GOVERNANCE AND ACCOUNTABILITY IN THE MODERN LOCAL AUTHORITY:

AN EXPLORATORY ANALYSIS OF VIEWS FROM INSIDE & OUT – WITH PARTICULAR REFERENCE TO OUTSOURCING AND PARTNERSHIP WORKING.

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1 See Waldo (1948). Also see the writing of others who follow such a tradition such as Greenwood & Wilson (1989) and Stewart & Walsh (1992).


4 In light of the Smith Commission proposals for Scotland, on 27 February 2015 in advance of St Davids Day the Prime Minister David Cameron announced at the Welsh Conservative Conference in Cardiff plans to provide more powers to the Welsh Assembly which would see guaranteed funding for Wales in return for a referendum being held as to whether the public would accept handing powers to vary income tax to Cardiff Bay. In addition to the power to set business rates, there is a proposal to allow the welsh government to issue bonds to fund capital expenditure and control the granting of fracking licences. See Kylie Macellan `UK Government pledges more powers for Wales as the devolution debate rumbles on’, news report by Reuters published online at www.reuters.com/article/2015/02/27/uk and John Murray-Brown ‘Wales faces final hurdle for tax-raising powers’ published in The Financial Times, p.6, 27/28 February 2015. These proposals follow those from the Labour leader Ed Miliband at the Welsh Labour Conference in Swansea on 14 February 2015 which proposed devolving a range of powers from fracking licences, to being able to determine the voting age for assembly elections in Wales. See `Labour Leader Ed Miliband pledges more powers for Wales’, BBC News report published online at www.bbc.co.uk-wales-politics on 14th February 2015. The devolution settlement for Northern Ireland as set out in the Northern Ireland Act 1998 based on the Belfast Agreement, subsequently modified to take account of the St Andrews Agreement in 2006 and the Hillsborough Castle Agreement in 2010 dealing with the devolution of policing and justice powers. The Stormont House Agreement (2014) contains a package of measures designed to increase fiscal devolution (in particular to deliver the devolution of corporation tax by 2017) in return for implementation of Welfare reform proposals. (See The Stormont House Agreement published by HMSO Belfast, 23rd December 2014).

5 It is interesting that the focus on structures, powers and functions shows that the traditional Institutionalist base of Public Administration with inductivist and unstated almost common sense methodology a historical and descriptive focus as practised by scholars such as William Robson, Norman Chester, William Mackenzie in one generation and by Neville Johnson and Fred Ridley in successive generations has not actually died out, despite the focus on scientific methods arising out of the Positivist tradition.
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6 See Sandford, Mark ‘Local Government in England: Capital Finance’ Briefing to Members of Parliament (Ref SN/PC/05797) published by The House of Commons Library (30th April 2014). Mention may be made of models of Tax Incremental Financing (TIF) which are used in the US and being lobbied for by the local government sector in England to allow local authorities to fund infrastructure and make repayments out of business rates that are generated by the infrastructure improvement. Reference may also be made to ‘eamback’ schemes that seek to allow borrowing to fund specific infrastructure with repayment coming from local tax revenues. There is pressure for large cities to be given wide ranging tax raising powers so as to become financially independent of central government in less than a decade. This case is routinely made by Sir Howard Bernstein, (Chief Executive of Manchester City Council), Tom Riordan (Chief Executive of Leeds City Council) Mark Rogers (Chief Executive of Birmingham City Council) and Joe Anderson (Mayor of the City of Liverpool). (See for instance Local Government Chronicle, Devolution Special, issue published 2nd October 2014).


8 See for instance the radio programme ‘The Devolutionaries: Powering Up England’s Cities’, Documentary Special first broadcast by BBC Radio 4 at 8pm on Monday 12th October 2014. The programme offers an overview of these issues from the viewpoint of those working within the Greater Manchester Combined Authority.

9 The term was attributed originally to B. Guy Peters but was developed by Rod Rhodes and Gerry Stoker. The classic thesis held that Central Government was weakened by a transfer of powers on an international level to the EU and global institutions whilst at a domestic level privatisation and the reform of local government since 1974 had acted to hollow out the central state undermining capacity to steer policy networks in a strategic way (Rhodes, 1994). For a contrary view see Holliday, 2000. It is contended in this thesis however that at local level the state has almost certainly been hollowed out by the pincer movement processes of contracting out on the one hand and reliance upon partnership working on the other. This has led to further changes in the shape of the local governance landscape (see Chapter 4). Although constitutionally weak, it should be noted that local government has a remarkable capacity to preserve and reinvent itself to deal with particular challenges (John, 2014).

10 Interviews with The Local Government Association, The Northern Ireland Local Government Association, The Centre for Public Scrutiny, the Chief Executive a City Council and detailed written responses to queries kindly provided by the Vice Chair of and Clerk to a Parish Council. These Interviews are appended to this thesis.
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11 This may be regarded as a combination of the outsourcing regime operated (see Chapter 3) together with partnership arrangements (see Chapter 4).

12 Waldo (Waldo, 1948, 1955) has had a profound impact on the thinking of the writer of this thesis. In particular the commitment to the public service ethic that he prized above all else is considered to be of key importance. Waldo maintained that public service could not be run as a private business and that public administration was about public service values. The writer of this thesis is in agreement with the view – for a contrary (but popular) view that sees public and business administration as essentially the same (see Perry & Kramer, 1983). The impact that Waldo has had on the writer is explored in the Personal Impact Statement that accompanies this thesis.

13 See section 1.7 ‘Structure of the Literature Review’ in this chapter.

14 See Chapter 7 (Methods) of this thesis and my Personal Impact Statement which relates some of the challenges in obtaining primary data for this thesis.

15 See the Personal Impact Statement that accompanies this thesis which chronicles my longstanding interest in the historiography of the discipline of Public Administration.

