Garrard, *Leadership and Power in Victorian Industrial Cities 1830-1880* (Manchester: Manchester University Press. 1983), p.65.

with the business of any committee, he would soon find that he was encroaching upon 'their rights and privileges'. The most therefore that a Mayor of a municipality could expect therefore was to be 'the first among equals.'

The expansion in the responsibilities of local authorities in the mid-Victorian period increased the need for coordination of the various activities within the authority. T.E. Headrick remarked that in some cases the Town Clerk 'stepped in to meet the challenge.'⁴²² As *de facto* legal adviser to the Council, a Town Clerk would be consulted by officials such as the Borough Engineer and the Medical Officer of Health. He also carried out the instructions of the Council given in any resolutions passed at their meetings, and in his capacity as Town Clerk, correspondence to the Council would pass through his department. Headrick noted that:

In Manchester Joseph Heron, Town Clerk for thirty-nine years, virtually dominated Council policy during that period; and as Town Clerk, he considered himself responsible for all the work of the Corporation, even that technically in the charge of other officials in other departments. He was no doubt an unusual man with great administrative and legal skill, marvellous wit, courteous manner and the very desirable capacity to reach quick decisions.⁴²³

Shena Simon confirmed that Heron frequently intervened in Council debates and when asked for advice, it would be given in the form of an instruction 'to do;' no objection to his advice was admissible.⁴²⁴ Heron accepted the Council's offer to take an appointment of Consultant Town Clerk in 1877, a post he held until he died in 1890.

William Talbot, a solicitor, was eventually appointed as Town Clerk in 1890, having been served 23 years previously as deputy Town Clerk. Although Simon stated that he was an excellent lawyer, she added that he had none of Sir Joseph's capacity for quick decisions, and sometimes appeared weak and hesitating. She commented that 'the Council growing larger with each extension of the City boundaries, and taking on more and more duties, had become less of a unity'.⁴²⁵ Unlike Heron, Talbot showed no inclination to take on the role of 'advising' on the decisions which committees should make. The problem Simon identified was that the Council had gradually broken up in to a series of autonomous committees during the last decades of the century. The solution she suggested, the need to overhaul the committee system, would not have addressed this problem. The need was for a means of managing and coordinating the work of the various Council Committees so that entrenched chairmen who

⁴²² T. E. Headrick, *The Town Clerk in English Local Government* (London: George Allen & Unwin 1962), p.23.

⁴²³ *Ibid.*, p.24.

⁴²⁴ *Manchester City News*, 4 January 1890, Obituary. Heron's career and attitudes to his role in the municipality are considered in Section 6.3 'Lifestyle choices, p.126.

³⁸⁴ Shena D Simon, *A century of City Government*, p.409.

promoted Committee autonomy, became answerable for the services provided by their Committee. T. C. Horsfall in a paper presented to the Manchester Statistical Society in 1895, started his lecture by noting:

Manchester is a very imperfectly governed town; and it and all other large English towns must continue to be imperfectly governed until they have at the head of their town Council well trained officials holding office for life or during good behaviour, instead of men who, having their own professions or businesses to attend to and receiving only such very imperfect training in government as is to be gained from membership of a town Council must be considered to be amateurs, and who hold office for only one or two years.⁴²⁶

He stated that the present situation had arisen 'not because of any lack of ability or good will on the part of its members, but because the whole system is bad'. He also suggested that the important committees should have a well-trained well-paid man appointed for a term of years, or life, 'so long as he should be efficient,' whose role was to chair the Committee. One change was absolutely essential; 'the heads of Town Councils should be well-trained leaders.' Beatrice Webb's analysis of local government in Manchester led her to a similar conclusion. She stated that:

the men running the organisation are not a bad lot; one or two of the officials are distinctly able. But there is no head to the concern, no one who corresponds to a general manager of a railway company, still less to be its paid chairman. The mayor, elected for one year, has all his time absorbed by public meetings, social functions, or routine administration: he is far more the ceremonial Head of the City than the chief executive of the city government.

She clearly did not feel that Manchester needed another Joseph Heron when she noted that:

The town clerk and his deputy are exclusively engaged in legal and parliamentary business; they spend all their time in the lobbies of the House of Commons in presenting the Corporation's case at the L.G.B. enquiries; in preparing leases and drafting agreements, or in submitting bye-laws to government departments. The suggestion that the town clerk of a great city like Manchester can be anything more than its solicitor and parliamentary agent – can fill the place of its chief executive officer – is, as things are present, an absurdity.⁴²⁷

Her analysis also provided clear support for the need for a general manager with executive powers. Neither Horsfall nor Webb considered the practicality of making such an appointment. The management of Council services would require an appointee to determine and implement the priorities of the service, and this would have required Committee chairmen to cede power. There was no provision for this in the MCAs and it would have been highly unlikely that councillors would have accepted any change; after all, the attitude of the Council was that it was elected to conduct municipal government.⁴²⁸ There were ways in which cooperation

⁴²⁶ T. C. Horsfall, 'The government of Manchester.' *Manchester Statistical Society, November 1895* (Manchester: John Heywood 1895), p.1. Thomas Coglean Horsfall (1841-1932) a partner in a card manufacturing business, retired from business [on ill health grounds in 1886. He was leading founder of the Manchester Art Museum and took an active role in many committees involved in the campaigns for social and educational reform.

⁴²⁷ Sidney & Beatrice Webb, *Methods of Social Study*, p.195.

⁴²⁸ Clifton, *Professionalism Patronage and Public Service in Victorian London* described the system used by the Metropolitan Board of Works. The first act of the 59 members of the Board who were mainly nominated to serve on the Board, was to elect a Chairman who agreed to serve full-time in the office and was paid a salary. His role was to guide the affairs of the Board. This was very successful, perhaps because of the post holders who were elected, the first of whom was (Sir) John Thwaites.

between committees might have been improved. The membership of the Wolverhampton General Purposes Committee during the late Victorian period was made up of all the senior men on the Council, including all the aldermen, Chairmen of standing committees and the senior councillors from each ward, comprising 30 from a total membership of the Council which had 64 members. Whilst it had a number of specific roles, for example the preparation of by-laws and dealing with staffing matters, its main job was to act as a filter through which proposals made by committees passed, before going before the Council. As all committee chairmen were members, it was a bargaining ground where the support for a proposal could be tested. G.W. Jones noted, however, that it had limited success; it was too easy to by-pass the scrutiny of this Committee. The Finance Committee set up by Salford in 1898 which was consisted of representatives elected by the standing committees of the Council, did provide a forum for exchange of information, but in neither Salford or Wolverhampton did either of these arrangements overcome the problem that effective coordination of Council services in the late Victorian period would only have been possible if there had been major changes to the constitution of the two municipalities.

Findings and précis of -Chapter Five.

The findings of this chapter confirm that both Manchester and Salford Councils faced major and almost insuperable problems in coping with the extent of urban squalor in the two municipalities. The chapter has examined the background of the men who served on the Municipal Councils in the two boroughs many of whom had experience of the commercial business practices, and saw these as relevant to the conduct of Council business. The evidence of this research suggest that election to the Council inculcated an arrogant belief about the rightness of their decisions which should not be challenged, with the result that that officials played no part in meetings of the Council. The types of problems occurring in the 1880s are detailed, noting how the attitude of both Councils also prevented any steps being taken to improve the efficiency of the Council in dealing with municipal business. The penultimate section of the chapter considered the dysfunctional relationship with the Council which developed as committees, chaired by aldermen who resented being answerable to the Council for their actions, sought autonomy from Council. The section which included examples where a committee took action without the approval of the Council, whether by Chairman's

action or by the deliberate failure to disclose the proposed action to the Council, noted the comment of the Ratepayers' Association that this could lead to 'serious mischief.'

The final section of the chapter examined the consequences of the failure of MCA1882, to provide a system for the overall management and coordination of the services provided by a municipality. It examined the proposals made by commentators such as such as T. C. Horsfall and Beatrice Webb, but noted that their proposals would require the chairmen of Committees to cede power to any manager appointed to take on this role, which would be unacceptable to the Councils in both municipalities.

This chapter has noted the failure of two Councils to fully utilise the expertise of officials in carrying out the business of the Council, the next chapter examines further the important role which officers and officials played in municipal government.

Chapter Six. The staffing establishment of municipalities: integrity in the workplace?

Many of the valid allegations of mismanagement made about the conduct of the two Councils concerned the technical or managerial input into schemes of work undertaken by the Councils. This chapter examines the range of the expertise needed by the two municipalities to support and deliver Council services, and the attitudes of men, whether employed as officers or officials, to the need to conduct their duties with integrity. It argues that as a result of the attitude of councillors to their role in delivering council services, the management structure which evolved for staff employed by the municipality failed to facilitate access to the expertise of officials to ensure that the services or the schemes undertaken by the municipality were delivered with competence.

6.1 Municipal officers – not genteel enough to pass muster as proper middle class?

The two corporations, which had become major employers in their municipalities, needed a staffing structure with a range of skills, including officers-to carry out the day-to-day services in a particular department within the Councils, municipal services in the community, such as branch libraries, and public baths, and the increasing involvement in the provision of artisan housing. All increased both the numbers of staff on the pay roll of the two Councils and the types of expertise required. Additions to the range of the municipal enterprises of gas and water included the provision of electricity and the operation of a tramways service, chargeable services, which also resulted in a large increase in the need for clerical support. This section examines the mindset and attitude of these officers to the delivery of Council services with integrity and the extent to which their conduct was influenced by the prevalent belief in commerce; that success in life was to be measured by the success in attaining wealth and social status.

A number of authors have considered the plight of the clerks working in Council employ. Anderson noted that many clerical staff employed by Manchester Corporation obtained their employment by patronage, by relationship to an official or a councillor.⁴²⁹ Shena Simon gave figures for employees in the service of Manchester Corporation in one year, 1908. She stated that 37 were related to heads of Department, and a further 86 were related to aldermen and

⁴²⁹ Gregory Anderson, *Victorian Clerks*, (Manchester: Manchester University Press, 1976), p.114.

councillors.⁴³⁰ She noted that an attempt to prohibit the system of appointing staff on the basis of a letter of recommendation was heavily defeated. Appointees could be could be any age; and many 'temporary' appointees who had worked for the municipality for more than 15 years, lacked the security of establishment.

McLeod noted that many of these men were involved in collecting money from the ratepayers for the services provided by the municipality and were usually low paid.⁴³¹ He commented on their system of values and way of life which he stated was characteristic of the white-collar worker.⁴³² He also noted the contention that there was a greater affinity between the clerk and employer, than between clerk and workman. To a clerical officer the maintenance of this distinction was very important. It required, in addition to basic literacy, respectability, demonstrated by manner and appearance; and moral superiority shown by the exercise in employment of the qualities of industry, honesty and self-control. This was a claim regard by as pretentious, and lampooned by publications of the time.⁴³³

Gregory Anderson described the behaviour of clerks who sought to emulate their employers in dress and manners, commenting that this not simply vanity, extravagance or absurd display, but instead an expression of the wish to be an employer.⁴³⁴ This need for this visible respectability, which involved expenditure on clothing and housing, caused financial pressure on incomes, and as the white-collar worker was often haunted by the fear of unemployment, job security was important. Perkin commented that the reason the low paid clerks 'kept themselves to themselves' was that they did not want friends and neighbours to know how modestly they lived. He described them as being 'Too genteel to go to the pub; not genteel enough to pass muster as proper middle class.'⁴³⁵ Geoffrey Crossick, citing B G Orchard, who studied the clerks of Liverpool in commercial employ in 1881, noted that clerks, 'white-collar workers', were a very diverse occupational group. He stated:

Their ranks embrace some who, though servants of others are enabled by their ample salaries to live in not the least ample houses at Claughton ... though others (equally 'clerks') must strive hard to exist on twelve shillings a week.^{436 437}

⁴³⁰ Shena D Simon, *A century of city government Manchester 1838-1938* (Manchester: George Allen & Unwin.1938). p.412. Unfortunately, she does not give the total number of staff included in this survey.

⁴³¹ Hugh McLeod, 'White collar values and the role of religion' in Crossick *The Lower Middle Class.in Britain* p.61.

⁴³² The term 'white-collar worker' refers to an employee whose job entails mental or clerical work, such as in an office, as distinct from the blue collar worker whose skills were manual.

⁴³³ For example: George and Weedon Grossmith, *The Diary of a Nobody* (Harmsworth: Penguin Books, 1965). Previously serialised in Punch, the 'diary' appeared in book form in 1892.

⁴³⁴ Anderson, *Victorian Clerks*, p.41.

⁴³⁵ Harold Perkin, *The Rise of the Professional Society in England since 1880*, p.96.

⁴³⁶ Geoffrey Crossick, ed., *The Lower Middle Class in Britain* (London: Croom Helm (1977), p.18.

⁴³⁷ B. G. Orchard, *The Clerks of Liverpool* (Liverpool: Liverpool Corporation.1871), p.4.

Despite the wide range of salaries which he quoted, the higher salaries enjoyed by clerks employed in insurance and banking were perceived by many clerical officers in municipal employ to be paid to men carrying out roles which were similar to their own.

All new posts in both municipalities, which were usually created on the request from one of the Council committees, had to be approved by the Council. Hasluck commented that the Council were well aware of the feeling of unwillingness amongst ratepayers about the appointment of more staff, which increased the burden on the rates ⁴³⁸ He suggested that the relationship which councillors had with the permanent staff of the Council, and the desire not to appear harsh to the officials, led sooner or later to posts being agreed. Manpower planning considerations were set aside; the need to mitigate expense was achieved by making appointments at the lowest grade without regard to whether the post fitted into a management structure which would provide both supervision and training. Few senior posts were created; the small number of the more senior vacancies which fell vacant were filled by promoting existing junior staff with experience of the role. As these posts were not advertised, opportunities for promotion to more senior posts in different departments of the municipality did not occur. ⁴³⁹ In-post promotions were a way of rewarding existing employees for their loyalty. Many of the superintendents of major services were internal Departmental promotions from less senior posts in the same section. The consequence of this policy was that it prevented the appointment of staff from outside the municipality able to introduce new ideas into municipal practice, at a time when expertise was sorely needed to fill the few very senior posts such as the administrative heads of service departments. Beatrice Webb commented that in Manchester in 1899 most of these posts were held by promoted clerks, who had no professional training for their work. ⁴⁴⁰ By the late Victorian period, some posts in municipal employ did require a specific qualification for a job, but these were usually for officials, particularly posts where the cost was subsidised by payments from the LGB, such as the Medical Officer or Borough Analyst. These posts were usually advertised.

For the Victorian officer employed by a municipality, the evidence of commercial and industrial success in the Victorian period was seen as evidence that anyone could, by hard work conduct and perseverance advance in society. Books on achieving personal success, which contained stories of the achievements of industrialists and business men who had started from humble beginnings, were very popular. Samuel Smiles 'Self Help' which was published in 1865 sold 90,000 copies within one year; by the time of the author's death in 1904 it had sold over a

⁴³⁸ E. L. Hasluck, *Local government in England* (Cambridge: Cambridge University Press 1936), p.64.

⁴³⁹ Sidney & Beatrice Webb, *Methods of Social Study*. The appointments of officials who were required to have special qualifications were advertised and generally open to public competition.

⁴⁴⁰ The consequences of the appointment of a treasurer in each of the two municipalities in the 1860s, who had no professional experience in accountancy, is discussed in Section :7.3, p.157.

quarter of a million copies.⁴⁴¹ For the reader, the introductory paragraph of 'Self Help' set out Smiles' recipe for success which anyone could follow. Smiles stated:

Heaven helps those who help themselves' is a well-tried maxim, embodying in a small compass the results of vast human experience. The spirit of self-help is the route of all genuine growth in the individual, and exhibited in the lives of many, it constitutes the true source of national vigour and strength.⁴⁴²

Walter Houghton discussing this Victorian philosophy about what constituted success in life, saw a different picture.⁴⁴³ He used an early quotation by John Henry Newman which to illustrate Victorian attitudes:

I do not know anything more dreadful than a state of mind which is, perhaps, the characteristic of this country, and which the prosperity of this country so miserably fosters. I mean the ambitious spirit, to use a great word, but I know no other word to express my meaning – that low ambition which sets everyone on the lookout to at the entire unfixeness in the social position of individuals, that treading on the heels of one another, that habitual dissatisfaction of each with the position he occupies, and the eager desire to push himself into the next above it had become, or was becoming a characteristic of the nation...⁴⁴⁴

Houghton added that money alone was not sufficient; the struggle for money was motivated by a desire for the respectability which money could command, and the possibility of social advancement.⁴⁴⁵ John Stuart Mill deplored

that entire unfixeness in the social position of individuals- that treading on the heels of one another- that habitual dissatisfaction of each with the position he occupies, and the eager desire to push himself into the next above it...no one seems to care any longer to cultivate...the pleasures and virtues corresponding to his station in society, but solely to get out of it as quickly as possible.'⁴⁴⁶

Although the self-help message redefined the extent to which success could be assured, the reasons for not advancing in society were, for many, still regarded as the result of personal failings and not the result of failures of the social and economic system.⁴⁴⁷ The desire to

⁴⁴¹ Peter W. Sinnema, *Samuel Smiles, Self-Help* (Oxford: Oxford University Press, 2002), p. vi.

⁴⁴² Samuel Smiles, *Self-help, with illustrations of Conduct and Perseverance* (London: John Murray 1889, New edition), p.1.

⁴⁴³ Walter G Houghton, *The Victorian Frame of Mind* (Yale: Yale University Press 1975), p.183.

⁴⁴⁴ John Henry Newman, *Parochial and Plain Essays No1*(1836), p159, (quoted by Houghton, p.183).

⁴⁴⁵ Houghton, *The Victorian Frame of Mind*, p.170.

⁴⁴⁶ John Stuart Mill, 'Democracy in America' in *Dissertations*, 2, (1840) 66, (Houghton, p.186).

⁴⁴⁷ Anderson. *Victorian Clerks*, p.78, noted that during the last decades of the nineteenth century, a period of commercial depression when many clerks were unemployed, the YMCA in Manchester and Salford, which had promoted the 'self- help' philosophy to its members, softened the message. Young clerks were advised to be patient as 'the model of success remained respect, thrift and industry.'

achieve success at all costs led to the belief that failure was the worse fate imaginable. This dread of failure was noted by Carlyle, who commented

what is it that the modern English soul does, in very truth, dread infinitely and contemplate with entire despair? What is this Hell? With hesitation, with astonishment, I pronounce it to be: The terror of not succeeding.⁴⁴⁸

This was the fear which, for many working in municipal employ who received monies on behalf of the Council, remained a continuous concern and influenced their actions. Robb, discussing embezzlement in commerce suggested that many of the cases of embezzlement where small amounts of money were involved resulted from 'lifestyle pressures,' the constant struggle to keep up appearances.⁴⁴⁹ Clerks in municipal employ were in a similar position. The possibilities of promotion were very low. The need to succeed and be seen to have achieved respectability, whatever the cost, meant that the temptation to commit fraud by embezzlement was very great. The laxity in the bookkeeping practices used by municipalities, which created opportunities for such crime, also meant that the risk of being found out was reduced.⁴⁵⁰

6.2. The middle- class professional in municipal employ.

The MCA 1835 had recognised the need for officials with expertise; and both Manchester and Salford Councils had made the statutorily required appointments of a Town Clerk and a Treasurer on receiving the Charter of Incorporation.⁴⁵¹ Both had also appointed an officer with civil engineering expertise⁴⁵² as a priority.⁴⁵³ By the 1880s the two municipalities had a number of specialised Departments such as the Town Clerks, Treasurers, Civil Engineering and Public Health, managed on a day to day basis by an official with special expertise.

Municipalities needed men with professional expertise in a number of other areas. Although the knowledge needed by Councils often related to technologies and skills which were being developed in the newer manufacturing and commercial organisations outside the Corporation, a great deal of the expertise required was unique to a municipality. Both Reader and Robb commented on the great increase in the numbers of 'professions', occupations requiring

⁴⁴⁸ Thomas Carlyle, *Past and Present* (1846) Book III Chapter 2 p.146, (Houghton, p.191).

⁴⁴⁹ Robb, *White collar crime in modern England* p.131, noted that embezzlement by clerical officers in commerce was a major problem throughout the nineteenth century.

⁴⁵⁰ How acts of embezzlement were committed is considered in Section 4.4, p.76 above.

⁴⁵¹ The role of the Treasurer (and the Finance committee), in managing the finances of a municipality are considered in Section 7.1 p.141.

⁴⁵² In Manchester, the appointee was given the title 'Borough surveyor'; in Salford, 'Borough engineer'.

⁴⁵³ The powers to appoint officials are contained in sections 17, 18 and 19 of the MCA 1882.

particular skills and knowledge which developed during the Victorian period.⁴⁵⁴ ⁴⁵⁵ Industrial developments dependent on finance and investment also needed increasing numbers of trained engineers and men with expertise in technical areas such as civil engineering and accountancy; this was mirrored by the expanding role of local government which also needed expertise in fields as diverse as gas engineering and municipal accounting. Gunn commented that these officers formed a middle class, which had the following characteristics:

They were distinguished from the labouring majority by their possession of property – whether mobile capital, stock in trade or professional credentials - and by their exemption from manual labour. Their economic activity thus involved the possession and management of material resources and the labour of others.⁴⁵⁶

He noted that one way this middle class could be defined was with the development of professions. Turning a trade into a profession had economic benefits for those who went through a regulated form of training, and obtained a qualification, especially if this was the route of entry into a career reserved for those with the relevant qualification.⁴⁵⁷ By the late Victorian period, some posts in municipal employ did require a specific qualification for a job; and these were usually for officials where the cost was subsidised by payments from the LGB, such as the Medical Officer or Borough Analyst. These posts were usually advertised. Not all posts requiring expertise did specify a qualification, the pattern of employing officials to these posts was to promote men who had worked their way up the scales or had learned the required skills 'on the job', even if there were applicants available with appropriate professional qualifications.⁴⁵⁸ There were several possible explanations for this tendency. Qualified staff would have required higher salaries and be more likely to move on to advance their careers and might also have a more independent attitude to the how the duties of the post should be managed.

During the Victorian period, the demand for specialised financial and technical services led to the need for a whole series of new institutions to define personnel who possessed particular expertise; this could be, for example, a new type of skill. The profession of 'Gas Engineer' became established because the engineering techniques required in the gas industry were sufficiently different from other areas of mechanical engineering and therefore required specialist expertise and experience. In accountancy, specialisation in fields such as auditing, led to separate professional organisations coming into being. Millerson, who traced the development of different professions, noted that the need for an organisation for people doing

⁴⁵⁴ W. J. Reader, *Professional men* (London: Weidenfield & Nicholson, 1966).

⁴⁵⁵ Robb, *White Collar Crime in Modern England*. p.1.

⁴⁵⁶ Simon Gunn & Rachel Bell, *Middle Classes. Their Rise & Sprawl* (London: Phoenix 2003), p.6.

⁴⁵⁷ *Ibid.*, p.45.

⁴⁵⁸ Manchester and Salford each appointed a treasurer who had no professional qualifications.

the same kind of work was to ensure that the standards of entry to the organisation were defined, and in this way enhance the status and earning capacity of its members.⁴⁵⁹ These professionals could enjoy considerable prestige as a result of their expertise in a particular area; a professional career pattern could also provide some security about progress and success through life.

