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Leeds, a Northern Powerhouse?: An Examination of changing power relationships in Leeds under the Northern Powerhouse agenda

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A thesis submitted to the University of Huddersfield for the degree of MSc by Research (Human & Health Sciences) F/T

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Abstract

This project analyses perceived effects of the evolving Northern Powerhouse agenda on one of its major cities, Leeds. It utilises interviews with local elite actors and members of third sector and policy communities to examine perceptions of the Northern Powerhouse’s inception and impact. The project will further examine changing power dynamics between local and national government and private finance. This will be demonstrated by using classical power theories, particularly Steven Lukes’ third dimensional power, which allows for impositions of structures inimical to local power to receive reluctant acquiescence. Three key areas of devolution, administrative, political and financial are examined through the prism of Lukes’ theory. A perception of neo-liberal hegemony within local government is discussed and nascent opposition to this hegemony, redolent of overt conflict is evidenced. By using semi-structured interviews with Leeds’ elite actors the project helps to fill an identified gap in scholarly knowledge of the Northern Powerhouse agenda.
List of Interviews

1. Bill Adams – Regional Secretary, Yorkshire & Humber Trade Union Secretary
2. Peter Box – Chair of West Yorkshire Combined Authority, Leader of Wakefield Council
3. Andrew Carter – Leader of the Conservative Group on Leeds Council
4. Stuart Golton – Leader of the Liberal Democrat group on Leeds Council
5. Steven Leigh – Policy Chief at Mid Yorkshire Chamber of Commerce
6. Paul Salveson – Chair of the Hannah Mitchell Foundation and Yorkshire First parliamentary candidate
7. Vicky Seddon – Chair of Unlock Democracy
Leeds, a Northern Powerhouse?: An Examination of changing power relationships in Leeds under the Northern Powerhouse agenda

Introduction

Following the 2010 General Election, the Conservative-led coalition government introduced a new ‘localism agenda’ (Nurse, 2015, p. 690) which included reforms across the administrative, political and financial spectrum. This agenda was arguably given greater impetus in June 2014 when George Osborne, the Chancellor of the Exchequer, speaking in Manchester, stated:

*The powerhouse of London dominates more and more. And that’s not healthy for our economy. It’s not good for our country. We need a northern powerhouse too.*

(Osborne, 2014)

As even the concept of a ‘North’ is difficult to define (Dorling, 2010), so too definitions of the Northern Powerhouse appear mutable to date (Nurse, 2015). The agenda behind the northern Powerhouse additionally appears to be centrally, rather than locally, directed (Lee, 2016; Giovannini, 2016), creating increased friction between central and local government (Giovannini, 2016).

As one of the leading cities within the Northern Powerhouse, Leeds makes for an interesting case study for this thesis and helps illuminate discussions of power and regeneration inherent in the Northern Powerhouse agenda. Interviews were conducted from a broad range of actors within local elites and the broader political sphere within the city to examine their perceptions of current devolutionary plans and outcomes for Leeds. The perception emerges (see chapter 3) that Leeds has been dilatory in securing its participation in the scheme, unlike Manchester, for example, which has worked consistently with central government since the mid-1980s (Blakeley and Evans, 2016). As the concept has evolved
some clarity has become apparent, with the appointment of a Minister for the Northern Powerhouse for example, but as Nurse contends, the Northern Powerhouse ‘raises more questions than it does answers’ (Nurse, 2015, p.696).

This project located gaps within scholarly literature about the contemporary Northern Powerhouse agenda and its perception within local elites. Interview data around the Northern Powerhouse concept has not previously been undertaken in a similar context for Leeds. Previous scholarly research, with particular reference to theories of power, are utilised to produce a critical account informed by academic theory and research. The study’s theoretical framework is largely provided by Steven Lukes’ three dimensional view of power, outlined in *Power: a Radical View* (1974) and its’ revised second edition (2005).

The project will contain four substantive chapters, each dealing with an integral aspect of the Northern Powerhouse agenda and its potential for changing power structures within Leeds, which is used as a case study in this project. The first chapter will examine perceptions of the Northern Powerhouse, its conceptual framework and implementation, allied to interviewees understanding of the opportunities and possibilities that the Northern Powerhouse agenda opens up. Discontent expressed by interviewees around the implementation, to date, of the agenda and the lack of local input is explored.

Three important elements of the devolutionary agenda will be established and will form the remaining substantive chapters in this work. Firstly chapter 2 explores administrative devolution, particularly discussing the introduction of the City Region model and the replacement of Regional Development Agencies (RDAs) by Local Enterprise Partnerships (LEPs) and the reasoning behind this structural change. As both of these structural changes are considered to be centrally imposed, this will be examined in respect of the perceived rhetoric of localism promoted by successive governments. Secondly financial reforms and the perception of neo-liberal economic models increasingly applying within Leeds and across Northern Powerhouse cities are explored. This third chapter
will also discuss City Deals in this context and discuss their effect on diminishing collectivist activity between cities and the promotion of market driven competition between Northern Powerhouse cities. There will further be an examination of transport infrastructure investment, particularly High Speed 2 (HS2) and its perception by interviewees in terms of regeneration of Leeds and the extent of local input into decisions on the project. The third chapter explores political devolution focusing on perceptions of power dynamics between local and national government and the City Mayor paradigm and its potential effect on power structures within City Regions. As City Mayors were rejected in previous referenda this indicates third dimensional power in action as a structure which had been rejected is imposed with little resistance.

Third dimensional power described by Steven Lukes (1974; 2005) is evidenced across the Northern Powerhouse agenda and this theory is discussed in the literature review as it is integral to this project. This thesis will further examine how Lukes’ concept of conflict and non-conflict between elite actors is perceived and portrayed by elements within those elites. It has been argued that local elites have accepted the Northern Powerhouse agenda, and this fits with a reading of Lukes’ third dimension of power, however, evidence emerges from interview data that it hasn’t been accepted entirely without resistance. Additionally, potential areas of improvement for the Northern Powerhouse concept, such as an elected assembly to scrutinise the proposed City Mayors, will be examined and the reasoning behind these ambitions analysed.

Comparisons will be drawn between Leeds and Manchester throughout the work, as this contrast consistently emerged in interview data. This comparison will give perspective to the single case study of Leeds and highlight the belief among local elites that Leeds is trailing Manchester in benefiting from devolutionary moves, as discussed in chapter 1. Primary data on Leeds will be used to inform academic research around power theories and illustrate discussions about third dimensional power and the nascent resistance to this that emerges from interview data. Data, gathered from a wide spectrum of opinion, allows for more informed
discussions around issues such as the posited, neo-liberal hegemony becoming established within cities such as Leeds, as advocated particularly, but not exclusively by participants on the left. It is argued by opponents of the Northern Powerhouse that current devolutionary plans are essentially rhetorical with the aim of further covert centralisation and a loss of power for local politicians to central government and private finance and these issues will additionally be examined.
Literature Review

As power, and its possession and implementation, is the central theme in this project, this literature review focuses on work relating to the subject and will begin by examining the principal academic definitions and debates around power relevant to this project. It will explore paradigmatic works by Dahl (1957), Bachrach and Baratz (1962) and Stone (1989). Particular attention will be given to Steven Lukes’ *Power: A Radical View* (1974) and its 2nd Edition (2005) and their influential thinking around power structures and elements of conflict within these structures. To date, little academic research has been published specifically focusing on the Northern Powerhouse concept and its impact on a city such as Leeds, however academic literature on American urban power structures proved useful in formulating the research aims. The work of Blakeley and Evans (2013) on the regeneration of East Manchester has proved equally important as it has provided detailed work on a city considered comparable to Leeds by interviewees and covers similar ground in respect of regeneration and power.

The literature review will examine scholarly research in three specific, linked areas, as these areas form the basis of the three thematic chapters in the thesis and provide theoretical underpinnings for the approach taken. Firstly, literature concerning administrative devolution and how reformed structures and their constitutions are defined in terms of power dynamics between local and national government and third sector actors. Secondly, it will engage with scholarship on fiscal devolution, analysing the debates concerning the extent of fiscal authority within local government and how successive national governments have arguably extended private sector finance into local government through legislation which is underpinned by a neo-liberal political ideology. Thirdly, this literature review will explore scholarship concerning political structural changes and outcomes for the devolution of power, examining political ideology and its effect on structures within local government. Within these examinations of potential power redistribution will be an investigation of current propositions for
directly elected City Mayors, exploring their ideological and empirical rationale as portrayed in academic literature.

The capacity for proposed transport infrastructure investment to reinvigorate the Leeds City Regions economy will also be analysed. This will encompass an outline of current plans and a critical evaluation of academic research available, additionally identifying gaps within the subject literature. Financial outcomes and consequences for power relationships will be examined through this pivotal element of the Northern Powerhouse model.

**Classical Theories of Power**

The obvious place to begin this literature review is in conceptualising power and examining how power is held and exercised. Perhaps the simplest and arguably one of the more simplistic definitions is that proposed by Robert Dahl. In *The Concept of Power* (1957), based on studies of American local governance and power dynamics, Dahl describes the central tenet of power as, ‘A has power over B to the extent that he can get B to do something that B would not otherwise do’ (Dahl, 1957, p.202-203). However, Lukes (1974) characterises this definition as one-dimensional and concerned essentially with decision making and overt conflict. Lukes further criticises Dahl for what he perceived as his behaviouralist, i.e. observable and quantifiable, focus and his consequent lack of theoretical underpinning.

An arguably more nuanced definition of power came from Bachrach and Baratz in *Two Faces of Power* (1962). Introducing the idea of covert conflict as an integral component of power relationships, they describe how non-decision making i.e. the agenda control wielded by elites, is as important as overt decision making in any structural analysis of power. Utilising this agenda control allows elites to render certain issues inadmissible in public policy deliberations, thus isolating some sectors from power debates. This two dimensional theory has greater salience to this project as it encompasses a broader range of actors holding influence within the local elite sector, (as will be explored through primary data). It has, however, subsequently been criticised by McFarland (1969), Ricci (1972) and
Lukes (1974), as too functionalist i.e. concerned with elite stability based on public consensus without sufficient regard for conflict within power relations.

Lukes further critiques this two dimensional view of power for its thinking around representative consensus. He characterises Bachrach and Baratz’s position as being ‘if people feel no grievances, then they have no interests that are harmed by the use of power’ (Lukes, 2005 p.28). However, Lukes believes that latent conflict undermines this consensus stating that ‘To assume that the absence of grievance equals genuine consensus is simply to rule out the possibility of false or manipulated consensus by definitional fiat’ (Lukes, 2005, p.28). Thus, Lukes arrives at a theory with echoes of the Marxist concept of false consciousness i.e. the poor and powerless do not understand or act in their own interests. Indeed Hay suggests that Lukes ‘draws implicitly on the work of the Italian Marxist, Antonio Gramsci’ (Hay, 2002 p.179) in describing the cultural hegemony that leads people to concern themselves with the private rather than the public sphere, allowing the bourgeoisie to control power without evident overt conflict. Lukes himself would prefer the label post-modernist, a claim supported by Heywood, who states that ‘Whereas Marxists associate power as thought control….postmodernist theorists come closer to seeing power as ubiquitous’ (Heywood, 2004. p.128. In the revised edition of  *Power: a Radical View* (2005) Lukes amends his position and delineates his definition of power into ‘power over’ and ‘power to’ which he argues is more significant. Morriss questions this assertion, however, believing that ‘Lukes is still convinced that ‘power over’ is the more important concept’ (Morriss, 2006 p.127).

Lukes’ chief contribution to debates about power was his definition of a third face of power which identifies ideological power as pervasive because it allows for people’s objectives to be influenced by those who own power. This leads ‘dominated people to acquiesce and even celebrate their own domination’ (Dowding, 2006, p.137). Haugard interprets Lukes concept of a third dimension of power as akin to the Gramscian concept of hegemony in which ‘tacitly held shared interpretative horizons legitimate certain norms
and exclude others’ (Haugard, 2015, p.154). In his second edition of *Power: a Radical View*, Lukes describes this near paradoxical situation as: ‘one can consent to power and resent the mode of its exercise’ (Lukes, 2005, p.148). Later chapters will show the importance of this paradox within local elite views of the Northern Powerhouse in relation to the Leeds City Region.

Where Leeds is concerned, the concept of a pervasive power, whereby local government controls many aspects of local services and amenities, appears more redolent of historical administrations as the power of the City Council has steadily declined over time. Burt and Grady (1994), describe the diminution in power of Leeds City Council noting that at the tercentenary celebrations in 1926 the City Council had responsibility for town planning, transport and communications and all utilities with the Borough of Leeds calling itself the ‘Do-it-all Corporation’. Power held by Leeds local authority, however, has diminished, particularly since the late 1960s (Unsworth, 2004). This erosion of local power, indicative of the established theoretical developments in urban power structures which describe increasing centralisation, (Lowndes, 2002; Klug, 2011) will be discussed further in subsequent chapters.

Analysing power structures in Atlanta USA, Stones’ *Urban Regime Theory* (1989) has been widely used to examine power relationships within local government throughout the Western Liberal Democratic world, although Kevin Ward (1996) warns of the difficulties in translating this work to a non –American setting, particularly the UK. Stone uses the pluralist theories of Dahl (1957), in which outcomes are validated by competing actors, to analyse and interpret the real-life working relationships between political, bureaucratic, business and civic actors. It also serves as a more empirical adjunct to post-structuralist analysis by concentrating on real structures and institutions rather than what Kokkalainen (2011) terms historical interpretation i.e. a concentration on historical context and discourse interpretation.

Stones’ typology, ‘focused on a stable pattern of cooperation observable in Atlanta across an extended time period, identifying mechanisms through which these arrangements were reproduced
over time’ (Rast, 2015, p.141), is generally regarded as outdated although retaining some function. For example, ‘the regime concept has helped encourage the shift away from a narrow focus on the formal institutions of elected government to an analysis that puts at its heart the social and economic setting in which Governments operate’ (Mossberger and Stoker, 2001, p.830). Davies (2002), critiquing Stone from a Gramscian perspective, argues that ‘it is the contradiction between liberalism and democracy that represents the core dialectic in society, not classes’ (Davies, 2002, p.4). So, as Elkin (1987) contends, society must be accountable to political decisions but must not interrupt individual liberty, particularly economic liberty. By introducing this element of capital within the regime it is argued that destructive tension is created ‘between business objectives and democratic demands’ (Davies, 2004, p.9), as local governments two core functions of representation and efficiency (Dollery, 2010) produce conflicting policies. However both Stone and Elkin believe that if Federal Government (in the USA) provides financial support for local government this insulates those regimes from business domination. This potential conflict between democracy and liberalism will be examined through the perceptions of local elite actors within Leeds’ power structure.

**Current Devolution of Power - Definitions**

Theorists have argued that political or administrative devolution is irrelevant, or certainly diminished, without proper fiscal devolution (Foreman-Peck and Lungu, 2009; Rummery and Greener, 2012). This fiscal devolution of public spending is considered ‘an appropriate response to heterogeneous political aspirations within current sovereign state boundaries’ (Foreman-Peck and Lungu, 2009, p.825). Indeed as noted by Waite, MacLennan and O’Sullivan, (2013) greater local fiscal autonomy in an environment where resources are reduced, as has arguably been the case under the Coalition and Conservative Governments’ austerity agenda, is counter-intuitive. For some, (Ayres and Stafford, 2011; Rees and Lord, 2013), this is further evidence of the earlier thesis (Rhodes, 1994) of a ‘hollowing out’ of Government whereby the illusion of increased devolution of power masks the diminution of local political
control and the greater involvement of external actors, particularly private finance. This ‘hollowing out’ notion has faced criticism with a counter claim that core executive capacity has been enhanced considerably (Holloway, 2000). Devolution of tax-raising powers appears to be currently off the agenda within England and Wales, although not in Scotland and Northern Ireland, implying the second face of power postulated by Lukes (2005) in which certain issues are removed from elite discussion in agenda setting debates. Consequently a greater emphasis is placed on specific spending powers, chiefly in the areas of Transport, Housing and Economic Development (Ayres and Stafford, 2011). The following chapters will examine these economic aspects of devolved power along with political and administrative elements of devolution.

Some research on devolution has focused on ‘territorial politics’ which is concerned with centre/periphery relationships. Perhaps the best definition of this is from Territory and Power in the United Kingdom (1983), by Jim Bulpitt, who describes

> That arena of political activity concerned with the relations between the central political institutions in the capital city and those interests, communities, political organisations and governmental bodies outside the central institutional complex, but within the accepted boundaries of the state, which possess, or are commonly perceived to possess, a significant geographical or local/regional character

(Bulpitt, 1983, p.52)

As power is paramount in all discussions of these centre-periphery relationships, this appears pertinent. Bradbury and Mitchell (2002), state that, ‘Before devolution territorial politics in the UK was strongly characterised by varying degrees of political instability’ (Bradbury and Mitchell, 2002, p.314). It seems that all political actors now accept that power should be distributed away from the centre, with Bradbury (2006) arguing that the positive effects and perceived wisdom of devolution of political power is one that cuts across political opinion. For example, citing Nairn (2000), he
characterises neo-Marxist opinion of regional identities as ‘benign and inclusive in contrast to the exclusive habits of the old nation states’ (Bradbury, 2006, p.564). Bradbury and Mitchell (2002) further describe the ‘normalisation’ of regional devolution within UK politics following the perceived success of Scottish and Welsh devolution (Hattersley, 2001; Bounds, Brown and Tighe, 2015). This discussion is relevant to this research as the impact of previous devolutions on Northern Powerhouse thinking will be explored through interviews with local elite actors in subsequent chapters.

U.K. Local Government Administrative Structures

Following the 2010 election, the Coalition Government instituted changes within local development agencies, replacing the established Regional Development Agencies (RDAs) with Local Enterprise Partnerships (LEPs). Evaluation of RDAs has been ambivalent with Roberts and Benneworth (2001) noting a lack of independence, concluding ‘RDAs have a limited policy remit, they have been forced into a route of selecting choices from a menu of policies closely controlled by the centre’ (Roberts and Benneworth, 2001, p.157). Conversely Gough (2003) found RDAs possessed considerable power but similarly questioned their legitimacy because of their lack of democratic accountability.