16 See Geertz (1973). Clifford Geertz drew upon anthropology to develop the concept of ‘thick description’ which looks at behaviour in context. It looks for meaningful descriptions by actors set in the particular historical, cultural and situational context. This was later developed by Bevir & Rhodes (Bevir & Rhodes: 2003, 2007, 2010) into the ideas of decentred governance and ‘situated agency’ in which it was accepted that actors had discretion to act but did so within a crucial cultural context.


18 Hence the development of the Nuffield Studies in Electoral behaviour between Donald Stokes and David Butler – the former a scholar in the quantative tradition from the US and the latter an Oxford don schooled in traditional qualitative analysis.


20 Examples of bypassing from the 1980’s include the establishment of Housing Action Trusts, Locally Managed and Grant Maintained Schools, the establishment of Enterprise Zones and the
establishment of Training and Enterprise Councils. Thus in key areas of education, housing, industrial development and training, local authorities were bypassed when policy was being implemented.

21 For instance there was an argument that central/local government worked in partnership. Rod Rhodes developed this into the Power/Dependence Thesis which argued that power was networked and depended on the dynamics of the particular situation in which power was exercised. Central or Local Government could have power depending on the particular dynamics (see Rhodes, 1981). The Agency thesis was subsequently modified by Chandler (see Chandler, 1988) who argued that whilst the scope for policy making at a local level was limited, there was some scope over the means of how policy was implemented which gave local authorities some bargaining power.

22 The main planks of the social democratic settlement consisted of a commitment to full employment, mixed economy and the operation of a welfare state along with state funded public services such as education, health and housing, together with agreement on the principle of government intervention in the market economy to secure wider social purposes.

23 Full employment was taken to mean an unemployment rate of 3% - see Keynes (1936).

24 This collapse in confidence manifested itself in the mid-late 1970’s through the combination of (1) growing responsibilities assumed by the state, (2) increasing industrial strife and (3) the inability to manage the economy to keep inflation/unemployment levels low.

25 The 1983 General Election was the last one when there was major policy difference between the party programmes with a radical left wing manifesto being proposed by the Labour Party under the leadership of Michael Foot (later referred to as the ‘Longest suicide note in History’ as it recorded its lowest share of the vote (27.6%) and a radical neo-liberal influenced manifesto being proposed by the Conservatives under the leadership of Thatcher that led to a landslide Westminster majority (on 42% of the popular vote).

26 See King (1975) p.286.

27 The crisis of delegitimation was set in the Marxist tradition as an inevitable part of the crisis inherent in the capitalist state.

28 The term ‘Thatcherism’ was actually coined by key thinkers on the New Left – namely Stuart Hall and Martin Jacques some years earlier (see Hall 1983, 1988).

29 Central to this success was the ability of Think Tanks such as the Institute for Economic Affairs, The Centre for Policy Studies and the Adam Smith Institute to develop ideas that were passed to
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politicians and used as part of a radical electoral platform to challenge the prevailing social
democratic consensus. (See for instance Coppleston, 1991 and Stedman-Jones, 2012)

30 Several theories of Central/Local Relations have been put forward. The Agency Thesis (Bogdanor, 1988) which maintains that local government acts under the direction of central government as a mere agent. The Stewardship Thesis (Chandler, 1988) which largely accepts the Agency Thesis but claims that local government has significant discretion around implementation. The Partnership Thesis looks to a more co-equal relationship although this was later criticised and modified by the Power/Dependence Thesis advanced by Rod Rhodes in which both central and local government have a degree of power/resources which is reflected in bargains/negotiations around particular issues. It is submitted that the Stewardship Model and the Power/Dependence Thesis are probably the most accurate reflection of central/local government relations today.

31 It was actually to be a further generation after Rose wrote before real cuts in local government expenditure took hold (see Chapter 4 of this thesis). It is estimated that cuts to local authority funding from 2010-2015 shall be in the order of 30% of revenue budgets in real terms (Northern Futures, 2014)

32 It may be that fiscal pressures on local government actually force this situation to change as the Barnet Graph of Doom (Brindle, 2012) shows with the projection that if current trends continue all local authority funding will be consumed in providing social services and nothing else.

33 See Chapter 3 ‘Governance: Outsourcing of Local Authority Services’

34 Published by the Financial Times 12th November 2013.

35 See Local Government Act 1988


37 See the Agency Thesis of Central/Local Relations advanced by Bogdanor (Bogdanor, 1988) and outlined in Annex 1 to this Thesis. The Agency thesis claims that central government directed local government and it was powerless to resist.

38 See problems with the South West One support services contract (Somerset County Council, 2014) and with the outsourcing of Barnet LBC Legal Services (Lloyd-Jones, 2014)

39 Whether this faith can be properly applied to oligopolistic markets that characterise public sector outsourcing is an open question.
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40 See South West One contract problems (Somerset County Council, 2014)

41 Dowding considered the impact of Public Choice ideas upon the nature and number of Local Government structures (Dowding, John & Briggs, 1994). There are two Public Choice models which seek to explain the number of Local Government structures/units – namely the ‘club’ model (Buchanan, 1965) which indicated that much of what is generally provided as a public good could be provided as a ‘club’ good to ‘members’ thereby undermining the idea of universal provision and opening the way to such provision being private, and the competition model (Tiebout, 1956). The number of local government units/structures is an important issue because it relates to them being able to act in a competitive way. Public Choice theorists such as Tiebout, considered it important that local government units compete to attract residents and businesses to generate tax revenue to support local services.