The increasing complexity of local government services, the expansion of the financial responsibilities of municipalities and the particular requirements of municipal accounting led to a need to develop a specialised system to deal with municipal accounts. This was accompanied by a demand for improvements in status of local government treasurers and accountants. (both in social position and in financial terms), who suffered the indignity of having their returns certified by Town Clerks, because they were ineligible to become Chartered Accountants, unless they were also in private practice.⁴⁶⁰ Tom Sowerby, writing about the development of the accountancy profession in municipal practice commented:

For the most part, founder members were what were often commonly called self-made men, and a good job most of them made of it. In their early days, professional education hardly existed and text books were few and of indifferent quality. In effect, they had to write their own. Their practice outran their theory and later developed out of their practice. They came into municipal government employment when finance and accountancy did not possess a recognised technique.⁴⁶¹

Although membership of the middle class could be gained by being a member of an appropriate profession, the recognition of status and esteem could only be obtained by also demonstrating respectability. This included behaviour; for example, displaying a high standard of moral rectitude by attendance at church or involvement in charitable activities. Peter Shapely, who studied Manchester Victorian charities, noted how taking a leading role in a charity could be a way of enhancing status, and could lead to favourable publicity in the local press, or provide opportunities to be seen in the company of leaders of the locality at important social events; important for many who sought preferment.⁴⁶² Respectability also needed to be demonstrated by an appropriate lifestyle, and 'Keeping up with the Joneses' became a major concern for many. The employment of a servant was an indicator of being middle class,

⁴⁵⁹ Geoffrey Millerson, *The Qualifying Association. A study in Professionalisation*. (New York: Routledge and Kegan Paul 1964), pp. 8- 25; 214 -219.

⁴⁶⁰ The accountancy profession already existed by the 1860s, made up of a number of local organisations. In 1880, the Institute of Chartered Accountants which had 600 members, was formed by the amalgamation of these smaller bodies, and was granted a royal charter the same year.

⁴⁶¹ Tom Sowerby, *The History of the Chartered Institute of Public Finance 1885-1985*. (London: CIPFA 1985), p.4.

⁴⁶² Peter Shapely, 'Voluntary Charities in Nineteenth Century Manchester, organisational structure, social status and leadership' (Unpublished PhD. Manchester Metropolitan University, (1994)).

as distinct from working class, and having material wealth could be demonstrated by having a house in a desirable area. Perkin noted however that:

The middle classes, ever more graduated in income and status, came to express the finer distinctions in prosperity and social position physically, both in outward appearance in dress, furnishings and habitations and even physique, and in their geographical segregation from one another and the rest of society in carefully differentiated suburbs, (but in) the midst of rising standards of comfort was the all-pervading sense of insecurity.... most middle-class families knew how precarious that security was, and many lived in fear of bankruptcy or loss of a salaried position, of sickness of either partner or the children, the death of a breadwinner, any of which could plunge the family into debt or actual poverty. No amount of saving or insurance...could prevent the unexpected disaster, and there were endless stories of bankrupt, unemployed or widowed families falling into desperate poverty.⁴⁶³

Future financial insecurity could be a problem for many middle-class professionals; retirement could lead to hardship. Although Manchester Council established a contributory 'thrift fund' in 1891, even this provided no long-term insurance against poverty.⁴⁶⁴ Because the amounts accumulated by individuals in the Thrift Fund were so small, retirement rarely took place at age 65, but service continued until breakdown in health had occurred. Heywood commented that the Fund was therefore more in the nature of a savings bank than a superannuation scheme. Even senior officials who had contributed to the scheme, postponed retirement until late in life, and continued to draw a salary to a great age. The Treasurer William Martin retired at the age of 83 when he was then appointed 'Consulting Treasurer;' William Talbot, the Town Clerk retired at the age of 79, to become 'Consulting solicitor;' a post he held for 9 years, and his predecessor Sir Joseph Heron, who had retired at the age of 64, became 'Consulting Town Clerk' until he died at the age of 80.⁴⁶⁵

Many of the professional bodies found however that a necessary part of maintaining the status of a profession required the implementation of codes of professional conduct for members. Manchester and Salford Councils both had problems with contracts involving architects.⁴⁶⁶ This arose mainly because of a lack of professional standards for members of the profession involved in carrying out building work for a Council.⁴⁶⁷ Gloria C Clifton discussed professionalism amongst architects and the reforms to the profession after the scandal of the

⁴⁶³ Harold Perkin, *The Rise of the Professional Society*, p.95.

⁴⁶⁴ Geoffrey Heywood, *A History of Greater Manchester Pension Fund* (Manchester: Manchester Council (undated)) The scheme provided that any employee of the Corporation earning a salary or wage at a rate of not less than 30 shillings a week should contribute to the Thrift Fund an amount of 3¼% of such salary or wage. The amounts contributed were invested in trust securities as then defined, which in the event were fixed interest, and the Corporation guaranteed an overall rate of interest of 4%. The retirement age was 65.

⁴⁶⁵ Shena D Simon, *A century of city government Manchester 1838-1938*, p 410, noted that the practice continued into the twentieth century. In 1919, 'Mr Rook' who had been Superintendent of the Sanitary department for many years, was made Consultant Superintendent at the age of 84.

⁴⁶⁶ Corruption by professional men was not confined to architects and surveyors. Corruption by Graves, a solicitor, and the ex-president of the Law Society, Benjamin Lake, is considered in the next section 6.3.

⁴⁶⁷ Clifton, *Professionalism Patronage and Public Service in Victorian London*, p.154-6 & 167.

Metropolitan Board of Works (MBW) in the 1880s. She commented that architects in private practice enjoyed the freedom to pursue the profitable opportunities which could present, for example involvement with land sales and leases; opportunities denied to architects in public employ. She noted that after the MBW scandal, caused mainly by the corrupt practices of architects and surveyors, the Royal Institute of British Architects (RIBA) campaigned in the late 1880s to promote greater integrity amongst members of the profession, particularly to get acceptance throughout the membership of a much-needed code of professional standards.⁴⁶⁸

For many middle-class professionals employed by the Council, their expectation was to be able to enjoy the kind of financial rewards available in commerce and industry, but this was frustrated by the low salaries offered in Council employ. For these men, the attitude and practices of commerce were therefore attractive. Several authors have commented on the approach which had to be adopted to achieve success in commercial practice. G. R. Searle noted 'Men will often sanction in their corporate capacity a procedure which in their private capacity they would utterly repudiate and condemn.'⁴⁶⁹ He also noted that small acts of wrongdoing can accumulate, giving rise over time to commercial evils which no one really intended. He also quoted Herbert Spencer, who stated that:

the corporate conscience [was] for ever inferior to the individual conscience' and a body of men [would] commit a joint act which each individual would shrink from, (but) did not feel personally responsible. ... the indirectness and remoteness of the evils produced weakened the restraints on wrong-doing.⁴⁷⁰

Many Victorians made no distinction between misadventure and misfeasance especially when the alternative, failure, was anathema.⁴⁷¹ Robb noted that the high premium placed on achieving success in commerce by the Victorians may have made offences such as embezzlement, which could be used to obtain financial prosperity, seem less harrowing than the stigma of poverty or failure. He commented that the machinery of the criminal justice system was overwhelmingly directed against lower-class criminals, who were perceived as a threat to 'the dominant social order, not 'white-collar professionals.'⁴⁷² He cited Herbert

⁴⁶⁸ The term 'professional standards' is used in two different senses. The first deals the standard of conduct expected of a supplier of a professional service in his dealings with a customer. The wide-ranging definition about what constituted a misdemeanour in the *Public Bodies Corrupt Practices Act* (1889) allowed the inference to be drawn that any behaviour not specified as an offence in the Act was acceptable. The term can also be used to define the quality of the services expected from a professional contractor. As these services depended on the profession of the contractor, the usual statement of quality was simply defined as 'best practice.' Some professions did suggest what this meant, for example there was advice to solicitors about how they should deal with client monies.

⁴⁶⁹ G. R. Searle, *Morality and the Market Place in Victorian Britain*. (Oxford: Clarendon Press, 1998,) p.80, citing the introduction by R. Bickesteth to the book by Rev. H. A. Boardman. *The Bible in the Counting House, a Course of Lectures to Merchants*. (London 1854).

⁴⁷⁰ Ibid., p.80, citing H. Spencer 'Railway morals and Railway policy,' *Edinburgh Review*, 100, 1854 426-7.

⁴⁷¹ Robb, *White Collar Crime in Modern England* p.135.

⁴⁷² Ibid., p.160.

Spencer, writing in 1891, who stated that many in the business community believed that business was incompatible with strict integrity, and concluded that 'many persons in the business community developed patterns of behaviour which were at variance to the patterns of behaviour which were becoming accepted by the general public'.⁴⁷³ The result was that many men, who had pursued 'uncertain' ventures using aggressive risk, were respected and admired by many in the city as big men who took chances. In their downfall, they were not looked upon as 'scoundrels' by their fellow business men, but as 'victims of unpredictability.'

⁴⁷⁴ Paul Johnson, studying attitudes to morality in the City, noted:

What is striking about this nineteenth century experience is the ease with which the new commercial morality became accepted and adopted by middle-class society. Mammon became well civilised well before the century's end.⁴⁷⁵

The conclusion to be drawn is that many officials in municipal employ accepted that to achieve financial success required acceptance that no price was too high to pay. The extent to which the behaviour of councillors or officials in municipal employ demonstrated by their behaviour that this philosophy was not unique to commerce is explored in the next section. The response of the two Councils to those guilty of corrupt behaviour is considered in Part Four of the thesis.

6.3. Lifestyle choices, the aspirations of officials & members of the Council

Municipal government was not exempt from acts of personal corruption committed by members of the Corporation. The extent to which the ambition of officials, senior officers in the employ of the two municipalities and members of the Council who were guilty of acts of criminality, was influenced by attitudes to integrity in commerce is examined in this section. Although commerce and industry were believed to provide opportunities to gain financial prosperity and status, employees of municipal corporations who were paid fixed salaries had no possibility of making similar gains. Many were therefore not immune from the temptation to try to emulate the lifestyles of those employed in commerce, by committing fraud or embezzlement. Despite the risk that exposure could lead to criminal prosecution, the likelihood of being found out was an acceptable risk for some members of staff and even senior officials succumbed to temptation. This section considers examples of some officials and members of the Council member of the Council whose lifestyles demonstrate these attitudes.

⁴⁷³ Ibid., p.170. The quote is also from Herbert Spencer.

⁴⁷⁴ Ibid., p.166 noted that 'respectable persons' guilty of malfeasance found it difficult to think of themselves as 'common criminals.' The law courts and prisons of late Victorian England shared that view.

⁴⁷⁵ Paul Johnson. 'Civilising Mammon: Laws, Morals and the City in Nineteenth-Century England.' *Civil Histories*, eds. Peter Burke, Brian Harrison & Paul Slack (Oxford: Oxford University Press, 2000) p.319.

John Graves, a solicitor who served as Town Clerk in Salford from 1882 to 1891, and Samuel Hunter, Salford's gas engineer from 1875 to 1886, were both guilty of acts of criminality.⁴⁷⁶ Graves was personable and well regarded by members of the Council. An editorial recognised that he had worked hard since he had been appointed, and had gained the Council's confidence, although he came to Salford from Peterborough with very little experience of the problems of an urban municipality.⁴⁷⁷ He was popular with his colleagues who defended him when he was criticised for claiming certain expenses.⁴⁷⁸ The Chairman of the Finance Committee, Alderman Richard Husband, was aware that Graves had not paid over to the Treasurer money he had been received from the overseers for a number of years, but no action was taken until the Mayor was alerted to evidence that Graves had embezzled money from a trust fund which he had allegedly invested in a mortgage for a family in Peterborough. An editorial in *Salford Chronicle* noted that the situation was very unsatisfactory; the Town Clerk's defaults stretched back over three years and the audits had been worthless. The editorial added, 'When a glaring case of misdoing arises, everyone appears to be suddenly inoculated with a vigorous virtue'.⁴⁷⁹ The belief that Graves, a senior official and a colleague, would repay the money was shared by others who knew of the shortfall. This was the inference made in the letter from Edward Harrison, one of the two Salford Elective auditors, when discussing the Town Clerk's indebtedness.⁴⁸⁰ He stated that it was 'no great amount' for a man whose salary was £1,200 per year, (Graves' total debt to the Borough was £752/ 0/ 9).

Graves was living beyond his means. He was apparently in debt when he came to Salford; and he lived in a large house, 'Broomhurst' in a desirable area of the Borough. When he absconded, he left behind multiple debts, which showed that he had enjoyed a lavish lifestyle. The Council issued a 'Writ of Summons' which the Bailiff was unable to deliver;⁴⁸¹ and in a letter to Arthur Holmes, acting Town Clerk of Salford, the Official Receiver in Bankruptcy enclosed a list of 'creditors 'who have 'proved their debts.' This showed that in addition to embezzling £1,200 from a client in Peterborough, he had embezzled £1,623/4/- from 3 other clients; had an overdraft of £237/04/08; and had borrowed and not repaid £308/12/07 to

⁴⁷⁶ Graves' embezzlement is discussed below. Hunter's offences are described in Section 4.3.

⁴⁷⁷ *Salford Chronicle*, 25 August 1889, editorial, p.4.

⁴⁷⁸ *Salford Chronicle*, 16 June 1889, p.4. 'Fents.' The problem was about a claim for expenses for undertaking 'additional duties,' in support of the school board elections', which were not seen as a part of the duties which the Town Clerk of the municipality were required to undertake. Usually the Council was not supportive of this type of claim; but Graves was well-liked; His claim was accepted.

⁴⁷⁹ *Ibid.*, 1 September 1889, editorial p.4.

⁴⁸⁰ *Ibid.*, Letter: Edward Harrison dated 27 August 1888.

⁴⁸¹ The Graves papers, Reference No. L/CS/CL38D. Salford Local History Library.

Alderman Sharpe.⁴⁸² His smaller creditors, which included a wine merchant and his tailor, also included wages owing, and totalling £6/18/- for a servant, a cook, and a governess.

Solicitors, who often held monies on behalf of a client, interpreted this as recognition that they were entrusted to use their judgement to invest these monies on the client's behalf, and presumably share any profit from their gain in value. In Graves' case, he apparently made unwise investments in the property market. He was a member of the Incorporated Law Society which sought to increase the status of solicitors, and hence their salaries. On 15 July 1890, the *Solicitors Journal* commented on the number of cases involving solicitors managing trust funds who were investing in 'improper securities.'⁴⁸³ Four months later the reproduced a paper, presented at a meeting of the Society, extolling the principle of separate bank accounts for monies held on trust, which had been advocated by a Special Committee of the Incorporated Law Society 'last June;' two pieces of advice that Graves had ignored; but he was not alone.⁴⁸⁴ On 26 January 1901; Benjamin Green Lake, an ex- president of the Incorporated Law Society who had also chaired a Committee set up under the *Solicitors Act* of 1888 to investigate complaints about the conduct of solicitors, was found guilty of fraud on two sample charges of embezzlement, by diverting trust monies which he held.⁴⁸⁵ The *Solicitors Journal* in its leading article, 'Current topics,' commenting on the outcome of the trial of Benjamin Lake, stated:

This week, which has been a sad one for everybody, has been especially painful for solicitors. A man at the forefront of the profession convicted by a scrupulously just judge of wilful and dishonest misappropriation of trust funds, sentenced to 12 years penal servitude.⁴⁸⁶

The *Journal* stated, 'the injury he has inflicted on the reputation of an honourable profession 'is incapable of estimation'. Not surprisingly, for a profession which prided itself on its independence, no correspondent suggested that there should be regular mandatory and independent audit of solicitor's accounts. A suggestion from a letter writer 'Attorney' criticising the failure of the Law Society to accept the need for the audit, ironically suggested that the only way to prevent by embezzlement by a solicitor was to:

Let the client not trust implicitly (the solicitor), he should make sure that he does not leave money in the solicitor's hands and check that it has been invested. It is the lethargy and credulity of the clients that affords the golden opportunity to those tottering members of our profession to carry on their nefarious trade and so besmirch the honour of the whole profession in the eyes of the not too kind public.⁴⁸⁷

⁴⁸² Alderman Sharpe, a sugar merchant, was Chairman of Salford Gas Committee from 1874 to 1886.

⁴⁸³ *Solicitors Journal*, 15 July 1890. 'Current Topics'.

⁴⁸⁴ *Ibid.*, 3 November, 1900, p.2.

⁴⁸⁵ *Ibid.*, 26 January, 1901, p. 214,215. This was the week of Queen Victoria's death.

⁴⁸⁶ *Ibid.*, 10 November 1900, p.33.

⁴⁸⁷ *Ibid.*, 9 February 1901, letter 'Attorney', p.249.

Whilst John Graves enjoyed status and respectability, and some influence, but had little power outside his post as Town Clerk, Samuel Hunter enjoyed all three.⁴⁸⁸ He was a self-made man, who had started as a junior in the Gas industry and had worked his way up the scale to be appointed Gas Engineer in Salford, having previously been the manager in Rochdale. He was a leading member of the Institute of Gas Engineers, which gave gas managers a distinct sense of 'superiority' when contemplating most councillors. One aim of the Institute was to improve the status of its members and their salaries. Hunter certainly accepted their belief that Gas Engineers were underpaid. He had a strong sense of self-worth and felt that, as he was credited with turning a gas works which was loss-making, into a profitable enterprise. he was poorly paid for his services. He was also an entrepreneur who had patented devices used in Gas manufacture, and had other business interests; as a result, he was accepted by the business men on the Council as an equal, and was consulted about possible business opportunities.⁴⁸⁹ A lay preacher at the Wesleyan Methodist church, and a Liberal, he regularly entertained members of the Council at his mansion in Pendleton, and was seen to be a friend by many.⁴⁹⁰ He was acknowledged to be a member of the social and political elite in the borough; his carriage, with its liveried coachman was recognisable as one of the carriages of the leading business men and the senior officers of the borough, (the Town Clerk and the Officer of Health), and his attendance at civic events in the town was reported in the local press. Hunter could therefore lay claim to be a gentleman who should enjoy the trappings of success, foremost of which was an opulent lifestyle. His vanity had been recognised. The *Salford Reporter* commenting in 1887 on the Gas offices which he had commissioned, that the building had a totally useless clock tower, and masonry inscription 'SH AD 1880.'⁴⁹¹ The same paper also commented that 'in the end it was Hunter's intimacy with members of the Council, which made it so difficult for the Council to accept the extent of Hunter's malfeasance.'⁴⁹² Similar comments were made in the Graves case; echoing the concern that the belief that men employed by the Corporation in positions of trust always subscribed to high moral standards could no longer be sustained.⁴⁹³

Manchester Council was to find out to its cost that even where an official was believed to behave with integrity, the opportunity to exploit a position for personal gain by profiting from a

⁴⁸⁸ The information about the life and career of Samuel Hunter has been taken from John Garrard's publications, *The Great Salford Gas Scandal 1887* and *Manchester Regional History Review*, Volume 11 no.2 1988, p.12-20, and the Hunter papers - Ref. Parcel 1, Box no. 90. Salford Local History Library.

⁴⁸⁹ Garrard, *Manchester Regional History Review*, Volume 11 no.2 1988, p.14, noted that some prominent liberals on Salford Council had met with Hunter at his home to discuss the possibility of founding a new Liberal newspaper.

⁴⁹⁰ *Salford Reporter*, 26 February 1887 p.8. Alderman Davies, who was revered for the work he had accomplished within Salford to improve public health, was a Liberal, and lay preacher of the Wesleyan church, (as was Hunter). When Hunter was being attacked in a debate in 1880, Davies referred to Hunter as 'one I count as a dear friend.'

⁴⁹¹ *Ibid.*, 10 November 1887 p.3.

⁴⁹² *Ibid.*, 17 November 1887 p.3.

⁴⁹³ For example, Edward Harrison's comment in a letter to *Salford Chronicle*, 27 August 1889.

situation which the Council had mismanaged, was irresistible. Joseph Heron who was appointed as Town Clerk of Manchester in 1838, was an acknowledged authority on English municipal law, and was recognized as one of the leading parliamentary lawyers of his day. Knighted by the Queen in 1869, Heron was very conscious of his status and the position he held in the municipality, which was acknowledged by Manchester Council, which passed a formal resolution testifying to the 'high character, ability, and long services rendered that had earned him the honour.'⁴⁹⁴ Although he was never accused of misfeasance, his behaviour certainly involved 'amassing money and gaining power.' He liked power and was contemptuous of opposition. When challenged about his right to intervene in Council debates and asked which Ward he represented, he replied that he represented 'the entire city.' If asked for advice, this would be given in the form of an instruction 'to do;' no objection to his advice was acceptable.⁴⁹⁵ He loyally supported the Council's policies, often defending the indefensible,⁴⁹⁶ but despite his very considerable influence there is no evidence that he made any attempt to encourage the setting up of a more efficient administration in Manchester. Perhaps he saw that this was not attainable. and as an aim, was not therefore worth pursuing; the cynic might see the existing situation where he could exploit the divided Council administration to get his way, was more to his liking.⁴⁹⁷ Even in retirement, his self-serving attitude was apparent. In 1877, at the age of 68, he accepted the Council's offer to take an appointment of Consultant Town Clerk, his salary to remain at £2,500 per year. The offer had been made 'upon the understanding that he would retain the office and continue to discharge the formal duties of Town Clerk until other and final arrangements were made by this Council'.⁴⁹⁸ The Council had the difficult task of persuading Heron that he was expected to be available for consultation. Matters came to a head when Heron retired to France, and the Council attempted to negotiate a reduction in the payments made to him. The whole episode caused great embarrassment to the Council, as Heron argued that the offer made in 1877 when he became consultant Town Clerk, was binding on the Corporation. An editorial in *Manchester City News* stated that

Sir Joseph will be consulting his own dignity and the interests of the town he has served well, if he accepts the verdict of the council given very plain... and then brings to an end a controversy which everybody must regret. He will be none the less well thought

⁴⁹⁴ *Manchester Faces & Places*, Volume1 no 4, 10 January 1890.

⁴⁹⁵ *Manchester City News*, 4 January 1890, Obituary.

⁴⁹⁶ He supported the Council's reluctance to cooperate in schemes to clean up the River Irwell and the refusal to adopt the advice of the Manchester and Salford Sanitary Association.

⁴⁹⁷ Heron, who was a major player and one of the founders of the Municipal Corporations Association, seems to have concentrated his efforts on the drafting of Private Acts, a hugely important and time-consuming role. He was not a barrister; his appearances at parliamentary enquiries were as a witness. No evidence has been found however, that as Town Clerk, he made any attempt to intervene in the dispute between the Markets Committee and the Market traders which was in effect settled in favour of the Market traders by the Courts in 1876 at a large cost to the Council...The 'Market traders 'case is discussed in Section 9.1, p.170.

⁴⁹⁸ This offer was *ultra vires* the powers of the Council, a fact that Heron must have known.

of by his townsmen if he retires in a manner that will show his regard for the office is not mercenary and the city's welfare is for him the highest consideration.⁴⁹⁹

He eventually accepted the offer of a pension of £1,500 a year.

Many men who served on the Council gave their services willingly, and without financial reward.⁵⁰⁰ There were however some members of the Council for whom the status and prestige that service on the Council could bring were important. Alderman Grave, elected to Manchester Council in 1856, was elected alderman in 1862. A calico printer by trade, he served as Mayor for three years (1869-1870, 1870-1871, and 1871-1872) and was very highly regarded in Council circles. He became Chairman of the Waterworks Committee in 1869 where he was an effective lobbyist for the need to take urgent steps to implement the Thirlmere reservoir scheme, in order to secure additional water supplies to meet Manchester's demands for water.⁵⁰¹ He was however implicated in the Hepton embezzlement in 1880 when it was found that he had been using Departmental monies as a private banking service.⁵⁰² Although there was no suggestion that he was guilty of embezzlement, he had stated that he had no personal bank account and that the transactions using the Waterworks monies were few, both matters which proved to be untrue. He resigned from chairmanship of the Committee and the Council. The minutes of the proceedings of the Waterworks Committee on 28 October, 1980 which were tabled for approval at the November meeting of the Council contained a resolution:

That this committee, while regretting the circumstances which have led to the resignation of Alderman Grave, desire to place on record their appreciation for his long and efficient service as Chairman of this committee.⁵⁰³

It is difficult to understand Grave's behaviour, he did not attempt to defend himself, or explain his actions. It appears that he regarded the availability of the monies held in the Waterworks Department as a facility which allowed him to deal with his private business, whilst he was discharging his duties as Chairman of the Committee. Redford noted that Grave continued to think of himself as Lord of the Manor of Legburthwaite and Wythburn. This was a title which the Corporation 'acquired' when it bought an estate in the Thirlmere area, which was held by the Chairman of the Waterworks Committee on behalf of the Corporation. Redford commented that Grave could be partially excused as

⁴⁹⁹ *Manchester City News*, 6 June 1885. Editorial p.4.