Initial scholarly analysis seems to suggest a lukewarm reception for LEPs. They have been criticised for insufficient funding or financial control allied to a lack of public awareness and ‘clout’ (Philips, 2010). Johnstone (2014) and Doyle (2013) argue they are prisoners of economic centralism and ill-thought out implementation, suggesting, apposite for this project, centralising tendencies in the model. The Royal Town Planning Institute (RTPI) found LEPs had an ‘important strategic role in supporting investment confidence and championing economic growth, especially through their spatial priorities, support programmes and other initiatives’ (RTPI, 2014) but that their role in planning lacked definition and was subject to local discretion. Bentley, Bailey and Shutt (2010) believe LEPs have further seen a diminution of ‘regionalism’ as, contiguous with the abolition of RDAs, has been the abolition of Regional Spatial Strategies and Regional Economic Economic Strategies with no direct
replacements. Conversely Deas et al. (2013) find that performance across LEPs is varied but in Leeds City Region a ‘process of several decades of building city-regional governance gives a potentially important advantage’ (Deas et al., 2013, p.733).

City Regions: Administrative Changes

The origins of City Regions are arguably found in the ‘Northern Way’ programme of former Deputy Prime Minister John Prescott in 2004 (Rees and Lord, 2013) which attempted to create a proto- Northern Assembly by linking up the RDAs for Yorkshire, the North West and the North East of England. From a comparative aspect there are echoes here of the National Spatial Strategy launched in Ireland in 2002 (Breathnach, 2013) which sought to balance development across the country through more effective and integrated planning and also revolved around the idea of hubs and gateways. Prescott’s initiative saw the creation of City Regions, including Leeds, to improve co-operation and communication between Metropolitan Councils centred on the ‘hub city’. The conceptualisation of Leeds as a ‘hub city’ is supported by its membership of the Core Cities Group (Smith and Wistrich, 2014), which describes itself as ‘a unique and united local authority voice to promote the role of our cities in driving economic growth and the case for city devolution of major English Cities’ (Corecities.com, 2016).

This Core Cities Group appears supportive of the City Region model stating that ‘Urban policy therefore needs to be framed within this city-region context rather than be simple focused on the problem areas within parts of the cities’ (Charles, Bradley, Chatterton, Coombes and Gillespie, 1999, p.2). The group called in 2014 for ‘place-based settlements to form part of George Osborne’s ‘Northern Powerhouse’ (Johnstone, 2014, p.6). Deas (2013) argues that City Regions have become the focus of regionalist policy as they are recognised by organisations such as the Urban Task Force and the Core Cities Group as being the drivers of national economic growth. However, Pugalis and Townend (2013) point out that many actors from political, business, and administrative sectors, in light of the abolition of RDAs, are aware LEPs and City Regions are potentially temporary models subject to change by national
government, although there is no current prospect of a change in
government. This perceived impermanence and lack of power
arguably undermines the effectiveness and status of LEPs. As will
be seen in chapter 3, on financial devolution, the Leeds City Region
LEP is considered successful, which is relevant to its effectiveness
and perceived power.

**Funding Local Government: Neo-Liberal Economics?**

George Lambie (2009) describes how the Fordist/Keynesian model,
which attempts to match consumption and production (Roobeek,
1987), and had existed since the Bretton Wood Conference of 1944,
had begun to crumble from the late 1970s onwards (see also
Dannreuther and Petit, 2006, Boyer, 2000). He states that ‘The
hegemony of financial interests was enhanced by the election of
sympathetic politicians such as Prime Minister Margaret Thatcher in
the UK in 1979 and President Ronald Reagan in the United States
in 1980’ (Lambie, 2009, p.161). This increased role for private
finance and consequential reduced power for local politicians
appears particularly salient to this project as financial control is
fundamental to control of power (Forman- Peck and Lungu, 2009).

O’Leary (1987) argues the neo-liberal approach of the Thatcher
Government to local government emphasised ‘privatisation,
performance indicators, contracting out and bureaucratic
competition’, concluding that ‘Ideology legitimates decisions taken
for other reasons’ (O’Leary, 1987, p.379-380). Additionally, ‘This
was often imposed by Central government rather than freely chosen
by public agencies- for example by the Compulsory Competitive
Tendering (CCT) legislation of the Thatcher and Major
describe the 2008 financial crisis as merely a stumbling block
towards a more neo-liberal funding paradigm whereby local
government displays elements of ‘neo-liberalisation of urban space
and the recreation of the local state in ways which diminish the
however argues against the complete neo-liberal takeover of local
government as ‘ideologies are never complete; they form crucial
components of hegemonic projects but such projects are always in
the making rather than ‘won’ (Newman, 2014, p.3292), a theory echoed by Peck and Theodores (2012) ideas of opportunism and recalculations. Neo-liberalism is though, a highly contested concept, with Clarke (2008), for example, viewing it as promiscuous, omnipresent and omnipotent and therefore essentially as a label added to a policy ex post facto. This concept of neo-liberal hegemony within local government, imposed from the centre, is examined in subsequent chapters to analyse power dynamics between local and central government and private finance.

Examining the outcome of the financial crisis of 2008 on Leeds Gonzalez and Oosterlynk view neo-liberalism as a ‘contingent and experimental process’ (Gonzalez and Oosterlynk, 2014, p.3175), as opposed to an implicit element in its post-crash economic difficulties. They further argue that City Deals have led to a ‘neo-liberal’ competition between cities for diminished central funding. This finds support from Harding (2007) who additionally describes an increasing emphasis on territorial competiveness apparent under the previous Labour Government. There is a further critique of the consensus of ‘an uncomplicated relationship between a neo-liberal polity and the academic logic of that neo-liberal hegemony’ (Rees and Lord, 2013, p.682), that is, neoclassical economics. They argue that ‘the political value of understanding functional geography can be seen to have emerged in the ‘golden era’ of Keynesian consensus and significantly pre-dates the emergence of neo-liberalism’ (Rees and Lord, 2013, p.682-683).

Hall (1993) describes ‘third order change’ in which neo-liberalism resulted in monetary policy replacing fiscal policy as the principal macroeconomic instrument. This change resulted in ‘political, as opposed to purely economic, criteria became the key factor behind the success of the monetarist paradigm’ (Hall, 1993, p.286), thus weakening the power of politicians at the expense of private finance. There is a counter-argument (Tomlinson, 2007), however, that Keynesianism didn’t die out in the 1970s and that the New Labour Government continued with such fiscal policies into the 21st Century evidenced by its commitment to full employment and increased public sector spending. Newman argues this changed under the
Austerity Agenda adopted following the 2010 election as the Conservative Party introduced a ‘neo-liberalising thrust’ (Newman, 2014, p.3294).

One of the main manifestations of an increased role for the private sector within local government funding and, more specifically, public sector procurement was the Private Finance Initiative (PFI), introduced by John Major in 1992 (Froud, 2003). Opinion of the scheme is deeply divided with a cost/benefit analysis said to indicate a small benefit to the public finances including an allowance for risk (Ball and King, 2006; Colman, 2000) a claim disputed by others (Heald, 2003; Bel, Brown and Marques, 2013). Central to this is the ‘transfer of risk between the public and private sector’ (O'Boyle, 2010, p.27). Both Wilks-Heeg (2009) and Parker (2013) however stress that New Labour Governments continued to extend the reach of private sector money in to the public sector.

Subsequently, Ruane (2010) argues ‘They (PFIs) were not about whether powerful vested interests, such as big business, should be able to influence the direction and character of policy relating to public services in a democratic society but about whether some businesses might be offended by the representation of other businesses in strategic positions.’ (Ruane, 2010, p.537) Therefore debates around arguably the hegemonic funding position within much of national and local government, Ruane argues, were essentially between national politicians and business, with business increasingly holding the upper hand. This is evidenced in the Royal Armouries Museum in Leeds, one of the first PFI projects in the country. When the project failed financially, the private company behind it abrogated their responsibility and local government was left to fill the funding gap while the public sector took on all financial risks (National Audit Office, 2001).

City Deals: Financial Re-organisations

Following the Localism Act (2011) the Chancellor of the Exchequer, George Osborne, outlined plans for new ‘City Deals’ initially for the 8 largest Cities in England, including Leeds (Office of Deputy Prime Minister, 2013). This policy found support from the Centre for Cities.
(2012), whose Chief Executive, Alexandra Jones, had critiqued previous legislation as producing powers that ‘have been somewhat fragmented’ and leading to a situation where ‘many national policies continue to be ‘spatially blind’ (Jones, 2012), that is seeing only ‘things or objects’ rather than visions or demands. City Deals have however faced criticism about their legitimacy in respect of decentralising and devolution outcomes. Waite et al. (2013) state ‘Many of the changes do not involve meaningful relaxation of central control, simply a reshaping that allows different roles to be played by businesses and municipal interests’ (Waite et al., 2013, p.775), a point supported by Jayne (2012) and Hambleton & Sweeting (2014).

The mechanism of these City Deals stipulated that the City Regions themselves must initiate plans to negotiate with Central Government. These deals would give ‘each city new powers in exchange for greater responsibility to stimulate and support economic growth in their area’ (Deputy Prime Ministers Office, 29, April, 2013). Some have argued that the focus on localism and City Deals is more indicative of ‘policy dumping’ (Waite et al., 2013; MacLennan & O'Sullivan, 2013), whereby a downward shift in policy control is mitigated by a reduction in resource support. Thus the apparent devolution of power is more likely to constitute ‘nominal autonomy rising while real power falls’ (MacLennan & O'Sullivan, 2013).

Transport Infrastructure Investment and Regeneration

Governments consider transport investment vital as ‘Good transport has a key part to play in delivering the Northern Powerhouse. It creates an engine for growth’ (Transport for the North, 2015, p.15). Banister and Thurstain-Goodwin (2014) examine three different levels of impact to quantify the outcome, particularly on cost benefit analysis, of investment in rail transport. Firstly there are the macro economic effects, that is, the impact on economic growth for the region affected. Secondly they outline meso- economic effects, for example the impacts on agglomeration. This is a point echoed by Combes, Mayer and Thisse (2008) as they identify a ‘new economic geography' which describes how transport improvements can lead to relocation of both business and consumers leading to an increase
in the size of agglomerations. Finally, they describe micro economic effects i.e. localised impacts particularly on land and property values.

A further typology useful in examining transport infrastructure-led regeneration is the market/state dichotomy and the shifting dynamic within it. Allen (2001) brings together previous work (Donnison, 1967; Castells, 1977; Harloe, 1995) to locate the regeneration projects initiated under the New Labour Government on a three point scale from ‘dominant state’ to ‘dominant market’ (Allen, 2001, p.145). Allen further talks of a tendential drift from a Fordist, top down model to a Schumpeterian value system of supply side intervention and a subordination of public policy to the needs of market flexibility, which, from his perspective, exhibits ‘self-reliance, motivation and innovative flair’ (Allen, 2001, p.146). Endorsed by Hastings (1996) and (Preston, 2012), the trajectory, particularly under the Thatcher government, has been away from local authority control towards a more market orientated economy. However, as Gamble (1979) argues neo-liberalism’s prime approach is ‘not that it is against all state intervention but that it wants the state to intervene less in some areas and more in others’ (Gamble, 1979).

At English city level there is less literature available on the benefits of investment in transport projects for regeneration. Perhaps the best examination is Blakeley and Evans’ (2013) investigation of the Metrolink systems ability to aid regeneration in East Manchester, in which transport investment is described as fundamental to maximising investment and attracting business and residents. They add the caveat, however, that ‘evaluation is also politically connected to the desires of government’ (Blakeley and Evans, 2013, p.81), as evaluation potentially becomes a de facto shield of accountability. However, ‘It is now generally accepted that many UK cities—even those that have done best in recent years—suffer from poor, outdated transport infrastructure’ (Docherty, 2009, p.323).

Docherty is critical of local government planning structures comparing UK regional planning to continental Europe and finding a ‘lack of powerful, strategic and accountable governance (which) presents clear difficulty in negotiating, sustaining and implementing
a region-wide strategic plan for transport’ (Docherty, 2009. p.325). This argument then supports the idea of a strong regional centre to drive wider regional policy, arguably a process akin to the City Mayor plan. Bolden and Harman (2013), based on Harman (2006), identify three areas where High Speed Rail can benefit cities. The third element is particularly relevant for this project, discussing how high speed hub needs to have good connections to local transport systems. To this end Bolden and Harman (2013) advocate a central location for stations to take advantage of existing infrastructure, a statement with echoes in primary data collected for this project and discussed in chapter 3.

City Mayors: Political change

The 2010 Coalition Government pushed for directly elected Mayors with relatively muted support from the Labour opposition, which had previously proposed similar provisions. The first elected mayors had been introduced by the Labour Government following the Local Government Act of 2000 (Sandford, 2014; Fenwick, Elcock and McMillan 2006; Leach and Norris, 2002). This was part of a wider swathe of constitutional reform which had begun the Labour Governments administration including a directly elected London mayor (Loveland, 1999) (Fenwick et al., 2006). Within a wider devolution framework, an elected London Mayoralty was considered a potential marker for future devolution of powers to the regions (Fenwick, 2006).

Claims about the efficacy of City Mayors appear to be based more on ideology than any specific empirical evidence, (Buckler and Dolowitz, 2012). As David Cameron sought to marry traditional Thatcherite market-based solutions with a more electorally successful centralism the result has been ‘a rolling back of state activity in favour of greater localism and voluntary action’ (Buckler and Dolowitz, 2012, p.586). Wilby (2012), however, was among those sceptical of the power and independence to be afforded these positions believing that what David Cameron sought was merely a ‘credible head of a branch office’ (Wilby, 2012). As John and Cole (1999) point out there is a certain inherent contradiction between strong leadership and successful liberal democratic government
which creates conflict between political and economic power that will be examined in later chapters.

There is however an implicit suggestion within the City Mayor model that a strong leader is essential to the success of this system (Fenwick and Elcock, 2014). Fenwick and Elcock (2014), building on Rhodes (1996) believe that the ‘hollowed out’ state of government requires a clearly identified figurehead to engage with the various sectors now represented in local governance. Further, Fenwick and Elcock (2014) argue that one of the main drivers in introducing elected mayors is simply the recognition that local power has been diminished and that 'something should be done about it’. The individual leadership provided by City Mayors, as prescribed by George Osborne appears pivotal to their evaluation. This concept of the ‘big city boss’ has become regarded as alien to UK local government though there have been prominent examples in the past, Herbert Morrison in London in the 1930s or T. Dan Smith in Newcastle in the 1960s for example (John and Cole, 1999). In the USA, big name mayors are more commonplace and in parts of Europe this is also true (Gerber and Hopkins 2011). There is however a contradiction between moves towards a strong executive leader and the apparent erosion of power due to the centralising tendencies of successive national governments (Fenwick and Alcock, 2014). There is also a danger that ‘inspired by society’s call for expressive and strong leadership, a leader becomes too dominant or authoritarian within the network of involved partners and stakeholders’ (Schaap and Verhoel, 2010, p.445).

**Conclusion**

This literature review began by articulating some of the more important theories of power, both in general terms and with particular relation to civic power structures. Working from Dahl’s *The Concept of Power* through Bachrach and Baratz, and in particular Steven Lukes’ *Power: a Radical View* gives a broad understanding of the foundational arguments in this area. The extent to which power is held and the nature through which it is acquired is central to this project. Stones’ description of a wider range of actors within local civic structures, though drawing on 1980s US City politics, still
has salience to a study of power distribution today as it described the breadth of stakeholders within the public sphere. There are, however, gaps in the scholarly knowledge, particularly around UK local government, which this project will fill by focusing on Leeds—which is central to the government’s plans for a Northern Powerhouse.

Academic research around components of devolutionary agendas suggests the importance of three different elements to be considered i.e. administrative, financial and political, although it should be recognised that overlaps exist between the three. Administratively, there have been continual changes in structures with successive governments initiating new administrative models. This indicates that re-organisation of administrative structures is driven more by political ideology than notions of competence or efficiency as systems are rarely given time to become embedded and fruitful. This suggests increasing centralisation of power under cover of rhetorical devolution. This paradox will be explored through the perceptions of elite interviewees with particular reference to administrative structures within the Leeds City Region in the following chapters.

The shift in financial power held by local government is perhaps the most notable. Aspects of local life such as housing or public transport which City Councils would once have controlled have largely been outsourced to private companies (Grimshaw, Vincent and Wilmott, 2002). There is a debate around the extent to which neo-liberal ideology is responsible for this shift with arguments it is fundamental to the change but also a belief it is a consequence of shifting funding models driven by efficiency, cost savings and improved outcomes. As part of this proposed neo-liberal approach to local government finance, there are suggestions of an increase in territorial competitiveness being promoted as City Regions are encouraged to compete against each other for funding, thus arguably reducing collectivist sentiments within local authorities. This position will be examined through elite interviews around City Deals, austerity policies and the consequences of the 2008 Financial Crisis.
The third element in this devolutionary debate concerns political change. The advent of City Mayors has the potential to change the political landscape significantly. The amount of power invested in these new institutions is contentious with opinions sometimes dividing along party political lines. The fact that the directly elected mayor system is being imposed without popular support, and against the democratic wishes of the people of Leeds, arguably undermines its credibility, an issue examined later in chapter five. Taken together, the administrative, financial and political aspects of power devolution constitute the crux of this debate as it applies to the Leeds City Region and data gathered from interviews will be informed by and feed into the theoretical work in this literature review.

The regenerative aspect of the project with regard to the city of Leeds is covered through an investigation of the proposed transport infrastructure investment. With academic research on the wisdom and efficacy of such schemes proving unclear, a good comparison is provided in the work on Manchester of Blakeley and Evans (2013). By conducting interviews from within local elites it will be possible to flesh out some of the statistical evidence with particular reference to the prospects for the Leeds City Region. By eliciting opinion of local elites on their perceptions of infrastructure investment and its effects on regeneration and power dynamics it will be possible to fill some of the deficiencies in scholarly research in these areas. Utilising semi-structured interviews (as outlined in the following methodology), will allow participants to express their views fully on the range of topics covered in this project helping to fill gaps in the academic knowledge in this field.
Methodology

Introduction

The initial impetus for this project came from Steven Burt and Kevin Grady of the Leeds Civic Trust, and the brief was very broad with plenty of scope to take ownership of the project and adapt it into a suitable MSc. by Research project. From initial discussions with sponsors and supervisors of the project it became apparent that using what Stake (1995) calls a single instrumental case study (with Leeds as the city case) would be the most salient choice of research. This case study approach aims to broaden the field of knowledge, both in respect of the Leeds City Region itself and in the wider milieu of local government, whilst remaining cognisant of the contextual and subjective element implicit in this typology.