42 Boyne noted that one key message of the public choice thesis relates not to public or private provision of itself (although it should be noted that in its normative form there was almost a theological faith in markets (Friedman, 1962, 1980)) – but rather to the notion of competition – the effect of which was generally to lower spending and increase technical efficiency of services that were outsourced (Boyne, 1996) although there were exceptions to this, particularly when public monopolies were merely replaced by private ones (see for instance Martin & Baker, 1997). Boyne (Boyne, 1996) reviewed the application of the public choice model with reference to the question of competition within the local government sector itself. At the core of it was a strong faith in the ability of competition to deliver increased efficiency. Boyne contends that this requires three elements to be present – namely (1) Fragmented Structure – requiring a multiplicity of local government units, (2) Units of Local Government having a high level of autonomy (in terms of policy initiation) and (3) Units of Local Government which have a high degree of locally raised finance. Suffice to note that policy measures introduced under Thatcher regime (and subsequently continued) actually went against these ideas and they are now being reclaimed as the drive towards decentralisation has returned to the political agenda following the Scottish referendum vote in September 2014. (See Chapter 4 of this thesis). The lack of these conditions meant that competition had a weak hold within the local government sector itself. One solution was to outsource service provision, hence the prescription of the normative public choice school, for privatisation where possible and marketisation where not (Bacon & Eltis,1976, Jordan & Ashford, 1993 and McMaster & Sawkins,1996) as explored in Chapter 2 of this thesis.

43 This situation has now altered somewhat with the passage of legislation under Section 2 of the Local Government Act 2000 which introduced the wellbeing power and Section 1 of the Localism Act 2011 which introduced the general power of competence (for background see Annex 1 to this thesis).

44 See the Local Government Planning and Land Act 1980.

45 See the Local Government Act 1988.
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47 See the Local Government Act 1999.

48 See Part 2 of Annex 2 of this thesis for more details.

49 See the Local Government (Contracts) Act 1997 which guaranteed to the private sector that local authorities would not seek to abandon contracts on the grounds that they were ultra vires as had happened in the famous London Borough Interest rate swap cases in the early 1990’s (see Part 2 of Annex 2 of this thesis for more details).

50 See Section 2 of the Local Government Act 2000.

51 See Section 1 of the Localism Act 2011

52 See the Transfer of Undertakings (Protection of Employment Rights) Regulations 1981 (see also Part 2 of Annex 2 to this thesis for more detail).

53 See position with South West One contract (Somerset County Council, 2014)

54 See Barnet LBC who outsourced/shared all Legal Services and did not retain a corporate core of competence and the subsequent difficulties that arose from that (Lloyd-Jones, 2014)

55 Place Shaping can be regarded as a mixture of physical regeneration (including infrastructure such as transport) together with the building of social capital amongst the population (through education and skills) to enable successful economic development.

56 Also see work in the field of Policy Implementation Theory – in particular the observation from Pressman and Wildavsky (see Pressman & Wildavsky, 1973) that successful policy implementation was more likely to be due to the efforts of street level bureaucrats than high level policy design

57 The concept of agglomeration was devised originally by Professor Alan Harding (see HARDING: 2010). It refers to the development of business clusters on sufficient scale that can provide mutual support encouraging business start ups. An example can be the information technology sector that has developed in London’s Shoreditch area.
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58 The example usually cited is the City of Lille which used the TGV station and associated transport infrastructure investment to lever in local investment after the collapse of the textile industry in the 1980’s.

59 See also the argument from Michael Heseltine (Heseltine, 2012) who also argued for HS2/3 to be extended to Liverpool.

60 See Section 4.7 of this thesis.

61 At present some metropolitan areas have their own arrangements such as the Walrus card on Merseyside or the MCard in West Yorkshire. But these schemes suffer from poor connectivity owing to the inability to use these systems for ‘cross border’ travel thereby hindering connectivity and agglomeration benefits.

62 The Super Connected Cities Programme is managed by Broadband UK (as part of DCMS) and offers vouchers to businesses who wish to obtain fast broadband connections. 10 cities were announced in 2012 with a further 12 being added subsequently.

63 The Barnet Graph of Doom was first identified by David Brindle in a Guardian article (see BRINDLE: 2012). The graph shows the cumulative impact of population changes and tight fiscal settlements from Central Government to draw the conclusion that Barnet LBC would only be able to provide adult and children social services and nothing else unless there was a drastic change within 20 years.

64 At present the only core city that makes a positive fiscal contribution to the exchequer in terms of local tax receipts exceeding local public spending is the City of Bristol - see Centre for Cities, 2014A.

65 On 25th February 2015 it was announced that £6bn health service spending will be devolved to Greater Manchester in a bold attempt to integrate delivery of health and social care (see section 4.13 of this thesis).

66 The Troubled Families Programme is a central government initiative (see DCLG: 2012) to work with families through local authorities to deal with cross cutting problems to improve school attendance, reduce youth crime and anti-social behaviour, reduce unemployment thereby reducing the pressure on public service budgets from ‘troubled’ families.

67 Parallels may be drawn with the analysis of King on the Overload Thesis when he observed that the reach of the state was being extended just when the grasp was relinquished. The state was at its weakest when it was needed most see King, 1975 (and Chapter 2 of this thesis).
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69 This phrase was attributed to Osborne & Gaebler (Osborne & Gaebler, 1992) who made the distinction between steering and rowing. The former was typical of commissioning authorities and the latter the old style public service model of direct provision.

70 Although it is accepted that the state (local and central) will seek to influence such networks and can (and will often seek to) steer policy through them - although far from perfectly.


72 Parallels may be drawn with the concept of ‘Reward Power’ advanced by French & Raven (1959).

73 On trust, see P. Finn (Finn, 1993) ‘Public Trust and Public Accountability’, Australian Quarterly vol.65 (winter) pp.50-59 also on links to trust and the concept of social capital (which can be regarded as important to the operational efficiency of networks) see R.Putnam (Ed.) (2002) ‘Democracies in Flux: The Evolution of Social Capital in Contemporary Society’ (Oxford University Press).

74 The Boundary spanner is the link between two or more networks. In a local authority context, the Chief Executive would often occupy this role.

75 The issue of pooled budgets is now central to the devolution agenda and has been furthered by the City Deals and Growth Deals (see section 4.8 of this thesis) the Combined Authorities (see section 4.9 of this thesis), the Greater Manchester Deal (section 4.12 of this thesis) and the Sheffield City Deal (section 4.13 of this thesis)

76 The difference between this position and the present calls to devolve more powers and funding lies in the fact that the argument is now presented in the economic interests of UK plc (O’Neill, 2014, Northern Futures, 2014) rather than simply being the advancement of sectoral political interest.