⁵⁰⁰ The potential that men joining the Council might have vested interests which might interfere with their objectivity in making decisions on the Council is considered in Section 5.2, p.102

⁵⁰¹ Sir John J. Harwood, *History and Description of the Thirlmere Water Scheme* (Manchester: Henry Blacklock & Co. 1895), p. 29-30.

⁵⁰² The Hepton embezzlement in the Waterworks Department is considered in Section 4.4, p.78. which considers Berrey's role.

⁵⁰³ *Manchester City News*, 20 November 1980, p.5.

under the contemporary system of quasi-permanent Chairmanships, it was not altogether surprising that he should come to consider his position as personal rather than one of public trust.⁵⁰⁴

This was the attitude of other committee chairmen who saw that by their election they were empowered to act as the proprietor of a business with the right to conduct business as they saw fit. This led Beatrice Webb to comment about committee chairmen in general, 'he resents mightily any criticism of his policy or methods.'⁵⁰⁵

Alderman John King Jnr. was elected to Manchester Council in 1856, An article in *Manchester Faces and Places* published in 1891, noted that

there is no member of the Council today whose record is more brilliant, or who is looked up to with greater respect by all ranks of citizens. By force of character penetrative insight, intellectual power, extraordinary energy, and a career of great integrity and activity, he has created for himself an important place in local history.⁵⁰⁶

Five years after the publication of this encomium, the allegations of S. Norbury Williams, that King was guilty of insider trading, were published.⁵⁰⁷ Williams provided evidence that King, in the guise of 'helping the Council out' had been buying coke, a by-product of gas making which was said to be difficult to burn, for a reduced price, when this material could have been sold by tender for a higher price. King's defenders were quick to point out that he had 'erred but erred innocently.' They also cited all the years of service which King had given to the Council, however on the facts he would have been found guilty of corruption under the *Public Bodies Corrupt Practices Act* 1889. The matter was not pursued when his accuser, Norbury Williams stated that there was no public support for the suggestion that he should be prosecuted under this legislation.

The number of cases of officials or members of the Council found guilty of behaviour lacking integrity is small. The risk that offences committed by officials would be brought to light by the press or reported to the Council must have reduced the likelihood of offences being committed; nevertheless, the cases which have been found do suggest that officials in municipalities were not immune from 'that ambitious spirit, that low ambition which sets everyone on the lookout to succeed and to rise in life,' and even senior officials could succumb to temptation.⁵⁰⁸

⁵⁰⁴ Redford, *The History of Local Government in Manchester*, Volume II, p.351.

⁵⁰⁵ Beatrice Webb, *Methods of Social Study*, p.197.

⁵⁰⁶ *Manchester Faces and Places*, March 10, 1891, Volume 2 no.6. p.117.

⁵⁰⁷ The facts about Alderman King's activities are given in Section 4.2, p.64.

⁵⁰⁸ John Henry Newman, *Parochial and Plain Essays 8 No 11* (1836), p159, quoted in Walter G. Houghton, *The Victorian Frame of Mind* (Yale: Yale University Press 1975), p.183.who was discussing attitudes to integrity in commercial practices.

6.4. The failure to develop an administrative structure.

The appointment of the three officials, a Town clerk, Treasurer and the Borough surveyor/engineer, made in each municipality after receiving a Charter of Incorporation, were intended to provide the essential administrative and civil engineering expertise required by a new municipality.⁵⁰⁹ Each of these officials managed a department which answerable to the Council via the Mayor as first citizen. Although each of these appointments had a specific role, the expectation was that their expertise would be available to support any of the activities of the Council which required their skills. The failure to develop a management structure which facilitated this was the result of the attitude of the Council to the management of its business. The outcome of this attitude, which was that the various committees of the Council developed autonomous services, is considered below

The practice in the early days of municipal government was that councillors who were serving on Council committees 'helped the Council out' by providing the Council services from their own resources. As the work-load increased, each committee started to appoint staff to take over this role. This practice grew, with the result that Council committees such as the Health Committee and the Improvement Committee managed separate departments with staff dedicated to provide the services which came within the committee's remit. The excuse for the continuation of this system was that with the increase in the complexity of the services provided by the Council, each department needed to develop the special expertise needed to support the services which came within the Committee's brief. The result of this policy was however to 'lock up' expertise within the departments of the various committees rather than to provide an administrative structure which enabled the expertise available in the municipality to be readily accessible to any committee if required. This frustrated the development of a management system where the expertise within the Council was fully utilised.

Many of the men who served on municipal councils had experience of commercial practices and in some cases had achieved financial success in trade and industry. As a result, they came to service on the Council, with the confidence they had the ability to carry out the business of the Council with competence, and a belief that their methods were the appropriate methods to use to manage council services. To achieve this, the result was that instead of appointing project managers with appropriate expertise to undertake the supervision of each of the various projects remitted to it, the committee itself took over this task using the expertise of councillors on the particular committee, rather than using the expertise of officials employed by the municipality. This pattern of 'management by committee' which became a policy, was

⁵⁰⁹ The role of the treasurer is considered in Section 7.1, p.141.

presumably intended so that the role of supervising building projects was a shared responsibility which would not require a major time commitment from any one member of the Committee, as members had their own businesses to deal with. In practice this meant that no one person was responsible for ensuring the role was carried out, and mismanagement was a frequent occurrence.⁵¹⁰ The attitude that the committee, not officials should take all the decisions was strengthened by the fact that many councillors felt resentment against officials 'because of the not unrealistic sense that their functions were being undermined.'⁵¹¹ Although councillors were prepared to accept that some officials like Town Clerk Heron in Manchester and Moorhouse in Salford did a difficult job efficiently, there was concern that the expertise of these officials might lead to their insinuation into decision-making, which could interfere with the prerogative of the committee to make the rulings about the conduct of projects or services. The advice of the Health and Improvement Committees, that Manchester Council should assemble a team of councillors with building experience who could advise any Committee charged with undertaking a building project and lacking building expertise, (rather than involving the Surveyors Department) provides confirmation of this attitude.

The idea of a project team to bring together the various skills necessary to undertake a project was also alien. The practice was however if absolutely necessary, specific specialist expertise could be obtained on a consultancy basis from departments such as the Town Clerks department which had legal expertise, or the Surveyors/Engineers Department. which had expertise in civil engineering.⁵¹² This could result in a lack of continuous oversight by these specialists when more complex building or civil engineering schemes were undertaken by Council committees, and could lead to a failure to deal effectively with any ramifications with the scheme which could arise. This was one of the problems with the Victoria Hotel project undertaken by the Manchester Improvement Committee, where the Borough Surveyor was involved in only one or two specific issues and did not have a general remit to monitor the building aspects of the scheme.⁵¹³ The result of this policy was that liability for any problems arising could be blurred. Legally however although the mismanagement of the Committee was

⁵¹⁰ There were occasional reports of a visit by a Committee to inspect the progress of a particular scheme, but the findings of the Committee, which often lacked the relevant expertise did not prevent mismanagement occurring. The visit of the whole committee to inspect the site of the new Salford Technical College, described below, did not prevent mismanagement of this scheme.

⁵¹¹ Garrard, *Leadership and Power in Victorian Industrial Cities, 1830-1880*, p. 74.

⁵¹² The evidence suggests that officials resented greatly both the attitude of councillors, that they did not need experts, and being asked to take on the role of a consultant on the terms defined by the Chairman of a Council committee. This was the attitude typified by De Courcy Meade the Borough Surveyor of Manchester. (p.138.below).

⁵¹³ *Manchester City News*, 20 March 1886 et sq. 'Victoria Hotel; 'The Spending of £100,000.' The problems which resulted from this policy and the consequences for the reputation of the Council are discussed in Chapter Nine, p.176.

responsible for any problems whether of poor workmanship or overspending which occurred, the Council were responsible for all acts of the committees.

Even when the practice was for a committee to employ a professional architect or engineer to draw up the plans, and a builder to carry out the necessary construction, the committee retained the role as project manager.⁵¹⁴ The only routine liaison between the architect /builder and the committee was usually provided by the appointment of a Clerk of Works, or by the infrequent visits of commissioning committee to the site. When problems arose, which could result in cost overruns or additional spending to make good poor workmanship, the failure of the committee to set up a robust system to manage the project meant that the Council could find itself blamed for any of the resultant problems and responsible for any additional costs. The consequence of these practices was that mismanagement of projects and services was frequent; with the result that overspending, time overruns or problems resulting from poor workmanship occurred. The system was also inefficient; resources were duplicated in the Committee departments with the result that the reputation of both Councils for competence was damaged.

E. L. Hasluck noted that as far as the Councils were concerned, there was a strict line drawn between the functions of officials and those of councillors.⁵¹⁵ Although he was writing in 1936, he described a situation which had its origins in the Victorian period. Policy was dictated by the elected representatives of the ratepayers, the council; the official's role was to provide advice on policy matters. The demarcation was maintained; officials did not attend council meetings; any influence which they were able to exert on council policy had usually to be exercised via one of the Committees, and that could be difficult. Hasluck⁵¹⁶ gives examples where the advice of an official could amount to a change in policy, the Medical Officer could advise on the need for desirable changes in sanitary practice or an official in a revenue-producing department could advise on concerning methods of increasing revenue. James Niven, the Medical Officer of Health in Manchester, complained however that although he exercised control over his own department, he was excluded from discussions on matters which came before the Health Committee where his expertise would have been relevant.⁵¹⁷

The refusal to accept the need to use expertise from outside the Committee also arose when attempts were made to cut down the size of the 'deputations'; visits by councillors to other

⁵¹⁷ The exceptions to this were schemes which involved complex technical aspects; the usual practice was to appoint a consultant to undertake the design work.

⁵¹⁵ E. L. Hasluck, *Local Government in England*. (Cambridge: Cambridge University Press, 1936), p.88.

⁵¹⁶ Hasluck, *Local Government in England*, p.89.

⁵¹⁷ Redford, *The History of Local Government in Manchester*, Volume II, p.442.

centres to see equipment or techniques which might be purchased or used in the municipality. The stance taken by the Committees was that the size of a deputation should be sufficient to ensure that if a decision to purchase equipment was made on the basis of the visit, a sufficient number of members of the Committee should carry out the inspection so that there would be 'a fully representative opinion' of the suitability of the equipment. This opinion was maintained even when the party included officers who were capable of carrying out a technical assessment of the equipment. The *Journal of Gas Engineering* noted that:

The headstrong perversity of committee-men, who think that they know everything and can dispense with professional advice ... The most conspicuous illustration of this error, is the propensity ... to form themselves into deputations to which often visit gasworks in different parts of the country sometimes with, but often without their supposed technical directors...⁵¹⁸

Despite the attitude of councillors to officials, the increasing complexity of the work of the Council and the continuity of experience which officials could bring to the more technically complex projects meant that officials did start playing a major part in getting their advice accepted by a committee. The increasing workload of Committees meant that a project involving the need for special expertise was usually delegated to a subcommittee, where officials could be fully involved in the decision-making process. Officials were also prepared to use their influence via the press to gain support for a policy being considered by the Council.⁵¹⁹ Salford's Borough Engineer, A. M. Fowler, for example, who held a patent for the design of a water closet, the 'Fowler flushing closet', was able to lobby for the adoption of a policy to make the installation of water closets obligatory throughout the Borough.⁵²⁰ The advice of officials could in some cases be persuasive in determining the course of action to be taken by the Council, particularly if it involved defending the reputation of Council for competence and integrity. This was demonstrated when Norbury Williams, Chairman of the Ratepayers' Association, wrote to the *Manchester Examiner & Times* alleging that there was 'bribery and corruption within the Departments of Manchester Corporation.'⁵²¹ A letter signed by the senior officials of the Council expressing an 'earnest desire' for the Council to take such steps in this matter 'as will bring to light the truth,' was accepted by the Council, which resolved that the Town Clerk 'be instructed to require that Norbury Williams prove the allegations in the letter in the *Manchester Examiner & Times*, or in default the Council may take proceedings in the matter. The Council complied with this request.

⁵¹⁸ *Journal of Gas Engineering*, 12 June 1889, p.1038.

⁵¹⁹ Garrard, *Leadership and Power in Victorian Industrial Cities 1830-1880*, p.74.

⁵²⁰ *Salford Chronicle*, 17 October 1874, p.3. In this case, although there was evidence that the water closet would be a considerable improvement, the proposal was impractical whilst water supplies were limited.

⁵²¹ *Manchester Examiner and Times*, 12 April 1890. Letter: S. Norbury Williams.

John Garrard commented about the increasing reverence which was held by leading councillors about particular officials.⁵²² This was dependent on the relationship of the official with the committee, but he noted that the influence of an official could in some rare cases amount to the dictation of the policy of a Committee. This occurred when a Committee itself recognised that some of the special expertise needed to undertake the Council's duties was outside its experience. He made a detailed study of 'the great Salford Gas scandal.' The supply of gas which was a municipal trading activity in both Manchester and Salford, was of great technical complexity; the commercial side of the business also required special expertise. He cited Rochdale's new mayor, who declared in 1868 that although he would attend some committees:

but not, for instance, the Gas Committee – it would not be the least use of my attending ...It would take me all my time to understand the question of gas ...and to be any use ...would be beyond my power.⁵²³

Evidence that the Salford Gas Committee were out of their depth in dealing with its business, was provided by a committee member who noted that the members of the Committee:

went like automatons to meetings and sat and listened and voted and went away... they were more under the control of the officials than any other committee in the Council. There were four aldermenand the Gas manager had them all under his thumb.⁵²⁴

The relationship between the Gas Committee of Salford and Samuel Hunter the Gas Manager was examined in Court during the hearing of the libel case brought against Ellis Lever, a coal and canal contractor and supplier to the Corporation. This confirmed that from his appointment as Gas manager in 1877, Hunter had dominated the Gas Committee, and had in-effect taken over the management of Gas Committee business and determined its policies.⁵²⁵

For major schemes which were seen to be outside the expertise available in the Corporation, both municipalities did use external consultants. Before the Longendale reservoir scheme was completed, which gave temporary relief to the rising demand for water in the Manchester locality, J. F Bateman, who was acting as consultant engineer to the Waterworks Committee, was already issuing warnings about the need to identify additional sources of supply. His advice, backed up by a detailed technical assessment of the options available, was not disputed, and although there were considerable delays in carrying out the scheme his proposals led to the successful implementation of the Thirlmere scheme. Salford Council, which initially appointed an electrical engineer, C. L. Turner to provide the designs for the pipe

⁵²² Garrard, *Leadership and Power in Victorian Industrial Cities*, p.74.

⁵²³ Ibid., p.71, citing the *Rochdale Observer*, 14 November 1868, p.6.

⁵²⁴ *Salford Weekly News*, 7 September 1878 p.3.

⁵²⁵ Ibid., 22 January.1887 p.6.

work in a new electrical generation station, rejected his designs and employed a firm of consulting engineers to carry out the design process. No reason was given for this decision, although it appears that it was Turner's failure to accept this decision and his pursuit of a patent on his designs which led to the Council 'losing confidence' in him.

There could occasionally be problems in delegating part of a project to a Department outside a committee's control. Although the Borough Engineers Department in Salford and the Surveyors Department in Manchester were both competently managed in the period between 1870 and 1890, problems arose in both municipalities in the 1890s. Salford Council had to cope with repeated complaints about the incompetence of Joseph Corbett, who was appointed as Borough Engineer in 1893. Manchester Council received complaints about problems experienced by committees requesting help from the Borough Surveyors Department, which had responsibility for the maintenance of drains and sewers within the municipality. The Department was necessarily involved in collaborating with departments such as the Improvement Department or the Health Committee undertaking building schemes which required connections to be made to the existing sewers. Manchester Council set up a subcommittee to look into the reasons why a particular project carried out by the Surveyor's Department at the Davyhulme sewage works was badly designed and poorly constructed. Their report concluded that the blame lay mainly with T. De Courcy Meade a professional engineer, who was appointed as Borough Surveyor in 1895.⁵²⁶ He did not exercise day-to-day supervision of the work carried out by his staff. It seemed that the practice was that work referred from any committee to the Surveyors Department, was undertaken by one member of staff who was totally responsible for the work. Meade was not involved in any design work and did not monitor or supervise the progress of any project. He saw his role as a manager was to dispense advice but only become involved in a project if he was asked for specific help. This attitude was said to be mirrored at the end of the century by the attitude and management of departments such as Town Clerks Department which should have contributed their legal expertise to the services provided by other departments in municipality. E. D. Simon commenting on the situation, identified the necessity of carrying out additional training of specialist managers. He suggested that Meade's attitude to his role might be shared by other officials undertaking specialist services, who did not see that their remit included acting as consultants to other departments in the municipality.^{527 528}

⁵²⁶ *Manchester City News*, 3 September 1898, p.5. Report of the subcommittee.

⁵²⁷ Ernest D. Simon, 1st Baron Simon of Wythenshawe, was an industrialist, politician and public servant who served on Manchester Council between 1912 and 1925. He was Lord Mayor of Manchester in 1921–1922. He is chiefly remembered for the slum clearances and housing projects which he initiated in the city.

⁵²⁸ E. D. Simon, *A City Council from within*. (London: Longmans Green & Co, 1926), p.142. He implied that these Departments resented the situation that their involvement was determined by a whim of the Chairman of a committee and not 'as of right.'

P. J. Waller gave the real credit for the efficiency of local government to the permanent officials of Municipal Corporations.⁵²⁹ Yet Salford had problems with a number of its senior officials, including Noar, its Treasurer; Graves, the Town Clerk and Hunter, the Gas engineer, all of whom were guilty of illegality, and Corbett the Borough engineer, who was incompetent. Beatrice Webb, in a report on her visit to Manchester in 1899, had harsh words to say about Manchester's officials, who she described as 'technicians.'⁵³⁰ She noted that neither the Borough Surveyor nor the Medical Officer were 'markedly competent' and that ... 'they have the status not of administrators but only as consultants, called in whenever the Chairman of one of the standing committees deems their advice necessary'. John Leigh, Medical Officer of Health until 1899, was accused of not pushing the agenda for improving the water supply in his early career as Medical Officer, although he did pursue a vigorous policy to improve privies and ash pits. He also used the Council's powers to condemn or require improvements to slum property in the city; and as a result, he attracted the enmity of the property owners on the Council. Although he could be called upon to advise on other matters; he did not become involved in policy decisions in areas which, he saw were perhaps more properly, the responsibility of the Borough Surveyor or the Waterworks Committee. This was probably why Redford commented that Leigh was a competent departmental administrator, but 'less effective as a director of policy.'⁵³¹

Findings and precis of -Chapter Six

This chapter has examined the attitude of members of the two Councils and the officers and officials employed by the two municipalities, to the standards of integrity expected of men in public life. The skills required by a municipality ranged from clerical officers involved in routine tasks, who lacked job security, were low paid and had limited opportunities for advancement, to officials with special skills who enjoyed greater job security and higher salaries. The findings show that no staff were immune from the attraction of the looser attitudes of commerce to integrity and as a result were not exempt from the temptation to behave corruptly. A section on the lifestyles of some senior officials in the two municipalities confirmed that although the numbers of offenders was small, even senior staff could be guilty of corrupt or venial behaviour.

The chapter has also examined the attitude of the two Councils to how council services were managed, and why both Councils failed to develop a management structure which provided

⁵²⁹ P. J. Waller, *Town, City and Nation. England 1850-1914* (Oxford: Oxford University Press.1983), p.282.

⁵³⁰ Sidney & Beatrice Webb, *Methods of Social Study*, p.196.

⁵³¹ Arthur Redford, *The History of Local government in Manchester*, Volume II, p.290.

all committees with access to specialist services when needed. The identification of the difficult relationship between the Council and its officials supplies a possible explanation about why the system of 'management by committee' failed to provide competent management of projects being undertaken by a committee. The findings also show that the expertise of officials who were not members of departments managed by council committees was usually not fully utilised; similarly any skills or expertise developed by staff in Departments managed by a Committee were not shared, and were likely to be duplicated by other Departments managed by a committee.

The next chapter considers the extent to which the inadequacy of some aspect of how the financial management system were implemented in the two municipalities played a part in the reason for allegations of mismanagement or inferences of corruption

Chapter Seven. The management of finances in Manchester and Salford.

The aim of this chapter is to consider the problems associated with accounting for municipal expenditure in Manchester and Salford and the extent to which the failure of both Councils to improve financial management systems and audit led to serious shortcomings in the way the financial performance of both municipalities was presented. It considers the possible consequences of this situation, and why the two Councils delayed making any improvement in the audit procedures used. It argues that as a result, allegations of misfeasance, or even Council corruption made by critics about incidents which were the result of mismanagement could be given credence because of the inadequacy of the audit procedures.

7.1. Keeping the books.⁵³²

Although the accounts of the borough fund dealt with the income and expenditure of all the standing committees, including both the costs of Council services and schemes of work being undertaken, it was the complex accounts of the municipal trading operations of the two Councils to supply gas and water which were the source of many of the allegations of mismanagement. Both of these services which had a large customer base, required a financial management system which dealt with two aspects of the service, the cost of producing and delivering the product to the customer, and the payments made by the customer for the service. This task of receiving the payments was carried out by the clerical staff employed by each of the authorities. The earliest payment system involved the issue of an invoice, and to ensure that cash payments received were traceable, many authorities had by the 1860s, introduced a system using a two-part receipt book. The numbered receipt itself, completed with the invoice number and the payment received was given to the customer. The second part of the receipt, the voucher, with the same number, and details of payment made, was retained for entry in a 'receipts' book. David Chadwick resigned his post as Salford's Treasurer in 1860.⁵³³ He had proposed changes to how the accounts were kept in the Treasurer's Department, but these were not implemented, as he had spent the last years of his career 'acting up' to cover the long illness of Charles Gibson, the Town Clerk. The result was that financial management system in the Treasurer's Department was said to rely on the honesty

⁵³² MCA 1882, sections 25 to 28, set out the arrangements to be made for the accounts to be sent to the LGB and audited

⁵³³ David Chadwick was appointed Salford Treasurer at the age of 23, He left in 1860 to become Superintendent of Globe Insurance Co. but kept links with the Council; serving as a councillor. He resigned in 1868 when he became MP for Macclesfield. Whether Chadwick's recommendation of Noar was made so that he would be able to carry out the changes which he had been proposed but not implemented, is not clear; but Noar took no action and his embezzlement started as soon as he took up the appointment.

of the Treasurer, William Noar. He had previously been the Chief Clerk, taking over the post of Treasurer on Chadwick's recommendation in 1860. The method of embezzlement he used was simple.⁵³⁴ The client was given a receipt for the full amount paid, the matching voucher which was used to enter the monies received in the records was made out for a lower amount, and Noar retained the difference. This simple system was capable of detecting cases of embezzlement, but the failure to set up a management system which provided routine checking of vouchers against the invoices for the services, a tedious process, meant that the system was vulnerable to embezzlement. Noar's work was not checked. Although the Mayor, Alderman Wright Taylor, who was also Chairman of the Finance Committee admitted in Council that he had realised for some time 'that the or some the treasurer's accounts 'were not in the form they ought to be' but no action was taken until the Finance Committee wanted to change some procedures and Noar was asked to balance the accounts. When the shortfall of 'moneys received' came to light, William Warburton led the criticism of the Council's failure to act.⁵³⁵ He stated that he had been asked not to pursue the matter ... 'because it would ... greatly damage the Council's reputation for financial integrity.' The Noar embezzlement finally led Salford Council to take action by appointing a professional auditor, Mr T Bowring in 1866, 'To enquire into and investigate the particulars of the default on the part of a former Borough Treasurer (William Noar)'... He reported the difficulties he had in arriving at a figure for the extent of the embezzlement because the absence of numbering on some of the vouchers made it difficult to link these to the receipt giving the actual payment made. Bowring was subsequently appointed to audit the Treasurer's accounts, by carrying out an annual audit.