In gaining qualitative data this research will encompass interviews with relevant stakeholders from political and policy elites in Leeds and beyond (see index for list). Thus, there will be representatives from the three main political parties, Labour, Conservative and Liberal Democrats plus the regionalist Yorkshire First Party to obtain a broad range of opinions across the political spectrum around power dynamics. Interviews with representatives of different stakeholder groups will contribute to a more comprehensive understanding of the pluralist nature of power structures within the Leeds City Region. Representatives from business organisations, trade unions and policy groups will therefore be interviewed to allow for a broad range of data to be collected. As Stone (1974) originally identified, a diverse group of stakeholder representatives now have power within local structures and so by widening the representation this will improve the relevance of the data collected.

This breadth of stakeholder inclusion allows the selection to be based on purposive sampling, in which those selected for interview have the most relevance to the subject and are likely to have wide knowledge of areas covered in data collection. This can be aided by extensive academic reading around the research area and informed
journalistic articles to supplement and inform the data collected from these interviews. As there is no identical previous research into the areas covered in this research, the design is relatively explorative but the use of guidelines created from previous case study examples which have proved successful and utilising a proven interview methodology renders the research academically sound (Gilham, 2001; Yin, 2014).

Semi-structured interviews have been chosen as the best means of gathering primary data as they provide the flexibility not afforded by structured interviews whilst largely retaining the consistency necessary to provide consistent data. In Charmaz’s work on ‘grounded theory’ (2006), which takes a constructivist approach, she advocates interpretive research, encompassing ‘flexible guidelines, a focus on theory that depends on the researcher’s view; learning about the experience within embedded, hidden networks, situations, and relationships; and making visible hierarchies of power, communication, and opportunity’ (Cresswell, Hanson, Clark, Vicki and Morales 2007, p.250). It is also necessary however to bear in mind the potential for a ‘shared, implicit knowledge that would affect the direction of the interviews’ (Denzen and Lincoln, 2002, p.240). The questions then, aimed to be as neutral as possible to avoid any researcher bias or leading propositions while still generating qualitative data salient to the research criteria and parameters. Certain interviewees had poor knowledge of small sections of the data collection areas and were given the opportunity to abstain from answering these questions as uninformed or coerced answers would diminish the quality of data acquired.

Prior to conducting the interviews extensive theoretical research was conducted establishing the most pertinent areas to focus research and also to shape the project into a coherent structure. It was established primary data collection should begin by examining where power is located chiefly utilising Lukes (2005) self-styled ‘radical’ three dimensional definition of power and Stone’s Urban Regime Theory (1989). As has been stated, (Foreman-Peck and Lungu, 2009, Rummery and Greener, 2012), any investigation of devolution of power must consider the economic, administrative and
political aspects of power. This is reflected in the literature review and in the structure of the questioning, whereby each of these points is explored in separate sections. The chief overarching concept amongst these elements is the Northern Powerhouse concept, as its introduction impacts on the political, administrative and economic structures within the Leeds City Region. The Northern Powerhouse appears to be still developing as a concept as evidenced by the description of a ‘multilevel, multi-faceted policy area that spans a multitude of sectors’ (Nurse, 2015, p.686).

**Epistemology**

The epistemological conflict at the heart of this project is the previously noted use of a case study i.e. Leeds, to attempt broader conclusions on the efficacy of power distribution without positivist research methodology. It appears to fit the mould of a constructivist epistemology however by using qualitative data gathering through elite interviews to construct viable responses to the questions posed within the project and outlined in this methodology. Thus, by eliciting views from across the political spectrum about City Mayors and their effect on power dynamics, for example, it should be possible to construct viable, if potentially subjective, conclusions around this development. By contrast, Bryman (2003) argues that ‘because of the unstructured nature of most qualitative research with its associated lack of specified hypotheses, except in a very loose sense, qualitative research is inherently exploratory’ (Bryman, 2003, p.84). This suggests it is illusionary to attempt definitive answers to questions about Leeds specifically, or broader devolutionary typologies from this essentially constructivist study. However the project will reach contingent conclusions based on the qualitative data collected and supporting scholarly research.

**Analysis**

Although this project uses the conventional analysis process as described by Hsieh and Shannon (2005) encompassing data collection not based on theoretical perspectives, there will be theoretical underpinnings to the analysis. For example, when examining the interaction between the different sectors involved in
governance cognisance will be taken of all three dimensions identified by Lukes (1974; 2005) of power. It is instructive to examine how local elites and policy group members view power structures and power dynamics from the perspective of the three dimensional framework. Theories have been advanced that the Northern Powerhouse concept is part of a privatisation of public services based on neo-liberal ideology (Boyer, 2000; Lambie, 2009) and this is investigated, with particular focus on the Leeds City Region. As the concepts included in this study have previously seen little academic work with respect to Leeds or most other regional English cities this project has few examples to compare with theoretically or methodologically. Thus only broader thematic studies are employed to anchor the research in current academic models.

Ethics

Ethical issues have been identified and addressed throughout the project. This was achieved initially by submission to the School Research and Ethics Panel (SREP) procedure applying to all research students at the University of Huddersfield. Throughout the project and in particular the interviews, conduct has been clear and informative. All participants were given full knowledge of the study and their consent was sought at all stages of the process and participants were aware that this consent could be withdrawn immediately at any stage of the research. Lahman, Geist, Rodriguez, Graglia and DeRoche (2010) describe the ideal of culturally responsive, relational and reflexive ethics (CRRRE). They believe this can improve the ethical stance towards research from one that moves ‘above and beyond mere minimalist expectations and thus increasing the possibility of ethical research.’ (Lahman et al, 2010). This has been a useful system to employ in this research as it covers all aspects of ethical concerns that may arise, with reflexive ethics having particular salience whilst conducting interviews.

Another ethical issue to arise is the influence of the original sponsor of this project. I met with him a few times in the early days of the project and he had specific ideas about how the research should be
conducted including how the project should be focused, which eventually proved too narrow and limiting. He also wanted to employ a confrontational style of interview to elicit information whereby interviewees would be asked questions to discomfort them. Such an approach could not be countenanced within an academic piece of work as it would be unethical and betray the trust of participant interviewees. Therefore I have had to sacrifice the local knowledge and contacts that this sponsor would have brought to the project to retain its ethical integrity. This has also made obtaining interviews a little more difficult as the sponsor had promised access and introductions to his contacts within the Leeds political sphere. However using contacts of my own and approaching other potential interviewees with my proposed research questions I have been able to arrange suitable data collection. Finally, all data protection and storage concerns were considered and fulfilled with all data stored in secure conditions. Computerised data was stored on pass worded computers and all hard copy data held in locked storage.
Chapter 1
The Northern Powerhouse

Introduction
This chapter analyses the perception of political elites and members of the policy community to the Northern Powerhouse concept. To accomplish this it will primarily employ Lukes’ three dimensional view of power and the perception of neo-liberal hegemony within government, as outlined by Foreman-Peck and Lungu (2009) and Newman (2014). Primary data will be utilised to examine these theories in three particular areas. Firstly I will explore perceptions of the Northern Powerhouse concept amongst participants concerning its conception, implementation and framework. As there appears to have been little input from local elites to this process it will be instructive to examine their thinking about the process to date and how they assess local input to its development. Secondly I will examine what opportunities and prospects interviewees see for the Northern Powerhouse and explore two main ambitions expressed by participants. Firstly, a wish for a genuine decentralising agenda, with power devolved across political, administrative and financial arenas, which touches on issues of power dynamics. The other issue noted is voting reform and a more proportional system to elect a scrutinising assembly in alliance with City Mayors suggesting misgivings about the role of City Mayors which will be further examined in chapter four.

Finally this chapter will examine perceptions of Leeds as a ‘northern powerhouse’ and its position within the Northern Powerhouse. A comparison (as mentioned by interviewees) will be drawn with Manchester, particularly using Blakeley and Evans (2013) work on the regeneration of East Manchester. This comparison between Northern Powerhouse Cities has echoes of the competitive nature of City Deals and a consequent shift from perceived collectivist attitudes among left - led local councils and this will be investigated within this chapter. As this imposed competitive paradigm has
intimations of neo-liberal market creation within it, this links to the
debate about the neo-liberal economic hegemony increasingly
imposed on local government by the centre.

Defining the Northern Powerhouse

The Northern Powerhouse concept appears to be relatively poorly
defined to date, with little academic literature published, and this
lack of clarity is reflected within the perceptions of interviewees. The
idea it is essentially a creation of the current Chancellor of the
Exchequer, George Osborne, comes through strongly in the primary
data, creating a negative impression among participants as it
suggests a top-down, imposed model. Vicky Seddon (Chair of
Unlock Democracy) describes how ‘George Osborne has been very
clever in using to his own advantage (the idea that) too much power
has been based in Westminster’ 1 Paul Salveson (Chair of the
Hannah Mitchell Foundation) describes it as ‘an extremely clever
piece of branding again by Osborne’ 2 and Peter Box (Chairman of
West Yorkshire Combined Authority) states:

If George Osborne doesn’t get to take over as
Conservative Leader he should get a job in
marketing because he’s created a phrase called the
Northern Powerhouse which most people can’t
explain and in fact the recent survey shows that
most people don’t understand it full stop.

(Box, 2015)

This feeling on the left of the Northern Powerhouse as essentially a
marketing project created by George Osborne is further echoed by
Stewart Golton (Leader of the Liberal Democrat group in Leeds) who
states that the term is ‘something that the Chancellor has chosen
and it doesn’t actually talk about anything which is physically
happening’ 3

1. Interview with V. Seddon, 12/11/2015
2. Interview with P. Salveson, 16/11/2015
3. Interview with S. Golton, 19/11/2015
Antipathy on the left appears to suggest elements of party political preconception in addition to ideological opposition to the Conservative Governments Northern Powerhouse agenda. Although participants express criticism of the creation and conceptualisation of the Northern Powerhouse framework, all are supportive of a devolutionary agenda, but little consensus about how this should be approached exists. The Northern Powerhouse is currently perceived by elements within local elites as largely conceptual with Golton, for example, stating ‘It’s a concept for the Conservative Party to appear relevant to communities in the North’ ⁴. Seddon ⁵ also represents it as a ‘concept’ and Salveson describes it as ‘intangible’ ⁶, suggesting a lack of clarity around the project. Ed Cox of the Institute for Public Policy Research (IPPR) also described it as ‘a concept, rather than any actual, physical thing at the moment’ (Cox, 2015) and Labour MP Dan Jarvis, in a speech to the IPPR, further talked of how ‘there is no clear strategy, still no definable boundaries for how far the powerhouse might extend, or how the pieces will fit together’ (Jarvis, 2015).

Thus, suggestions of an imposed agenda dominated by central government, in which local politicians are given little information about, or input to the concept, appear salient. There is an implied perception of central government believing that local government will provide no resistance to its devolutionary agenda and will subsume any reservations they may have. This is indicative of the third face of power Lukes proposes, as central government assumes its agenda will be reluctantly accepted owing to a lack of ideological alternatives.

Leigh, however, believes that ‘the model is very much decided’ ⁷ suggesting a clarity in the scheme which isn’t indicated in other interview data.

⁴. Interview with S. Golton, 19/11/2015
⁵. Interview with V. Seddon, 12/11/2105
⁶. Interview with P. Salveson, 16/11/2015
⁷. Interview with S. Leigh, 09/12/2015
As Leigh represents the business community his concerns are essentially economic and economic elements do appear strongest within the perceptions of the Northern Powerhouse model. This perceived economic primacy within an underpinning neo-liberal agenda suggests an attempt by central governments to further the pro-market agenda. This finds support from a leftist interpretation of the Northern Powerhouse concept.

Bill Adams (TUC Regional Secretary for Yorkshire & the Humber) believes that the main goal of the model is ‘rebalancing the economy away from the reliance on the finance sector in London’ and this is a common theme. Leigh also references London and its financial sector and argues that the Northern Powerhouse is constructed to ‘see businesses come to the North’. Interestingly, Golton argues that the economic success of London had financed the rest of the UK economy throughout the New Labour period allowing it to invest significantly in public services through taxation levied on the finance sector:

*The level of its economic activity was such that the central government could take in high-tax revenues which allowed them to depend less on the citizen-based taxes and therefore continue a public-sector delivering economy but not at the levels of expectation on personal income that you might find in places like Scandinavia or the continent*

(Golton, 2015)

8. *Interview with B. Adams, 18/11/2015*

9. *Interview with S. Leigh, 09/12/2015*
This analysis suggests a move away from the redistributive model that Golton ascribes to the New Labour Government. It is argued (Hall, 2011), however, that the Blair and Brown Governments also employed a neo-liberal model during the UK economic boom prior to the financial crash in 2008, creating market mechanisms within local authority structures. By allowing City Regions to retain more of the business rates they collect, it is argued, that central government is ceding more economic power to the regions through greater financial control of taxation revenues. This, however, is contested by participants on the left interviewed for this project (Box; Adams; Seddon; Salveson), who view it as a furthering of neo-liberal models to enhance market competition between Northern Powerhouse cities.

In political terms the Northern Powerhouse concept appears a little clearer in its current aims. There is some support for the City Mayor structure within the proposals, from Andrew Carter (Leader of the Conservative Group in Leeds) and Leigh for example. However there are worries about the accountability of this structure. Seddon believes that there is ‘an imposition of a form of governance without consent’ and there is a further worry that the process is about ‘deals being done behind closed doors with a handful of politicians and senior civil servants and local government officers with the general public being passive by-standers’. This characterisation suggests an ideological imposition of the concept contrary to broad public opinion, providing echoes of Lukes’ (1974; 2005) theory of pragmatic public consensus towards possession of power, despite resentment of its imposition. Only Carter expresses genuine support for the City Mayor concept, perhaps reflecting his Conservative Party allegiance.

10. Interview with S. Golton, 19/11/2015
11. Interview with S. Leigh, 09/12/2015
12. Interview with V. Seddon, 12/11/2015
13. Interview with P. Salveson, 16/11/2015
There is some support for the suggestion (Adams; Box) that the political aspect of the Northern Powerhouse is concerned with removing Labour strongholds in some Northern Cities and potentially furthering central government control through pliant and ideologically compatible civic leaders. It is further suggested (Adams; Box) that City Mayors are potentially a ‘Trojan horse’ to extend national control through more compliant civic leaders. There are, however, intimations that City Mayors may allow for local resistance to national agendas which is discussed further in chapter four.

Northern Powerhouse – Possibilities

Consistent themes do emerge from interview data about the elements a successful Northern Powerhouse model should contain. Perhaps the predominant of these criteria is a rebalancing of the economy away from London and the South East to the North of England. The Department of Transport’s strategy report states that ‘Our aim is for economic growth in the North to be at least as high as the rest of the country, to complement and act as a balance to the economic weight of London (Department of Transport, 2015). Adams echoes this, stating ‘there’s more potential and opportunity for us (the North of England) to contribute to the national economy more than we do now’ 15. Equally there is a belief that significant investment is needed in the project for it to be meaningful (Seddon; Adams; Box; Salveson). There is however a worry that the aim of the project is to disguise national government spending cuts, under austerity policies, to the regions 16. Golton argues that by implementing financial cuts to local authorities but devolving power ‘it’s very hard to actually make yourselves relevant at all if all you are ever able to do to people is say oh it’s not our fault, it’s not our cut, it’s a decision taken somewhere else’ 17.

15. Interview with B. Adams, 18/11/2015
16. Interview with B. Adams, 18/11/2015
17. Interview with S. Golton, 19/11/2015
As austerity measures and statutory contracting out of public services are extended, worries are expressed that local politicians will be blamed for implementing cuts, undermining their power through public disapproval. Leigh ¹⁸ believes that local authorities do want more spending powers and that the Northern Powerhouse concept is a genuine attempt to provide this.

This contradiction is perhaps indicative of the conflicting interests represented by the interviewees. Leigh, as a representative of business, would arguably be more supportive of promised funding increases and potential loosening of local political control. Golton, as a local politician, appears more likely to recognise a prospective loss of power for elected representatives and an attempt to devolve blame for austerity measures instigated by national government. Additionally there is cynicism on the left about the dismantling of collectivist structures perceived to be inherent in the Northern Powerhouse framework, viewing City Deals as indicative of neoliberal market competition between cities, imposed by central government. Their potential to cause overt conflict between cities is arguably redolent of the power dynamics noted by Stone (1974), as competing elements vie to attract power through the devolutionary agenda.

Participants are broadly in favour of devolution of political power although the City Region model finds little support. Some (Salveson; Adams) believe that a wider Yorkshire Assembly would be a better solution, while others (Seddon; Golton) argue for a smaller administrative footprint such as the current local authorities. Box argues for a ‘Council of the North’ ¹⁹ where local authority leaders can meet on a regular basis to ensure a closer working relationship.

As an opponent of the competitive element of City Deals he argues such a construct should enable local authorities ‘to work together across the North and not compete with each other, it’s not a

¹⁸. Interview with S. Leigh, 09/12/2015
¹⁹. Interview with P. Box, 04/12/2015
competition with Manchester or a competition with Liverpool or the North-East. 20 Seddon also calls for co-operation between local authorities across the Northern Powerhouse believing they need to create new structures amongst themselves to work together. This collectivist approach appears contrary to general impressions of the direction the Northern Powerhouse is moving on collectivist activity among its cities, including Leeds.

When asked what one thing would help to re-invigorate local democracy and encourage people to engage with the democratic process, two dominant themes emerged. Firstly there was a desire for more power to be held locally based on an agreement that power had become increasingly centralised. Adams, echoing Burt and Grady (1994) mentions the situation in Victorian Cities in the North of England, ‘Leeds in particular - the fabric of the cities at that time, they were marvellous places. They were great centres of power’ 22. In contrast he describes how currently ‘most Councillors say to me all I deal with is bins and dog-shit’ 23.

Salveson concurs, arguing that power should be devolved to the lowest level possible. He particularly praises parish councils and states that Leeds has some excellent examples of this but that further powers are needed to promote ‘the institutions that people feel belong to them and that they can make a difference by having a voice’ 24. Box believes the main problem is a lack of fiscal control leading to a loss of relevance and status for local government and consequent public apathy. This argument of a loss of power is countered by Carter, who believes that greater co-operation

20. Interview with P. Salveson, 16/11/2015
21. Interview with V. Seddon, 12/11/2105
22. Interview with B. Adams, 18/11/2015
23. Interview with B. Adams, 18/11/2015
24. Interview with P. Salveson, 16/11/2015
25. Interview with P. Box, 04/12/2015
26. Interview with A. Carter, 17/11/2015
between elites across the spectrum would have positive consequences. He states that ‘instead of arguing with each other we’ve got to start talking to the people who make the economy work’ 27. Thus, power held by local elites could increase as a lack of overt conflict would improve the public perception of local politicians encouraging greater devolution of economic and political power by central government.