77 Finance still tends to be seen as a corporate function. This may be in part due to the statutory responsibility of the Treasurer under Section 151 of the Local Government Act 1972 and the professional power/influence that accountants seem able to exercise (see Chapter 4).

78 (See Chapter 2). This is partly because these ideas have been accepted as part of the post-Thatcherite consensus or what Giddens referred to as the “Third Way” (Giddens, 1998, 2000).
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79 Although this has not been without problems - on serious communication and possibly service co-
ordination failures see Chackraborty, 2014 and on the problems when the corporate core functions
are seriously reduced see Lloyd-Jones, 2014.

80 The Joint Procurement Unit between Stockport MBC, Rochdale MBC and Trafford MBC has been
established in February 2014 between the three boroughs to cut costs by centralising legal and
procurement advice and basing the operations out of one town hall base.

81 These league tables were introduced by the Labour Government in the Local Government Act 2003
and abolished by the Coalition Government in the Localism Act 2011.

82 The Localism Act 2011 was amended to allow for City Deals following publication of the White
Paper 'Unlocking Growth in Cities' sponsored by the Cities Policy Unit (created August 2011) DCLG
and Dept for Business innovation & Skills. There have been a range of City Deals starting with eight
cities (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield)
announced in 2012 and others have followed. They represent a specific agreement between Whitehall
and a locality designed to boost economic growth and dealing with powers (particularly for
skills/training, transport and infrastructure) and funding arrangements including the ability to borrow
finance using Tax Incremental Funding (see footnote 83).

83 Tax Incremental Funding allows certain City Region combined authorities (such as the Greater
Manchester and the Leeds City Region Combined Authorities) who have prior approval to borrow
sums to invest in infrastructure (typically transport) whilst using future revenue streams as security for
such borrowing. There has now been modifications to the `earnback' regime as part of the Greater
Manchester Deal (see section 4.12 of this thesis).

84 Chief amongst these reasons is the uniform reduction and then the abolition of the so-called
`Community Charge' or poll tax in 1990 prior to the introduction of the Council Tax. This had the
impact of making local authorities more reliant upon central government grants – see John Gibson
'British Local Government Finance under the Conservatives', Local Government Studies, Vol.18,
No.4, pp.55-78 (December 1992).

85 A quick glance at the position of London in comparison to other global capitals confirms the point –
London raises just 26% of its revenue through local taxes compared to 39% for Berlin, 58% for
Madrid, 69% for New York and 82% for both Paris and Tokyo. See Enid Slack, 'International
Comparison of Global City Financing: A Report to the London Finance Commission' (31st January
2013).

86 This was noted by the Public Choice School (see Chapters 2 and 3 of this thesis).
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87 There is an argument that the electoral mandate should not be so prized due to low turnouts in local elections. But it is submitted that this is probably the product of the centralised Westminster regime and that a redesign of governance with Combined Authorities and more flexible powers/funding regimes may well increase interest in local politics and electoral turnouts as local authorities gain more powers/funding to act in their localities (For this argument see Myres, 2014 and Ritchie, 2014).

88 This was facilitated for cities outside London by the Localism Act 2011 and the first elections took place in May 2012. For a general overview see Keith Grint ‘Elected Mayors and City Leadership: Summary Report of the Third Warwick Commission – What is the Role of Elected Mayors in Providing Strategic Leadership to Cities? ’ (April 2012) (Warwick University).


90 However the reality is that many of these organisations are themselves experiencing budget difficulties often as a result of having their grant funding cut or withheld. During the interviews for Case Study Authority 1 (Chapter 8) the Chair of the LSP refers to this problem at length remarking that the council has been obliged to cut funding to local charities.

91 For instance ‘The Solihull Partnership, ‘Wirral Local Strategic Partnership’ or ‘Calderdale Forward’

92 There are government proposals to abolish the mandatory requirement to have a Community Strategy.

93 See The Localism Act 2011.

94 The prime structural example of this in British Public Administration was the creation of the metropolitan county councils for the six metropolitan areas (see Annex 1 to this thesis) which were created in 1974 and abolished in 1986 and which covered functional economic geographies around the cities of Liverpool, Manchester, Leeds, Sheffield, Newcastle and Birmingham.

95 See Derek Senior Memorandum of Dissent to Redcliffe Maud Report (see note below).


97 This is a think tank linked to the Institute for Public Policy Research.

98 Liverpool, Manchester, Leeds, Sheffield, Birmingham, Nottingham, Newcastle, Bristol.
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99 By way of example The Leeds City Region covers the 5 metropolitan boroughs of West Yorkshire (Kirklees MBC, Calderdale MBC, City of Bradford MDC, Leeds CC and City of Wakefield MDC) together with the area of York City Council in North Yorkshire. The LEP area covers this together with Barnsley MBC, Craven BC, Harrogate BC and Selby BC. The West Midlands area has two LEPs (1) Black Country LEP covering the administrative areas of Dudley MBC, Sandwell MBC, Walsall MBC and Wolverhampton MBC areas and (2) The Greater Birmingham & Solihull LEP covering the administrative areas of Cannock Chase BC, East Staffordshire BC, Lichfield BC, Tamworth BC, Birmingham CC and Solihull MBC. By contrast the Manchester City Region includes the 10 local authority areas in Greater Manchester which is exactly the same as the LEP.

100 The applications for the first round of City Deals in 2012 showed that the annual economies of major city regions valued as follows:- Leeds (£52bn) Manchester (£48bn) Liverpool (£21bn) Sheffield (£25bn) and Nottingham (£12bn).

101 At the Manchester Manifesto Conference organised by Downtown Business and held at Manchester Central on Friday 7 November 2014 Sir Howard Bernstein (Chief Executive of Manchester City Council) made clear that the Manchester City Region has annual public spending across all public services of £22bn, whereas it only collects a total of £17bn through the various tax regimes leaving a deficit to be funded nationally of £5bn. This underlines the importance of driving economic growth with a view to boosting GVA to close that deficit with a view to becoming a net contributor to the national economy. At the moment Bristol is the only core city to make a net contribution to the national exchequer.