The increasing diversification of the role of the two Councils meant that the type of simple system used in the Treasurer's Department was not suitable for linking together different activities which could have a single endpoint. The result that that simple accounting mistakes could lead to criticism of mismanagement and incompetence. Frank Hollins, for example, accused the Chairman of the Manchester Health Committee of withholding information about the true cost of a project which he had stated to be £7,500, when the actual cost was later found to be £12,500.⁵³⁶ The explanation was that £5,000 of materials used in the building

⁵³⁴ The success of the embezzlement was dependent on the fact that the job of the Chief Clerk who kept the books and the Cashier, who received the payments were held by the same person.

⁵³⁵ *Salford Weekly News*, 8 September 1865 p.4. William Warburton who was an elective auditor, reported that the elective auditors, (himself, & John Thorley) plus Henry Bowman the Mayor's Auditor had sent a signed memo to the Mayor in February 1865 stating the accounts in the Treasurer's departments were unsatisfactory. They had included a table pointing out where action was needed, 'otherwise the system would allow defalcations.' The Mayor stated that the wording of the memo was 'ambiguous' and did not suggest that he needed to take action. The memo was not published.

⁵³⁶ *Manchester City News*, 26 September 1885. City Auditors Review: Health Department Part 1.

scheme had been taken from a Council store and not cross-charged to the project.⁵³⁷ The solution which could be adopted to overcome this problem was the double-entry bookkeeping system which enabled the accounts of different sections of an enterprise to be linked together. This system recognises that there are two aspects to each operation in the business; i.e. for every debt there is a credit, and as a result, the two entries are made for each transaction cancel out, giving a simple check for the correctness of data entry. The chronological record of the journals used to record income and expenditure on a daily basis could be reduced on (say) a monthly basis to a nominal ledger which gives the totals of the income and expenditure. These totals should balance to zero if the records are entered correctly. Progress in adopting the double entry system in Manchester was slow, and there were complaints in the press alleging mismanagement or corruption which could result from the way a double-entry system had been implemented. There was apparently no record of how the system had been set up in the Waterworks Department of Manchester Corporation. The result was that the auditor carrying out the audit of accounts, which was on an annual basis, was unaware of which account books should be audited.⁵³⁸ The auditor did not apparently see the need to visit the Department and talk to the Departmental staff responsible for implementing the financial system for charging and receiving monies. The result was that he failed to audit one part of the Waterworks Department's accounts. It was the 'discovery' of these books which led to the identification of the Hepton embezzlement.

Whilst the accounts of the Waterworks Department were more straightforward, the production and sale of gas was a complex operation. 'Keeping the Books' for the Gas Departments presented a greater challenge, requiring considerable development of the basic double-entry system, and clarity about how certain aspects of the costings and receipts involved in the production and sale of gas were to be represented in the accounts. The result was that the method of accounting used for the gas accounts particularly in Salford, was a source of recurrent criticism and challenge by critics. Unlike the municipal operation of providing water, where the cost of maintaining the reservoirs and the water delivery systems could be budgeted as a fixed amount per year, the revenue costs for providing gas involved expensive plant, with high maintenance and renewal costs. The price of gas to the customer needed to take account of all the costs of producing the gas, including the costs involved in funding the large capital loans made by the LGB for the purchase of plant; the costs of maintaining the plant and the raw materials used to produce the gas. and costs of delivery systems used to supply gas to

⁵³⁷ The omission was spotted by Councillor George Clay, a builder by trade who noticed that there was no charge in the accounts for some of the materials used in project. Clay who was elected to Manchester Council in 1882 was elected Alderman in 1893. He chaired the Improvement Committee from 1886-1895.

⁵³⁸ This was the reason that the Hepton embezzlement was not discovered, despite annual audits.

customers.⁵³⁹ To these charges were added the staff costs; the salaries and wages of the men involved in the Gasworks as stokers and labourers, and the managers and clerical staff dealing with the billing and receiving payment from customers. All these charges needed to be recovered by the payments received from customers for gas, allowing, if the information was properly recorded, a profit and loss account to be set up. The complexity of the Gas accounts was compounded by the absence of agreement about how upgrades to the plant were to be funded, what constituted maintenance and how these costings should appear in the accounts; matters which divided the opinion of accountants, and attracted debate in professional journals. Consumers of gas had a more limited interest, how the price of gas was determined; as a result, the presentation of the Gas accounts was given critical attention. The allegations of malfeasance, which led to the prosecution of Samuel Hunter, Salford's gas manager, were considered earlier.⁵⁴⁰ Councillor Mandley, Hunter's chief antagonist and critic, focussed his criticism and inferences of corruption in the Gas Department on the tendering procedures used to purchase coal, and the poor quality and price of the Gas produced. He also alleged that how the financial accounts provided by Hunter about the profitability of the gas enterprise were falsified to give an incorrect picture about the profitability of the enterprise, by using allowances made for plant maintenance to inflate the profits of the gasworks

There was no 'off the shelf' package to provide a double-entry bookkeeping system capable of dealing with the particular features of municipal accounts, which did pose some special problems. There is however evidence that problems were also caused by the lax attitude to how the available systems were managed. This was demonstrated in Salford when the annual 'Extract of accounts' was published. A regular criticism was the way the account for loan monies, was presented. The propensity of the Council was to use revenue monies for capital purposes, resulting in the need to set a higher rate, a matter of concern to ratepayers, and the converse situation, where loan monies obtained for particular projects or services were used to supplement the rates, with the consequence that the implementation of a project could be delayed. An editorial in *Salford Chronicle* in 1881, which noted that the paper had challenged 'recklessly incurred expenditure,' and the 'illegitimate employment of money obtained by means of loans,' stated that the Pendleton District Finance Committee had used a loan to subsidise the rates, and information about this 'had been suppressed.'⁵⁴¹ There were further problems in 1885. In 'an exciting debate', Councillor Mandley objected to a resolution of the General Purposes Committee, sent to the Salford Council for approval, asking for agreement

⁵³⁹ The annual bill for coal and cannel was a six- figure sum; Manchester Gasworks employed 1,700 men.

⁵⁴⁰ Section 4.3, p.78.

⁵⁴¹ *Salford Chronicle*, 8 January 1881, editorial p.2. went on to say ...'It would have been far better if they had come clean and admitted that this had happened – but when loans sought vastly exceed need, the Ratepayers have to take on the repayments'.

that money should be transferred from the capital fund to revenue 'to cover a deficit.'⁵⁴² After a long debate this was agreed. An editorial *Salford Chronicle* noted that:

It was our painful duty years ago to deal with the incomprehensible muddle of figures dignified by the title 'Annual abstract of accounts'. We stated and restated our objections to mixing capital and revenue items and our very decided conviction that an alteration in the method of bookkeeping... would be consonant with and conducive to a sounder system of finance. The result vindicated prediction, and it has now become possible to adjust rates levied by actual expenditure incurred...⁵⁴³

The editorial reluctantly agreed that this particular transfer should be accepted because other accountancy failures had resulted in revenue monies being charged with spending which should have been paid from capital funds. There was however a suspicion that in some cases, capital monies had been used to top up revenue shortfalls.

The situation did not change. The first sign of what became known as 'The Great Salford Muddle' came to the Council's attention when a resolution of the Finance Committee recommended that the Council should instruct the Town Clerk to apply to the Local Government Board for a loan of £34,070, 'needed because certain committees had overspent themselves.' Secrecy remained paramount, and in order to discuss the matter in the absence of reporters, the Council agreed to reconvene at the end of the Council meeting as the General Purposes Committee.⁵⁴⁴ This discussion was not reported; however, a Special Committee was set up to look into the matter. Their report, which was published in the Council minutes, revealed 'a disturbing level of financial incompetence'. The eight-man Special Committee which was chaired by the Mayor (W. H. Bailey), reported that there was a deficit of £76,761, of which £34,070 was for works which had been carried out using money from a bank overdraft; but should have been carried out using a loan sanctioned by the Local Government Board.⁵⁴⁵ The Special Committee stated that 'great carelessness has been shown...the main problem had been overestimating receipts from Exchequer and Gas, and over-spending by all committees.' They added that quarterly reports of expenditure had not been prepared and no attempt was made to monitor the level of spending. There had been no regular checks to ensure that payments were confined to the funds provided to meet estimated costs, and there had been no consultation with the Treasurer when estimates were prepared for the following year. The Finance Department accountant failed to call the attention of the Treasurer to the large adverse balances in departmental accounts, with the result that 'the matter has been allowed to drift in a manner totally inexcusable'. At the next Council meeting, attempts were

⁵⁴² *Salford Chronicle*, 10 January 1885, p.2.

⁵⁴³ *Salford Reporter*, 8 September 1894, p. 8.

⁵⁴⁴ Although reporters were allowed into Salford Council meetings, they were barred from all Committee meetings. In Manchester, reporters could attend General Purposes Committee, but they were barred from all other committee meetings.

⁵⁴⁵ *Salford Reporter*, 29 October 1894. Proceedings of Salford Council.

made to allocate blame.⁵⁴⁶ The failure of the Finance Committee to act on warnings of overspending from the Auditor's report was identified as one cause, and there was criticism of the officials, particularly Joseph Corbett, the Borough Engineer, who had grossly underestimated the costs of some schemes, a factor in the overspending. Mandley commented that there was 'a 'want of cooperation...amongst all officials;' although it felt that the Committee Chairmen and their officials should share the blame; as it was not feasible for the Corporation's Treasurer and Accountant to go through all the accounts. A fairer summary would have been that the financial management system used to control of expenditure within the municipality was 'not fit for purpose.' Blame was finally attributed to George W Hall, Salford's Treasurer, who had 30 years' service with the Corporation. He was demoted to Chief Clerk.⁵⁴⁷ Critics of the Council had a field day. John Hemsall a member of the ILP and Elective auditor referred to the scandal as 'a Tale which would bring a blush of shame to most of those who could feel shame for the humiliating history of the humiliating Corporation of Salford.'⁵⁴⁸ He used the incompetence of Salford Council to great effect in the campaign in support of an ILP candidate, a Mr Heaviside, who was not however elected.⁵⁴⁹ After the 'Great Salford Muddle', Salford Council kept to a program of austerity, and although some overspending by committees did occur; the Finance Department monitored spending more carefully; for example, in 1902, six committees, Health; Highways & Paving; Tramways; Lighting & Cleansing; Town Hall & Markets; and the Parliamentary & Public trust, were instructed to explain their overspending. There was no suggestion that any of the staff of the Treasurer's Department behaved corruptly, but the demonstration of incompetence and the description of the behaviour by Hemsall was extremely damaging and left open the possibility that in this situation, had corruption actually occurred, it was unlikely to have been detected.

Although the management of the accounts of Salford Council received considerable press interest, less press attention was given to the complaints about the mismanagement of Manchester's finances. In the 1890s. the Manchester Finance Committee had noted that several committees were overdrawn;⁵⁵⁰ and the Elective auditors had drawn attention to the 'growing indebtedness of the Council.' Despite these warnings, Redford, commenting about the situation in 1896, when eight additional aldermen were appointed to the Finance Committee, noted that there was no improvement to the civic finances as a whole.⁵⁵¹ In the

⁵⁴⁶ Ibid., 3 November 1894, Report of the Council meeting .p.8.

⁵⁴⁷ Hall was a soft target. Aged 70 he chose to resign rather than accept the demotion. The accountant employed by the Council was also sanctioned, his salary was reduced.

⁵⁴⁸ Hemsall served as elective auditor with Harrison for the years 1895/6.

⁵⁴⁹ *Salford Reporter*, 3 November 1894; article 'The Great Financial Muddle – Who is to blame for it?'

⁵⁵⁰ *Manchester Council Proceedings*, Epitome, Finance Committee, 6 February 1895.

⁵⁵¹ Ibid., 9 February 1896. The eight aldermen, appointed to improve the status of the Finance Committee, were senior members of other Council Committees, expected to use their experience and influence to curb expenditure by these committees.

following year, Redford commented that an Inspector of the Local Government Board protested that Manchester Corporation 'appeared to think that they were able to do just what they liked, money was spent first and then the Local Government Board was asked to sanction the scheme for which the money was required.'⁵⁵² The Inspector added that 'this habit was not peculiar to Manchester.'

In addition to the problems of keeping the books of the Council itself, Joseph Scott had described the system in use in Manchester to order goods or services in 'some of the departments of the Corporation;' when he conducted his audit of the departmental account books.⁵⁵³ He noted that there was no standard method in use in all departments.⁵⁵⁴ He studied the procedure used in the Health Department, where he found that the ordering of goods was left to officials, which he refers to as 'a very bad arrangement as it entrusts too great liberty in their hands'. According to Scott, when the goods were received, the invoice was checked, and if correct, entered onto a sheet, called 'the authority'. This contained the name of the supplier, the 'amount of the invoice' (presumably cost) and the nature of the goods. There was no record that the price of goods stated on the invoice was checked against the order, nor was the person for whom the goods were intended stated on the authority. The authority, which would usually contain a number of items, had then to be signed as correct by three members of the Health Committee. As this often took place at the 'end of a Committee meeting, this could lead to signings being done 'indiscriminately or carelessly.'⁵⁵⁵ The authority plus the invoices was then sent to the Treasurer, who checked the invoices against the authority then sent both back to the Finance Committee. The Finance Committee had been given the power to. 'Make orders in writing for the payment of money, such orders signed by three or more members of the Town Council, being members of the Finance committee, and countersigned by the Town Clerk.'⁵⁵⁶ The attitude of Alderman Harwood, a member of the Finance Committee, that 'he signed hundreds (of invoices) and never read them,' apparently exemplified the attitude of other members of the Committee.⁵⁵⁷ After the three signatures from members of the Finance Committee, an instruction was then issued to the Treasurer to pay the invoices authorised on the authority. If Scott was correct in describing this method of ordering and paying for goods, this process made fraud straightforward.⁵⁵⁸ It would have been

⁵⁵² Redford, *The History of Local Government in Manchester*, Volume II, p.448.

⁵⁵³ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.5.

⁵⁵⁴ *Ibid.*, p.6. He noted that in some departments, (which he did not name) orders had to be authorised by the Committee before being placed. The wording suggests that the procedure in the Health Committee where no authorisation was required, was more usual.

⁵⁵⁵ *Ibid.*, p.12.

⁵⁵⁶ This was a requirement of the MCA 1882, section 141 (1).

⁵⁵⁷ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.5.

⁵⁵⁸ No member of the Health committee signed to agree to the order being placed; there was no check that the cost on the invoice was the cost at which the goods were ordered; and the 'authority' did not give the name of the person who had ordered the goods.

very easy for a corrupt official to order and receive the goods and pass the invoice for payment. As there were no stock checks, which could have revealed if goods had been 'diverted' for personal use, there was no method of distinguishing fraud from a perfectly legitimate transaction.

7.2. Audit

By the 1870s there was recognition in both Manchester and Salford Councils that the workload and complexity of the role of Elective auditors had increased. However, both authorities, as members of the Association of Municipal Corporations, (AMC) continued to oppose any attempts by central government to change the system of audit to the system of District Audit, used by the Local Government Board, (LGB) to audit Poor Law Accounts.⁵⁵⁹ Manchester Council, wary of any threat to impose such a system asked the Finance Committee (Chairman Joseph Thompson), in 1874, ...' to consider and to report whether, if any, and if so what alterations in the audit of the corporation accounts are desirable.' The Committee, which presented its findings to a Council meeting, focussed on the attempts of the Local Government Board to bring the audit of municipal corporations within the remit of District audit.⁵⁶⁰ This idea was dismissed in the first paragraph of the report, which expressed satisfaction with the existing system. The Finance Committee described in outline the system used in Manchester, and the precautions which were to prevent unauthorised or improper expenditure were detailed. According to this account, each committee of the Council was responsible for expenses incurred 'in relation to the business which it may have in charge.' These had been approved by an audit subcommittee; the accounts had then to be approved by the main committee and only when this had been carried out were the accounts transmitted to the Finance Committee for payment. A resolution passed by the Finance Committee, stating the expenditure which had been approved for payment, was then sent to as authorisation to the Treasurer to make the necessary payments. The report concluded that:

In the opinion of your Committee, the arrangements described are of equal if not greater importance in guarding against any improper or illegal expenditure than any formal system of audit.....these arrangements have been found to be generally successful and satisfactory.

⁵⁵⁹ The district audit system is described in footnote 155, p.45.

⁵⁶⁰ *Proceedings of Manchester Council*, 3 December 1874.

This statement was not challenged. Scott's later description of process of authorising payments carried out in the Health Committee of Manchester Corporation certainly did not 'guard against improper or illegal expenditure.'⁵⁶¹.

A Select Committee of Parliament set up to consider borough audit, interviewed the Manchester's Town Clerk Joseph Heron, representing the AMC which opposed district audit.⁵⁶² He was quoted as saying that in Manchester, 'All payments came before the auditors who carefully carried out their duty to examine the authority for payments made. (The audit is) as complete and efficient as the Poor Law audit.' Coombe & Edwards remarked that Heron's statement was 'quite possibly weighted to counter the case for replacement by district audit'.

⁵⁶³

The Select Committee report concluded:

Your Committee ...recommend that no alteration be made in the present mode of auditing borough accounts, believing that sufficient safeguards exist against extravagant or improper expenditure and that any audit of such accounts under the control of the government is undesirable, and would occasion an unnecessary interference with independent local self-government in the boroughs...

The Manchester Finance Committee congratulated the AMC on its achievement of blocking the introduction of the bill to change the system. Coombe and Edwards, commenting on the conclusions of the Select Committee noted that:

the overall impression gained from the evidence presented is that in 1874, the Elective audit was usually a fairly ineffective exercise, undertaken mainly by amateurs, with its continuance favoured by Council officials because it did not entail interferences from central government; it cost very little, and it did no harm...⁵⁶⁴.

The authors might have commented that it did little good either.

The need for an independent scrutiny of the accounts in the two 'trading' accounts had already been accepted in Manchester; the Waterworks Committee and the Gas Committee accounts were audited annually by professional auditors, paid for by the Council. The increase in workload of the Elective auditors was also recognised; the Manchester Finance Committee report had recommended the appointment of a professional auditor, who would be required to act under that direction of the Elective auditors and was not intended to lessen their responsibility. No action was taken until the Council meeting held in July 1880, when it was reported that the post had been advertised.⁵⁶⁵ Councillor Windsor noted that the post gave this auditor restricted powers; i.e. only to assist in the examination of those books which had

⁵⁶¹ Scott's account of the process of ordering goods and approving payment in Manchester is considered in Section 7.1, p.141, above.

⁵⁶² *Report of the Select Committee on Borough Auditors and Assessors 1874* (321) vii 1.

⁵⁶³ H. M. Coombe and J. R. Edwards, 'The audit of municipal corporations - a quest for professional dominance.' *Managerial Auditing Journal*, Volume 19, No.1 (2004), p.71.

⁵⁶⁴ Coombe & Edwards, *Ibid.* p.72.

⁵⁶⁵ *Manchester City News*, 10 July 1880. Manchester City Council proceedings, p.6.

been submitted to the Elective auditors. He noted that some of the books of the municipality, for example the Consolidated Stock Department books, had never been audited, and asked whether this was the intention of the Finance Committee. Alderman Harwood, a member of the Finance Committee commented:

it was not necessary to go and spend money in auditing books which have been audited already simply to satisfy one or two members of the Council, who wished the public to believe that they are the only guardians of the public purse. ⁵⁶⁶

Alderman Thompson, moving a motion for confirmation of the Finance Department minutes, reported that a Mr. Murray of Broome Murray & Co. had been appointed to assist the Elective auditors in auditing the Borough Fund account, and to suggest 'such improvements in the mode of keeping the books as he may deem advisable.'⁵⁶⁷ An editorial supported this move, noting that the duties of the Elective auditors were performed in a perfunctory manner with the assumption that the accounts were free from error; but in the current year, 'greater attention had been paid by the auditors to the accounts, and their report now shows that this assumption was wrong'.⁵⁶⁸

As concerns about central government interference in local affairs persisted, the arrangements for audit set out in the 1835 Act became the benchmark used by both Manchester and Salford for what constituted 'acceptable' audit; in particular, that it should remain a local responsibility, and there should be no provisions for sanction when there were findings of financial profligacy. At the end of the century both the Manchester and Salford Councils who presented evidence to the *Joint Committee on Municipal Trading*, (in 1900 & 1903), were still maintaining this attitude; vehemently objecting to central audit, as 'derogatory to their dignity and vexatious.'⁵⁶⁹ The reason given was partly because it would 'disarrange their routine' but the possibility that the terms of a Bill might include disallowance and surcharge, in the event of breaches of the powers given to the Council, was still a powerful incentive to oppose the proposed legislation. Finer⁵⁷⁰ noted that the Joint Committee recognised the farcical nature of the existing local audit, but felt that, in the face of local opposition, it could not take action to change the situation. Szreter commenting generally about local-central relations stated that

⁵⁶⁶ Ibid., 10 July 1880.

⁵⁶⁷ Ibid., 7 August 1880, Manchester City Council proceedings, p.6.

⁵⁶⁸ Ibid., 6 September 1884. editorial, p.4. This editorial was published one week before the publication of the first episode of 'Leaves' (which was on September 13th 1884), hence the reference to 'greater attention' having been paid by the auditors.'

⁵⁶⁹ *Joint Select Committee on Municipal Trading*, 1900 (305) & 1903 (270), 1900.

⁵⁷⁰ Herman Finer, *English Local History* p.316.

In the Local Government Board's dealings with local authorities, Britain's political, cultural, social, and economic history all meet the unwinnable war of mutual attrition between the centre and the peripheries...⁵⁷¹

From the 1870s the adequacy of audit by Elective auditors, and exactly what the powers an Elective auditor had to examine the accounts of a municipality, had come up for regular consideration at both Manchester and Salford Council meetings. The provisions for audit in the Municipal Corporation Act 1882, which adopted the same requirements for local audit as the earlier 1835 legislation, specified that the Treasurer of a municipality should make up his accounts half yearly, and one month before the due date, 'should submit them with the necessary vouchers and papers 'to the borough auditors.'⁵⁷² Joseph Scott writing in 1884 complained that in addition to the problems he had about gaining access to the books and papers to audit, there was 'a strikingly anomalous feature' in the election of auditors:

They are elected annually on the first of October, but by this Act they are responsible for examining the accounts from April to April only. When therefore they are elected, six months' payments have already been passed, unaudited, while for the last six months of their term of office, they are precluded from seeing the accounts then current at all.⁵⁷³

When Scott examined the account books of the Consolidated Stock Office, he found that they had been 'mutilated.' In one invoice book, where he had found that invoices were missing; when he asked to see the book again, he found that it had been rewritten; an action taken so that it would contain only those invoices which he was 'entitled' to see i.e. for the six-month period from April to November 1883. There were also problems of access to many of the books; Scott was told that he needed a written order from the Chairman (presumably of the Finance Committee).