The second issue raised in the primary data, which links in to Carter’s ideas around co-operation between politicians, is voting reform, and specifically Proportional Representation (P.R.). Salveson argues:

\[
I \text{ think if you had a fairer voting system that would get more people involved and engaged, people would feel their vote was actually worth something and it would actually create a much more inclusive sort of politics where politicians were forced to actually work together rather than the sort of traditional British model of a sort of quite a confrontational form of politics, which again is a big turn-off for people.}
\]

(Salveson, 2015)

There is support for this argument, to varying degrees, from Seddon, Carter, Box, Adams and Golton who believes that although P.R. may not be a long term solution to disengagement it could be useful in the short term. Salveson further argues that the UK is ‘one of the most disengaged societies in Europe…particularly young people’ 28. As Mycock and Tonge point out, however, ‘it is important to disaggregate the more evident decline of loyalty to particular political parties or institutions from wider civic disengagement’ (Mycock and Tonge, 2012, p.155).

27. Interview with A. Carter, 17/11/2015

28. Interview with P. Salveson, 16/11/2015
Worries are expressed about scrutiny of proposed City Mayors and an Assembly elected by PR, as in London, is regarded (Seddon; Salveson; Carter) as an accountable, democratic solution to this problem. As this option is not part of the Northern Powerhouse concept it does suggest that rather than devolving power to a wider range of actors, current devolutionary plans will concentrate power in the hands of a City Mayor, broadly perceived to be unaccountable. This provides further indications of Wilby’s (2015) idea of City Mayors as ‘head of a branch office’ of central government. However, as many of these City Mayors appear likely to be from a different political party to that of central government there is potential for resistance to the centralising tendency evident for decades.

There is also gathering support within local elites for locally designed solutions to perceived local government problems. Adams argues ‘it’s up to us rather than relying on political opportunists in London’ and Box argues against ‘centrally imposed ideas’. Seddon and her organisation Unlock Democracy believe in a locally drafted, written, Constitution for Local Authorities which they believe would provide greater stability to enable long-term planning. This strong feeling against imposed models of devolution among elites suggests a challenge to the second dimension of power (Lukes, 2005) exhibited within current public discourse. Ideas which had appeared off the agenda in the public realm for some time are demonstrated within interview data. In place of an acceptance of the neo-liberal hegemony that appeared to exist within local government, there is evidence of a desire for a return to collectivist policies from within local elites and resistance to top-down devolutionary paradigms and neo-liberal funding models and market orientated structures.

29. Interview with B. Adams, 18/11/2015
30. Interview with P. Box, 04/12/2015
Leeds- A Northern Powerhouse?

Interviewees were asked their opinion on Leeds’ standing within a national, European and World context to gauge elite opinion about the power the City is perceived as projecting. In 2006 Local government Secretary Ruth Kelly was quoted as saying that ‘Leeds is ready to become a leading European city rivalling Barcelona, Frankfurt and Amsterdam’ (Green, 2006, p.1). All participants expressed broadly positive opinions of Leeds, although there were frequent caveats to this positivity. At the lower end of expectations Carter describes Leeds as the major City in the North East of England and ‘that’s the role we should be establishing for ourselves’. Salveson also finds problems with Leeds potential status as a European City stating that it ‘Would like to believe itself as a European City but overall I think it’s quite parochial’. Leigh echoes this and believes there is more value in the Yorkshire brand than that for Leeds perhaps indicative of a problem with identity for people in Leeds leading to the parochialism Salveson mentions.

A comparison with Manchester was drawn by several of the participants. Salveson describes Manchester as ‘unequivocally a European City’, partly through what he considers better political leadership but also artistically and culturally too. This idea that the political leadership in Manchester has proved more effective ties in with perceptions of Richard Leese, leader of Manchester City Council, being part of the Northern Powerhouse agenda in a way that the political leadership in Leeds is not (Ashton, 2014). This then suggests that levels of engagement local politicians have in the process has significant influence on outcomes in terms of power they may acquire.

31. Interview with A. Carter, 17/11/2015
32. Interview with P. Salveson, 16/11/2015
33. Interview with P. Salveson, 16/11/2015
Adams\textsuperscript{34} disagrees about cultural capital in the City evidencing the new arena. He does point, however, to the lack of a high profile football team as an impediment to global recognition, with the obvious comparison being Manchester. There, the role of Manchester City FC in helping to regenerate the East Manchester area is noted by Blakeley & Evans who speak of how ‘the club is undertaking a major investment programme in the area surrounding the (former Commonwealth Games) stadium’ (Blakeley & Evans, 2013, p.33). The city’s other club, Manchester United, are additionally described by Bose (2000) as the worlds’ premier football club bringing awareness of Manchester to a European and global audience. Leigh additionally describes an East/West divide in Northern England in which Manchester is seen to have had better funding and moved ahead of Leeds, thus helping to improve prospects for its City Region. This is also indicative of the market created between cities by the City Deals agenda.

This has potentially been highlighted by Manchester becoming one of the first City Regions to reach a City Deal while Leeds still has not done so. Carter also describes how ‘the Manchester authority, despite its disagreements with a government of another persuasion, has worked very closely with it’\textsuperscript{35}, which supports his belief in cross-party co-operation producing positive outcomes. It further suggests that local authorities co-operating with central governments devolutionary agenda receive greater power, indicative of national governments control of the agenda and potential attempts at supressing conflicting opinions.

There is, however, data produced that shows more ambitious views on Leeds’ status. Seddon describes Leeds as a ‘cosmopolitan city’\textsuperscript{36} which views itself as a European City rather than a national city and it’s additionally described as ‘Definitely on a wider

\textit{34. Interview with B. Adams, 18/11/2015}

\textit{35. Interview with A. Carter, 17/11/2015}

\textit{36. Interview with V. Seddon, 12/11/2015}
European level’. Adams feels Leeds is certainly a European city, and potentially a global city too, with an outward facing profile. The City appears pre-eminent in Yorkshire both in size and prestige and is regarded as prominent on the national stage. Its status as a European city appears less certain and there is a widespread perception that Manchester is ahead of Leeds in economic, cultural, political and indeed devolutionary considerations. Leigh however takes a more optimistic view, stating:

_We want the Northern Powerhouse of England to be regarded as a place where it’s highly-regarded for doing business and so in that sense, will Leeds ever become World Class? Who knows?. But should we set our ambitions any lower than that? No. Of course we wanna [sic] try and get that._

(Leigh, 2015)

**Conclusion**

This chapter examined the perceptions of local elites to the Northern Powerhouse framework. The principal idea emerging around the concept is that it is essentially a creation of the Chancellor of the Exchequer, George Osborne. This idea is viewed negatively by most interviewees as it is considered to be essentially a concept rather than a properly fleshed-out programme. There are concerns, particularly on the left (Box; Adams; Seddon; Salveson), that a Conservative Government is controlling this devolutionary agenda and imposing it on local authorities which are largely Labour controlled, a theory redolent of third dimensional ideological imposition of power. Thus, local government elites while consenting to the Northern Powerhouse concept of devolution, resent its’ overt imposition by central government.

37. Interview with P. Box, 04/12/2015

38. Interview with B. Adams, 18/11/2015
Further, with strong support being provided by business representatives there are indications that financial outcomes and the promotion of a pro-business agenda are significant drivers of the reforms. In political terms, there is some support for the City Mayor model but general concern about the lack of democratic accountability such a potentially powerful figure may possess. Additionally there is a feeling of City Mayors being imposed by central government despite a failed referendum in 2012 which is further indication of the concept of resigned acceptance (Lukes, 1974; 2005), whereby, despite expressing democratic opposition to the City Mayor model there is little overt public objection to its subsequent implementation.

Unsurprisingly participants expressed different ambitions for the Northern Powerhouse, with two issues being identified as potentially important. Firstly, there is a desire for genuine decentralisation of power, apparent from all participants, but considered unlikely as central government was viewed as controlling the devolutionary agenda, This agenda setting is indicative of Lukes’ (1974; 2005) second face of power where covert conflict is evident and local solutions are excluded. The other issue raised is voting reform, with substantial support showing in primary data for a more proportional system of electing a scrutinising Assembly to accompany the City Mayor model. As, neither electoral process changes nor an elected assembly are currently planned, this suggests that local elite opinion is out of step with the Northern Powerhouse agenda. This further implies an imposed democratic model that is unwelcome locally but has met little organised opposition, a paradox predicted by Lukes’ (1974; 2005) third dimension of power.

When asked to assess Leeds’ standing within wider contexts there was some consensus among interviewees. Leeds was broadly viewed as big enough to be regarded as a European City, similar in that respect to Manchester, but perhaps lacking that cities brand recognition. There was additionally an identity
problem between the Leeds publics’ perceptions of themselves as being Leodensians or Yorkshiremen/women. The comparison with Manchester was drawn quite widely with a belief that Leeds was behind in several areas. Perhaps as Manchester was one of the first cities to reach a City Deal and Sir Richard Leese is an integral part of the development and implementation of the Northern Powerhouse this indicates a sense that Leeds has become alienated from the process and has consequently seen its’ power reduced. There is an additional belief that the projected status of the city is then potentially indicative of the perceived power that Leeds holds within the Northern Powerhouse and beyond. As local elites are critical of this perceived status it may represent a critique of a loss of power both for the city and for its politicians.

Further, the break with collectivism indicated by individual City Deals appears to demonstrate increased competiveness among local authorities, representative of increasing neo-liberal, market ideology across the Northern Powerhouse, imposed against the wishes of most local authorities. This paradox demonstrates Lukes (2005, p.109) idea of elites consenting to power whilst still resenting its implementation mode. This idea of unwilling consent will be further explored in the following chapter on administrative devolution and subsequent chapters.
Chapter 2

Administrative Devolution Analysis

Introduction

This chapter will examine the two chief elements of administrative reform within the devolution agenda in Leeds with primary data used to examine the paramount theories discussed within the literature review i.e. Stones’ *Urban Regime Theory* and, particularly, Lukes’ theory of three dimensional power. Firstly, I will analyse the City Region model and how local elites view the validity of this concept and consider whether this is a wholly administrative reform. This will be measured against theories that indicate economic or ideological motives underpinning these structural changes. By replacing the largely left-led local authorities the impression is created that central government is attempting to further its’ political and economic agenda and undermining the power of local government. There is a further belief that increased neo-liberal structures are intended by the competitive nature of City Deals within the City Region model.

The second element of this chapter will be an examination of the other main administrative reform under the Coalition and subsequent Conservative Government. The replacement of Regional Development Agencies (RDAs) by Local Enterprise Partnerships (LEPs) is one of the most discussed areas of change within interview. Whilst once again utilising the theories of Lukes’ and Stones, further analysis will be employed using the wider theoretical literature discussed previously including an examination of the democratic legitimacy and economic competence of the reforms as perceived by the interviewees. As LEPs are broadly viewed as an attempt to weaken the powers of local authorities, individually and collectively, this further suggests diminution of power of local politicians is at the heart of the localism agenda. The previous RDAs were perceived as more collectivist, as they included
more third sector actors such as trade unions, suggesting that LEPs are part of a market orientated devolutionary process.

**City Regions**

A reading of Lukes' *Power: a Radical View* (1974) suggests that the imposition of City Regions deals is indicative of an attempt to implant hegemonic neo-liberal values into local government. As City Regions have to compete for economic resources by satisfying demands from the centre, this idea has traction. However, from primary data collected for this project City Regions are broadly, but with qualifications, accepted by local elites as valid administrative constructs, although their approval derives from different justifications. Leigh states his support, as the model brings ‘real wealth creation and new businesses within the region, overcoming a lack of political neutrality or pro-business leadership’ 39. This ostensibly economic reasoning is supported by Andrew Carter as the City Region model ‘recognises the way local economies work rather than political boundaries’ 40. Box also advocated City Regions for their economic benefits as they are the ‘best model of creating the most growth, most quickly’ 41.

One dissenting voice is Paul Salveson of Yorkshire First who favours a sub-regional level of government, and is a particular admirer of the German system, whereby *Kreise* provide district level governance between the City and State. Salveson 42 however, believes that culturally and politically a Yorkshire Parliament would have more popular/populist appeal and that this cultural and political validity trumps economic considerations outlined by others, which he also questions. The economic justification proposed implies that City regions are essentially an economic construct of central government with the potential to be manipulated by central government.

39. Interview with S. Leigh, 09/12/2015

40. Interview with A. Carter, 17/11/2015

41. Interview with P. Box, 04/12/2015

42. Interview with P. Salveson, 16/11/2015
This apparent imposition of the hegemonic economic neo-liberal ideology and statutory promotion of business interests within, and among local authorities certainly resonates with the concept of Lukes’ third dimensional power. The competitive element implicit in the City Deals is further evidence of this ideological face of power but does find some incipient opposition from within interview data.

There is evident overt and latent conflict between central government proposals which contain ideological elements and undertake to implant greater neo-liberal economic and the collectivist principles within local government and the largely Labour controlled City Regions that constitute the Northern Powerhouse, such as Leeds. Leigh, for example, describes how ‘You’ve got a Conservative Government with this model for devolution giving it to the combined authority which is all solidly Labour controlled’ 43. As this perceived attempt to further embed neo-liberalism into City Regions advances it does provide echoes of O’Leary’s (1987) argument that ‘ideology legitimates decisions taken for other reasons’.

Box agrees, and believes that Conservative MPs locally are attempting to ‘stop a Leeds City Region model based on partisan political reasons’ 44. From a centrist position, Golton also believes that central government is imposing a deal in which increased decision making is exchanged for accepting ‘the model the government is interested in’ 45. This creates a paradox, redolent of Lukes’ third face of power, whereby City Regions, through the City Deal process, are given notionally greater spending potential but at the expense of accepting increased restrictions on spending options through statutory limitations from central government. This idea is further supported by MacLennan and O’Sullivan (2013).

43. Interview with S. Leigh, 09/12/2015
44. Interview with P. Box, 04/12/2015
45. Interview with S. Golton, 19/11/2015
The majority of data gathered for this research suggests that left-leaning elites tend to support City Regions as a potential bulwark against further neo-liberal policies being introduced within local government despite interview data indicating the contrary. Adams sees City Regions potentially combining to help maintain collectivist policies and actions in local government. He also argues that a wider co-operative mechanism would allow for greater regional diversity in industrial growth accompanied by a more integrated transport system. This appears to be at most an unintended meso-consequence of the macro-governmental intention of creating economically competitive City Regions.

All primary interview data suggests administrative change instituted through the City Region model are taken for political, economic or ideological reasons rather than to promote positive administrative outcomes aligned to public demands. This then indicates evidence of third dimensional power as the public within City Regions are offered a vote in a model they have not endorsed or requested, but which Central Government claims to be in their interest. The perceived lack of interest in, or dissatisfaction with administrative reforms is perhaps best demonstrated by Police and Crime Commissioners (PCCs) introduced by the last coalition government despite apparent apathy from the general public. As Golton points out they are considered ‘irrelevant. But if that’s all that’s on offer then you’ve got to run with it’ 47. This is supported by Adams who talks of the ‘lack of credibility and lack of democratic accountability’ 48 of the PCCs. Box is even more scathing of structural changes, pointing out that the large majorities against elected mayors in recent local referenda within the Leeds City Region undermine the legitimacy of their imposition and describing this imposition as ‘a load of bollocks’ 49.

46. Interview with B. Adams, 18/11/2015
47. Interview with S. Golton, 19/11/2015
48. Interview with B. Adams, 18/11/2015
49. Interview with P. Box, 04/12/2015
The consensus, particularly on the left, is that, despite some economic justification, City Regions have been introduced as part of an ideological dismantling of previous local government structures suggesting an attempt to further neo-liberalism within local government and reducing local politicians’ power to resist this economic and political agenda.

Several of the interviewees (Salveson, Leigh, Carter, Golton and Seddon) discuss the competition between City Regions inherent in the devolutionary process and further mention the disadvantage that the Leeds City Region is suffering by stalling on a deal. Many also draw unfavourable comparisons with the Manchester City Region which is seen as leading the competitive process of City Deals thus enhancing the regenerative efforts of the New East Manchester (NEM) urban regeneration project, detailed by Blakeley and Evans (2013). Respondents, on the left in particular, are critical of the lack of a redistributive process within local administrative reforms. Andrew Carter however disagrees, describing the previous redistributive element of the RDA model as ‘a South Yorkshire slush fund’ 50. The competitive element to the City Region model inherent within the administrative devolution process appears redolent of an attempt to extend an economic and structural neo-liberal hegemony to local government, particularly in Labour strongholds such as the Leeds City Region containing the five West Yorkshire Metropolitan Councils of Leeds, Bradford, Wakefield, Kirklees and Calderdale.

Local Enterprise Partnerships (LEPs)

The general consensus around LEPs, from primary data gathered through interviews could broadly be described as negative but improving. All the respondents with the exception of Box, who is a board member on Leeds City Region LEP, are critical, particularly of the creation and early stages of Local Enterprise Partnerships. Leigh, Seddon, Adams and Salveson express a preference for the previous Regional Development Agency (RDA) model.

50. Interview with A. Carter, 17/11/2015
They argue that RDAs were abolished largely as a political move to reduce the influence of what Adams describes as ‘third sector and trade union’ actors. Additionally there is a belief that RDAs were abolished with little or no thought to what a successor agency might be and that LEPs were largely an ‘afterthought’.

Significant support for the view of Phillips (2010) and Johnston (2014) that the biggest problem for LEPs, initially at least, was an inadequate funding level also emerges from primary data. Carter, who is broadly supportive of LEPs, describes how they got off to a slow start ‘partly because sufficient funding wasn’t available’. He does however believe this problem has now been rectified and that increased funding has seen LEPs improve on the previous RDAs. The concern around funding levels is shared by business representatives such as Leigh who argues that ‘they’ve never had any funding with which to operate’. Therefore the two interviewees who might be expected to be most positive about the potential for greater business involvement in local development agencies because of their respective constituencies are actually relatively critical. Salveson further critiques LEPs as under-resourced and compares the model unfavourably with European systems, which he argues, receive better funding and are additionally more representative of the different sectors within local power structures.

Primary data then supports the view of Doyle (2013) who argued that economic centralism was at the heart of the introduction of LEPs as the lack of central government funding and the controls on its spending are indicative of further consolidation of economic power over local administrative agencies.