102 See Local Government Chronicle special issue ‘City Deals’ Published 12th July 2012.

103 There are now five Combined Authorities in operation – Greater Manchester Combined Authority established 1st April 2011 (consisting of Manchester CC, Bolton MBC, Bury MBC, Rochdale MBC, Oldham MBC, Trafford MBC, Stockport MBC, Salford CC Wigan MBC and Tameside MBC), Liverpool City Region Combined Authority established 1st April 2014 (consisting of Liverpool CC, Sefton MBC, Knowsley MBC, St Helens MBC, Wirral MBC and Halton BC), the West Yorkshire Combined Authority established 1st April 2014 (consisting of Leeds CC, Bradford MBC, Wakefield MBC, Kirklees MBC and Calderdale MBC), Sheffield City Region Combined Authority established 1 April 2014 (consisting of Barnsley MBC, Doncaster MBC, Rotherham MBC and Sheffield CC) and The North East Combined Authority established 15th April 2014 (consisting of Durham CC, Gateshead MBC, Newcastle CC, North Tyneside MBC, South Tyneside MBC, Sunderland MBC and Northumberland CC). Some of these also include ‘non constituent’ member councils which do not have voting rights such as York CC which is linked to the West Yorkshire Combined Authority or Bassetlaw DC which is linked to the Sheffield Combined Authority. As of 26th February 2015 according to Local Government Chronicle research published in the LGC on that date, Combined
Authorities were also under strong consideration in the West Midlands, Tees Valley (where the important issue was seeking control to re-regulate bus services) and Devon and Somerset CC areas (where the important issue was seeking control of skills regulation and budgets). Discussions were also under way between Cardiff CC, Newport CC and Bristol CC to create a Combined Authority (again the key issue was seeking control of skills regulation and budgets). Cumbria CC was considering the merits of a combined authority on based on current county boundaries, whilst the unitary authority of Cornwall Council has made known partnership working should be within the current unitary structure. Nottingham & Nottinghamshire and Derby & Derbyshire had both agreed in principle to establish Combined Authorities but the latter in March 2015 suffered a setback when Erewash DC refused to support the proposals.

There have been debates about whether this should encompass fiscal devolution as well as functional devolution. The former is problematic because of equalisation mechanisms required, nevertheless there have been discussions around devolving certain elements of funding such as Business Rates and Stamp Duty – See Local Government Chronicle 12th February 2015 reporting of the speech by Danny Alexander MP, Chief Secretary to the Treasury to the Core Cities Group in Glasgow on this issue.

This links with the theme of Civic Pride identified in Case Study 2.

This was held in Leeds on 6th November 2014 hosted by the ODPM and the Centre For Cities and was addressed by Nick Clegg, Deputy Prime Minister and leading figures from within and outside the local government sector. Further details can be found on the Northern Futures and Centre for Cities websites.

Sir Richard Leese, Leader of Manchester City Council was reported in the Local Government Chronicle (19th February 2015) as saying that asking DCLG for further powers was a ‘waste of time’ and that any serious dealings had to be done with HM Treasury. This had an echo of the recent debate about the long running battle for devolution of Corporation Tax raising powers at Stormont when HM Treasury were viewed as historically hostile to the proposal by many politicians in Ulster, in spite of widespread support amongst political parties in the province.

London, Greater Manchester, West Midlands, West Yorkshire, Glasgow, Merseyside, Tyne & Wear, South Yorkshire, East Midlands, South Hampshire, Edinburgh, Cardiff Capital Region, Bristol, Belfast and Leicester.

Tax Increment Financing schemes allow local authorities to borrow for infrastructure investments using anticipated future taxation/revenue streams as security. Earnback is the latest variety of this
scheme used for Greater Manchester to fund the Metrolink extension to the Trafford Centre (see section 4.13 of this thesis).

110 Skills shortages refer to lack of skills in particular firms/industries, skills gaps refer to lack of skills in the local labour market and overskilling refers to workers who are overqualified in terms of education/training to occupy the employment role that they do.

111 On 25th February 2015 it was announced that the Government was prepared to devolve £6bn of health service funding to Greater Manchester in an attempt to develop integration with delivery of social care. See ‘Greater Manchester to win decision making powers in health and social care’, Local Government Lawyer, 25th February accessed at www.localgovernmentlawyer.co.uk For background, see press reports published 26th February 2015 in the I Newspaper by Andrew Grice & Charlie Cooper ‘NHS Devolution Plan hands over £6bn budget for health and social care’, Helen Carter ‘Cautious welcome in Manchester for high stakes experiment’, Charlie Cooper ‘Care Pooling already a reality in other parts of the UK’ and Jeremy Lawrence ‘Bold Moves are what’s needed to transform our caring services’ In these reports Richard Humphries Assistant Director of the Kings Fund think tank warned against politicians thinking these moves would deliver cash savings in the short to medium term for instance by stopping bed blocking because there is so much ‘pent up’ demand within the system already.

112 As Finn outlined it, the concept of trust is between public officials and the electorate, but as indicated in Chapter 4, trust is also a key feature in sustaining then operation of network governance (Jeffares, 2010) and building Social Capital (Putnam, 2002).

113 Here the Principal is considered to the ‘the people’ and the Agent is the public official.


115 These powers were famously used at Clay Cross DC in 1970’s and more recently at Liverpool City Council and Lambeth LBC in 1985 when Labour run authorities refused to ‘set the rate’ as required by law as part of the annual budget process in protest at what they saw as extreme Central Government policies towards local authorities at the height of the Thatcher era.