In the aftermath of the Scott report, Manchester Council set up a subcommittee to consider audit and improvements in financial management within the Council. The report set out a number of improvements in the way the various Committees of the Council had to account for their spending.⁵⁷⁴ This included simple requirements such as the need for each department to have a requisition book for ordering goods and services, and a requirement that any orders for goods costing more than £50 had to be approved by the Council. The collection of all monies owed to the Council (with the exception of gas and water accounts), was to be undertaken by the Treasurer's Department; and all arrangements for borrowing money had to be consolidated under the Finance Department, which should take over banking arrangements. The report also suggested that Departmental estimates of spending had to be

⁵⁷¹ Simon Szreter, 'Healthy Government? Britain 1850-1950' in *Historical Journal* 34, 2 (1991) .295.

⁵⁷² *Municipal Corporations Act* 1835, chapter 76 (sec.37), were unchanged in the 1882 Act, (as s.27.)

⁵⁷³ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.8, noted that this made a good case for continuous audit.

⁵⁷⁴ *Manchester City News*, 16 May 1885, p.6.

published by April, and each Department had to ensure that capital properties owned by the Council were entered into a 'capital assets' register; in which all entries had to be certified by the Town Clerk. It recommended that the Council should set up an audit Department, as a way of implementing continuous audit.

Regular accounts of the failure of Elective audit received prominence in '*The Accountant*', a magazine established in 1874 to cover accountancy issues. Eight leading articles on various aspects of municipal accounting between published between 20 September and 29 November 1884 marked both the growing recognition of the role of accountancy in municipalities and the determination of the accountancy profession to obtain a share of audit work. The emphasis of the articles was to demonstrate the inadequacies of audit by Elective auditors. The first article which introduced the series, gave an account of a series of frauds which led to the Wigan Borough Treasurer and the borough auditor being committed for trial for fraud. Not surprisingly *The Accountant* criticised suggestions that municipalities should set up systems of continuous audit. In a short article, it argued that that this would be very expensive, and services to provide continuous audit could be supplied by professional auditors.⁵⁷⁵ It also noted that because the staff of such a department would be employed by the municipality and 'it would of necessity be under the influence and control of the Corporation.' The objection was mainly prompted by the fear that the staff of the audit office would be employed by the Council, and this could remove the need for professional auditors. Manchester did not pursue the proposal at that time.

Scott and his co-auditor Hollins' achievement in gaining access to the books of the various Departments of Manchester Council was not matched by their successors until 1893, when as there were two candidates, the election of the auditors had to be decided by a vote. Samuel Norbury Williams, who in a 'spirited address' stated when elected that he saw his duties would be carried out 'as Joseph Scott.' Scott had however experienced difficulties when he tried to challenge some items of expenditure by committees. He had been told by Councillor Windsor that 'it was no part of the Auditor's duty to challenge the mode in which the Council chooses to spend the funds which come into their hands', a statement with which Scott strongly disagreed.⁵⁷⁶ Attitudes about the role of audit were changing. With the increasing involvement of professional auditors in municipal audit, the editorial in *Manchester City News* in 1893, which was addressed to the newly appointed elective auditors, commented on the differing role which the Elective auditor should undertake compared with that of a professional auditor. The editorial stated that:

⁵⁷⁵ *The Accountant*, 1 November 1884. No.517, p.5.

⁵⁷⁶ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.4.

the idea of the Elective auditor is to be independent. His duties were not the same as the professional auditor which was to audit the accounts submitted to him. It was no part of the professional auditor's duty to express an opinion about whether the spending was properly incurred, however wrongful particular expenditure might be, if it has been properly set out in the books and vouched for. The Citizens' auditor is different. His duty is to detect abuses and show them up, i.e. see money is spent legally and not recklessly and for the wrong purposes; that no officials dipping into our pockets to supply their own personal needs and that you will detect as far as possible, bribery and corruption in any quarter whether by paid officials or members of the Council, who sell their votes in committee at the price of a contract. We expect you to be independent, and we expect our servants to give you assistance...⁵⁷⁷

The MCA1882, which stated the requirement for the system of audit to be used in a municipality, describes the procedure for appointing the Elective auditors and the Mayor's auditor. The only statement about the conduct of the audit refers 'to the necessary vouchers and papers' to be submitted to the auditors 'and they shall audit them'.^{578 579} Although the editor's comments did not accord with the wording of the MCA, it did reflect the changing expectation of the ratepayers, that the role of the Elective auditors should also be to identify when the practices of the two Councils fell short of the standards of integrity which were seen to be appropriate in the late Victorian period. Their role should also be to identify the types of spending which could not be justified by the reasonable needs of the services provided by the Council. Samuel Norbury Williams kept to this brief. As an Elective auditor, he was selective in the issues he investigated; producing reports on matters where he inferred that there was corruption.⁵⁸⁰ He also took action to establish the legal right of an Elective auditor to examine all the account books of the municipality.⁵⁸¹ This matter, which had been the subject of legal argument since the 1880s, revolved around the meaning of the phrase used in the wording of the phrase used to define the scope of the audit 'the necessary books and papers'. When this phrase was adopted in the MCA 1835, the single-entry methods used to keep the borough accounts relied mainly on a simple system of 'Day books' to record income and expenditure, so the meaning of the phrase was clear. With the extension of the role of the Corporation and the implementation of double-entry book keeping, the financial situation of a municipality could only be established from the additional account books used in the system, the borough ledgers.

⁵⁷⁷ *Manchester City News*, 30 September 1893, editorial, p.4.

⁵⁷⁸ MCA 1882, section 25.

⁵⁷⁹ *Ibid.*, section 27.

⁵⁸⁰ For example, the report about what went wrong with the scheme to install an underground sewer to link to the Davyhulme sewage works; and how the sale of coke and tar was handled by Alderman King and the Gas Committee. Details of the former case are given Section 6.4, p.138; the latter is considered in Section 4.2, p.64.

⁵⁸¹ This was a problem experienced by elective auditors across the country, which was finally settled in 1898 by the ruling in the case of *Thomas v Devonport*, which was reported in *Manchester City News*, on 3 December 1898. The consequences to the reputation of the Council as a result of the failure to provide Elective auditors access to all account books of the municipality is considered in Section 8.2.

Many of the critics of the system of audit by Elective auditors focused on the absence of any relevant qualification needed for the job. Episode Four of the series of articles in *The Accountant* concentrated on the fact that Elective auditors did not need an appropriate qualification commented:

to assume that there could be anything worthy of a name of an audit performed by men who are not and who do not profess to be skilled in accounts is absurd. It is no reflection on the class of men who have usually filled that office to say that their acquaintanceship with accounts is, on average less than that required of a second-rate bookkeeper in a commercial counting house...⁵⁸²

The case for Elective auditors to take a prominent role in auditing the Borough accounts continued to have support. As they were appointed by election, the Elective auditor had the advantage of independence, and freedom from the influence of officials and members of the Council. There were claims that ratepayers might find it easier to approach an Elective auditor rather than an official or paid employee of the Council when it was felt that a matter should be investigated. As ratepayers. Elective auditors would have the interests of other ratepayers at heart, particularly regarding the control of spending.⁵⁸³ Coombs & Edwards noted this interest did not convert into enthusiasm to volunteer to take on the role of elective auditor, with the result that an election for the posts was rarely required.

The 'Elective auditor' system had its critics in the Council. One objection was that the post could provide pressure groups such as the Ratepayers' Association, or political groups, such as the Independent Labour Party (ILP), with a platform to criticise Council policy rather than carry out the audit. The very low turn-out at the elections for auditors could allow a determined faction of ratepayers such as the ILP, to get a particular candidate elected; to gain visibility and esteem for the organisation. Municipal officers were wary of influence that an Elective auditor could wield through publicity. Indeed, Salford suffered serious reputational damage because of publicity which followed the publication of letters from two of its Elective auditors, John Hemsall and William Hunt.⁵⁸⁴ Their presence in the Town Hall was also resented. Councillor Holland complained that they were walking in and out of Salford Town Hall 'when they liked. No person had the slightest control over them.'⁵⁸⁵ ⁵⁸⁶ The consequences of the attitude of the Council to audit are considered in Chapter Eight in Part Four of this thesis.

⁵⁸² *The Accountant*, 11 October 1884, no. 514, p.5.

⁵⁸³ Coombs & Edwards, *Managerial Auditing Journal*, p.74, noted that this was also the thrust of the evidence given by S. Norbury Williams in support of local audit at the Parliamentary Joint Select Committee on Municipal Trading (1903); minutes 2832-2866. This was reluctantly accepted by this Select Committee.

⁵⁸⁴ John Hemsall served as elective auditor in 1895 and 1896, and William Hunt, served in 1898. Both were both members of the Independent Labour Party and were effective critics of the Council.

⁵⁸⁵ Councillor Holland, a bricklayer and contractor was probably not alone in inferring that someone 'ought to have control over them.' He was elected to the Council 1884, serving until 1902. He became an alderman in 1898.

⁵⁸⁶ *Manchester City News*, 5 February 1898, Proceedings of Salford Council, p.6.

The embezzlement by William Noar, Salford's Treasurer, had led to action by the Council to improve audit and reduce the risk of further embezzlement. *Salford Weekly News*⁵⁸⁷ reported that on 1 March 1865, by resolution of the Council, funds were provided to appoint auditors who were empowered 'to extend their examination and audit all details and matters of account according to their discretion and report half yearly to the Council via the General Finance Committee. The first appointment of a professional auditor, Mr T Bowring was made in 1866, initially to investigate the extent of the embezzlement of William Noar. but later he was appointed to carry out the audit of the accounts of the municipality. It appears, however, that Bowring's role as auditor was confined to auditing the records the General Committees of the Borough Council and did not extend to the accounts of the District Committees of Salford, Pendleton and Broughton. Speaking at the AGM of the Institute of Chartered Accountants in England and Wales in November 1886, and describing the accounts in Salford, Bowring stated:

I can speak with the most absolute confidence as to the principle on which the accounts are kept, their accuracy and their entirely satisfactory mode of rendering.... I believe, myself with regard to the principle of double entry they are perfect and leave little room for improvement.⁵⁸⁸

Thomas Bowring remained Professional Auditor of the Salford Corporation accounts for more than 20 years. It is not clear on what basis he was appointed, although the money made available initially for the appointment, £100, would seem to have been sufficient for only an annual audit. The statements he makes about Salford accounts, and the checks which he said he undertook, suggest that he must have maintained regular contact with the accounts of the municipality. The Council also employed an audit clerk, whose role was redefined after a report was made to the General Finance Committee by Bowring, who stated that the audit clerk had made several unsuccessful requests to members of the General Purposes Committee for the books of account and petty cash books. The matter was referred to a subcommittee for consideration. At a meeting of the Borough Council in August 1881⁵⁸⁹, a motion from Alderman Husband, which had been postponed for a month was agreed, this stated that:

all contractor's and tradesmen's bills and wages lists shall, before presentation to the various committees for payment, be submitted to the audit clerk for verification as to quantities, prices, calculation and general accuracy.

The extent of the role of the audit clerk was also considered when a resolution of the General Finance Committee was tabled for approval. This noted that

⁵⁸⁷ *Salford Weekly News* 1 March 1865, Proceedings of Salford Council, p.5.

⁵⁸⁸ *The Accountant*, 6 November 1886. Report of the AGM of the Institute of Chartered Accountants of England and Wales, p.627.

⁵⁸⁹ *Proceedings of Salford Borough Council*, 21 August 1881.

under the supervision of the Audit Clerk, books (are) to be provided and kept in individual departments in which shall be entered all goods received. The audit clerk can require the production of any book of the Corporation, excepting cash books and other books of account held by the Treasurer and audited by a professional auditor.

The resolution also sought the approval for funding an assistant audit clerk at a salary of £50 per year and a youth to assist the audit clerk at a salary of £26 per year; both requests were rejected.

The report of Mr W.J. Popplewell, a Chartered Accountant, appointed as auditor to the Salford Borough Funds under a resolution adopted by the Council on 5 January 1887, was presented to the Council on 17 October 1887. This covered the year ending 25 March 1887.⁵⁹⁰ The main problem he found was that:

the accounts did not show concisely and clearly as (is) desirable, the liabilities and assets of the various funds; the balance sheet of the Borough Funds shows liabilities and assets as they appear in the books, regardless of any distinction between capital and revenue.

He stated that in his report he had seen all the books of the authority, a total of 160 volumes. His report to the Council about the 1890 accounts of the Municipality confirmed that the accounts were in order, however 6 out of the 17 sets of books in use could be dispensed with, and 8 of the 10 Corporation Bank accounts could be closed.⁵⁹¹ By 1898, the role of the professional auditor as the auditor of municipal accounts was accepted. Both Manchester and Salford had a section in their Standing Orders requiring the appointment of professional auditors to:

examine and audit the entire accounts of the Corporation with respect legal enactments concerning the accounts especially as to sinking funds and other obligations and to report fully to the Council pointing out any objectionable items in the accounts and suggesting improvements and safeguards.

7.3. The control of Council spending.

This section examines the extent to which of the Treasurer and the Finance Committee played a part in controlling the spending of the Councils in the two municipalities. Despite the awareness that by the mid-nineteenth century the management of the accounts of a municipality was becoming more complex, by the 1870s both Manchester and Salford had

⁵⁹⁰ Ibid., 17 October 1887.

⁵⁹¹ Despite improvements in the conduct of audit, Salford Council did not always take action when audit reports identified problems. The Council's own report on the reasons for 'the Great Salford Muddle, in 1894 when the Council overspent its budget, noted that warnings of the overspend had been given by the auditors. The problem of controlling spending considered in Section 7.3 which follows.

appointed men to the post of Treasurer who had started their careers as clerical officers and had apparently little or no experience of the developing field of municipal accountancy. Whether this was another example of the Councils in both municipalities resisting an appointment of a key officer who did not come directly under Committee control and might therefore want to 'interfere' with Committee business, is not clear, but the result was that neither of the two Treasurer's Departments were to play a major role in implementing improved methods of financial management in their respective boroughs.

Both men who were appointed were to have long careers in Corporation employment. William Martin, appointed in 1859, served as Manchester's Treasurer until 1899; George W. Hall, who succeeded William Noar, Salford's embezzling Treasurer in 1866, remained in post until he resigned in 1896.⁵⁹² At the time of their appointments, the role of the Treasurer was thought to be uncomplicated, and neither municipality apparently saw the lack of relevant accountancy experience as a disadvantage.⁵⁹³ Martin had joined Manchester Corporation in 1838; he had served as a Committee clerk prior to his appointment as Treasurer. He listed his duties in a letter to the Council dated 24th May 1873 when he applied for an increase in salary. He stated that the value of receipts and expenditure passing through the Treasurer's Department had increased from £1,292,384 in 1859 to £2,935,003 in 1873, and the number of individual payments had risen from 9,253 to 19,744 over the same period. Martin had also negotiated 991 loans on behalf of the Council over 3 years at an interest rate which at just over 4%, a lower rate of interest than paid by many other Councils, and he had made improvements both in the way loan information was notified to the Finance Committee, and also in the way the Council made payments, which had reduced the amount of labour, and hence the staffing level required. The nature of these improvements and any saving made was not given. The Council agreed to an increase in salary from £750 to £900 a year.

Both municipalities used the Treasurer's Department mainly for book-keeping services, negotiating loans, checking authorisations to pay invoices and making the actual payments. Neither the Municipal Corporations Act 1835, nor the later 1882 Act imposed a specific requirement for a Council to establish a Finance committee, but both Manchester and Salford did set up a Finance Committee after incorporation. As there was no legal requirement for such a committee, the role of the committee in both municipalities was defined by each Council at the first meeting in November, usually by citing the duties imposed by legislation which were

⁵⁹² *Salford Reporter*, 9 February 1896, Report of Council Meeting, p.7.

⁵⁹³ By 1860, the amalgamation of several smaller organisations had led to the formation of local bodies representing accountants. The national 'Institute of Chartered Accountants' received a Royal warrant in 1880. The 'Corporate Treasurers and Accountants Association', which provided recognition of the specialised nature of municipal accountancy, was not set up until 1886.

relevant to its function. The duties of the two finance committees were similar; there were a series of general statements which included:

To consider and report what measures are necessary to confine the expenditure of committees in the borough within the estimates.

To direct and superintend the keeping of all accounts relating to the Borough;’ and

’To authorise payments of money owed by the Corporation, to be made by the Treasurer.

Other duties included collecting and enforcing payment of the Borough rate, and negotiating loans which might be required from time to time. The Salford Finance Committee also had a ‘catch all’ provision:

to do all such acts matters and things as may be necessary or incident to the execution of the aforesaid powers.

This section also included ‘the management and direction of public clocks’!

One reason why extravagance and overspending were allowed to continue without check was the failure of the two Councils to provide a mechanism for scrutinising how resources were allocated and spent by their various committees. This important task was one which a Finance Committee might be expected to undertake. In practice, the ability of a Finance Committee to rein in the spending of other committees was weak. This missed opportunity meant that extravagance and a waste of resources could be disguised in budget allocations. The opportunity to look at this expenditure arose when the estimates of spending for the new ‘Council year’ were drawn up. A major part of this exercise was consideration of the previous year’s spending; information which was needed so the annual rate for the following financial year could be fixed.⁵⁹⁴ The task of the Treasurer’s Department was merely to obtain from the Chairmen of the various committees their estimates of expenditure for the following year. This was to be based on the current year’s spending adjusted for any expected changes in service provision. These estimates were then submitted for consideration to the Finance Committee. Detailed comment on the individual Departmental estimates by the Finance Committees in the two boroughs was apparently not seen as a feasible role for a Finance committee. The task of carrying out an examination of all the estimates would have been very time consuming. When Finer, writing in 1936, examined the views of a number of senior officers in municipal employ about the role of the Finance Committee in controlling Council expenditure, he reported that a Town Clerk speaking in 1927 stated that

⁵⁹⁴ There was scope for some errors; the final figure for the previous year’s expenditure was not known at the time the estimates had to be drawn up.

it was impracticable to allow a committee specially charged with looking into the finances of the Council to deal with the policy involved in the proposals of other committees and exercise a veto. The members of the Finance committee cannot be experts in every branch of activity of a large modern local authority which may and generally does possess important public utility undertakings.⁵⁹⁵

The attitude of members of both Council committees in the late Victorian period suggests that this statement would express the views of the various committees in the two municipalities. The attitude of each committee was to defend its own interests, particularly its spending estimates, without concern for the interests of other services. This was a situation which was fostered by the absence of any formal mechanism for the spending of a Committee to be scrutinised for reasonableness and the provision of value for money. A Finance Committee would therefore have found it difficult to make an impact in controlling spending. The task of vetting the estimates of spending was therefore left to the meeting of the Council when the papers, with proposed rate for the following financial year were sent for approval. Both Councils were sensitive about the level of the rates; it was more likely that there would be queries in Council about an increase in spending if this resulted in a rise in the rates; although occasionally, a councillor with a particular interest might query some aspect of the proposed expenditure. There was an extra complication in Salford, where until 1891 the rates consisted of two parts; a borough and a district rate. Meetings of the Borough Council to approve the combined rate often degenerated into arguments about the differences in the district rates and the relative merits of the different services provided in the three districts.

The impotence of the Manchester Finance Committee was substantiated by Beatrice Webb⁵⁹⁶, who commented that John King, who was chairman from 1886 to 1903, was 'senile'. He was followed in post by Arthur Copeland who was also criticised for his management of the Committee.⁵⁹⁷ E. D. Simon, who joined Manchester Council in 1913, described his experience as a member of the Finance Committee in his first year on the Council. He noted that although 'Finance is the root of local government, ...the Finance Committee did none of the things I expected. It was so ineffectual, for all the good it did it might as well have been non-existent.'⁵⁹⁸ He stated that the problem was of an old chairman who pushed business through the committee, without any real debate on the merit of a proposal; a situation which was apparently no different when Alderman King chaired the Committee. Simon described how in 1913, the Committee conducted business, 'as a municipal committee gone wrong, or rather gone to sleep'. Meetings started at 12 noon; 30 minutes were spent on audit, which was the

⁵⁹⁵ The Town Clerk was Dr R. H. R. Tee, Town Clerk of Hackney, who was quoted in *Public Administration*, October 1923, p.445.

⁵⁹⁶ Redford, *The History of Local Government in Manchester*, Volume II, p.436.

⁵⁹⁷ Alderman A G. Copeland, who was elected in 1886, succeeded John King as Chairmen of the Finance Committee in 1903.

⁵⁹⁸ E. D. Simon, *A City Council from within* (London: Longmans Green & Co, 1926), pp.58-64.

time when invoices which required the signature of three members of the Finance Committee were signed off for payment; and 30 minutes to consider items on the Agenda. The meeting had to finish at 1pm. for lunch. Simon stated that any discussion was between the Chairman and the Committee Clerk; there was no discussion on the agenda items, and all business seemed to have been decided before the meeting. Resolutions were just 'nodded through'. The Manchester Finance Committee accepted this procedure, despite having an experienced membership. In 1913, it comprised 8 aldermen and 13 councillors, four of whom, (2 aldermen and 2 councillors) had been knighted for their contributions to business.

Although the Manchester Finance Committee was also responsible for holding all the account books on behalf of the Corporation, there is no evidence that the Committee made any attempt to check the bookkeeping practices in use in various departments of the Corporation. There seemed to be a tacit acceptance that despite the limitations of audit, if the books passed the scrutiny of the auditors there was no need to interfere. It was also the practice in Manchester for major policy decisions about financial matters to be dealt with by the General Purposes Committee, a committee of the whole Council, or one of the standing Committees, not the Finance Committee. After the 1885 extension of the boundaries of the municipality, which led to the incorporation of additional townships, the City rate varied across the municipality, and was not levied and collected by a single authority. It was a subcommittee of the General Purposes Committee chaired by Councillor James Hoy which produced the report on what was essentially a financial matter, and offered a solution to overcome the problem.⁵⁹⁹ The issue of how to represent in the accounts the financial consequences of the purchase of large items of capital equipment which had been funded by loans from the LGB, was argued in the Gas committee. The protagonists were Alderman King, who was also the chairman of the Gas Committee and Councillor Murray, a member of the Committee and an accountant by profession.⁶⁰⁰

Findings and précis of Chapter Seven.

This Chapter examines how and why the arrangements made by the two municipalities failed at almost every level to provide the necessary safeguards to ensure that financial management in the two municipalities was conducted with competence and integrity. The findings of this chapter do confirm the complexity of the accounts of the two municipalities by the late Victorian period. and the limitations of the expertise available to confirm their probity.

⁶⁰¹ James Hoy, a shirt manufacturer, was elected to Manchester Council in 1882. The report of the Subcommittee of the General Purposes Committee dealing with the equalisation of the rates was accepted at the meeting of the Council on 1 October 1884.

⁶⁰⁰ Manchester Gas Committee had set up a Special Committee which met on several occasions in April 1889 to consider this matter. There was genuine disagreement about this issue should be resolved, with comments coming from both the Gas industry, and in professional accountancy journals.

It has identified however the consequences of the failure to take the basic step of checking the work of staff collecting payments for Council services such as Noar, Salford's treasurer, which provided the opportunity for embezzlement. The chapter has examined the problem of 'keeping the books' for the municipal trading operation to produce and sell gas. The analysis of the controversy in Manchester about how the account books of the Gas production operation should be kept, and the allegations that Samuel Hunter had been able to misrepresent the profitability of gas operation, provided evidence of the limitations of both financial expertise, but also the lack of agreement about how these accounts should be presented. The discussion of the 'history' of audit in municipal government which examined why both Councils resisted the need to improve the systems of audit, noted that by the end of the nineteenth century both municipalities were employing professional auditors to assist elective auditors to carry out the audit of municipal accounts. The final section of the Chapter identified the absence of any mechanism for monitoring how resources were allocated and managed by the various Committees of the Councils in the two municipalities, noting that neither the Finance committee nor the Treasurer's department had any part to play in carrying out this task.

The final part of the thesis entitled 'A reputation for corruption' addresses the key question posed by this thesis.

Part Four- A reputation for corruption?