51. Interview with B. Adams, 18/11/2015
52. Interview with V. Seddon, 12/11/2105
53. Interview with S. Leigh, 09/12/2015
54. Interview with S. Leigh, 09/12/2015
As business participation has also increased, at the expense of third sector actors, this implies an attempt to further the dominant economic ideology through administrative restructuring under the guise of devolving elements of spending power to local agencies. Private finance has been introduced into public sector schemes at a regional level without any serious debate (Ruane, 2010) indicative of a covert, non-decision making face of power, Lukes' (1974; 2005) second face of power, in which increased public expenditure and control of expenditure, has become a non-option.

This suggests a deepening of the inherent contradiction, as highlighted by Davies (2004), between business interests and democratic requirements and the deficiency with regards to representation of either constituency. This representative deficit was mentioned by Adams, who argues that the reason given for the replacement of the Yorkshire Forward RDA is that it ‘was abolished because it was undemocratic. Unfortunately so is the LEP’ 55. This lack of representative legitimacy is also noted by Golton with regards to the business sector, ‘Just because you’re talking to some business people doesn’t mean that you’re talking to business as a whole’ 56. He also argues that although LEPs were intended to be more relevant to the economic needs of business and politicians the overall perception of those outside the partnerships does not support this argument. The notion of a less representative agency is mentioned by all interviewees, although they emphasise different aspects of this deficiency partially predicated on their own constituency.

Interviewees with a pro-business agenda such as Leigh or Carter express concerns about the lack of business representatives on LEP committees whilst interviewees such as Adams or Seddon from a leftist position are worried by excessive business control over LEPs agendas and composition.

55. Interview with B. Adams, 18/11/2015

56. Interview with S. Golton, 19/11/2015
This leftist position is indicative of a fear of a Conservative Government’s attempts to further its economic and political ideology into local government against the wishes of elected local councillors and arguably thereby the local electorate. This supports a reading of the Northern Powerhouse concepts’ administrative devolution as indicative of Lukes’ third face of power in which an attempt is made to influence peoples’ opinions through ideological reshaping of local power structures. It further demonstrates characteristics of the path dependency seen within the historical institutionalism of Skocpol (1979) or Pierson (2000) in which decisions taken at each critical juncture are more likely to affect (or limit) downstream policy choices which makes continuing on the path set at the outset more likely.

The exception to this view of increasing central government control of local institutions, however, is Peter Box who as Labour leader of Wakefield Council and the West Yorkshire Combined Authority might have been expected to be as critical as others on the left within elite power structures. He is however a strong supporter of the work of the LEPs, if not perhaps their inception, and was keen to point out the documented successes of the Leeds LEP and their support from the Prime Minister.

This indicates the extent to which development agencies had progressed through recent government reforms from the findings of John and Cole (2000) who believed that a small number of local politicians controlled the RDAs. Salveson disagrees, however, stating that power still ‘lies with a very small group of politicians in the centre of Leeds’.

Further, he argues that there has been ‘a gradual shift away from local authorities and local democracy towards the centre, although there’s been a lot of rhetoric about localism from both this government and the previous Labour government’.

57. Interview with P. Box, 04/12/2015

58. Interview with P. Salveson, 16/11/2015

59. Interview with P. Salveson, 16/11/2015
Vicky Seddon further points to the statutory instruments that had been imposed on local government thereby reducing local government’s scope for spending decisions and priorities. All interviewees believed that power had moved away from City Regions, like Leeds, towards central government as a consequence of the actions of successive governments of different political hues. Box describes the UK, contentiously, as ‘the most centralised state in Europe’, a statement echoed on the opposite side of the political spectrum, as ‘The UK’s one of the most centralised democracies in Western Europe’. Interestingly when asked where power lies within City Regions i.e. whether with local politicians or more centrally both Leigh and Adams talked about power as exercised by regional enterprise agencies.

This appears redolent of an economic view of power consistent with a growing neo-liberalism within real structures of local governance. However, Stones’ Urban Regime Theory (1974) suggests the amount of central government funding of local government should insulate them from business domination but this is counteracted by statutory financial considerations, which favour business interests over local governance particularly within the procurement process. This is further highlighted by the reduction of government financing and the increased hypothecation of that funding into specific areas as alluded to by Seddon. As Waite et al. (2013) point out a reduction in funding with greater strictures on spending restrictions is counter-intuitive with devolution of administrative power. The issue of financial devolution appears implicit within administrative devolution and this link will be further explored within the following chapter.

60. Interview with V. Seddon, 12/11/2015

61. Interview with P. Box, 04/12/2015

62. Interview with A. Carter, 17/11/2015

63. Interview with V. Seddon, 12/11/2015
Conclusion

Lukes’ paradigmatic work about power structures and the different faces of power have been explored in this chapter. Initial investigations through secondary research provided evidence of both covert and ideological power, (Lukes’ second and third faces of power), implicit within the Northern Powerhouse concept of devolution. Primary data however suggests greater endorsement of City Regions and Local Enterprise Partnerships with both finding some support within local elite opinion. City Regions, although ostensibly administrative constructs are considered by all respondents as justified by economic criteria. All interviewees agree, an economic construct, with neo-liberal ideological underpinning, has been imposed by central government rather than decided at a local/regional/city level.

This ideological imposition is indicative of Lukes’ third dimensional power being implicit within the City Region model. However, interviewees on the left stated their belief in City Regions as a potential bulwark against this further institutionalisation of hegemonic economic principles suggesting resistance to this domination of power by central government. Those on the political right, conversely, view City Regions as advancing business interests within local governance, indicative of the market orientated approach of neo-liberalism. Both perspectives are paradoxically salient considering the ongoing potential to shape and inform the direction of City Regions within deals offered through the Northern Powerhouse agenda.

There are additionally elements within City Region deals indicative of the structuralist work of Stone. Through ideological influence on structural reforms, potentially destructive tension (Davies, 2002) is created between liberalism and democracy. Consequently democratic outcomes are subservient to neo-liberal ideology, particularly in regard to directly elected City Regions and their competitive City Deal agenda. Further to this, covert conflict is apparent through central governments apparently paradoxical model
in which increased central control of devolved power is inherent to the Northern Powerhouse concept. Leeds City Region is generally considered among interviewees to have fared poorly through the Northern Powerhouse City Deal agenda but blame for this is largely laid on local politicians rather than the scheme itself and critical comparisons are made with other City Regions, particularly Manchester which is widely considered as the leading example of a regenerative paradigm (Blakeley & Evans, 2013).

The replacement of RDAs with LEPs is however classed by interviewees as a political rather than an administrative decision with divisions along political lines in support for this restructuring model. Those on the right and pro-business side (Carter; Leigh) believe LEPs allow for greater business participation in local government which, while potentially diluting political power, improves effectiveness. Most on the left and centre (Adams; Golton; Salveson & Seddon, but not Box) believe LEPs were introduced as a way of increasing private business influence within local government and institutionalising competition among City Regions at the expense of the previously more collectivist ethos among Labour dominated Councils. This line of thinking evidences an extension of the hegemonic political and economic ideology, achieved through a practically uncontested model, emblematic of Lukes’ thinking on non-decision making i.e. his second face of power.

All respondents express concerns about perceived democratic deficiencies within the LEPs structure contrary to the stated aim of improving accountability and decentralising power. There are certainly traits of path dependency evident within these reforms as, despite misgivings about both LEPs and City Regions, there is practically no opposition to them and a pervasive sense of inevitability exists around these reforms. All interviewees believe there is ongoing centralisation of power away from Leeds through administrative restructuring by successive governments. As Seddon points out, elements of financial control are to be devolved under administrative reforms but statutory instruments are paramount in allocation of spending areas.

64. Interview with V. Seddon, 12/11/2015
Thus, Central Government increases its ideological control over local government under the guise of decentralisation, demonstrating third dimensional power. This devolution of financial control will be further discussed in the chapter 3.
Chapter 3

Financial Devolution

Introduction

This chapter analyses the financial aspects of devolution within the Northern Powerhouse agenda. Firstly, the paramount spending scheme of the Conservative Governments devolutionary and regenerative agenda will be examined. Around £50 billion is earmarked for the High Speed 2 (HS2) project which will terminate in Leeds and further funding is posited for an upgrade of the East/West line, known as High Speed 3 (HS3). Local elite interviews suggest HS2 is broadly unwelcome and reasons for this will be examined.

Further analysis will be presented in respect of the effects of such large scale infrastructure projects on power dynamics, in addition to regeneration outcomes. The emphasis will be on examining developments, through the prism of Lukes’ three dimensions of power, between local and national politicians and also how neoliberalism is advanced through private finance’s involvement in these projects. The proposed, but questionable, regeneration benefits will be examined utilising Banister and Thurstain-Goodwins (2014) three criteria theory of macro, meso and micro effects. I will additionally examine the competence of local and national governments to execute large scale infrastructure projects using the premises proposed by Docherty (2009) and Kuinersma, Arts and van de Zeuwen (2012).

Secondly this chapter will examine tax and spending reforms from central government, classed as part of the devolving of power under the Northern Powerhouse agenda. Changes to Council Tax and its capping, along with the reduction in the redistributive element of business rates will be examined, concentrating on the effect these reforms bring to the power dynamic between various actors. The imposition of statutory limitations on local authority spending and the increased strictures around potential new funding will illustrate
discussions around a perception of imposed centralism at odds with the government’s rhetoric of increased localism. As these impositions suggest an extension of neo-liberal hegemony within local government, this theory will be explored through primary data collected from local elites. Additionally third dimensional power as described by Lukes (1974; 2005) will be used to analyse financial decisions and their effect on devolution of power in addition to the perceived limited input local politicians have in this project.

Transport Infrastructure Investment

Transport infrastructure investment, particularly High Speed 2 (HS2), is arguably the chief financial totem of the Northern Powerhouse agenda and thus an area where perceptions from interview data appears particularly salient for this research. When examined through Robinsons (2010) ‘five R’s’ model, in which investment is measured against reconstruction, revitalisation, renewal, redevelopment and regeneration only one interviewee suggested a property led regeneration for the HS2 project. Although Robinson believes this type of publicly funded and directed regeneration had now ceased, Salveson does refer to HS2 as a ‘property led scheme’ with the aim of ‘regenerating run-down parts of Leeds’.

He states however that though regeneration is a worthy goal, £50 billion is too much to invest ‘just around regenerating a bit of Leeds’.

There are comparisons here with the re-generation of East Manchester under the New Labour Government, where many residents benefited but additionally ‘capital, particularly in the form of property development companies, also benefited’ (Blakeley and Evans, 2013, p.191).

65. Interview with P. Salveson, 16/11/2015

66. Interview with P. Salveson, 16/11/2015

67. Interview with P. Salveson, 16/11/2015
Additionally, referencing the post-financial crisis situation they find, ‘public spending is unable to compensate for the departure of property companies in investing in development’ (Blakeley and Evans, 2013, p. 34). No other primary data collected points to the narrow regeneration agenda within Leeds mentioned by Salveson 68, suggesting that Robinson’s belief in a cessation of public sector funded and directed regeneration for specific economically troubled areas has traction.

Salveson and Leigh, who are arguably best-placed to comment on transport investment owing to their knowledge of, and involvement in this area, critique the siting of the new Leeds High Speed Station. The main concern is that the new HS terminus will be some distance from the existing Leeds Station and therefore reduces connectivity between new and existing rail lines. Leigh blames this lack of connectivity on a belief that the link to Leeds was an ‘afterthought’ 69 to the original London-Birmingham-Manchester proposal. This suggests a further fear for Leigh that if the project were to implement future cost cuts the first reduction ‘would be the bit that goes to Leeds’ 70. There is additionally a belief that the site was chosen for its availability and low price (Burt, 2014) rather than it being the best location, which gives some support to the regeneration theory of Robinson (2010).

The notion that HS2 has been poorly planned and is of dubious value to Northern Powerhouse cities such as Leeds is commonplace among respondents (Adams; Golton; Seddon; Salveson and Leigh). Even those who are broadly supportive of the concept are critical of large aspects of its evolution.

68. Interview with P. Salveson, 16/11/2015

69. Interview with S. Leigh, 09/12/2015

70. Interview with S. Leigh, 09/12/2015
Carter, perhaps the scheme’s biggest supporter, believes the biggest problem is that ‘it’s not been sold properly to the vast majority of the population’ 71 further indicating little public support for the project. Without support from local elites, or the public, it appears that the imposition of this national rail project through the Northern Powerhouse concept is consistent with an ideologically derived model being imposed within local transport infrastructure by national government, with limited opposition indicating third dimensional power. This perception, allied with other interview data on administrative devolution (City Regions, LEPs), and added to political devolution discussed in the next chapter, suggests this ideological face of power is implicit throughout the Northern Powerhouse agenda.

There is evidence demonstrating a reduction in local/regional power to allocate transport investment, as data shows this to be led and planned by central government in conjunction with private finance. None of the interview data shows local politicians or third sector groups having any significant input into the HS2 scheme. However, Docherty’s (2009) theory that local and regional governments no longer have the capacity or power to plan large scale projects of this kind offers support to the concept of Kuinersma et al (2012) that only national government has the power to plan these large scale projects. Golton points out, however, that despite HS2 being marketed as a Northern Powerhouse project, ‘it’s not. HS2 is a national rail project’ 72. This argument finds support from Carter who states that current thinking on HS2 is ‘underlining the benefit to the entire rail system’ 73.

71. Interview with A. Carter, 17/11/2015
72. Interview with S. Golton, 19/11/2015
73. Interview with A. Carter, 17/11/2015
The dichotomy between a belief that local government should have greater control over the project allied with a belief that only national government is capable of such planning and execution appears unresolved among local elites. There is additional evidence of third dimensional power here as, although there is no enthusiasm for the HS2 project among local elites, there is an acceptance that it will happen, suggesting acquiescence to the ideological underpinnings of the project despite widespread resentment of its imposition and execution.

The cost/benefit analysis (CBA) around HS2 is equally unclear with concerns expressed by the elites interviewed for this project. In comparison with the regeneration of East Manchester there is perceived to be little potential for local benefits within Leeds whereas the Metrolink tram services created in Manchester were considered ‘fundamental to maximise investments, attract and retain residents and business’ (Blakely and Evans, 2013 p.61). Golton, for example, believes HS2 to be too much of a long-term project to be practical and therefore not fulfilling the need to ‘ramp up economic investment’ 74 in the Leeds City Region.

Several respondents (Salveson; Adams; Golton & Leigh) worry about the potentially escalating cost, with Carter expressing the belief that it is ‘very likely to escalate further’ 75. This perhaps has echoes of the pioneering PFI-funded Royal Armouries Museum (RAM) in Leeds where costs rose and income was less than expected resulting in the private companies behind it having to be bailed out by Central Government.

74. Interview with S. Golton, 19/11/2015
75. Interview with A. Carter, 17/11/2015
This suggests the covert conflict postulated by Bachrach and Baratz (1962) and specifically Lukes (1974; 2005), as ultimate power appears to be controlled by central government at the expense of local politicians or even private finance. Consequently, the status quo arrangements would continue, with central government potentially underwriting the risks taken by private finance and acting as an enabler for the non-decision making dynamic which maintains the hegemonic economic structures of major projects pioneered by the RAM.

The need for investment in a scheme that shortens journey times marginally between Leeds and London is also questioned. Adams feels the reduction in travel times between Leeds and London is negated ‘if it takes an hour to get from Bradford to Leeds’ 76. Salveson further describes how HS2 becomes potentially ‘disconnected from the rest of the network’ 77 due to its lack of integration and Seddon speaks of a ‘lack of connectivity through the North’ 78 which isn’t helped by HS2’s stand-alone structure.

The biggest critic of HS2 however is Steven Leigh who is particularly critical that under current HS2 plans, ‘those trains are going into those cities and stopping’ 79 as the terminus status of both Leeds and Manchester mean that passengers have to then transfer to current stations rather than making these North/South lines connect through existing or new East/West stations. This lack of connectivity suggests that HS2 would fail Bolden and Harmans (2013) third criterion for a successful investment i.e. good connectivity with current local services, as discussed in the Literature Review.

76. Interview with B. Adams, 18/11/2015
77. Interview with P. Salveson, 16/11/2015
78. Interview with V. Seddon, 12/11/2015
79. Interview with S. Leigh, 09/12/2015
Indeed Leigh is very sceptical of the whole genesis and planning of HS2 believing that politicians have been sold a design by the company behind HS2 without much thought being given to the concept or economics behind it.

*But the fact is that most of the politicians, and we deal with lots of politicians all the time, they have to absorb huge amounts of information on all sorts of things. They are trusting the people at HS2 to have presented them with an optimum design for a railway because they don’t know the detail, they don’t have the benefit of having it explained to them and so they believe in it and when the party whips come and say we’re gonna [sic] go for high-speed rail, it’s become blurred. High-speed rail doesn’t necessarily mean HS2. High-speed rail is a concept. HS2 is a specific design.*

(Leigh, 2015)

This suggests it is the market that is leading the pursuit of a North/South high speed rail link and that Central Government has become more of an enabling mechanism to allow private companies to build this scheme, as noted by Harloe (1995) and Allen (2001). However as Golton argues, national government ‘see the Northern Provinces as an opportunity to enable them to deliver their priorities from the centre’ suggesting that Hastings (1996) and Preston (2012) are more accurate in describing the trajectory of power away from the regions towards the centre particularly under what they describe as neoliberal policies.

Thus, as private finance increasingly moves into local public sector structures through national government’s legislation and ideological direction, local politicians lose influence and private companies become increasingly powerful.

80. Interview with S. Golton, 19/11/2015
There is a consequent increase in the power of the centre and particularly private finance at the expense of local authorities. This ideological bias towards private finance is indicative of the neo-liberalism element within the Northern Powerhouse and of third dimensional power as grudging acceptance of such ideology appears common amongst local elites.

Primary data collected from elite interviews shows that while HS2 is viewed sceptically, an improved Trans-Pennine service, the putative HS3, has support across the political spectrum. There may be elements here of resistance to the imposition of HS2 as the paramount transport infrastructure investment component of the Northern Powerhouse. There is certainly, however, a consensus that such a local scheme would fit the three cost benefit impact levels proposed by Banister & Thurstain-Goodwin (2014). In macro terms Carter and Adams, political opposites, talk of the potential for HS3 to help improve economic growth across the Leeds City Region by aiding the movement of goods 81 and the workforce 82. On a meso-level, Leigh is very supportive of the potential for attracting businesses and populations through investment stating ‘you ask businesses across the North and regional and trans-Pennine communication, the Northern Powerhouse communications, are far more important than North/South’ 83. He believes that this type of investment helps attract business to the area which allied to the ability of workers to travel more easily potentially leads to the increased agglomeration described by Coombes et al (2008). The micro effect on land and property close to infrastructure is alluded to by Salveson in his comment about ‘regenerating run-down parts of Leeds’ 84 and echoes Blakeley and Evans’ (2013) work on East Manchester’s regeneration.