116 See section 4 Local Government & Housing Act 1989 (Head of The Paid Service), section 113 Local Government (Finance Act) 1988 (Chief Finance/Section 151 Officer). Also the Monitoring Officer has statutory powers under section 5 Local Government & Housing Act 1989. These are powers to make formal reports to members in respect of the running of the authority, the financial/budget position or legal matters. They are generally only used as a last resort.
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117 The Council (as opposed to the Executive/Cabinet) is responsible for setting general policy/strategy and financial matters under the Local Government Act 2000.

118 Mention may be made of the Planning Inspectorate that determines planning appeals, the Lands Tribunal that deals with disputes over land valuations, as well as bodies governed by private law such as employment tribunals.

119 See Associated Provincial Picture Houses v Wednesbury Corporation [1948] 1 KB 223, which established the founding principles of administrative law making clear that decisions should be rational taking into account only relevant considerations and excluding irrelevant matters.

120 This has been used recently to challenge closure of local libraries such as at Brent LBC.

121 Compare ROBSON: 1947 to WADE & FORSYTH: 2009 and the extensive development of administrative law over the post war period becomes clear.

122 Although the civil courts will generally enforce contractual obligations.

123 A parallel may be drawn with the Treasurer in a local authority who stands in a fiduciary relationship to the local area as a whole. (See ATT-GEN v De Winton [1906], 2 Ch. 106).


127 The classic statement of the pluralist position is in Dahl ‘A Study of Power in New Haven’ (1961) Other theorists though have adopted Elitist perspectives that considers power to be concentrated amongst certain persons and groups (Wright-Mills, 1956) whilst some took a Marxist/neo-marxist perspective and considered the operation of networks to be unequal in terms of power distribution (Lukes, 1974) linking that to the capitalist economic structure and hegemonic power of capitalist ideology, concluding that policy networks are undemocratic with a focus on implementing neo-liberal orthodoxy and reducing what are in reality political debates to mere technical questions around policy implementation, thereby obscuring the position of where the real power lies (Davies, 2009, Macleod, 2011).
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126 There is an interesting link to be made on the question of declining electoral turnouts for local government elections and the prospect to reverse this and boost political participation by co-designing public services (on the ground) and devolving freedoms, flexibilities and funding to localities through pooled budgets and new governance structures such as Combined Authorities.

129 As amended by the Localism Act 2011.

130 This was outlined at The New Economy Lunchtime briefing event - ‘Devo Max or Devo Manc’ at Churchgate House, Manchester, 26th November 2014.

131 as opposed to the traditional committee structure or alternative arrangements allowed under the LGA 2000 for councils with a population under 85,000.

132 Section 15-17 Local Government & Housing Act 1989.

133 Introduced by the Police & Justice Act 2006.

134 Introduced by the Health & Social Care Act 2001

135 s101 LGA 1972 - allowing one authority to provide services as agent to another, The Local Authorities Goods & Services Act 1970 - allowing trade between public bodies in specific circumstances


137 See Robson, 1975.

138 To the extent that the thematic analysis is grounded in the data there is acknowledgement of the importance of Grounded Theory (Glaser & Strauss, 1967)

139 The word initial is used because the researcher placed less emphasis on the formal schedule as the interviews progressed and there was increasing familiarity with the data that was being collected through the interview process.

140 Notably the use of qualitative and quantitative techniques of data collection/analysis
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142 For further discussion of the structure/agency debate See McAnulla, 2002

143 See the Personal Impact Statement submitted with this thesis.

144 In August 2014 upon receipt of ethics approval, two informal pilot studies were carried out with colleagues in local government on an informal and anonymous basis with a view to “road testing” the prompts that had been developed before using the Interview Guide on the first case study authority – Metropolitan Authority in the Birmingham City Region, the analysis of which forms Chapter 8 of this thesis. The pilot study resulted in the focus of the questions being sharper and there was substantially less reliance placed upon the Interview Guide as the process progressed and the researcher drew upon previous interviews and gained increasing familiarity with the matters under discussion.

145 The response rate overall was probably around 15%. The Personal Impact Statement chronicles the detail of some of these approaches and the impact it has had on the research. It raises key issues about links between academia and local government practice. The poor response rate may to some extent explain the dearth of research in the area and was in direct contrast to the enthusiasm of the case study authorities that eventually did take part which all wholeheartedly embraced the ethos of the research to the extent of assisting with the co-ordination of interviews and in once case allowing the researcher to attend a governance seminar that was intended for local authority employees.

146 Planning/licensing functions.

147 This was outlined by Sir Howard Bernstein (Chief Executive of Manchester City Council’) at the Manchester Manifesto conference at GMEX organised by Downtown in Business and held on 7th November 2014.

148 Such as has been agreed for Greater Manchester (see Chapter 4) although joint working within the West Midlands area has a history that is clearly more problematic.

149 See the address of Howard Bernstein (Chief Executive of Manchester City Council) to the ‘Manchester Manifesto’ Conference at GMEX Manchester held on 7th November 2014 and the address of Tom Riordan (Chief Executive of Leeds City Council) to the ODPM/Centre for Cities Northern Futures Conference held in Leeds on 6th November 2014.

150 These boards were established under section 194 Health & Social Care Act 2012 as a committee of the local authority. They include as a minimum official representatives from Public Health, Adult
Annex 11 – References

Social Care, Child Social Care and the Clinical Commissioning Groups for the NHS. Section 195 imposes a duty to seek to integrate policy between health and social care.

151 See ‘The Greater Manchester Agreement: Devolution to the GMCA & Transition to a Directly Elected Mayor’ (Published by HM Treasury and GMCA December 2014).


153 See the detailed submissions by the Vice Chair and Clerk of (another) Parish Council in Annex 10 which supports this interpretation.

154 It is only possible to create jobs on the basis of economic growth.

155 Place Shaping may be regarded as a combination of physical regeneration and the building of social capital/capacity amongst the local population to be able to take advantage of economic opportunities.

156 See Theme C ‘Quality Service’ raised by the Council Leader

157 This links to Theme H on Leadership

158 This is supported by the fact that elsewhere in the interview he relates an incident where he told a journalist with reference to his previous position that if he failed to reform Childrens Services he did not deserve to keep the job and would leave voluntarily if that was the case.