The aim of this part of the thesis to address the key question posed by this thesis:

To what extent did the Councils of Manchester and Salford prove incapable of avoiding situations where both their competence and at times their morality were brought into question?

The method employed in this part is to examine situations where critics identified that the behaviour of the Council, which had led to mismanagement, was not merely the result of incompetence or Council corruption. It argues this occurred when the language used by critics inferred or stated that the nature of an action taken by a Council was not in the interests of the community. This implied that the council were guilty of a breach of the compact between the governed and a government on which the system of governance of a municipality depended. In this situation the morality of the Councils was brought into question.

Chapter Eight. Morality and governance.

Manchester and Salford councils were the arbiters of their own standards of conduct in discharging Council business. The aim of this chapter is to examine how the two Councils responded to a range of different situations which came to notice of critics where the behaviour of individuals lacked integrity or could be seen as corrupt, or the Council itself could be accused of misfeasance or even Council corruption. It argues that in these cases the maintenance of the reputation of the Council for integrity would only be possible if the Council took direct and open action to deal fully and ethically with these situations. The failure of the Councils to do this was seen by critics as bringing their morality into question.

8.1 Condoning or covering up wrongdoing

In the cases considered in this section, the allegations of the critics about the morality of the behaviour of the two Councils arose from the way the two Councils dealt with situations which were not necessarily of their own making. The first part of this section examines the extent to which the Councils were equivocal in sanctioning men who were guilty of behaviour which had previously been tolerated, but with the changing attitudes to the standards of integrity expected in public life, were guilty of veniality or corruption. It considers a number of examples of the fuzzy logic of the two councils where it appeared that the Council was sympathetic to their

situation.⁶⁰¹ The result was that the Councils either failed to implement any sanction; or, if they did, mitigated the severity of any penalty involved. It was this conduct, which was seen as a breach of trust by the Council, which led critics to infer that the Council was condoning corruption, and by failing to uphold the highest standards of behaviour, this was conduct which lacked morality.

The prosecution of William Hepton for embezzlement revealed he had in effect been providing a private banking service for Alderman Grave, the Chairman of the Waterworks Committee and T.H.G Berrey, the Superintendent of the Department, for at least five years.⁶⁰² He enabled both men to borrow money held in the Department which should have been banked.⁶⁰³ Although there was no evidence to suggest that either Grave or Berrey embezzled money belonging to the Corporation, no interest was charged or paid on these loans. Berrey's duties included the supervision and weekly checking of Hepton's accounts, which he had failed to do.⁶⁰⁴ Asked to comment on the findings of a Subcommittee looking into the embezzlement, he excused himself by stating he had placed too much confidence in Hepton and had ordered him to submit all the books, including the account books which recorded the unauthorised loans, to the auditor, but this had not happened.⁶⁰⁵ An editorial in *Manchester City News* strongly criticised this defence, stating that it would require 'an elastic morality' to excuse his failure to check Hepton's accounts because 'he had confidence in him'.⁶⁰⁶ The more serious offence alleged to have been committed by Berrey was 'that he allowed his own financial affairs to be mixed up with the funds of the department. From May 1876 to December 1878, advances against salary made to him averaged £110 per month, (a sum which actually exceeded his salary.) The Subcommittee also noted that when he acted as a consultant to 'other authorities' (who were not named), his expenses were paid, yet he had also claimed expenses from the Corporation.⁶⁰⁷ In 1879 he was found to have made several claims for expenses alleged to have been incurred in 1875, 'long back-reckonings' which were 'most irregular.' The Council meeting of 6 October 1880 received the recommendation from the Waterworks Committee that Berrey should continue in the post of 'Indoor Superintendent' and give up the outdoor superintendence which he undertook, with a salary reduced to £800 per

⁶⁰¹ 'Fuzzy logic' is used in the sense of accepting that there were different degrees of culpability. As a result, some breaches of the duty to act with competence and integrity when the offences involved had previously been tolerated were seen as more excusable, and therefore not deserving a penalty or a reduced penalty.

⁶⁰² An overview of the Hepton case is given in Section 4.4, p.78.

⁶⁰³ The report of the auditor Mr Aldred was concerned with how the embezzlement was discovered and the Grave/Berrey involvement with Hepton. The Aldred report was presented to the Waterworks Committee on 27 April 1880, was used as the basis for the subsequent report of the Subcommittee of the Waterworks Committee.

⁶⁰⁴ Alderman Grave resigned from the Council with immediate effect.

⁶⁰⁵ The Subcommittee of the Waterworks Committee, presented its report to the Council on 1 September 1880.

⁶⁰⁶ *Manchester City News*, 17 July 1880, editorial p 4.

⁶⁰⁷ Berrey had amassed detailed knowledge about water supply schemes. He had been a member of the Waterworks Department when the Longdendale reservoir scheme was being implemented by Manchester Corporation and was aware of the serious problems which had to be overcome during the implementation, and hence the subsequent management of the scheme.

annum.⁶⁰⁸ An amendment (by Councillor Lamb) that Berrey's salary should not be reduced 'because they must not look for absolute perfection in their older valued servants,' also received little support. An editorial in *Manchester City News* on Saturday 9 October 1880, which noted the 'not very creditable discussions on Mr Berrey's future,' strongly criticised the statement that if he were to be allowed to continue in the post of Indoor Superintendent at a reduced salary of £800, 'he will have the satisfaction of feeling that his personal integrity is not called into question'. Berrey was also criticised by Councillor Walton Smith who pointed out that it was difficult to be sympathetic about an indiscretion which had lasted 5 years.⁶⁰⁹ Despite this, a motion by Councillor Harwood that the matter be referred back to the Waterworks Committee for further consideration, was passed on a vote of 28 for and 24 against. It was finally agreed at the Council meeting of 27 October 1880, that Berrey should continue in post with responsibilities limited to superintendence of the outdoor interests of the Waterworks Committee at a reduced salary of £800; an action which was seen as condoning wrongdoing.

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The reports about two of the officers who were found guilty of corruption by using Council property for a private purpose show that the penalty of instant dismissal was mitigated by the action of the Council.⁶¹¹ The Committee of the Manchester Cleansing Department asked the Council to pay W. D. Callison, who had been its Superintendent, but had been sacked for the offence, four months' salary, 'because of his long and satisfactory service.' A motion in Council to dismiss C. L. Turner the Electrical Engineer of Salford, who was found guilty of have patenting and exploiting design work undertaken whilst he was in the employ of Salford Council, which the Council alleged he had stolen, was lost. He should have been dismissed, but was allowed to resign, giving three months' notice. No further action was taken against Samuel Hunter for the additional offence of the unauthorised use of Council property. Despite the fact that he was serving a jail sentence for perjury and forgery, he attracted the sympathy of Salford Council. The sentence of a 5-year term of imprisonment with hard labour was said to be too severe for a matter which was his actual offence, commission-taking, which was not at that time a crime.⁶¹² As Hunter had agreed to repay £10,000 to the Council in August 1889,

⁶⁰⁸ This implausible proposal that he should continue in the role where he had been held responsible for the failure to supervise the financial dealings within the part of the Waterworks Department, and thereby failed to detect Hepton's embezzlement, was rejected.

⁶⁰⁹ Walton Smith, a pork butcher was elected to the Council in 1868. He was elected Alderman in 1883.

⁶¹⁰ His previous salary of £1,000 covered superintendence of both the indoor and outdoor interests of the Committee. Despite Berrey's behaviour which clearly lacked integrity, he was good at his job, and this may have influenced the Council's decision in mitigating the sanction which should have been dismissal. (See footnote 607).

⁶¹¹ The allegations made about the behaviour of Hunter is considered in Section 4.3, p.69. Callison and Turner, and their use of Council property for a private purpose is discussed on p.74. Berrey's behaviour is described in more detail above. (p.163).

⁶¹² John Garrard, 'The Salford Gas Scandal of 1887', *Manchester Regional History Review* Volume II no 2 (1988/9), pp.12-20 commented that in the Gas industry, the practice of paying commission to gas engineers was an accepted part of the contracting process.

the Council dropped all claims against him and any of his associates. A petition for his early release which was sent to the Home Secretary was signed by the Town Clerk and a majority of the Council. Although there was some support for this action in Salford, criticism, particularly in the Manchester press, was severe and was one of the main reasons the borough attracted the epithet of the 'rotten borough.'^{613 614}

Berrey, Callison, Turner and Hunter shared a common background. All four had started as juniors, and had worked themselves up to positions of status, and were thought (before their offences came to light) to have carried out their jobs 'to the great satisfaction of their employers.' Their expertise meant that in general they had a free hand in carrying out their duties; using Council resources for private purposes seems to have been regarded as a 'perk' of their jobs. As senior officials, all four expected a certain status, and the right to exploit their expertise and enjoy the privileges which they saw were due to their position, and which included membership of the 'best Club' in their respective towns. By the late nineteenth century this latitude about how they carried out their duties was becoming unacceptable, and their actions were seen as veniality, or even corruption. It was clear from the reports that Callison and Hunter, as managers of large numbers of staff, saw no contradiction in diverting 'one or two' to undertake 'private' work and made no attempt to conceal their actions. Turner was apparently convinced of his right to protect what he saw as his design, but his attempt to conceal his action in patenting the design from the Electric Lighting Committee provided evidence that he knew he was acting corruptly. It is more difficult to understand the actions of Berrey and Grave who were experienced in Council procedures and should have realised that the existence of a large cash kitty in the Department pointed to irregularities in the management of the departmental finances. They both saw the use of the departmental 'kitty' as petty cash, available for any unexpected expenditure; but both must surely have realised that by their actions, they were in effect condoning the existence of unacceptable financial management practices. For critics the tenor of the criticism reflected the view that the Council, by effectively condoning this unacceptable conduct, was itself guilty of behaviour lacking morality.

A further area which critics identified as an area where the Council condoned corrupt or venial practices, related to the failure to use the sanction of disqualification for Councillors guilty of

⁶¹³ For example, *Salford Reporter*, 24 August, 1889, editorial. The paper was a major critic of Councillor Mandley's behaviour and his attitude to the conduct of Hunter. It supported the view that the punishment of Hunter was too severe.

⁶¹⁴ Both Councils recognised embezzlement was corruption and there was no attempt to lessen the sanction of dismissal, or a punishment imposed by a Court. This is an exception. The sentence he had already received was seen to be too severe for what was seen actually seen to be actual Hunter's offence, taking commission. It ignored the fact that he was actually sentenced for perjury and forgery.

insider trading.⁶¹⁵ By the last decades of the nineteenth century, the defence against allegations of insider trading, 'helping the Council out' was increasingly seen as inappropriate. There was still a marked reluctance by the late Victorian period by both Manchester and Salford Councils to accept that insider trading did amount to corruption, but it was recognised that the actions were a breach of the provisions of section 12(1)(c) of the MCA1882. As a result, the attention of critics was directed towards why the sanction of disqualification set out in section12 was not applied. As late as 1901, enquiry into the cases of three Salford councillors accused of insider trading, Corney, Haworth, and Huddart, had noted that all three had shown 'a lack of scrupulous regard for their obligations as members of the Council,'⁶¹⁶ and were in breach of (1)(c) of the MCA 1882. The sanction of disqualification was not used.⁶¹⁷

Whilst there was a trend towards seeing insider trading as venial or even corrupt, the reputation of an offender could influence opinion about whether a sanction should be applied. Alderman King, who was allegedly 'helping the Council out'. by purchasing from the Council, a by-product of the gas-making process, which could have been sold by tender for a higher price. This behaviour was illegal under the 1889 legislation.⁶¹⁸ An editorial accepted that, although the transactions were 'illegal,' no one doubted Alderman King's good faith, and most accepted that he had 'erred but erred innocently,' as he saw his actions were in the public interest. Because of his 'long and laborious service to the Council', shouldn't it be sufficient for this to be acknowledged in open court? If this was done, it was argued the action should be abandoned and a regrettable incident brought to an 'honourable and satisfactory close.' The very considerable loss of income to the Corporation was not mentioned. Norbury Williams who made the original allegation of corruption, agreed. He stated that during the public meetings which he had arranged to gain support for his legal action to get access to the full accounts of the Council, there had been no support for the suggestion at Alderman King should be prosecuted. The matter was not discussed again.

One factor which all the men who benefited from the Councils' leniency had in common, and which was no doubt significant, was membership of the extended 'family' of the 'best club in the Town' in either Manchester or Salford.⁶¹⁹ No councillors were disqualified from either Council for insider trading, and although those officials who were found guilty of using Council property for a private purpose usually lost their jobs, the mitigation of their punishment suggests that neither Council was willing to impose the full penalty on men who had been found guilty of behaviour which had been previously tolerated. The fact that the two Councils

⁶¹⁵ Insider trading and the use of the defence 'helping the Council out' is considered in section 4.2, p.5.

⁶¹⁶ This statement inferred that whilst these men were clearly guilty under Section 12(1)(c) of the MCA, their offences which were committed under the aegis of the Council, brought the Council into disrepute

⁶¹⁷ The cases of the three councillors are. considered in Section 4.3, p.74.

⁶¹⁸ *Public Bodies Corrupt Practices Act* 1889. The main provision of the Act is given in Section 4.3, p.71.

⁶¹⁹ The 'benefits' of being a member of 'the club' are considered in Section 5.2, p.102.

were not using the full sanctions available to them in these cases was seen as condoning corruption, raising the inference that the morality of the two Councils was questionable.

The second part of this section considers examples of behaviour where the committees of the two Councils or the Councils themselves withheld information from the public or misrepresented or underplayed the nature or significance of their actions. This situation usually occurred when a committee or the Council had embarked on a course of action or had taken a decision which was likely to lead to criticism.⁶²⁰ As most of these incidents were eventually reported, the lack of openness about what had happened, which was seen to be dishonest, intensified the criticism. There are a number of examples of this behaviour. Details of the Wilton House scheme undertaken by the Salford Health Committee which was to build an isolation facility, were withheld from the Council. The scheme went ahead without the agreement of the Council, both to the nature of the proposal and its costs.⁶²¹ Joseph Scott's exposé of the behaviour of Manchester Council provided examples of this type of behaviour. When he examined the accounts of the Markets Committee, he found that payment had been for the printing of 10,000 leaflets with copies of a speech condemning the actions of the market traders, and their 'unreasonable' refusal to agree the tenancy contract offered to them by the Markets Committee, a contract which was not accepted even by the Council.⁶²² Norbury Williams reported the cover-up of the gross mismanagement of a drainage scheme which badly carried out.⁶²³ He stated that that the Rivers Committee were aware that there was a risk of a road collapsing, but had apparently taken no action to avert the possibility. The Council were not made aware of the problem until the road actually collapsed,⁶²⁴ The dishonesty of attempting to withhold information from the public about mismanagement, a lack of openness, which was not challenged by the Councils, added to the perception that the morality of the Council was questionable.

8.2. Attitudes to audit, - how the Council exercised their powers.⁶²⁵

Chapter Seven gives the history of the slow progress of both municipalities in developing a more rigorous system of audit. By the late Victorian period, scrutiny of the accounts of the two municipalities was seen by critics as the most important method of assessing the probity of

⁶²⁰ Section 5.3, p.106, discusses the problem of the dysfunctional relationship between the Council and its committees which could lead to this situation.

⁶²¹ The Wilton House scheme is considered in Section 9.2, p.173.

⁶²² Scott, *Leaves from the Diary of a Citizens' Auditor*, p.45. Allegations of 'spying' on the unemployed, behaviour lacking integrity, were also made about the Watch Committee.

⁶²³ 17 October 1886, p.5. 'An Elective Auditor's notes.'

⁶²⁴ The matter was hushed up and not brought to the Council's notice.

⁶²⁵ The system of audit and the reasons why arguments about access to the full accounts of each municipality arose, are considered in Section 7.2, p.149.

the two Councils, and the attitude of the two Councils towards improving the rigour of the audit procedures was seen as a test of their intent to conduct Council business with integrity

A councillor in the late Victorian period saw himself as a part of the executive with powers as set out in the MCAs of 1835 and 1882. This legislation gave the Council the right to define and exercise the powers of the executive in accordance with the law. Many councillors believed that municipal Councils were a business, with the elected body of councillors having the role of Managing Directors, with the right to dictate the terms on which the business was conducted. This attitude was shown in the dealings of the two Councils with the auditors of the municipal accounts. Scott described the problems he had as an Elective auditor in gaining access to the account books of Manchester Council. He was required to obtain an order from the chairman of the relevant committee before he could inspect the account books.⁶²⁶ When he did inspect the invoice files he found that they had been edited to include only those invoices which were within the half yearly period when the Treasurer had to submit his accounts to the LGB; a totally unnecessary action, an example of Bumbledom⁶²⁷ The commentary by Scott implied that this behaviour was behaviour lacking integrity. The probity of the accounts of a Council could only be established by an examination of all the account books including the ledgers of the various departments. Whether it was the result of the damning nature of Scott's findings or a lack of enterprise by subsequent Elective auditors, both Councils refused to accept the need for the professional and the Elective auditors in both municipalities to see all the account books of the various departments of the Council. This led to the situation in the late 1880s, when there was a regular exchange between the Elective auditors in both Councils who asked to see all the account books of the municipality, and the Councils who refused. The attitude of Salford Council was expressed in Councillor Holland's statement that he was not in favour of an Elective auditor being able to 'wade through every one of the private accounts of Council.'⁶²⁸ The frustration of William Hunt, Salford's Elective auditor, who had made a request for access to these books led him to ask; 'What are the private accounts of a public body? What are its characteristics?'⁶²⁹ The attitude of both Councils was that the need to audit more than just receipts and vouchers was not a requirement of the 1882 MCA, and they had the right therefore to refuse access to these books, but critics inferred that the Councils must have 'something to hide' and their behaviour lacked integrity and brought their morality into question.⁶³⁰ For critics, compliance with the

⁶²⁶ Scott, *Leaves from the Diary of a Citizens' Auditor*, p.8.

⁶²⁹ *Ibid.*, p.3. This was the period prescribed by the MCA 1882 which Scott was to audit and technically the Council met the requirements of the MCA s.27 but the action did smack of petty mindedness.

⁶²⁸ *Manchester City News*, 5 February 1898, Proceedings of Salford Council, p.6.

⁶²⁹ *Ibid.*, 5 January 15th 1898. Letter, p.5.

⁶³⁰ The matter was not settled until the Court decision in 1898. The ruling in the case of *Thomas v Devonport*, was reported in *Manchester City News*, on 3 December 1898.

requirement for improved standards of integrity involved greater openness about how municipal business was conducted. Whilst the Victorian Council did accept the need for accountability, the thesis has identified that there were limits to the extent to which Council saw it necessary to make fuller information available to the public about the conduct of Council business. Victorian Councils were not unique in trying to suppress information which reflected badly on their reputation for competence. It was however inevitable that at a time when exposure in the local weekly press drew attention to the actions of the two Councils in condoning misfeasance or corruption and attempting to cover-up incidents of mismanagement, this behaviour was seen by critics as a deliberate policy to withhold information about the conduct of the Councils from the public, leading to inferences that the morality of the Councils was questionable.

Findings and précis of Chapter Eight

The findings of this chapter identified a pattern of behaviour arising from the failure of the two Councils to deal with allegations made about how they had handled cases of misconduct by councillors or officials, or instances where the behaviour of an individual member of the Council or a committee of the Council itself was found to be unacceptable. The failure to take action against those guilty of this behaviour led to allegations that the Councils themselves were failing to uphold the high standards of integrity expected of a municipal Council, and this was behaviour which lacked morality. The first section of the chapter provided two examples where this allegation was valid, the condoning of the actions of councillors or officials who were guilty of venial or even corruption, and the failure to take action when there were deliberate attempts by councillors or officials to withhold information from the public which would reflect badly on the reputation of the Council. for competency and integrity. The second section of the chapter noted the way the Council dealt with allegations about the probity of accounts of the two municipalities. The failure of the two Councils to provide the Elective auditors access to all the account books of the Council inevitably raised the possibility that the Council must have something to hide. The findings of this research suggest that all this behaviour in this chapter was identified by critics as the means of covering up the consequences of corruption, rather than dealing with its causes for example by sanctioning wrong doing, or providing full access to the account books of the municipality. The result was that the conduct of the two councils was seen to lack morality.

Chapter Nine- The interests of the community.

This chapter examines evidence which suggests that some the decisions of the two Councils were seen to run contra to the interests of the community, an implied duty which an elected Council had a responsibility to defend. This chapter argues that the evidence of these cases supports the view that the conduct of the council whether seen as misfeasance or council corruption not in the interests of the community was therefore conduct lacking morality.

9.1. Mismanagement. The unquestionable right to make decisions.

The difficult relationship between the Council and its committees could produce perverse decisions about the conduct and requirements of implementing or managing Council services or projects. The result was that reasonable proposals about the priority and conduct of important schemes made by a committee could be vetoed by the Council. Conversely, problems could arise from the pursuit of a project by a committee made without the agreement of the Council. The ultimate responsibility for all actions, whether by the council itself or by one of its committees was however vested in the Council. The common 'thread' of the cases in this section is that critics, whether alleging misfeasance or Council corruption, implied or stated that the Council were not acting in the interests of the Community, an allegation which brought the morals of the Council into question.

The first cases consider the situation where the Council effectively vetoed schemes planned by a Committee. Salford Council delegated to its General Baths Committee the task of developing a programme to implement the Council policy of increasing the provision of public baths in the municipality. After discussions in Council, the Committee threatened to resign, claiming that their advice was continually ignored for no good reason, because of the ill-founded objections about the location of the new facilities from members of the Council.⁶³¹ In this case the Council was effectively vetoing the scheme.⁶³² A critical editorial in *Salford Weekly News*⁶³³ commented that the Committee should be able to count on the Council's support in carrying out the remit, albeit accepting comment and criticism about the detail of any proposed scheme. The editorial concluded that the Council's veto was unreasonable, and

⁶³¹ An example of 'NIMBY'- -not in my back yard?

⁶³² Garrard, *Leadership and Power in Victorian Industrial Towns*, p.72, noted the very poor relationship between the Baths Committee and Salford Council. He cited the comment of Councillor W. H. Bailey, the vice-chairman of the Committee in 1878 who stated that he was 'about as happy as a toad under a harrow.'

⁶³³ *Salford Weekly News*, 8 September 1877, editorial, p.2.

by delaying an important scheme (and possibly increasing costs), the Council was treating the Committee shamefully', an inference that the Council was guilty of mismanagement and their behaviour lacked morality.

There were however occasions where a scheme which had been properly planned by a Committee was delayed, because the Council prevaricated about making the final decision to set in motion the necessary programme of work, despite strong public support for the work to be undertaken. Manchester Waterworks Committee had used expert advice to produce a full specification of a scheme to increase the supply of water to the municipality by building a reservoir at Thirlmere in the Lake District. The Council initially accepted the strong advice from technical experts that implementation of the necessary work should not be delayed. Preliminary steps had been taken to obtain Parliamentary approval for the Thirlmere scheme and the necessary land purchases were undertaken in the late 1870s. The private 'Thirlmere' Act finally received the Royal assent in 1879, but the Committee's advice, to set in motion the programme to start the building of the reservoir was ignored by the Council. This perverse decision was justified by arguments in Council led by Alderman King, that the programme of work needed was costly, and there was no immediate need for additional water. The result was that Thirlmere reservoir scheme, which should have been seen as a priority for Manchester Corporation, suffered years of delay, even though a ratepayer's ballot demonstrated overwhelming support for its early implementation. John Grave's passionate arguments, supported by evidence about the need for the scheme, failed to carry weight in the Council.⁶³⁴ An editorial, which reflected the general feeling of the public, noted that, as the lead time for implementing such a project could be 10 years, there was a need for immediate decision by the Council to get the project underway. The editorial stated that:

There is no necessity of life and health which so imperatively demands, not merely constant watchfulness to prevent waste and augment storage capacities, but also promptitude and even daring, in the provision of enlarged sources of supply of water
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Sir John Harwood, defending the delay, argued that as well as the cost of the scheme, there was a downturn in demand for water from industry as Manchester was suffering a trade depression during the early part of the 1880s, and in the early years of the decade there was plenty of rain.⁶³⁶ It is a moot point whether Alderman King and later Sir John Harwood, who

⁶³⁴ John Grave, a calico printer by trade, was elected to Manchester Council in 1856 and was elected alderman in 1862. He served as Mayor for 3 years 1868-9, 1869-70, and 1870-71. He was implicated in the 1880 Manchester Waterworks 'Hepton' scandal, (which is described in Section 4.4, p.78), and as a result resigned from the Council in 1880. His career is also considered in Section 6.3 p.126.