81. Interview with A. Carter, 17/11/2015
82. Interview with B. Adams, 18/11/2015
83. Interview with S. Leigh, 09/12/2015
84. Interview with P. Salveson, 16/11/2015
All respondents discussed the poor quality of the existing East/West infrastructure and its negative effects on economic growth for the Leeds City Region and the wider Northern Powerhouse. Indeed recent data published by the Centre for Cities showed public transport use in Leeds falling by 1.52% between 2001 and 2011 (Centre for Cities, 2016) demonstrating the disillusionment with local networks mentioned by several participants. Golton and Salveson additionally mention the ‘pause’ to investments following the 2015 election with Golton sceptical about the ‘unpausing’ that followed, stating:

_They’ve been talking about electrification of the line for quite a long time. That got delayed as soon as the government came in again, or rather it was paused. Then they said, oh it’s back on track but they haven’t actually brought it back on track in terms of giving a date for deliverability._

(Golton, 2015)

There is then a suggestion that central government has ultimate control over infrastructure investment in the region thus contradicting their rhetoric of devolving spending to the Northern Powerhouse. Any attempt at an ideological move to extend central power and further neo-liberal hegemony into regional transport structures does seem to be increasingly questioned by local elites although how much support exists for this critique from the general population is unclear and beyond the scope of the current project.

Kuinersma _et al_ (2012) discuss how fragmentation of regional structures makes planning major projects increasingly difficult but also view this fragmentation making regional opposition to major projects more difficult too. This potential is perhaps indicative of an emergent resistance to the imposed hegemonic neo-liberal position, which remains latent currently, but is beginning to find expression. There appears further potential for political devolution, as currently proposed through the City Mayor model, to allow this latent opposition to become more overt, although there is no suggestion
this is part of central government plans. This possibility will be further outlined in chapter 4.

Regarding the environmental element of Banister & Thurstain-Goodwin’s (2011) cost benefit analysis tests, HS3 certainly appears a more productive model, as expressed by Carter and Salveson. The criteria that most concerns elites within this research however is the ability of integration within the regional rail transport network to bring about economic benefits for the Leeds city Region. Golton includes broader integration aims for transport stating:

*if you covered the rail infrastructure which connects Leeds and Manchester and ultimately the two ports as well then you sort of cover your issues around airports as well because that means that Manchester airport is even more accessible to the entire North of England as opposed to just the North-West.*

*(Golton, 2015)*

Box, who has considerable influence as chairman of the West Yorkshire Combined Authority, states that ‘what we’re gonna [sic] do is to make sure that there’s connectivity right across the North’ 85. This aim is supported by Salveson who argues that it’s necessary to be ‘really looking at getting much better connectivity between the cities and large towns of the North of England’ 86. The interconnectivity that primary data shows interviewees most wanting, supports Docherty’s (2009) theory that region wide strategic transport plans produce the best economic and re-generational results for regions and cities.

Docherty’s (2009) further criticism of UK regional transport in comparison with continental Europe finds support among some of the local elites interviewed for this project.

85. Interview with P. Box, 04/12/2015

86. Interview with P. Salveson, 16/11/2015
Salveson in particular draws comparisons with Germany which has a similar fragmented system of railway ownership but believes that this can be overcome, ‘you can do it with different operators if you’ve got some sort of coordination between them, which can only come from national government’ 87. Leigh 88 also makes critical comparisons with high speed rail in Europe and argues for greater strategic planning in large scale infrastructure projects.

There is support within some sections of local elites for a halt of the state to market drift described by Allen (2001) and a desire within some sectors to see greater centralisation of planning of major projects as noticed by Hastings (1996) and Preston (2012). However, as the neo-liberal agenda of privatised transport structures appears currently unchallenged there appears to be little prospect of imminent change. Further, the lack of planning capacity within local authorities provides support for the notion of ‘hollowing out’ of local government as described by Rhodes (1994) and further explored by Ayres and Stafford (2011) and Rees and Lord (2014), as previously discussed in the literature review.

There also appears to be evidence of Lukes’ third face of power in which local elites, whilst critical and sceptical of the merits of HS2, have accepted the agenda of high speed rail infrastructure investment as a valid regenerative project for the Leeds City Region. Even those with doubts about the planning or costs of the scheme, (Leigh; Salveson; Adams; Golton), give the impression of yielding to the non-decision making power exercised by central government through tacit acceptance of high speed rail schemes. Elements of ideological power are additionally displayed by the potential for private finance to be further manoeuvred into public regeneration projects.

87. Interview with P. Salveson, 16/11/2015
88. Interview with S. Leigh, 09/12/2015
This business-centred approach is further evidenced by Leigh who worries that HS2 needs to be more egalitarian than currently planned ‘so that not just business on an expensive ticket can use it but the masses can use it too’ 89. This signifies an element within a continuing shift in power from local government towards central government, but also a broadening of power held by private finance.

**Tax and Spend - Local Finances**

Interview data demonstrates that financial devolution is considered vital in any genuine devolution of power. Box states that ‘we want fiscal devolution because without it you don’t have devolution’ 90 and Salveson argues ‘unless you’ve got control over your own resources any talk of local or regional autonomy rings very hollow’ 91. The austerity measures that have been part of central government spending decisions have contrarily led to financial decision making becoming limited. Golton states:

> that’s why fiscal responsibility is key to actually achieving any kind of, not just accountability but credibility. And I’m not just talking about the general population, I’m talking about the business community as well

*(Golton, 2015)*

Increasing austerity imposed on local government, allied to an extension of contracting out services, as mentioned by Adams 92, plus a perception from local elites of a lack of tangible devolution of power appears to fit Davies’ (2004) theory of destructive tension being created between business and political power brokers.

89. Interview with S. Leigh, 09/12/2015

90. Interview with P. Box, 04/12/2015

91. Interview with P. Salveson, 16/11/2015

92. Interview with B. Adams, 18/11/2015
Whilst appearing to offer greater devolved financial power through the Northern Powerhouse model, it appears that increasing conditionality around spending options and reduced central funding actually reduce the power of regional governments, such as the Leeds City Region. In his revised version of *Power: A Radical View* (2005) Lukes’ expanded definition of power includes ‘power to’ as well as ‘power over’ and it is this revised definition that is perhaps most salient in this instance. By reducing the options for local authorities to spend in certain areas and legislating for further privatisation of public services the ‘power to’ Lukes describes is significantly reduced by central government, to the benefit of private finance.

The chief element in the devolutionary package in financial terms is perceived to be the City Deals model. These deals have been promoted as offering increased funding and devolved spending powers by the Conservative Government and George Osborne, the Chancellor of the Exchequer, in particular. Giovannini describes how in its application for a City Deal, Leeds views itself as ‘an ‘economic powerhouse’ in its own right, with dynamic urban and rural areas, a coherent geography, a self-contained labour market and existing synergies between its cities’ (Giovannini, 2016), creating an impression of a confident City Region in negotiations.

Interviews with local elite actors, however, indicate significant distrust and opposition to these deals. Part of the deal is a promise of £30 million extra in finance provided by central government to city regions such as Leeds but this is viewed as inadequate. Adams talks of how Leeds City Council has ‘lost over 50% of its budget’ and Seddon describes how the money gained is ‘less than the money that’s gonna [sic] be cut out of the budgets of those local authorities in the comprehensive spending review’.

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93. *Interview with B. Adams, 18/11/2015*

94. *Interview with V. Seddon, 12/11/2015*
This paradox of an initial reduction in funding followed by a promise of further money if City Deals are reached appears indicative of Lukes’ theory of uneasy acquiescence, in which local financial autonomy is imposed by the centre. The most strident opposition to the proposed funding comes from Peter Box who states:

_The amount Osborne’s given us in terms of the regional growth fund equates exactly to the amount he’s taken off us in local government. So he’s robbing local government to give to the private sector to say there you are, you’ve got the money to be able to do things. It’s sleight of hand._

(Box, 2015)

There are two interviewees who are broadly, if conditionally, supportive of the City Deals. Firstly Andrew Carter believes the reduction in central funding ‘underlines the need to progress as fast as possible with the Northern powerhouse project’ 95. Secondly Steven Leigh who believes regional authorities need to take the money while it’s on offer as ‘it’s a moveable feast, politics’ 96 and the £30 million on offer could be withdrawn. There appears to be consensus among participants that the model is centrally driven, and for those on the left particularly, ideologically constraining.

There are beginnings of a shift in Lukes’ second face of power, the non-decision making element, visible within the data collected. Adams 97 talks of how the local authority in Sheffield are considering taking some services back in-house and there is support from all respondents for a more redistributive form of financing whereby wealthier areas, or those with larger business rates incomes, contribute to subsidising poorer areas.

95. Interview with A. Carter, 17/11/2015

96. Interview with S. Leigh, 09/12/2015

97. Interview with B. Adams, 18/11/2015
This potentially indicates an emergent opposition developing among local elites, indicative of a nascent opposition towards the dominance of the neo-liberal paradigm within local authority financing.

Previously these opposing opinions had been diminishing and the privatisation of local public services and creation of markets had become the hegemonic model, but there does appear to be increasing divergence from this within Leeds City Region elites. This may be an unintended consequence of the devolutionary process which could bring benefits to the political left and its desire to oppose the neo-liberal agenda. National government appears not to have considered the possibility of a potential for opposing the hegemonic economic position being created and this, unexpectedly, could benefit those with conflicting opinions. However, there are also indications of an acceptance that the Northern Powerhouse and its model of City Deals is currently the only option available and must be reluctantly engaged with.

Third dimensional power does appear evident from the primary data collected for this project as new money promised as part of the City Deals is conditional on requirements that display elements of the ideological face of power. Golton outlines how ‘anything to do with local finance is regulated from the centre. Ideologically’ and Seddon talks of how funding is increasingly earmarked, and for local authorities ‘there are legal obligations of them and what they can spend their money on’.

This expanding stricture around spending options is indicative of an attempt to further the ideological hegemony of neo-liberalism as local authorities are increasingly legally obliged to follow a privatising and pro-business agenda. There is also the imposition of City Mayors as part of the City Deal process which will be examined more fully in the next chapter, but Leigh worries that once a

98. Interview with S. Golton, 19/11/2015

99. Interview with V. Seddon, 12/11/2015

100. Interview with S. Leigh, 09/12/2015
deal is done for an elected City Mayor that funding streams promised as part of this deal may be stopped. Some participants expressed regret that Leeds has not yet reached a deal unlike other Northern Powerhouse cities, such as Manchester in particular which is perceived to be leading the proposed devolutionary agenda.

Respondents were asked to comment on the concept of an increased devolution of tax raising powers to local authorities and their answers fell into two categories. Firstly there was analysis around existing local authority revenue raising systems, particularly Council Tax and Business Rates. The big worry amongst local elites about developments in Council Tax was the issue of capping by central government and the central government domination implied by this. Andrew Carter believes that ‘on domestic rates the cap should be removed and council’s should be required then to justify to their electors, as the National Government has to, what it’s doing’ 101. Other participants share this concern with two of them (Golton and Seddon) mentioning the current rule that to increase Council Tax by more than 2% local government would have to hold a referendum. Golton is particularly critical as:

A referendum costs a whole loada [sic] money. For a government which talks about trying to cut red tape and bureaucracy, to actually ask for a referendum at each point that you actually want to do what you’re meant to do as a democratic representative, which is to make a deal with the population

(Golton, 2015)

This imposition of tax raising restrictions certainly suggests a shift to what Golton calls an ‘anticentrifugal thing which means that everything actually spins towards the centre as opposed to spins out’ 102.

101. Interview with A. Carter, 17/11/2015

102. Interview with S. Golton, 19/11/2015
This appears inimical to devolution of financial power and instead suggests increasing attempts by central government to embed its austerity agenda within local authority taxation frameworks. In turn, this is redolent of third dimensional power, as local government is required to conduct cost-cutting measures they don’t support, but are powerless to resist because of central government legislation and the hegemony of an austerity agenda.

Allowing local authorities to retain increased percentages of the business rates collected informs the debate about the potential imposition of further neo-liberal ideology into local government finances. Primary data collected for this project shows local elites are worried by potential outcomes of this change. Adams points out that flourishing regions with successful business communities will fare better than more deprived areas, thus ‘Somewhere like Leeds might do quite well but if you look at Barnsley or Bradford…(less so)’ \(^{103}\). The previous redistributive element between local authorities for business rates was praised by all participants, including representatives of business interests. Leigh states his support as it helps areas with little industry or business bases - ‘Northern Powerhouse places, indeed particularly if it’s just West Yorkshire’ \(^{104}\). Seddon supports this view and regrets that the ‘Coalition government changed the funding formula for local authorities so that deprivation was much less taken into account’ \(^{105}\). Central government has portrayed these moves as an attempt to give more financial independence to local authorities by lessening the imposition of central funding formulas but the general consensus among interviewees is that Northern Powerhouse cities will suffer as

\(^{103}\) Interview with B. Adams, 18/11/2015

\(^{104}\) Interview with S. Leigh, 09/12/2015

\(^{105}\) Interview with V. Seddon, 12/11/2015
'you've got an incredibly strong economy in London and the south east with a much weaker economy in the North'\textsuperscript{106}.

The move away from redistribution of business taxation between authorities is redolent of the neoliberal competition for funding described by Gonzalez and Ooosterlynk (2014) and part of a move towards increased competition between City Regions as noted by Waite et al (2013). This competitive element also emerged from primary data with Adams\textsuperscript{107} noting the potential for businesses to be able to exploit the situation by perpetually moving their base to whichever local authority offers the most attractive business rates.

Consequently businesses have potentially less investment in cities with the prospect of cities facing bankruptcy as their business base becomes increasingly temporary. By increasing the competitive element between City Regions and reducing the redistributive component of the business rate system local governments have reduced power to make financial decisions. This further implies an ideologically neo-liberal structure being instituted within ostensibly devolutionary schemes indicative of third dimensional power. Cities within the Northern Powerhouse, such as Leeds, are influenced to support a less redistributive system of business rates despite the potential for outcomes opposed to its own, City Region wide, self-interest.

**Leeds and the Financial Crash 2008**

For Gonzalez and Oosterlynk the financial crash of 2008 and its effect on Leeds led to a contiguous process of neo-liberal ideology being imposed on Northern Powerhouse cities. Although expanding under the New Labour Government (Wilkinson, 2007) this appears to have escalated under the following Coalition and Conservative Governments.

\textsuperscript{106} Interview with P. Salveson, 16/11/2015

\textsuperscript{107} Interview with B. Adams, 18/11/2015
Data collected from Leeds elite actors strongly suggests that, despite its status as the ‘financial capital’ of the Northern Powerhouse, Leeds did not suffer commensurately. Salveson states that he ‘didn’t get the impression that Leeds suffered disproportionally as a city’. Carter agrees, stating ‘we’ve suffered in recessions, of course we have, but in my lifetime we’ve tended to be hit less hard and recovered more quickly. And that’s certainly what’s borne out now’.

The consensus from interview data is that unlike some other Northern towns and cities Leeds, despite its large financial sector, maintained a ‘broad base’. Leigh compares Leeds broad economic base, which still has a substantial financial services industry, with ‘a place like Halifax where one employer is half, you know, if Lloyds Bank pull out of Halifax they’re in big trouble. They’ve got a skewed sort of distribution of types of business’. Thus, while Halifax has become dependent on one large financial sector business Leeds’ business sector contains greater diversity. Also makes the point that much of Leeds’ banking sector is in ‘day-to-day banking services’ as opposed to the international finance that experienced the greatest difficulties in 2008. Adams however notes that while those employees working in financial services were able to absorb wage freezes and reduced hours it was those ‘people at the bottom who got made unemployed’ and suffered the most from the economic crash.

108. Interview with S. Leigh, 09/12/2015
109. Interview with P. Salveson, 16/11/2015
110. Interview with A. Carter, 17/11/2015
111. Interview with A. Carter, 17/11/2015
112. Interview with S. Leigh, 09/12/2015
113. Interview with S. Golton, 19/11/2015
114. Interview with S. Golton, 19/11/2015
115. Interview with B. Adams, 18/11/2015
Conclusion

Foreman-Peck and Lungu (2009) and Rummery and Greener (2012) both make the argument that financial devolution is essential to any serious devolvement of power and this is supported by much of the data collected for this project. One of the chief drivers of the Northern Powerhouse paradigm is transport infrastructure investment and this investment is intended as part of a regenerative programme for Leeds City Region. There are contrasting opinions of the two main projects, HS2 and HS3, within this putative investment. The HS2 concept was unpopular amongst interviewees with little credence given to its ability to help regenerate Leeds and fears that it was a national rail plan sold as a regional infrastructure investment imposed by central government with the support of private finance. Only Salveson \(^\text{116}\) mentioned any regenerative possibilities and then only for the area immediately surrounding the new HS2 station. This location however has been criticised by other interviewees due to its distance from the current Leeds station and consequent lack of connectivity to the existing local network.

There is a belief among some respondents, mainly on the left, that business interests i.e. landowners and financial backers of the scheme, have strongly influenced the location. Leigh \(^\text{117}\) additionally intimates that the process is driven by private finance with central government essentially acting as an enabling force. Doubts are also expressed by local elite interviewees about HS2s ability to attract economic investment to the region. This suggests that financial and ideological considerations are strong drivers of the HS2 project, indicative of Lukes’ third dimension of power whereby local authorities are nominally supportive of a scheme which diminishes their own power. This indicates a model in which the powerful transform the powerless in such a way that the latter behave as the former wish, without coercion or forcible constraint, in this case through hegemonic financial structures and criteria within a

\(^{116}\) Interview with P. Salveson, 16/11/2015

\(^{117}\) Interview with S. Leigh, 09/12/2015
transport infrastructure investment framework.

Data collected for this project suggests that the putative HS3 trans-Pennine route is considered a more viable option as local elites believe there is a strong need for an updated East/West rail link. However as HS2 currently is the favoured option this supports the view of national projects taking priority, thereby undermining the Northern Powerhouse devolutionary concept. Local elite opposition to HS2 demonstrates overt conflict as decision making by central government is contested by local actors. There does though appear to be an acceptance of the agenda setting by central government, allied with private finance, in respect of transport infrastructure investment which is indicative of the latent conflict inherent in the second face of power. The increasing involvement of private finance, supported by a neo-liberal Conservative Government, further hints at underlying ideological power being imposed on local government finances and structures.