159 This involved a 3000 page contract for support services that was so complicated, even the lawyers that drafted it did not understand it and it was consequently difficult to enforce (see Somerset County Council, 2014).

160 See Address to Manchester Manifesto Conference at GMEX Manchester (organised by Downtown in Business) 7th November 2014.

161 See the Personal Impact Statement submitted with this thesis.

162 Section 4 Local Government & Housing Act 1989

163 See Ward Member interview Lines 367-380.

164 See LSP Chair interview Lines 184-186
Annex 11 – References

165 The population hollowing out effect was described by the Chief Executives of Hull City Council and Newcastle City Council at the ODPM/Centre for Cities Northern Futures Summit held in Leeds on 6th November 2014. (It was also discussed at the Future Cities Event held in Sheffield on 27th November 2014). The hollow out effect has gripped these and other northern cities which struggle to retain graduates. Young people are attracted to northern universities, then leave for employment often in London and the south east of England because northern cities cannot provide attractive career opportunities before returning home to those northern cities in old age when care services are required. This creates serious fiscal difficulties for local authorities seeking to plan services, because those in northern locations (which include Hull, Newcastle and Liverpool) which suffer from this effect, have the burden of providing high cost care services, but suffer a decline in the working age population to generate revenues through which to cover costs.

166 See section 4.2 of this thesis and Quotes P1-P5 from Case Study 2.

167 This was the overwhelming theme expressed in the series of regional studio debates broadcast by BBC1 on 5th November 2014 on the 2235 regional network opt out slot, including ‘Power to the North West’, ‘Power to Yorkshire & Humberside’, ‘Power to the West Midlands’ and ‘Power to the South West’.

168 The key to this is that the scrutiny function is taken seriously at the highest corporate level so that it is treated as part of the ethical governance constitutional framework of the local authority.

169 As defined in Chapter 3 of this thesis, Place Shaping can be regarded as a mixture of physical regeneration (including infrastructure such as transport) together with the building of social capital amongst the population (through education and skills) to enable successful economic development.

170 Address by Sir Howard Bernstein to ‘Manchester Manifesto’ Conference at GMEX Manchester organised by Downtown in Business and held on 7th November 2014.

171 For Railway Governance see Fig 6 in Chapter 10 of this thesis.

172 Established under section 194 Health & Social Care Act 2012 – see Chapter 4 of this thesis.

173 It was notable at the Northern Futures Conference held in Leeds and the Future Cities Conference held in Sheffield (both in November 2014) that the Youth Work Contract Scheme to boost the employment levels of young people had double success rate locally in West Yorkshire (70%) when it was delivered through the West Yorkshire Combined Authority than nationally (35%). This was personally confirmed to the researcher in another interview with a council leader of another authority that has not been analysed as part of this thesis.

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174 See Tom Stannard ‘Devolution in the skills arena is about more than fiscal control’ Briefing, Local Government Chronicle, 22 January 2015 p.18.

175 The five panels are Adult Health and Social Care, Children and Young People, Communities, Economy & Environment and Use of Resources.

176 In this (Case Study 2) authority, scrutiny falls under the remit of the Head of Partnership & Democratic Services.

177 The Monitoring Officer is usually though not necessarily the Chief Legal Officer (under whatever title) and has specific statutory reporting duties under section 5 Local Government & Housing Act 1989.

178 It should be remembered that the Scrutiny function operates as part of the Council constitutional structure established under the Local Government Act 2000 and although members are required to consider matters before them on the merits of the case, they are also members of political parties. The party connection may be more important in terms of overview/policy work than for the scrutiny of executive decisions, which may have a greater degree of detachment (Copus, 2004).

179 From the Head of Democratic & Partnership Services who was concerned that members wished to avoid the Combined Authority being seen as a revamped version of the abolished metropolitan county council (also see footnote below).

180 It is worthy of note that the new Combined Authorities have been set up to obtain strategic control over matters such as transport, skills and infrastructure. These matters were previously the responsibility of the Metropolitan County Councils that were abolished in 1986. Thirty years on we are arguably back at the same point – perhaps the difference is that with the Combined Authorities there is not another elected tier – as they simply draw from constituent authorities. It is similar with scrutiny pools. It became clear to me that there is no appetite within the local government community for new structures to enable accountability – the only ‘show in town’ as one participant informally put it to me afterwards is the Scrutiny function under the 2000 Act.

181 See Annex 4A (Greater Manchester) and 4B (West Yorkshire).


183 Notwithstanding that both case study authorities were keen to stress that they considered scrutiny of executive decisions as important, although in both cases, the overview/policy role was considered important at a corporate level.
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There are sometimes contractual obligations requiring co-operation with Scrutiny.

Obviously co-operation is to be welcomed and quite often voluntary co-operation is to be prized. Even in cases where formal statutory powers exist such as those for the Monitoring Officer and Chief Financial Officer to make formal reports to the Council when they have concerns such formal reports are quite rare.


It is estimated that local authorities as a whole between 2010 to the May 2015 it is estimated that local government will have on average have lost up to 40% of funding (see ‘Councils reaching end of the road for managing cuts through efficiency savings’ Local Government Association Press Release 12th May 2014), meaning local authorities are under intense pressure to protect front line services – See Quote Q6 (Leader, Case Study 2).

See Figure 6 for structure of the UK Rail Industry.

This was central to both case studies. Case Study 1 (Chapter 8) is concerned with HS2 proposals and the impact it may have for social and economic regeneration in the borough and Case Study 2 (Chapter 9) is concerned with the upgrading of the local rail line and the implications of HS2 and HS3 proposals.

See for instance outsourcing of adult social care in both case study authorities. Quote C3 and Quotes L8/L9.