⁶³⁵ *Manchester City News*, 19 December 1884, editorial, p.4. The scheme was eventually started in 1886.

⁶³⁶ Sir John J. Harwood, whose occupation was given as 'Painter and decorator' was elected to Manchester Council in 1866 and was elected Alderman in 1881. He served as Mayor in 1884-5 and 1887-8. He was chairman of the Waterworks Committee and he was a major supporter of the Thirlmere scheme. He was knighted in 1889.

became Chairman of the Waterworks Committee were unduly influenced by business associates, who saw the scheme as necessitating large loans, with the result that there could be a consequent increase in expenditure by the Council, and increases in the rates. The situation changed in 1886 when there was a drought, and water supplies had to be restricted; only then was agreement given by the Council to start the scheme. There were more serious droughts in the years 1887 and 1888, when water supplies had to be rationed. Domestic supplies had to be cut off overnight, and water supplies to mills had to be restricted. Attempts to expedite the completion of the scheme within five years were frustrated and as a result, water shortages persisted.⁶³⁷ Thirlmere water was not available until 1894. The Thirlmere scheme is rightly described as an engineering triumph and the increased availability of water enabled important sanitary reforms to be introduced.⁶³⁸ The criticism of the Council was however warranted; the failure of the Council to recognise the long lead time needed to complete the scheme and the delay in implementation, were clearly against the wishes of the public, and meant that progress in the public health field in Manchester and surrounding districts was put back.⁶³⁹ Despite praise for the technical achievement of completing the Thirlmere project, an editorial in *Manchester City News* headed 'Thirlmere at last', commenting on the 'wasted years,' noted that it was 16 years since J.F. Bateman had advised the Corporation that the extension of the Waterworks was essential, and the increases in the Longendale supply would not be sufficient. The editorial stated that 'to place a town by neglect in danger of so great a calamity is something worse than a blunder— it is a reckless disregard of moral responsibility'.⁶⁴⁰

The second situation where mismanagement could occur was when a committee claimed autonomy, and thus the right to determine when and how to carry out schemes referred to it by the Council. A minor skirmish occurred when Manchester Council referred a scheme to provide a bridge over the River Medlock to its Improvement Committee. The Committee referred the matter back to the Council for reconsideration, on the grounds that the funds were not available to meet the estimated costs of the scheme. The Council sent the scheme back to the Committee, stating that this plea was not acceptable; if there was a money problem, the Council should be asked to provide the funds. Alderman Grundy, the Chairman of the

In his book, *History and Description of the Thirlmere Water Scheme* (Manchester: Henry Blacklock & Co., 1895), p.167, he gives details of the battle to get the Thirlmere scheme approved, and the problems of undertaking the development. He explained why he felt it was correct to delay the scheme; he stated that it was not a good time to go forward with a very expensive scheme like Thirlmere at a time of a business recession.

⁶³⁷ One of the builders became bankrupt and had to withdraw from the scheme; there were also problems with the quality of some of the early building work etc.

⁶³⁸ For example, after Thirlmere water became available, it enabled the requirement that water closets should be installed in all new build properties to be introduced.

⁶³⁹ Sheena D. Simon, *A century of City Government*, Manchester, p.353, who was not usually critical about Manchester municipal government, referred to the Council as 'procrastinating for 10 years' over starting the scheme.

⁶⁴⁰ *Manchester City News*, 10 January, 1894, editorial, p.4.

Improvement Committee, resigned, as he felt this showed a 'want of confidence' in his judgement and advice. The *Manchester City News* clearly saw this as a battle of wills between the Council and a Committee which considered itself to be autonomous. It noted that:

the chairman and committee members may have different opinions to the Council, but the committee are executive officers. It may not be a pleasant thing to have to carry out the will of others in opposition to one's own judgement but to have to do so is imperative in all representative executives.⁶⁴¹

There were other schemes where there was little or no support for actions proposed by a committee. Salford Council delegated to its Health Committee in December 1875, the task of considering possible schemes to provide an isolation hospital. An epidemic of smallpox had broken out in the borough, a disease where isolation of victims was already recognised as a way of controlling its spread. As the borough had no facilities for isolating sufferers, there was public pressure for a 'quick fix' to the problem. The Committee acted unilaterally. Without considering more cost effective and readily achievable solutions, and in the absence of any agreement with the Council, the Committee agreed to purchase a large empty property on Cross Lane, known as Wilton House, for the purpose of converting it into a permanent Hospital for infectious diseases.⁶⁴² The suggestion was greeted by critics with incredulity; the Cross Lane site, which was near the Gasworks, the Cattle market and the main railway network, was noisy and polluted, and the property was condemned as unsuitable.⁶⁴³ An editorial in *Salford Chronicle* on 25 March 1876 which hoped that common sense would prevail, referred to the Wilton Hospital project as:

a ridiculous blunder and an extravagant and wasteful expense. In less time and less cost, a properly constructed and permanent isolation hospital could be completed.⁶⁴⁴

Although *Salford Chronicle* kept up the pressure to get the scheme cancelled, the Council accepted the Committee's proposal with great reluctance, stating it was committed to carrying out the project.⁶⁴⁵ The scheme went ahead without a specification of the work to be undertaken and proper costings. Specialist expertise to examine the fabric of the building was not used; no provision was made for the remedial work necessary to remove the dry rot, which was discovered when the work to upgrade the building was started. The result was that a project which had a budget of £10,000, actually cost £16,000.⁶⁴⁶ It was not completed until

⁶⁴¹ Ibid., March 26th 1881, editorial, p.4.

⁶⁴² The chairman of the Salford Health Committee, Alderman Walmesley, was a surgeon.

⁶⁴³...*Salford Chronicle*, 1 April 1876, editorial, p.2, described the scheme as 'Hastily and crudely conceived, precipitately commenced whilst universally condemned'.

⁶⁴⁴ Ibid., March 26th 1876, editorial, p.2.

⁶⁴⁵...The Council were informed that the Committee had made a 'commitment' to purchase the building. No information was given about who owned the building or the purchase price. As the Council had not seen and approved the Committee minutes, there could have been no legal commitment to purchase the property.

⁶⁴⁶ The LGB Inspector had refused to grant the loan of £10,000 requested by the Council as the budget for the scheme, approving instead a loan of £2,000 for the provision of 'temporary accommodation'. Despite this, the Council went ahead with the full scheme.

the smallpox epidemic was well- past its peak.⁶⁴⁷ Although the role of the Committee was identified and criticised, it was Council itself which was blamed for mismanaging the project by its failure to control the actions of its committee. In an editorial in *Salford Chronicle* about the Wilton House scheme, the editor had no doubt where the blame declaring that:

the Council should state whether they consider themselves justified in spending several thousand pounds merely because the Health Committee had made a mistake.
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Occasionally it was the policies of a committee which managed routine public services which were in conflict with the policy of the Council. This was the situation in a case involving the Markets Committee of Manchester Corporation. The exclusive rights of the Corporation to hold markets resulted in a series of legal challenges in the 1870s and 1880s, concerning the Committee and the market tenants over the charges payable for the use of a market stall. The Committee, represented by its Chairman J. Foulkes Roberts, wanted to charge a rent, and in addition a toll, which was based on the value of the goods sold and the number of days the goods were displayed.⁶⁴⁹ These were the charges made when the market rights were held by the Mosley family as Lords of the Manor. There was no reason given for the Committee's pursuit of this policy. The Council, which wanted to see an end to damaging publicity, tried to persuade the Committee to negotiate a settlement using a simpler 'rent only' system. It failed; an illustration of the degree of autonomy which the Markets Committee had, which allowed the Committee and specifically its chairman to pursue a reactionary policy without sanction. It was left to the Courts in 1883 to agree with the traders that the Council had no powers to use the 'old' system. A final settlement of the dispute was not made until 1884. Joseph Scott was scathing about the affair. Noting that the Market Committee had 'finally' made peace with the traders, he stated that

It may truly be said this committee went diametrically counter to the express wishes of the Council and the ratepayers. The total amount of money expended in this agitation will perhaps never be known.⁶⁵⁰

Although the cases of mismanagement considered in this section are concerned with very different situations, they have features in common. All these cases were the result of the dysfunctional relationship between the Councils and their committees. The decisions which

⁶⁴⁷ *Salford Chronicle*, 12 May 1877, p.2: Letter 'JM,' who stated that the final cost of the scheme was £16,000.

⁶⁴⁸ *Ibid.*, 4 March 1876, editorial p.2.

⁶⁴⁹ *Manchester Faces and Places*, Volume 8, 1897, p.89. J. Foulkes Roberts was a merchant who founded a firm with headquarters in Portland Street. He was a deacon in the Congregational church, who took a particular interest in educational matters and Sunday school work. He resigned as Chair of the Markets Committee in 1897 when he was elected Lord Mayor. He was referred to as 'having a practical business-like mind,' and 'Never a showy speaker,' or 'one inclined to court popularity.' He certainly courted publicity and opprobrium in the way he handled the 'markets' negotiations.

⁶⁵⁰ Scott, *Leaves from the Diary of a Citizens*, pp 45-6. Scott went on to list some of the major items of expenditure, including the refund to the tenants of £5,323 'illegally taken from them'; the costs of the Lawlor Brothers action; £509/14/02 and 'Legal and other expenses' of £1,582/18/10.

were made, whether by one of the Councils or by a Council committee, were random and bad decisions made without any thought of the consequences. This type of behaviour, misfeasance, was the result of incompetence or ignorance. A further feature in common is that these cases identified as a duty; the need for the actions of the Council to safeguard the interests of the community. The identification by critics of the failure to do this in the cases conduct described, suggests that critics regarded the behaviour of the two Councils as lacking morality.

9.2. Mismanagement by mismanagement

The failure of the municipalities of Manchester and Salford to develop an effective management structure was considered in Section 6.4. p.133. It noted that the commercial experience of many councillors fostered a belief that their business expertise was needed both by serving as a member of the Council in making policies about council services and developments but was also needed in Committees to ensure the delivery of Council services or projects was properly managed. This led *de facto* to a policy of 'management by committee' where the Committee itself took over the management of the services or projects remitted to it by the Council. This section examines a number of the building projects undertaken in Manchester and Salford where mismanagement occurred. Many of these schemes were major schemes to provide increased facilities for public use and the progress (or otherwise) of the construction was open to public interest and inspection, and press comment. The cases described in this section which were all reported between 1886 and 1898, also bring out the importance that critics attached to the need for the behaviour of the Councils to protect the wider interest of the community. The inference to be drawn from the failure to do this is that the Councils were seen to lack morality

An exposé by Manchester Ratepayers' Association, published in 1886, revealed details of a scheme managed by Manchester Improvement Committee where the costs of a scheme exceeded the initial estimate of costs by a factor of four. The details of the how the project was carried out were given in six weekly reports, headed *Victoria Hotel: The Spending of 100,000*.⁶⁵¹ At the time of this report, the final costs of the development were not known, but Norbury Williams in 1890 suggested that a more realistic costing of the scheme was £120,000.⁶⁵² The Council's decision to take on and manage the project to complete the partially built hotel, the 'Victoria' had been seen to be in the interest of ratepayers but was certainly beyond

⁶⁵¹ The six reports of the Manchester Ratepayer's Association appeared in *Manchester City News* during April and May 1886.

⁶⁵² S. Norbury Williams, *Manchester Examiner and Times*, 12 April 1890. Letter.

the Council's experience and competence.⁶⁵³ The Ratepayers' reports, which provide a 'blow-by-blow' account of the conduct of this project, revealed that mismanagement occurred at every stage of the development, and showed that the Improvement Committee had lost control of the project, which was being largely driven by the demands for additional work made by the future tenant, a Mr McGregor. The initial estimated cost of the project (£25,000) which was taken from an unsigned letter from the architect, was not confirmed; and all negotiations relating to the rent to be paid by the tenant of the hotel were carried out by the Chairman of the Improvement Committee, Alderman Grundy. He failed to use a formula which allowed for the full cost of additions to the scheme to be taken into account in fixing the rent.⁶⁵⁴ The Ratepayers' Association stated that the tendering process was not always used to purchase equipment, and that decisions on a large number of expensive additions to the scheme were approved retrospectively. Their report noted that although the Council were ultimately responsible for the overspending on the scheme, the Improvement Committee was responsible for: 'all the works and expenditure' in connection with the Victoria Hotel...the gentlemen named in it are jointly and severally responsible for all errors committed during their period of office.'

The legal documents prepared by the Town Clerk's department, called in to deal with only certain aspects of the tenancy agreement, resulted in the meaning of some parts of the total documentation being ambiguous.⁶⁵⁵ The Borough Surveyor's department was not given overall responsibility for managing the scheme, and was consulted only about a limited number of issues. As the Council did not appoint a Clerk of Works, it seemed that the Committee relied on the architect to provide progress reports, and any problems which had occurred. The main criticism of the Council was the failure to appoint a qualified manager for the project and to set up a system for monitoring and controlling the spending. It was reported that if the tenant required any additions to the scheme, he told the architect, who told the Improvement Committee who approved the spending.⁶⁵⁶ The result was that the tenant outmanoeuvred Grundy and the Committee on a number of occasions by demanding and getting approval for costly additions to the contract, sometimes retrospectively.⁶⁵⁷

⁶⁵³ *Manchester City News*, 13 September 1884, editorial, p.4. stated that the Council had acted in a 'straightforward and praiseworthy manner with the sole object of making desirable improvements for the city'.

⁶⁵⁴ There is no record in the reports about the formula used to calculate the rent, which was apparently agreed by Alderman Grundy. The statement made by the Ratepayer's Association report was not challenged.

⁶⁵⁵ There was, for example confusion about what constituted furnishings which were not included in the contract, and fittings, which were.

⁶⁵⁶ In the absence a project manager, with the necessary expertise to supervise the scheme, the architect had a free hand in determining the spending, and as his fees were determined by the spending, his fees increased. The Victoria Hotel scheme was being undertaken at a time when the professional standards of architects were questioned. and criticised. (Clifton *Professionalism in public service in Victorian London*).

⁶⁵⁷ Major additional features were added to the scheme, including the provision of a basement plant room for two boilers, the inclusion of electric lighting, fireplaces in rooms, (although the building was centrally heated), mosaic floors etc. The boiler scheme was a disaster. A duplicate order was placed for the pipe work; and the Corporation

The behaviour of the Council, and in particular the degree of overspending on the scheme, led to vigorous critical press comment. A letter from 'Sapresti' which had appeared in the *Manchester City News* before the Ratepayers report, criticised the overspend on the Victoria Hotel scheme, and cited a dozen other schemes, where it was alleged that mismanagement by Council Committees had resulted in losses of 'tens of thousands of pounds'. He went on to state that 'it was the duty of each citizen to interest himself in how it, (the overspend), happened'.⁶⁵⁸ Sapresti also commented that if there was illegality, 'someone must be to blame,' and asked why, when the Corporation had a legal establishment costing £6,000 per annum, 'these terrible blunders persisted.' Whilst the critical attacks were directed at the mismanagement by the Council it was unusual for suggestions to be made that there should be a change to the constitution of the municipality when mismanagement occurred. 'The 'lack of information' and 'the reluctant and evasive replies to enquiries,' led correspondent WM to comment, 'I am for local government but doubt whether we can be any worse off in the matter if we were under the management of the Local Government Board', a sign of real desperation about the lack of accountability of Council committees for their actions.⁶⁵⁹ These were serious criticisms which recognised that the mismanagement of the Victoria Hotel project by Manchester Council was unacceptable, and by following a policy of taking over the management of Committee business by 'knowingly and consistently using an unreasonable practice or policy in the conduct of Council business which did not conform to the implied duty to act with competence and integrity,' the Council were guilty of Council corruption. Although the words 'Council corruption' were not used by critics, this is the inference of the criticism, which also suggested that by taking on the project which had been seen to be in the interests of the community and totally failing to provide proper management, (for example by appointing a project manager), and the catalogue of mismanagement, the Council were guilty of a breach of trust, with the inference that the behaviour lacked morality. Four years after this exposé, Norbury Williams, in a letter to the press, noting on the lax way the Victoria Hotel scheme had been managed, also stated that 'bribery and corruption 'prevailed to a large extent in two, if not three departments of the Corporation.'⁶⁶⁰ ' It is not clear whether these two statements

were sued by a wine merchant who alleged that the boilers, adjacent to his wine store, ruined his wine. To avoid future problems, the Council agreed to pay for the boilers to be lagged. The Borough Surveyor estimated the work undertaken was worth £353, but the Council paid £550 to the contractor for work, which the Ratepayers' Association estimated could have been carried out for £200.

⁶⁵⁸ *Manchester City News*, 27 June 1885, p.5: Letter. Sapresti. The letter writer, who was not identified, gave a list of the costs of schemes where he alleged Council monies had been wasted. Many were small and were carried out apparently from the 1820s onward. The knowledge that he had about Council schemes suggests that he must have served on the Council or been a senior officer in the municipality.

⁶⁵⁹ *Manchester City News*, 27 June 1885 p.5: Letter WM. Changing the constitution of the municipality was an extreme action!

⁶⁶⁰ *Manchester Examiner and Times*, 12 April 1890. Letter: Samuel. Norbury Williams. The statement led the Council to sue Norbury Williams for libel. The outcome of this case is discussed in Section 3.1, p.33.

were connected; Norbury Williams provided no evidence to substantiate this allegation of corruption.

Building schemes which were undertaken during the 1880s were carried out at a time when there were no agreed professional standards for either architects or builders, and corruption by architects had received national publicity.⁶⁶¹ Although there were hints that the architect in the Victoria Hotel scheme inflated the costs of the project by adding extra features to the specification of the work to be undertaken, there was no mention in the Ratepayers' report about problems with the builder. The evidence suggests of this research suggests that both Councils suffered problems because of the poor professional standards of architects and poor workmanship by the builders involved in Councils schemes.

Publicity about the mismanagement of the 'Victoria Hotel' project and publication of the Ratepayers' reports were given prominence in the press in both Manchester and Salford. Despite the clear conclusion that the failure to appoint a project manager was a major reason for the resulting mismanagement, neither Manchester nor Salford Councils learnt from this lesson. Problems arose with a project undertaken by Manchester Corporation in 1893 to build artisan accommodation in Ancoats, where the press reports revealed that no project manager had been appointed by the Council.⁶⁶² An editorial in *Manchester City News* headed 'The building mistakes of the City' noted the 'difficulties' with the scheme, which were originally reported in a letter alleging that cheaper material was being used for the flooring of the building, instead of the material specified in the plans. The report to the Council about the scheme from Alderman Walton Smith, who was supported by Alderman Clay, denied any substitution had been made.⁶⁶³ Three months later, Walton Smith confessed to an 'error', and Alderman Clay stated he had been 'labouring under a misapprehension;' there had been a substitution of a different material, but as an architect was employed on the scheme, the substitution 'was nothing to do with the committee.'⁶⁶⁴ There was a long argument in Council about who was responsible for this situation; the discussion did recognise the City Surveyor's department had not been fully involved in the scheme, and it emerged that the Clerk of

⁶⁶¹ Clifton, *Professionalism, Patronage and Public Service in Victorian London*: p.167.

⁶⁶² A belated response of the Council to the need to tackle the problems of dealing with the overcrowded slums of the City. This scheme was designed to meet the duties which the Artisans Dwelling Act, 1890 imposed on Council.

⁶⁶³ *Manchester City News*, 8 July 1893, editorial, p.4. Alderman Clay, who joined Manchester Council in 1882, was Chairman of the Improvement Committee and Alderman Walton Smith was Chairman of the Sanitary Committee. This project was a joint effort between the two committees.

⁶⁶⁴ The failure of the two chairmen, whose committees were jointly responsible for managing this project, to provide the Council with accurate information about this issue, particularly as Alderman Clay was a builder, is an indication of the inadequacy of arrangements made by the Committees to manage this scheme.

Works⁶⁶⁵ who had been appointed by the architect, did not know about the substitution either. Instead of addressing the need for Committees involved in building schemes to ensure that a qualified person was appointed to watch the Council's interests, discussions centred on how to provide advice to Committees involved in building schemes which did not have any members with building expertise. There was no suggestion that the Borough Surveyor's Department should be fully involved in building projects.

In an 1893 scheme to build a technical school in Peel Park, a prestigious project for the Salford Technical Education Committee, the Council did not appoint a project manager, instead there is evidence that the commissioning Committee saw itself as having a very wide remit to manage and supervise the building scheme.⁶⁶⁶ A report which appeared in 1893, commented about the 'difficulties' which had delayed the completion of the building work.⁶⁶⁷ One 'minor' problem with the standard of the brickwork, had been identified when members of the Committee visited the site. The report noted that Councillor Yearnshaw, (a baker and flour dealer by trade) had challenged the specification drawn up by the architect for the gaps between tiles on the vertical columns of the building which he said should be $\frac{3}{16}$ " not $\frac{5}{16}$, although it had been agreed that this would not affect stability of the columns. Yearnshaw's intervention into a matter which was clearly within the province of the architect was not questioned. There had also been a delay in obtaining the Ruabon terra cotta blocks which were used in the building. The 1893 report did not allocate blame for this problem, but the scheme was delayed for several months. When an investigation of overspending by Salford Council was carried out in 1894, the cost of the Salford Technical College scheme was said to have exceeded budget by £20,000, a cost that had been met by the Council.

The competence of the committees of Salford Council to undertake building and public health schemes was also attacked when dry rot was found in the Ladywell Sanatorium, which was opened in June 1892, a scheme which had been managed by the Health Committee. The problem was reported at the Council meeting held in July 1897, when it was stated that the Corporation were seeking 'amicable' arrangements to share the costs of making good the defects of the scheme with the architect and builder who had been appointed to carry out the development.⁶⁶⁸ Both denied responsibility by arguing that a Clerk of Works had been

⁶⁶⁵...It was more usual for the 'customer,' the Council, to appoint the Clerk of Works, to ensure that the implementation of the scheme (including the materials used) complied with the contract. No reason was given for the departure from usual practice.

⁶⁶⁶ *Manchester City News* 8 July 1893, p.5. 'Topics of the Week. The development of a Technical School, a prestigious project, had been criticised as costly and unnecessary This may account for why the Committee attempted to closely monitor this project.

⁶⁶⁷ *Manchester City News*, 10 October 1894, p.5, 'Topics of the Week, The article, written after the building had been completed and the 1894 overspend of the Salford Council budget had been identified, asked whether the Ratepayers would agree that the spending was sensible, 'because the new building was less than three miles for the large Manchester Technical college, which could have provided the necessary facilities.'