This suggests evidence of third dimensional power, whereby, unlike in the second face of power, there is no actual conflict and power is used insidiously by preventing conflict initially arising. Neo-liberalism, although a contested term (Mudge, 2008), has ‘in short, become hegemonic as a mode of discourse, and has pervasive effects on ways of thought and political-economic practices’ (Harvey, 2006, p.145) leaving alternative funding paradigms or structural models as broadly inconceivable.

Devolution of tax and spend powers is deemed vital by interviewees for genuine power devolution to occur but it is considered by local elites that austerity measures negatively impact on this. As local services are increasingly contracted out through government legislation, power is shifting away from local politicians towards private finance.

118. Interview with V. Seddon, 12/11/2015
This is indicative of an ideologically driven power shift whereby the Northern Powerhouse model is represented as devolving financial power to city regions like Leeds but through increasing conditionality appears to be centralising financial decision making agendas.

There is some evidence from primary data of a nascent challenge to the hegemonic position of privatisation which has created the covert conflict apparent between liberalisation and democracy noted by both Ruane (2010) and Foreman-Peck and Lungu (2009). As restrictions on spending levels and spheres imposed by central government increase, this impacts on financial options available to democratically elected local politicians, arguably impinging on their democratic mandate by limiting their power. This is potentially further eroded by the contracting out process in which power over spending plans is restricted by central government to the benefit of private finance. This paradox of central government rhetoric of devolving power whilst legislating for local government political and financial structures, thus extending central control becomes apparent through this project.

Central government legislation allowing local authorities to keep more of the business rates they raise generates differing opinions. While the prospect is viewed as potentially positive for Leeds with its broad and relatively successful base of businesses, doubts are expressed about the outcome for areas with greater levels of deprivation and narrower business bases within the wider Leeds City Region. The reduction in the national redistributive element of business rates allied to the increasing market driven element intrinsic to City Deals points to an expansion of neo-liberalism within local governments’ financial structures as described by Gonzalez and Oosterlynk (2014) and Davies (2002). There is a belief that potential for collectivist action by Northern Powerhouse cities is diminished, suggesting a further shift in power away from local authorities to central government.

The consensus among interviewees is that Leeds emerged from the 2008 financial crash relatively well considering its position as the financial capital of the Northern Powerhouse. There are still areas of deprivation and parts of inner-city Leeds, particularly south of the
River Aire, are considered in need of regeneration by local elites and contrasts are made with the perceived successful regeneration of East Manchester as described by Blakely and Evans (2013). The advent of HS2 and its new station in this location is portrayed as a regenerative project by its proponents but this claim is viewed sceptically by interviewees. There is a belief, expressed most strongly by Leigh 119, that HS2 is a project driven by the needs of private finance and underpinned by ideologically driven central government policy.

Additionally City Deals which constrain local authority spending and further promote privatisation of formerly public services suggest the ideological power control indicative of Lukes' third face of power particularly in respect of local authorities ‘power to’ control its own financial affairs. The consensus appears to be that regenerative aspects of transport infrastructure investment are impositions of central government in alliance with private finance providing further support to the idea of a neo-liberal agenda behind regenerative proposals. Paradoxically these centralising and privatising structures which reduce the power of local politicians are portrayed as devolving power and appear to be perceived that way by the public. This links to the next chapter which analyses aspects of political devolution and their effect on the power of local politicians.

119. Interview with S. Leigh, 09/12/2015
Chapter 4
Political Devolution

Introduction

This chapter will explore three areas within the political devolution debate drawing from primary research data and underpinned by academic theories. Firstly I will examine the perception of the balance of power between local and national government and the perceived trend in the development of this relationship towards centralisation. Secondly, there will be an examination of perhaps the most important element in the government’s political devolutionary agenda, City Mayors. The perceived imposition of this structure will be examined through classical theories of power, chiefly that of Lukes (2005) to explore how it affects power dynamics within elite structures and whether it is indicative of third dimensional power.

Although a directly elected mayoral model was rejected in referenda in 2012, including in Leeds, the government has persisted with this model and the reasoning behind this will be examined. It has echoes of the Irish Nice and Lisbon Treaty referenda which were both lost but rerun to provide the desired result (Garry, 2012). As no rerun was considered necessary to introduce a democratically rejected structure, this suggests that central government feels powerful enough in comparison to local government, and indeed the general public, to impose their desired outcome.

Thirdly I will explore the perception of local elites around public opinions of local politicians and other elite actors. This will give a useful perspective on distribution of power and the public consensus about the suitability of different levels of politicians to exercise this power. As local elites appear to believe that local politicians are more popular and trusted than national politicians the shift in power towards the centre becomes interesting for this research. The paradox is strongly evident as centralisation is occurring under the guise of decentralisation which the public is expected to endorse.
This paradox evidences ideological third dimensional power as described by Lukes (1974; 2005).

Local/National Government- Balance of Power

Gauging opinions of how devolutionary powers are perceived among local elites provides potentially crucial insights for this project. There is a general consensus, explored in the literature review, that political power should be distributed away from the centre (Nairn, 2000; Bradbury & Mitchell, 2002; Bradbury, 2006) which finds echoes within interview data. All participants support devolution of power, though there are differences about how best to achieve this and differences around how sincere national government is perceived to be in its devolutionary agenda. Blakeley and Evans describe how, ‘Despite the power of the central state in Britain, ministers in successive governments are keen to enunciate the rhetoric of localism’ (Blakeley and Evans, 2013, p.147). Paul Salveson echoes this, stating:

_There’s been a lot of rhetoric about localism from both this government and the previous Labour government. I think in reality there’s still very much a strong centralising tendency amongst Westminster politicians, they see that’s where real politics are._

_(Salveson, 2015)_

This suggest Rhodes’ (1996) concept of a hollowing out of local government whereby power is increasingly centralised and local government is left with little power or authority despite rhetoric from successive governments stating the opposite. There are additionally intimations in Salveson’s statement, of non-decision making power, i.e. a widely accepted agenda of devolution, being used rhetorically by central government whilst centralising policies become increasingly prevalent. There is a perception of a lack of legitimacy in centralising discourse, as noted by Seddon 120 meaning that

120. Interview with V. Seddon, 12/11/2015
politicians need to appear to be following a decentralising agenda. This appears indicative of the agenda shaping, second face of power within Lukes’ theory, in which a centralising agenda appears to no longer be an option as national government intentionally excludes such models from discussions.

There is, however, broad agreement from the interview data that the reality is an incremental centralising of power. Seddon\textsuperscript{121} talks of reforms happening over the last ten years and particularly the last five, but others claim this consolidation trend stretches further back. Adams talks of a ‘reduction in power over the last probably thirty to forty years’\textsuperscript{122}, Carter\textsuperscript{123} describes a shift over the last 40 years and Golton believes there has been a greater concentration of central power ‘since around about the 1950’s’\textsuperscript{124}. There is certainly no suggestion from any of the participants of a move in the opposite direction being apparent at any time in the recent past.

This data suggests then that centralisation has happened under governments of all political shades, implying broad consensus on the issue at a national level. However this reduction in influence of local authorities is equally indicative of central governments increasing privatisation of local public services and the statutory contracting out paradigm discussed in the previous chapter (O'Leary, 1987; Bovaird, 2006; Foreman-Peck and Lungu, 2009). The reasons noted by respondents for this centralising shift and a posited hollowing out of local government vary, with elements of political affiliation apparent in their reasoning.

\textsuperscript{121} Interview with V. Seddon, 12/11/2015

\textsuperscript{122} Interview with B. Adams, 18/11/2015

\textsuperscript{123} Interview with A. Carter, 17/11/2015

\textsuperscript{124} Interview with S. Golton, 19/11/2015
Carter for example blames ‘the activities of the extreme left in the middle ‘70s and the ‘80s when they sought to challenge the legitimate mandate of central government’ 125 believing this forced central governments, of differing political hues, to show authority and reduce the influence of this type of ‘confrontational politics’ 126 through a continuing re-assertion of central control. Golton hints at a similar mistrust of the financial competence of local authorities as he notes that the tax raised locally in the UK, at around 5% is ‘the lowest rate in any OECD country’ 127. Leigh also talks of how the relationship has ‘been conditioned by finance’ 128 suggesting that the business community has less trust in local politicians (particularly those on the left who generally run Northern Powerhouse cities) to administer funding than it has in national government or perhaps the business community itself. There is perhaps then an aspiration from those on the political centre-right for centralisation of power as a means of further inculcating neo-liberal financial ideas and structures into previously left wing/collectivist, local authorities and distancing the left from local power structures. This is indicative of third dimensional power as there appears little meaningful resistance to the devolutionary agenda currently, although disagreement with it is certainly evident within interview data.

On the left there seems to be little unanimity about the reasons behind centralisation of political power. There is agreement that the Labour Government (1997-2010) displayed equivalent centralising tendencies to previous and successor Conservative Governments 129.

125. Interview with A. Carter, 17/11/2015
126. Interview with A. Carter, 17/11/2015
127. Interview with S. Golton, 19/11/2015
128. Interview with S. Leigh, 09/12/2015
129. Interview with P. Box, 04/12/2015
Salveson describes how ‘under Blair there’s sort of quite well documented anecdotes about the contempt… that was felt towards local democracy’ 130. This is arguably evidenced by seeing ‘different political institutions dissolved, like the police committee, now run by police and crime commissioners’ 131, suggesting mistrust of local politicians from a broad political rank and a desire to loosen their power over agenda shaping in local government.

Seddon 132 further points out the increasing use of statutory instruments to extend Westminster’s domination. This is indicative of an ideological element to this centralisation as these designations are largely centred on privatisation of procurement methods (Bovaird, 2006) or strictures around ‘spending priorities’ 133. This supports the idea of national governments, particularly but not exclusively those on the right, extending hegemonic economic models into local government political and administrative structures under the guise of decentralising power. As this process continued under the Labour Government it would suggest, however, that there is broad consensus on the efficacy of the model across the political spectrum. There are also intimations here of the ‘hollowing out’ concept, (Ayres and Stafford, 2011; Rees and Lord, 2013) in which the illusion of increased devolution of power masks the diminution of local political control and greater involvement of external actors, such as central government or private finance.

A further interesting concept used to analyse this balance of power is the centre/periphery relationship within territorial politics as described by Bulpitt (1983) and Bradbury and Mitchell (2002).

130. Interview with P. Salveson, 16/11/2015

131. Interview with B. Adams, 18/11/2015

132. Interview with B. Adams, 18/11/2015

133. Interview with B. Adams, 18/11/2015
The perceived success of the Scottish Parliament and the Welsh Assembly appears to have created a devolutionary paradigm within UK politics across the political spectrum, as noted by Bradbury (2006) and mentioned by several interviewees, although Northern Ireland, which, due to its particular circumstances, has had a more problematic experience of devolution, unsurprisingly does not appear in this discourse.

This devolutionary agenda is particularly desired by those on the left, suggesting that ideological thinking antithetical to national government economic policies is perhaps behind some of this opposition. The Independence Referendum in Scotland in 2014 is considered to have resulted in devolution within England being ‘certainly pushed on the political agenda in a way it wasn’t before’ 134. It appears to have created a desire for a ‘benign and inclusive’ (Nairn, 2000) regional level of government in Leeds. There is little unanimity however in the structures for this devolved power as pointed out by Golton, who believes that the people of Leeds ‘haven’t actually got anything to rally around at the moment because the city region models don’t fit that’ 135.

National politicians appear to have little respect with a perception of ‘MPs being in the Westminster bubble, they haven’t really got a feel for what’s happening in their own towns and cities’ 136 leading to a further disconnect between national government and people in cities such as Leeds. So, while national politicians are seen as increasingly out of touch with local affairs, it is considered by local elites that they are extending their domination, contrary to stated aims. This dichotomy suggests elements of ideological control in the debate as voters appear to approve of devolution despite the shift towards greater centralisation, therefore public opinion is unsupportive of policy but produces no resistance to its implementation, revealing the third face of power which Lukes (1974; 2005) describes.

134. Interview with V. Seddon, 12/11/2015
135. Interview with S. Golton, 19/11/2015
136. Interview with B. Adams, 18/11/2015
City Mayors

Despite previous reservations (Hambleton, 2014) the 2010 Conservative Party manifesto stated that:

We have seen that a single municipal leader can inject dynamism and ambition into their communities. So, initially, we will give the citizens in each of England’s twelve largest cities the chance of having an elected mayor. Big decisions should be made by those who are democratically accountable, not by remote and costly quangos.


Primary data gathered from local elites suggests that considerable scepticism about the aims outlined in this manifesto statement exists. The subsequent defeat in nine out of eleven of the City Mayor 2012 ballots, including Leeds which voted against by 63.35% to 36.65% on a 30.48% turnout (Syal and Meikle, 2012) was certainly a major setback for the Coalition Governments plans and this is reflected by respondents (Seddon; Salveson). Perhaps the most strident opposition in this respect comes from Box who believes that the national government is attempting to introduce city mayors ‘by the back door’ and ‘if it’s such a good idea have a referendum, and he daren’t’, referring to the Prime Minister.

As suggested previously, this noted rejection of democratic preference is indicative of third dimensional power in which central government feels able to proceed with its City Mayor agenda and disregard opposition to its reforms. Seddon echoes this, arguing ‘having failed to get his model of governance in produce, by fair means, he’s now trying by foul means through the back-door of getting them in in a different way’.

137. Interview with P. Box, 04/12/2015
138. Interview with P. Box, 04/12/2015
139. Interview with V. Seddon, 12/11/2015
This suggested surreptitious introduction of a City Mayor provides echoes of an ideological power controlled by central government which local politicians, though disapproving, feel powerless to resist.

Box further argues that a ‘strong collective leadership’ 140 is a more efficient and more valid means to execute power and is supportive of current local authority structures. Alternatively, Golton, although against the City Mayor model, is perhaps the chief opponent of the current system, claiming that ‘the combined authorities that are there at the moment don’t deliver’ 141. Despite antagonism towards an imposed City Mayor within elites, particularly on the left, little opposition to reforms from the public is apparent, despite the large majority voting against in the 2012 referenda. This pragmatic approach suggests Lukes view that ‘one can consent to power and resent the mode of its exercise’ (Lukes, 2005, p148). There is a broad perception from interviewees that local politicians are powerless to resist the City Mayor model, but some feeling that a City Mayor could have sufficient power to resist central governments strictures and power domination.

Primary data suggests that local elites are worried about the lack of accountability potentially inherent in the City Mayor system as currently proposed. Adams talks of a ‘lack of credibility and there’s a lack of democratic accountability’ 142 and Carter, though a strong supporter of the scheme, believes there is a need for a ‘strong assembly beneath the elected mayor’ 143. Interview data (Golton; Seddon; Salveson and Adams) suggests comparisons with the system in London, in which a relatively powerful Assembly exists to monitor and hold to account the Mayor, is viewed as desirable by local elites.

140. Interview with P. Box, 04/12/2015
141. Interview with S. Golton, 19/11/2015
142. Interview with B. Adams, 18/11/2015
143. Interview with A. Carter, 17/11/2015
Golton states that there is a ‘need to create structures around a directly elected mayor that provide accountability and security’\(^{144}\). Carter and Leigh, both arguably supportive of Conservative Party policies believe that the current mayoral model in London works well and emphasise the need for democratic scrutiny from an elected assembly. Carter and Salveson, additionally support elections conducted under proportional representation, which is also hinted at by Adams and Seddon, with the aim of exercising of power becoming more representative and inclusive. The Conservative Party’s statement that ‘big decisions should be made by those who are democratically accountable’ (Conservative Party, 2010. p.76) and the current plans for City Mayors finds little support within primary data for this research project. This seemingly results in the imposition of a model which has very limited support from local elites and has additionally been previously rejected by the electorate in Leeds.

There is a concern among some interviewees that the real outcome desired by the Conservative Government is furthering neo-liberal market orientated policies within local authority structures rather than increasing accountability. Golton, from a centrist position, describes:

*The government’s focus, although they talk about accountability… as being primarily to lessen political impact and increase business influence, so that’s why they’ve concentrated on the local economic partnership. And then on the accountability structures they concentrated on an elected mayor because, I’m assuming, that the intention is that it allows greater permeability into the political structure of a charismatic, potentially business-orientated figure like Donald Trump.*

*(Golton, 2015)*

\(^{144}\) Interview with S. Golton, 19/11/2015
The lack of democratic endorsement for the City Region and City Mayors model demonstrates the potentially destructive tension between business and democracy in which economic liberty is valued above democratic legitimacy (Davies, 2004). It further creates a dialectic contradiction between neo-liberal ideology around societal freedoms and the democratic narratives that devolution is intended to foster. Elements of Lukes’ third face of power appear evident here as the Leeds electorate are given the opportunity to vote in an elected City Mayor, a system which they have previously rejected in a referendum. By potentially investing control of local levers of power with political elites in an unsought, directly elected executive mayoral system the Conservative Government demonstrates the theory advocated by Bachrach and Baratz (1962) of a two dimensional power structure in which covert conflict is evidenced through the Government’s attempt to control the direction of power relationships while appearing to loosen this control. In addition, non-decision making is evidenced by the focus on City Regions as outlined in interviews with Golton, Adams and Salveson with other potential options ruled out.

A devolved assembly, for Yorkshire for example, is perceived as unacceptable, indicative of the concept of covert decision making. Box argues that directly elected executive mayors are not a better solution to encourage economic growth locally and that ‘There is no evidence to show that having an elected mayor, London is an exception, makes any difference to results’ 145. This statement appears to have traction as analytical studies have included both objective and subjective indicators (Sundell and Lapuente, 2012) meaning results can only be relativist.

Despite the claim in the Conservative Party Manifesto (2010) implying that the efficacy of City Mayors is apparent from the perceived success of the London Mayoralty there appears to be, as Box 146 states, no empirical evidence to support this claim.

145. Interview with P. Box, 04/12/2015
146. Interview with P. Box, 04/12/2015
This suggests then, as Lukes (2005) three dimensional view of power indicates, that the City Mayor paradigm is ideologically motivated, with the prime intention of loosening the power of local politicians and extending hegemonic neo-liberal economic frameworks into local governance. There appears to be little support within City Regions for the model and only the creation of a pervasive ideologically driven discourse makes the scheme appear consensual.

A further criticism of the City Mayor model is the potentially questionable quality of people elected to the position. Worries are expressed, in interviews with Seddon and Adams, about the potential for extremists to gain power through these elections. This disquiet stems from the election of the English Democrat Mayor Peter Davies in Doncaster in 2009 on an anti-political establishment ticket. His disastrous handling of Council affairs, allied to the inadequacy of preceding administrations, resulted in a new Chief Executive being imposed by central government (Tingle, 2013).