South West One Contract – See Somerset County Council, 2014

See Figure 6

In this context it is worth perhaps recalling the centrality that politics played in activities of the Leader from Case Study 2. It drove the ambition, the party programme and set the context both for accountability through elective politics and service delivery. This underlines how and why Public Administration is different to business management. The context, priorities and stakeholder expectations are governed by the political dynamic. Furthermore the state has burdens that private business does not have - such as a requirement to provide emergency services, or care services, it cannot easily opt out (Rouse, 1999). This is why the argument advanced by Perry & Kramer (1983)
who argued that business and public administration is broadly the same has been fatally undermined, and Public Administration remains distinctly public and political in character as set out by Dwight Waldo (1948, 1955) and Greenwood & Wilson (1989) for instance.

See Interview with Head of Democratic & Partnership Services Lines 846-847.

See Chapter 7 (Methods) of this thesis and the Personal Impact Statement submitted with it which relates some of the challenges in obtaining primary data for this thesis.

See the Personal Impact Statement that accompanies this thesis which chronicles my longstanding interest in the historiography of the discipline of Public Administration.

Charter’88 was a non partisan campaign group attracting support from all sectors from education, media, clergy etc calling for a range of constitutional reforms including electoral reform, freedom of information, bill of rights, devolution and regional government.

The Hannah Mitchell Foundation is a non party campaign, based in Huddersfield that calls for strong regional government for Yorkshire and the North of England.

This consists of the main centres of Dusseldorf, Koln, Duisburg, Essen and Dortmund together with 10 smaller cities which together account for 15% German GDP (One North, 2014).

It is worth recalling in this context both the political and commercial history of Germany is different and much more decentralised than the UK. The former is shaped by Federalism and the latter reflected in the fact that centres for politics (Berlin), finance (Frankfurt) and heavy industry/engineering (Rhine/Rhur) are all different.

There are eight Core Cities which have over 500,000 population – namely Liverpool, Manchester, Leeds, Sheffield, Newcastle, Nottingham, Birmingham and Bristol. Councils from this group of cities have been lobbying for extra devolution powers and towards the end of 2014 was joined by Glasgow.

There are 26 key cities – which are medium size towns/cities the local council areas of which comprise Bath & NE Somerset, Blackpool, Bournemouth, Brighton & Hove, Cambridge, Coventry, Derby, Doncaster, Hull, Kirklees, Milton Keynes, Newport, Norwich, Oxford, Peterborough, Plymouth, Preston, Southampton, Southend, Stoke on Trent, Sunderland, Tees Valley, Wakefield, Wolverhampton and York.

Each Combined Authority has the Core City as the focus but also covers Key Cities. Each Combined Authority to date has been chaired by a Key City (or at least a non Core City). For example
Annex 11 – References

the West Yorkshire Combined Authority has Leeds as the Core City but is chaired by Wakefield as a Key City.

Knowledge Intensive Business Services which typically provide high value added jobs based in city centre locations.

This explains in part why KIBS jobs locate in city centres and why certain areas have specialist economic sectors which they seek to develop. For instance Leeds City Centre has been attractive to legal firms and the concentration of commercial firms in this small space increases the chance of knowledge spillovers.

Merseyside has 'Walrus' which is said to be the largest smartcard operation outside of London. West Yorkshire has the 'M' Card but with minor exceptions they only operate within the county boundary, whilst many commuters need to travel to neighbouring metropolitan areas to access work opportunities – hence the call from One North to introduce Oyster style ticketing arrangements across the north (One North, 2014).

It was at the heart of the Manchester Devolution Deal in November 2014, the Cornwall Devolution Deal in July 2015 and is the main reason why the local authorities in the Tees Valley seek to establish a combined authority.

The 'Twenty Miles More' campaign has been established through which the local business and political community on Merseyside are seeking to establish a direct link to the HS2 system via Crewe as well as a direct service on the proposed HS3 trans-pennine route to Leeds, York and Hull.

The Leader of Case Study 2 also made reference to the importance of total rail connectivity serving key northern centres, not just Manchester and Leeds.

Gross Value Added is a standard measure used by the Office for National Statistics that comprises Gross Domestic Product but excludes taxes.

This was announced by Secretary of State for Communities and Local Government Greg Clark at County Hall Truro on 17th July 2015. Though a step forward, it fell somewhat short of the original demands from Cornwall Council set out in 'The Case for Cornwall' published by Cornwall Council leader John Pollard in December 2013.

See the editorial of the Financial Times 'Baby Steps on the Long Road to Devolution: The Treasury's grip on UK's overcentralised state must be loosened', 27th July 2015.
Fire Services, Police Services and Waste Disposal continued to be provided on a county basis after the abolition of the metropolitan counties in 1986.

At the time of printing, each county has submitted proposals to the Government for a combined authority, but the Government has asked the question as to whether they should form a combined authority with all three counties – presumably to complement the West Midlands. See ’Combined Authorities asked to rethink planned boundaries’, Local Government Chronicle, 6\textsuperscript{th} & 13\textsuperscript{th} August 2015, p.1.

See Budget Statement delivered by the Chancellor of the Exchequer to the House of Commons 8th July 2015.

This complements the role of the Police Commissioner which has been absorbed into the Greater Manchester Mayor and builds on the proposals in ’Devo Manc’ (Blond & Morrin, 2014) to co-ordinate ’blue light’ emergency services.

The Chancellor of the Exchequer George Osborne made clear in a speech to Civic Leaders in Manchester on 14 May 2015 that an elected mayor for a city region would be a requirement for other areas to secure devolution similar to the package taken up by Manchester in 2014/2015.

That is ambitious by UK standards.

This is done through the Scrutiny Committee system established under section 21 Local Government Act 2000 and through the scrutiny pool system in which constituent authorities operate a joint scrutiny pool to scrutinise work of combined authorities.

The turnout of 84.6\% in the Scottish Independence Referendum (held on 18th September 2014) suggests however that the population may respond in a positive way when they consider the question at issue of sufficient importance. Contrast the turnout of just 15.1\% for the elections of the Police & Crime Commissioners in England & Wales (held on 15th November 2012).