⁶⁶⁸ *Salford Chronicle*, 10 July 1897. Meeting of Salford Council, p.5.

employed by the Corporation to protect its interests. The Council reacted forcibly to these replies; the opinion expressed was that the problem must have been the result of faulty workmanship. There was agreement in Council that it was not reasonable to suggest that the blame resulted from the failure of the Clerk of Works to detect a building problem which most likely resulted from the poor professional standards of the architect and/or the builder. Comments included that it was extraordinary that 'good' firms should require an officer of the Council to watch that they did a satisfactory job. The Town Clerk brushed aside objections to his opinion that it was unlikely the Council would have an action for negligence against either party. Not surprisingly, members of the Health Committee took the view that the responsibility did not lie with the Committee; poor workmanship was self-evident, and the decision of the Town Clerk not to take action was 'monstrous.' It is not clear why the Town Clerk failed to get an independent report from a professional architect and builder to provide an opinion about liability for the problem, but the five-year delay before the fault became apparent was thought to have weakened Salford's case for compensation. The Town Clerk's reluctance might also have been triggered by the fact that the problems had arisen because the Committee had undertaken the role of managing the scheme, and the Clerk of Works appointed by the Council had been sacked for dereliction of duties. The attitude of the Council, was that the problem had arisen because of poor workmanship of the architect and the builder, but despite the committee's protests the view of the Town Clerk was accepted by the Council which accepted the cost of the necessary repairs (£2,000).

The précis of the findings of this Chapter will be considered as a part of the findings of the whole thesis in Chapter Ten.

Chapter Ten. Conclusions

The thesis has been a contextualised study of government in the two urban municipalities of Manchester and Salford in the late-Victorian period when social problems of overpopulation and urban squalor were the major concern. It has analysed the conduct of municipal government during this period and the extent to which the services provided by the two Councils were seen to meet the needs of the public. The central focus has been on how far the two councils-proved capable of avoiding situations where both their competence and even their morality were brought into question.

10.1 Final thoughts

Little substantial research has hitherto been carried out to investigate the extent to which, as a result of the increased demands on the resources of municipalities, and failures to meet local expectations of integrity, criticism which could be expressed as allegations or inferences of corruption, misfeasance or mismanagement, increased.

The constitution of both authorities was based on the provisions of the *Municipal Corporations Act 1835*, (MCA1835), re adopted in the 1882 legislation. The purpose of the Act was to reform the constitutions of the 168 existing municipal corporations. Parliament clearly saw it expedient to include a provision to allow boroughs like Manchester and Salford the opportunity to obtain incorporation, and set up a system of governance using the template provided by the Act. The legislation was a compromise. Whilst it preserved the principle of local self-government by including arrangements for the powers delegated by Parliament to a municipality to be exercised by a democratically elected council, it neglected to provide adequate powers to deal with the problems of squalor in urban boroughs like Manchester and Salford. The research has shown that by the 1830s both boroughs were already undertaking schemes to improve the environment, and the need to massively expand this task was self-evident. The template for the constitution of a municipality included to implement the 1835 legislation, failed to recognise the enormous expansion both in the diversity of duties and the increased spending which municipal governments would need to undertake. As a result, there was no requirement to develop an administration which would oversee the management and coordination of Council services. The 1882 MCA made no changes to the terms for the constitution of a municipality contained in the earlier legislation. The provision in the Act for audit by amateur Elective auditors was also totally inadequate for enabling the probity of financial management systems used in the two municipalities. These failures had major consequences for how municipal services were managed, coordinated, and accountable for their performance.

The extent to which the manufacturers, merchants and business men, who put themselves forward for election to municipal Councils were 'fit and proper' to undertake this unpaid new role has been examined. The research has confirmed that many of these men had previously been involved in the management of township business pre-incorporation and some had successful careers in commerce. They were none-the-less amateurs, with little knowledge of the role of a municipal Council. Despite this, the exploration of the attitudes and mindset which these men brought to their role, noted that being elected as a councillor was seen as evidence that they were qualified and had the ability take the correct decisions about Council business. It was evidence of being a success in life and a way of achieving status and membership of that small and exclusive group of members of the best club in town.' Not surprisingly election also inculcated members of the Council with the belief that, as they had been elected, the decisions they took were the right decisions which should not be challenged. By the 1860s reports in the press suggested that there was an increase in the cases of mismanagement and this was attributable to a decline in the calibre of the men offering themselves for election to the Council. No evidence was provided to support this claim. An analysis of recruitment to the Council noted that there were a number of reasons why many able men did not seek election to the Council or had resigned. Councillors had to commit several days to attend all the meetings of the Council and its committees, their own businesses made demands on their time. Many potential candidates had moved away from the towns to more salubrious areas and as a result were not qualified to stand for election as councillors. The few studies which examine how the power and effectiveness of the Council to take policy decisions was influenced by the changing composition of the Council, do not provide evidence to support the claim that the calibre of the men serving as councillors had declined. The research here, obtained by reading the reports of how the Council dealt with its business, suggests that the more likely reason for the increasing incidents of mismanagement was that despite the increase in the volume and complexity of the workload, little attempt had been made to improve the efficiency with which Council business was conducted. There was no attempt to prioritise business or restrict the unfettered right of every councillor to speak during debates, or to ensure that members of the council were fully briefed about the technically complex schemes which came before them for consideration. Officials who could have provided the technical briefing, were not allowed to attend Council meetings. This could affect the 'quality' of the decisions made by the Council, and leave it open to allegations of mismanagement. There was a further reason for any decline in the quality of decision making; the attitude of Council committees to the role the Council should play in discharging business. It was usual for aldermen, once elected, to remain on the Council until they resigned or died. The result was that, as experienced senior members of the Council, many aldermen were elected to chair a Committee where they may have gained expertise about committee business. This research

noted that as matters were referred to a committee for its expertise, aldermen, on behalf of the committee resented having to answer to the Council for the advice they had given. The solution taken by committees to avoid this situation was to seek autonomy. The result was that the minimum of information was included in the Committee Minutes; in practice this meant downplaying, or omitting any problems which the Committee might have experienced.

The thesis has discussed the administratively complex and lengthy procedure needed before any project requiring funding could be undertaken, a process which involved full consultation with the public. The failure of the constitution, based on the template provided by the MCA1882, to include powers for the setting up of an administration which would take over and implement ant resolutions passed by the Council was discussed earlier. The natural corollary to the mindset and attitude of councillors was that if, as members of committee they were qualified to advise the Council about council policy, they were also qualified to make the right decisions about carrying out the policy of the Council. This research confirmed that in the absence of any other solution, the practice was for the appropriate committee to take over the implementation and management of the projects and schemes of the Council which had been approved and funded, relying as far as possible on the committee's expertise alone. The consequence was that each committee effectively developed its own works department, with the resources to implement projects and schemes which came within its remit. Any leaks about misconduct of the committee in conducting its business could appear in the press before the Council were aware that there was a problem. The result of the mutual mistrust between councillors, and officials, who were not managed by a Council Committee, was that officials who could offer specialist advice on matters which were outside the remit of a Committee department were used on a consultancy basis when requested by a Committee chairman. The outcome was the mismanagement of a number of important projects undertaken by the two Councils resulting in allegations both about the competence and the integrity of their behaviour.

The exposure in the local press of 'scandals,' wrong-doing, whether by the Council itself, their officials or councillors, led to a demand for improved standards in conducting municipal business. The result was that criticism of Council behaviour became more severe. The thesis has explored how, as a result, attitudes to previously tolerated customary practices and practices such as insider trading, changed. Together with similar scandals elsewhere, this was seen to have implications throughout public life, leading to the implementation of the *Public Bodies Corrupt Practices Act* in 1889.

A major section of this thesis has examined the factors which determined the ability of the Councils to manage and deliver services with competency and integrity. It noted the attitude

of many men in Victorian society to the pursuit of wealth and status, was encapsulated in the maxim of Samuel Smiles, 'Heaven helps those who help themselves.' This influenced attitudes to the integrity held by Council employees. It led some of those who had little or no opportunity for enhanced status and increased financial reward being tempted to use opportunities to benefit from the absence of supervision of their work and the lax standards of audit. The aspirations of officials and members of the Council who were guilty of offences lacking integrity have been examined. Although the number of reported cases of embezzlement by officials or councillors was small, some of these, which received detailed coverage in the press, drew attention to the inadequacy of the financial management systems and audit procedures used in the two municipalities. Whilst the thesis has argued that the two municipalities could certainly have reduced the risk of embezzlement, by improving audit and the supervision of staff involved in receiving money on behalf of the Council, it has also recognised the complexity of the system of financial management needed to deal with the activities of a municipality at a time when financial expertise was scarce, and the detail of how financial management systems should present the accounts of municipal trading operations, was still a matter of debate amongst accountancy professionals..

The main source of information used to conduct this analysis is the evidence from the daily and weekly local press about the conduct of the two Councils. This has necessarily involved understanding how the terms used to describe this behaviour were understood in the late Victorian period. There was no problem in using as the definition of personal corruption 'the abuse of power by a person in a position of trust for personal gain' which clearly linked the corrupt behaviour of the corruptor to the gratuitous gain made; although the thesis noted that the nature of the offences which constituted 'abuse' did change as the standards of integrity expected in public life were interpreted more strictly. Offences such as embezzlement were always seen as corruption, a criminal offence for which there was a legal sanction. There was however reluctance both to use the term 'corruption' about councillors and officials found guilty of practices previously tolerated, like insider trading, which became illegal under the 1889 *Public Bodies Corrupt Practices Act*, and to use the sanctions provided by the legislation. The reasons for this attitude are discussed in the thesis.

It is more difficult to define what the Victorian critic meant by Council corruption. There is no evidence that the two Councils were guilty of breaking statutory law. The court ruling in the case of *Manchester Corporation v S. Norbury Williams*, held that as corruption was seen to be the result of 'spiritual and moral impurity' therefore a Council lacked the capacity to be guilty of this offence. Despite this, the evidence shows that during the late Victorian period, mismanagement by the Council did form the causal underpinning of allegations that Councils were guilty of corrupt conduct, behaviour lacking integrity. There is no explanation about why

some incidents which were clearly mismanagement by the Council, were also seen by critics as corrupt conduct. The evidence from press reports about incidents of mismanagement tended to confirm that these could be divided into two categories. As a result, two working definitions have been adopted in the thesis. The term 'misfeasance' has been used where mismanagement arose from incompetence or ignorance by the Council. The term 'Council corruption' has been used for situations where mismanagement occurred because Councils used an unreasonable practice or system to manage council business not conforming to the duty to provide governance with competence and integrity.

The thesis noted that the whilst the MCAs of 1835 and 1882 set down the powers to be exercised by a municipal government and the duties to be undertaken, the principles on which public services provided by the Councils should be based were not stated. The thesis has taken as the minimum requirements for 'the compact' between the governed and the government that Council business should be carried out with competence and integrity, having regard to the interests of the Community. Whilst most allegations made against the Council were of misfeasance or council corruption, there were an increasing number which questioned the basis on which the Council decisions had been taken. These were reviewed in Part Four: 'A Reputation for corruption?' The first group of cases in Chapter Eight involved situations where allegations made by critics related to Council failures to take effective action against incidents of wrong-doing committed by officers or councillors, thereby upholding the standards of integrity expected of a municipal Council. The cases included Council behaviour in covering up cases of embezzlement, failing to impose the full sanction on officers who were guilty of offences like insider trading or conflict of interest, and failures to take action in cases where information (usually about incidents which would reflect badly on a committee,) was misrepresented or withheld from the Council and thus from the public. A second group covered criticism of the Council for failing to take the correct action to open the account books of municipality to auditors. The common theme in all these cases is that the conduct of the Council, by failing to take the correct action which would preserve its reputation for integrity, appeared to be condoning wrongdoing, and was guilty of behaviour of questionable morality.

The cases examined in Chapter Nine dealt with allegations of mismanagement where Council conduct, in carrying out municipal business, was failing to protect the interests of the community. In this case there are two different aspects in assessing the behaviour of the Council; whether the Council behaviour was misfeasance or constituted an abuse of power and additionally did critics specifically identify that the behaviour was not in the interests of the community inferring that the behaviour lacked morality. The first section comprised mismanagement alleged to result from a bad decision made by the Council or a committee. This was regarded as misfeasance, the result of incompetence or ignorance. The four cases,

all of which specified that the misfeasance was not in the interest of the community, resulted from a dysfunctional relationship between the Council and a committee. Three of the four covered situations where there was a delay in the provision of a service and an increase in the cost of the scheme. The fourth focussed on the costs of negotiations with market traders, which only marginally affected the services of the Councils. It is therefore unclear whether the allegation about 'the interests of the community' related to the more serious matter of a failure to abide by the compact between the Council and the community or was merely a statement of the practical consequences of the delay in accessing the new facilities provided by the two Councils and the increased costs to the ratepayers.

The second section of Chapter Nine dealt with allegations where mismanagement arose because a Council 'knowingly and consistently used an unreasonable practice or policy in conducting Council business, not conforming to the implied duty to act with competence and integrity;' conduct which was not in the interests of the community. Whether the behaviour constituted misfeasance or corruption depends on the interpretation of the wording of this definition, which uses the words 'unreasonable policy'. The problem is what was 'unreasonable'? The adoption of the policy of 'management by committee' might have been accepted as a means of controlling how decisions about the project were taken if the committees had access to the necessary expertise to undertake this role. This was not the case in either Manchester or Salford. In this situation the policy was, therefore, unreasonable, and the Councils were guilty of an arguably corrupt abuse of power. There is however, a paradox. Instead of stating or even inferring that Councils were guilty of corruption, the tenor of the criticism in these cases was that the behaviour which led to mismanagement was result of other factors, and was not a corrupt abuse of power. Throughout the late Victorian period, critics were reluctant to use the word 'corruption' to describe the behaviour of councillors or officials guilty of practices such as insider trading, even when those practices had become statutory offences. This research has suggested that although the outcome of the practice of 'management by committee' was clearly unacceptable and the behaviour was criticised as such, the Victorian critics were not prepared to use the phrase 'Council corruption', because in the absence of any other feasible option for managing the implementation and management of Council schemes, the practice was acceptable, 'it got the job done.'

There is a problem in carrying out a contextualised study of a public body like a Council, when the prime sources of information concerning the conduct of Council business will often be found in local press. As now, potentially scandalous news has always attracted more attention than the routine reporting of success. The result is that studies of public bodies using information from the press generally give a negative impression of the achievements of a Council by inevitably focussing what went wrong rather than the successes. This is true here,

given our central question has been 'how far the two Councils prove incapable of avoiding situations where both their competence and at times their morality were brought into question'. This thesis argues that any study of municipal practice needs to be set within the context of the values of the time. Although many of the actions of the two Councils described above would now be regarded as acts of corruption, it was seen as acceptable behaviour having regard to the challenges of the time. It is more difficult to assess the extent to which critics did question the morality of the behaviour of the Councils. The findings of this thesis have demonstrated that the concept 'in the interests of the community' could be can be interpreted in a number of different ways. The research has suggested that the more convincing evidence that critics did at times question the morality of the behaviour of the two Councils was the identification of evidence given in Chapter Eight. This showed that critics attacked the attempts of the two Council to protect their reputation for integrity by covering up the consequences of corruption, rather than dealing with its causes for example by sanctioning wrong doing rather than at times condoning it. This would seem to provide evidence that this behaviour was seen as questionable and lacking morality.

The late Victorian years saw public attitudes about the standards of integrity expected in municipalities changing, and improvements which were initially opposed were actually occurring. Action was taken leading to improvements in the probity of Council accounts: for example, acceptance by both Councils of the need to involve professional auditors in auditing borough accounts. By the end of the century, this was playing a part in deterring embezzlement. The system of 'management by Committee' still meant that the likelihood of mismanagement was high. However, the growing involvement of officials working in planning subcommittees with councillor members of the main committee did ensure that greater expertise was available to committees when projects were undertaken, reducing the risk of mismanagement. The findings of this thesis suggest personal corruption and veniality continued to be a problem, but this was partly because attitudes to integrity were changing in the wake of exposure of scandals; hence, more practices which had been tolerated were being seen as corruption. Many of the cases of mismanagement which were reported using the rhetoric of corruption were in fact misfeasance, but there was a core of cases where a twenty-first century commentator would recognise that there was an abuse of power – and would see the behaviour of the Council as corrupt.

Although both Councils had to contend with robust and often deserved criticism about their conduct in the last decades of the century, both could point to a long list of achievements. There were improvements in public health; public parks; baths and public libraries had been provided and progress been made in paving, and sewerage and slum clearance by both municipalities. Manchester Council could point to the implementation of the Thirlmere scheme

to bring water supplies to both municipalities, and to providing the impetus for the completion of the Docks complex. Contemporaries in Salford, despite their robust and justified criticism of some of the actions of the Council, also recognised the work which it had undertaken. An editorial in *Salford Chronicle*, published on the occasion of the Jubilee of the municipality reflected this sentiment when it noted:

On the whole no fault can be found with our local governing bodies in their respective administrative offices and particularly are the efforts of the Town Council commendable.....the vastly improved sanitation of the Town, the abolition of slumdom, the provision of parks and open spaces, the better lighted thoroughfares are all monuments to the work of the Corporation during the last 50 years.

10.2. The contribution of this thesis to the historiography of corruption in municipal government in the late Victorian period

E. P. Thompson in his seminal work, *'The making of the English working class'* used the phrase 'the enormous condescension of posterity' to describe the patronising manner with which historians dealt with events or developments within working-class history. More generally his statement is interpreted to mean that future generations, which fail to understand actions in the context of their time, are likely to apply negative judgements to people's actions in the past. Because Thompson concentrated on the contemporary evidence available about the culture and aims of the working class, and tried to set his interpretation within their world, he saw himself as building a different, less condescending, picture of working people. his

This thesis has contributed to the debates surrounding corruption in the Councils of Manchester and Salford, viewing them through an examination of the contemporary reports of Council business which appeared in the contemporary local press. It has provided the opportunity to assess the competence of the two Councils and their approach to the standards of integrity adopted in conducting Council business. This thesis has argued that any study of municipal practice needs to be set within the context of the values of the time. In the late Victorian period these were certainly changing but they still 'did things differently there.' which were deemed to be appropriate at that time.

The historiography reviewed in section 1.5 above highlighted the lack of academic interest in the subject of municipal corruption. Arthur Redford's study of Manchester did address the problem of ensuring that the terms of reference of Council committees were able to deal the changing nature of business in the late-Victorian period. He accepted that the borough's administrative machinery was not working smoothly, a situation he attributed to a failure of management both at Council and Committee level. He did not elaborate further on the causes of this malfunction. E.P. Hennock's study of Birmingham and Leeds Councils focussed on the

extent to which the amateur Councils could meet the aim of municipal governments, which he saw as the promotion of community welfare. He recognised the important contribution that business men with commercial experience could bring to municipal governance with a minor caveat: businessmen attracted to Council service might also have had vested interests. He did not develop this theme. Neither author looked at the problems of delivering government on a day-to-day basis, where the influence of commercial practices on Council conduct was demonstrable and flowed naturally from the occupational backgrounds of those elected. This thesis has examined this issue in more detail and has also explored the impact of membership of the 'Best club in Town' on the conduct of council business. James Moore accepted the findings of Joseph Scott to support his assertion that Manchester Council in the mid-1880s was 'a bye word for corruption.' Scott did identify practices rightly criticised as extravagant and some behaviour which by the late-Victorian period was regarded as venial; and which in the present day would be regarded as corrupt. Moore however failed to take account of the fact that attitudes were different and changing. Many of the practices Scott criticised had been accepted as customary practices tolerated because they were seen to benefit the Council, and got things done.

The question must be how far the findings of this study of Manchester and Salford are typical of other urban municipalities. Derek Fraser attributed the development of the policies of municipal government to the need to undertake schemes to improve the environment. Whilst the priorities of individual authorities might have differed, he noted that their needs were similar. For many municipalities, the men who served as councillors brought their experience of the commercial world to their role, where ethical boundaries were less clearly defined. The work of authors like Searle, and Houghton suggest that there was a commonality of these attitudes across the commercial world. This would suggest that the pattern of behaviour of the Manchester and Salford Councils was likely to be replicated in other urban municipalities This represents a clear avenue for further research.

Appendix 1

Applications for powers: Manchester and Salford during the Victorian Period

Years	Manchester Private Acts	Manchester Provisional orders confirmed, /Acts adopted	Salford, Private Acts	Salford, Provisional orders confirmed, /Acts adopted
1840- to 1850	7	-	-	-
1851- to 1860	11	-	1	1
1861- to 1870	7	-	3	2
1871- to 1880	9	1	2	
1881- to 1890	6	17	1	4
1891- to 1900	11	29	4	6

The information is taken from *The Official Handbook of Manchester and Salford and surrounding district* (Manchester: Taylor Garnett Evans & Co, for the year 1900, which lists previous orders/Acts applicable to the two municipalities.

Appendix 2 - Occupational Analysis: Manchester and Salford Councils.

Occupational Grouping	Manchester 1866-70.	Manchester 1871- 1875.	Salford 1866-1870.	Salford 1871-1875.
Total: - Large Proprietors: Manufacturers / Merchants.	29.2%	32.6%	47.1%	55.5%
Total: - Named Merchants / Agents other Business men.	24.0%	22.5%	13.7%	9.9%
Total: -Gentlemen/ Professionals/ Other.	17.7%	12.4%	19.3%	15.4%
Total: - Small Proprietors: shop-keepers, dealers, etc + Building trade	20.8%	16.8%	19.9%	19.2%
Not given	8.3%	15.7%	-	-

Garrard's classification was used for both sets of figures:

Large Proprietors: includes Manufacturers & Merchants: i.e. those designated as manufacturers, cotton spinners, sizers, dyers, iron founders, machine makers brewers, quarry masters, colliery proprietors, mill furnishers, manufacturing chemists and those specially designated as 'merchants', plus bankers.

Named Merchants: include those designated as iron, timber, wine & spirit, coal, tea merchants

Professionals: - solicitors, barristers, doctors, surgeons, veterinary surgeons, surveyors, sheriff's officers, engineers, journalists, editors.

Small proprietors: includes Shopkeepers / Dealers etc & Building trade : i.e. those designated as shopkeepers, dealers, tea dealers, drapers, grocers, corn merchants, pawnbrokers, stationers, bakers, chandler, chemist druggist, cordwainer, licensed victuallers, beer-sellers, and builders, joiners, carpenters and plumbers.

* The figures for the Manchester Council were taken from the Introduction to (eds.) A. J. Kidd & K.W Roberts *City, Class and Culture, Studies of cultural production and Social Policy in Victorian Manchester.* (Manchester: Manchester University Press, 1985) which were originally given in the *Chronicle of City Council 1838-79* (1880.)

** The figures for Salford are taken from John Garrard, *Leadership and power in Victorian Industrial Towns 1830-1880* (Manchester: Manchester University Press, 1983) pp 14,15.

Appendix 3 – Manchester Council- Committee structure

Year**	No. of members of Manchester council	Total * Number of Committees	Total Number of sub - committees.	Number of members of the Finance Committee
1873	64	16	50	10
1876	64	17	77	10
1879	64	17	81	11
1882	64	17	84	12
1885	64	18	87	16
1888	76	18	74	14
1891	76	17	79	18
1894	76	18	85	18
1897	104	20	97	18
1900	104	21	118	20

*The number of committees excludes township committees which dealt with local issues only. These were abolished when the borough boundaries were extended. Any special committees set up to report on a particular issue, which were disbanded after reporting were also excluded. After 1892 some of the special committees were fully listed with named membership; for example the Technical Education Committee, these has been included in the table above.

Appendix 4 - Salford Council- Committee Structure

In 1892, the separate District committees for Salford, Broughton and Pendleton were abolished, so that all committees were general committees.

Year	Number of General i.e. Salford borough Committees	Number of General Sub-Committees	Number of Salford District Committees	Number of Salford District Sub-Committees	Number of Pendleton/ Broughton District Committees	Number of Pendleton/ Broughton District Sub Committees	Number of members on the Borough Finance Committee
1873	8	16	7	15	4	6	17
1876	10	14	7	14	4	6	17
1879	12	24	7	14	4	7	17
1882	12	26	7	14	4	7	18
1885	12	30	7	12	4	12	18
1888	12	39	7	12	4	14	18
1891	14	34	7	13	4	14	18
1894	16	44	-	-	-	-	
1897	16	60	-	-	-	-	
1900	18	61	-	-	-	-	

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