The imposition of officials would appear to undermine and delegitimise the devolutionary process, whilst compromising the authority of elected mayors in the public's estimation. If the democratic choice of a town can be overridden by central government so easily this implies local power is something of an illusion, particularly when it comes into conflict with the centre. This provides further evidence of the third dimensional power in which central government creates an illusion of local power being strengthened whilst still retaining domination over other stakeholders.

The other potential pitfall is the possibility of a joke candidate, such as Angus the Monkey in Hartlepool, being elected, as noted by Adams and Golton and, as Leigh argues, if a maverick is elected by the public ‘whether you like it or not, that’s democracy’ 147. The potential for extremist or joke candidates suggests that though perceptions exist of the City Mayor model as diminishing the power

147. Interview with S. Leigh, 09/12/2015
of local politicians there is also the possibility of genuine resistance to all elites. This possibility appears to have been overlooked by local elite interviewees but has potential to provide innovative challenges to institutional power.

Public Perceptions

It is useful for this project to examine how local politicians are regarded by the public. Particularly so in line with changing the current system of local Councillors and a cabinet system of local government which the Conservative Manifesto described as ‘remote’ (Conservative Party, 2010). If this opinion of local politicians as ‘remote’ is true then it helps explain the need for reforms and provides support for the concept of City Mayors to re-connect politicians with voters and to devolve power closer to the people. Interviewees for this project felt that this view was broadly untrue however, arguing that ‘there was more respect for elected officers, any level, anywhere forty years ago than there is today’ 148. Box argues that:

\[I \text{ think they like us more than they like national politicians. Nobody likes politicians. The saving grace is that they like local politicians more than national ones. And the reason is obvious, that we are closer to people. We’re seen everyday. Westminster politicians are seen as remote and uncaring.}\]

(Box, 2015)

This is echoed by Golton who believes local politicians are ‘valued higher than national politicians because they’re more visible’ 149. He emphasises that this means more visible to constituents rather than to the press.

148. Interview with A. Carter, 17/11/2015

149. Interview with S. Golton, 19/11/2015
It appears axiomatic that local politicians would have a positive opinion of the public perception of local politicians but there does seem to be support for this view among non-politicians interviewed for this research. Seddon and Adams both express the belief that local politicians are viewed favourably although Seddon argues that their standing has 'diminished because the power of local authorities has diminished' 150. Ben Harrison, writing about the recent election of Oldham Council leader Jim McMahon as an MP, contrarily argues for a renewed importance being given to local politics led by the City Mayor concept as, ‘while Jim McMahon chose to take the step from local to national politics last year, it is significant that Sadiq Khan and Zac Goldsmith are now vying to make the opposite journey and become Mayor of London’ (Harrison, 2016, p.5). This does suggest that the City Mayor model could be a way to re-invigorate local politics, although London should probably be seen as a global city (Sassen, 2000), and its mayor as a very high profile position to an extent that Leeds would not be.

In Leeds itself, Carter argues that there is public appreciation for how successful the city is and that it is elected councillors ‘what’s driving the economic success of the city’ 151. There is broad agreement within interview data from Adams, Carter, Seddon, Golton and Box suggesting that there is an absence of grievance among the population about current local, political power structures. This appears indicative however of Lukes’ third dimension of power in which central driven policy reduces the domination of local politicians, against popular opinion, and increases the power of private finance underpinned by a neo-liberal ideology. Although the public perception of local politicians remains relatively positive, and that of business run former public services is broadly critical, there is little public or elite demand for change to this model suggesting public acquiescence to the dominant ideology.

150. Interview with V. Seddon, 12/11/2015
151. Interview with A. Carter, 17/11/2015
Conclusion

There appears to be general consensus among politicians nationally that devolution of political power is a desirable and positive aspiration. However, a belief that the national government’s devolutionary agenda is largely rhetorical becomes apparent from interview data indicating the latent conflict identified by Lukes (1974; 2005)) whereby rhetorical methods are utilised to exclude centralising models from the debate around power relations. Despite this rhetoric of localism there is a belief among local elites that power has become increasingly centralised over a considerable time period.

The reasons quoted for this upward shift in power vary within elite opinion. Carter\textsuperscript{152}, with support from Golton\textsuperscript{153} and Leigh\textsuperscript{154}, believes that extreme policies introduced by leftist authorities in the past has led to a breakdown in trust between central and local government prompting the imposition of financial dominance through legislation, such as rate capping.

There are indications from interview data that private finance, and neo-liberal imperatives, have been given preference over local political considerations, furthering the hegemony of these concepts. The political left, however, seems to be divided on reasons for this power shift. There is a belief that centralisation happened under the New Labour Government in addition to Conservative and Coalition administrations and some support is evident for ideological motives lying behind this perceived shift in power. This is arguably evidenced by the increased use of statutory instruments by national government\textsuperscript{155} to extend financial control and arguably further neo-liberal financial hegemony through the use of compulsory contracting out legislation.

\textsuperscript{152.} Interview with A. Carter, 17/11/2015
\textsuperscript{153.} Interview with S. Golton, 19/11/2015
\textsuperscript{154.} Interview with S. Leigh, 09/12/2015
\textsuperscript{155.} Interview with V. Seddon, 12/11/2015
Although national politicians appear to be extending their domination over local government their popularity is perceived by the local elites to be lower than their own. This paradox shows evidence of the third dimension of power as the public have a low regard for national politicians and their policies but allow them to implement their programme with little apparent resistance.

City Mayors constitute a substantial segment of the current devolutionary process and are believed by the current Government to have more democratic accountability. The paradox here is that a very similar model was rejected, in Leeds and other cities, in the referenda in 2012. There is a belief that the current system works relatively well across the political spectrum leading some of the interviewees to conclude, Box in particular, that the model is an attempt to reduce collectivist structures across the Northern Powerhouse and further neo-liberal business oriented policies.

All interviewees expressed worries about the potential lack of accountability and oversight inherent in the City Mayor model and critical comparisons with the structure in London, where a relatively powerful Assembly exists to scrutinise the executive mayor, were drawn. The lack of scrutiny allied to the democratic rejection of the City Mayor model suggests that an ideological desire to reduce the power of local politicians in Northern Powerhouse cities such as Leeds, as suggested by Box 156 and Adams 157 does have some traction.

Participants were additionally questioned about their beliefs on public perceptions of local politicians. There was broad agreement that local elected representatives were regarded relatively highly, though less so than previously and there is a belief that this decline is ongoing.

156. Interview with P. Box, 04/12/2015

157. Interview with B. Adams, 18/11/2015
This decline in popularity could be attributed to the perceived reduction in power exercised by local politicians. Potentially if powers to local authorities were increased, perceptions of local politicians’ abilities would increase commensurately.

However if current models within the Northern Powerhouse agenda result in further power being allocated to private finance, through contracting out legislation, this could further undermine confidence in local politicians and consequently see further reductions in their power being viewed as inevitable. Interview data suggests broad satisfaction with the performance of local authorities and a suggestion they are being reformed by less popular national politicians, with little public support.

This appears to be happening for ostensibly ideological reasons indicative of the third face of power in which ideological power causes the general public to acquiesce in reforms which they do not support. As ideological changes are imposed from the centre against the wishes of the majority of local elites, and in spite of democratic mandates against proposed changes in the case of City Mayors, Lukes’ theory (1974; 2005) of a resentful acquiescence to the Northern Powerhouse concept and ideology appears salient.
Conclusion

This project used primary data collected from semi-structured interviews with local elite actors and policy group representatives to examine perceptions of power relationships inherent in the Northern Powerhouse concept. These interviews were informed by scholarly research around classical theories of power, particularly the three-dimensional view of power of Lukes in his *Power: A Radical view* (1974; 2005). Research concentrated on four areas essential to this study, with firstly an examination of the Northern Powerhouse concept itself, and perceptions of it with particular reference to Leeds. Following this was a study of power devolution in three important areas, administrative, financial and political. By utilising academic theory, allied with original data, a gap located in scholarly literature around the Northern Powerhouse concept is thereby addressed.

The Northern Powerhouse is viewed by interviewees as an ill-defined concept, created by George Osborne with perceived negative consequences for local authority power. Participants broadly support a devolutionary agenda but perceptions exist that the Northern Powerhouse concept is being imposed by central government with little input from local actors.

As this imposition has met little resistance, there are indications of a reluctant acceptance of the model thus demonstrating Lukes' third dimension of power. Participants suggest that the paramount drivers for the Northern Powerhouse agenda are economic with a re-balancing of the national economy away from London. However, a number of interviewees believe that this financial impetus contains plans to move away from previous redistributive models of local finance towards a more competitive market-driven, neo-liberal model. This is evidenced by City Deals, which are perceived as introducing greater competition between, and within, City Regions and furthering moves away from previous collectivist principles.
Participants appear equally sceptical of Northern Powerhouse plans for devolving political power through City Mayors and two specific changes are viewed as necessary. Firstly, there is a perception that the model has been introduced against public opinion, following the failed referenda (2012), suggestive of Lukes’ concept of third dimensional power and its consequent acquiescence without consent. There are additional fears that statutory limitations around contracting out services allied to austerity measures have limited local financial control to the benefit of private business, which is indicative of a furthering of the neo-liberal hegemonic agenda.

When asked for views on Leeds and its place in the broader world, comparisons with Manchester were frequently made. As Blakeley and Evans (2013) point out, East Manchester had a relatively successful regeneration project in the 1990s, linked to the Commonwealth Games Stadium, but there is a perception that Leeds has not had this type of concerted regeneration effort. As Manchester’s leadership also appears to be deeply involved in the Northern Powerhouse project, this further fuels the belief that Leeds has missed out on potential benefits of the devolution model. As competition between cities increases, it is felt that Leeds position has weakened comparatively and that central government’s neo-liberal ideology is instrumental in this. Further, there is an associated belief, on the left particularly, that a return to collectivism amongst cities would be mutually beneficial, but unlikely under current Northern Powerhouse thinking.

The City Region administrative reform suggests an imposition of deals designed to further market inflected ideology within local government. However, City Regions are broadly welcomed on economic terms as evidenced in interviews with Box, Carter and Leigh but with caveats around an imposed but barely questioned structural and administrative paradigm grounded in neo-liberal ideology. Salveson 158 demurs, however, believing City Regions to be artificial creations with political aims, and favours a Yorkshire Assembly, as more culturally and politically representative.

158. Interview with P. Salveson, 16/11/2015
Overt and latent conflict, identified in classical power theories, are evidenced by a Conservative Government implementing devolutionary models on largely Labour-led local authorities in the Northern Powerhouse. Interviewees expressed worries about the perceived imposition of the Northern Powerhouse agenda, echoing O’Leary’s (1987) theory of ideology surpassing other considerations. A paradox (redolent of Lukes’ third face of power) is created whereby local authorities have notionally increased spending powers whilst accepting increased restrictions on spending options through statutory limitations imposed by central government. There is hope on the left that combinations of left-led City Regions may contribute to opposing neo-liberal expansion within local government, an unintended consequence of administrative reforms.

The replacement of RDAs with LEPs finds little support from interviewees as they are considered to represent narrower constituencies, with business given greater input (and power) and third sector actors, such as Trade Unions having diminished roles. There is a belief that RDAs were abolished with little thought given to potential successor agencies and that their abolition was instituted on political, or ideological, grounds rather than administrative. Further, as Doyle (2013) argues, economic centralisation appears significant to the creation of LEPs, extending the reach of private finance within local administrative structures. As these structures are reshaped there appears to be a growing ideological domination of local institutions and actors, indicative of pervasive central power.

The extent to which administrative reforms are imposed by central government to further business influence in local spending and power is considered significant by interviewees. This arguably counteracts Stones’ (1974) argument that central government funding insulates local government from business control, as statutory spending conditions favouring private finance are imposed. As central government is seen to increase its domination over local government it provides increasing evidence of third dimensional
power as local government grudgingly accepts these centralising reforms.

The principal financial investment under the Northern Powerhouse agenda is the proposed HS2 line from London to Manchester and Leeds. Doubts are expressed by interviewees around the regeneration potential of the project and the extent to which it is marketed as a Northern Powerhouse project when it is perceived in primary data as essentially a ‘national rail project’ 159. Regenerative prospects for transport infrastructure investment are considered more successful with local schemes such as Metrolink in East Manchester, as noted by Blakeley and Evans (2013). Suspicions are expressed by participants that the chief beneficiaries of HS2 may be private finance and property owners around the new station site. Doubts are also expressed over the stations siting by Salveson 160 and Leigh 161 and its perceived lack of connectivity to current networks, thus failing Robinsons (2010) ‘five R’s’ model which stressed connectivity to optimise regeneration outcomes. As the project is planned and controlled centrally in conjunction with private capital, there are further reductions in the power held by local government as it has limited input into a major component of the devolution and regeneration agenda.

Thus a dichotomy is created whereby participants believe local government should have greater control of infrastructure investment whilst accepting that only national government is capable of planning and executing such a major project. Although little local support is apparent for HS2 there is an acceptance of its inevitability evidencing, again, Lukes’ third face of power. There appears to be greater elite support for a putative Trans-Pennine route (HS3) which is considered to possess greater potential for regeneration in Leeds.

159. Interview with S. Golton, 19/11/2015

160. Interview with P. Salveson, 16/11/2015

161. Interview with S. Leigh, 09/12/2015
HS3 equally complies with the three cost benefit proposed by Bannister and Thurstain-Goodwin (2014) of macro, meso and micro level benefits. Whilst having ostensibly economic underpinnings this support for HS3 also suggests latent opposition to central government impositions indicative of the second face of power described by Lukes (2005). This non-decision making face is further indicated by the assumption that private finance leads the HS2 project whilst public sector funding is considered off the agenda.

Davies (2004) describes a creation of destructive tension between business and politicians and this potentially has traction within financial devolution. An austerity programme imposed centrally on local government allied to statutory contracting out appears to evidence this theory. Further, these financial impositions on local authorities allied to rhetoric of devolving power create a paradox whereby power is reduced under a devolutionary paradigm. There are potential changes to non-decision making power with Adams describing moves in Sheffield to locate services back in-house and broad support for a more redistributive financial arrangement among local elites suggesting potential nascent resistance to the hegemonic neo-liberalism. This may be viewed as an unintended resistance developing to loss of power through rhetorically devolutionary reforms.

There are fears among local elites that reforms to business rates will negatively impact on local authority’s ability for regeneration and equally reduce their power through spending restrictions. As the redistributive element of business rates is reduced, furthering neo-liberal competition for funding between Northern Powerhouse cities, beginnings of an opposition on the collectivist left appear to be emerging. However, as little resistance is currently visible this opposition is perhaps more indicative of the ideological control described by Lukes (2005), whereby local authorities resent ideological imposition but acquiesce to its implementation.

162. Interview with B. Adams, 18/11/2015
Gonzalez and Oosterlynk (2014) believe neo-liberalism was increasingly imposed on Leeds following the 2008 Financial Crisis. However participants believe that Leeds, despite its large financial services sector, fared relatively well because it still retained a broad base of businesses.

Blakeley & Evans state that despite the power of the central state in Britain, ministers in successive governments are keen to enunciate the rhetoric of localism (Blakeley and Evans, 2013, p.147) and this sentiment finds support within interview data concerning Leeds. All participants identify a centralising tendency existing over an extended period of time and under different governments. Rhetorical localism is identified in the interviews of Golton, Salveson and Seddon combined with centralising actions to create a non-decision making paradigm whereby a devolutionary theme disguises power consolidation whilst centralising rhetoric is excluded from discourse.

There is little consensus around the political causes of this perceived centralising agenda. There are indications that the political right view increased central government control as a means to loosen the power of the left in Northern Powerhouse cities. However, it is believed that the New Labour Government displayed similar consolidating tendencies, with suggestions from Salveson and Golton of analogous mistrust between left-led local authorities and the Labour Government. A perceived increase of power for private finance is also apparent from primary data. Seddon endorses Bovaird’s (2006) idea of centralisation being evidenced through extending privatisation of procurement formulas and statutory contracting out of formerly public services.

163. Interview with A. Carter, 17/11/2015
164. Interview with P. Salveson, 16/11/2015
165. Interview with S. Golton, 19/11/2015
166. Interview with V. Seddon, 12/11/2015
Local politicians, however, are perceived by participants as having greater public respect than national politicians. This creates a paradoxical situation in which popular local politicians face gradual erosion of their power, whilst unpopular national politicians extend their domination despite rhetoric to the contrary. As this paradox deepens, it faces little resistance and becomes grudgingly accepted by the public, thereby demonstrating third dimensional power.

Perhaps the most explicit example of Lukes’ third face of power within the devolutionary agenda is the City Mayor model. Despite a failed referendum in 2012, national government has pushed ahead with the implementation of City Mayors, meeting little public resistance despite their democratic rejection. Little support among interviewees for City Mayors is evident with a perception on the left that they are a ‘Trojan Horse’ to loosen Labour’s domination of Northern Powerhouse cities. Allied to the competitive nature of City Deals, there are indications of attempts to lessen collectivist opinion and promote private financial power and market mechanisms within local authorities. Paradoxically, despite opposition to City Mayors on the left, there are suggestions that the position may provide enough power for an incumbent to resist the domination of central government.

Worries are expressed around the lack of democratic accountability attached to City Mayors by interviewees seemingly opposed to central governments stated aim that ‘big decisions should be democratically accountable’ (Conservative Party, 2010, p.6). A common belief amongst interviewees is of the need for an elected assembly, preferably elected under a proportional voting system, to scrutinise City Mayors, similar to the London model. Box is particularly scathing of the efficacy of the City Mayor model arguing there is ‘no evidence’ 167 they improve economic outcomes or regeneration goals. Indeed as there is additional potential for extremist or joke candidates to be elected, this undermines the potential standing of the model.

167. Interview with P. Box, 04/12/2015
Paradoxically, worries expressed around such candidates and the outcome of such an election result suggests power is invested in the City Mayor position to facilitate such concerns. The potential for overt and covert conflict in addition to ideological conflict and power domination is evident throughout primary data as is the reluctant acquiescence from the public. As Lukes’ states ‘one can consent to power and resent the mode of its exercise (Lukes, 2005, p. 176). Even though local politicians recognise the negative outcomes inherent in some of the Northern Powerhouse devolutionary agenda, they feel it is practically impossible for them to resist, demonstrating the overarching rationale of third dimensional power.
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