How are local public services responding to austerity?

English local governance between 2010 and 2015

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Abstract

This thesis explores how English councils and their public service partners responded to the UK Coalition government's 'austerity'-related spending cuts between 2010 and 2015. The research is distinctive in moving beyond a focus on the impacts of cuts to individual services, instead considering responses to austerity 'in the round', using a governance perspective. The methodology was innovative, using principles of 'action research' and 'appreciative inquiry' to design the research collaboratively with Nottingham City Council. Fieldwork was undertaken between 2012 and 2014, including a document review, 34 interviews and two workshops with frontline staff, as well as informal participant observation. The approach aimed to deliver academic rigour, as well as useful findings for practitioners addressing challenges in the field.

Taking the locality of Nottingham as an exploratory and revelatory embedded single case study, the analysis combines insights from new institutionalist and interpretive theory. It demonstrates that although the council showed institutional resilience, and was able to maintain a wide range of services, spending cuts were creating pressure to change both the 'practices' and 'narratives' underpinning service delivery. Tensions in some service delivery partnerships suggested shifts in local 'traditions' of governance, viewed by some actors as symptomatic of a wider change in the values underpinning governance institutions. Meanwhile the council was increasingly focussed on strategic forms of community leadership, whilst links with local communities were diminishing.

Working with partners, the council had (at least temporarily) mitigated a dramatic reduction in income. Yet although change in service delivery was incremental, the potential for transformation in local governance was clear. These findings are shown to have consistencies with wider

comparative studies. Policy implications are discussed for the 2015 Conservative government, as it implements a further round of austerity-related cuts.

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Finally, my thanks and love to Mike, Katie and Matthew, for their support, forbearance and understanding on this very personal journey.

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Figures, Tables and Boxes

List of acronyms

APSE	Association of Public Service Excellence
DCLG	Department for Communities and Local Government
DETR	Department of Environment, Transport and Regions
FTE	Full-time equivalent
GOs	Government Offices
HSCIC	Health and Social Care Information Centre
IDeA	Improvement and Development Agency
LAA	Local Area Agreement
LEPs	Local Enterprise Partnerships
LGA	Local Government Association
LPSA	Local Public Service Agreement
LSP	Local Strategic Partnership
NCC	Nottingham City Council
PCC	Police and Crime Commissioner
RDAs	Regional Development Agencies
TNT	'Transforming Notts Together'
Quango	Quasi non-governmental organisation
VCS	Voluntary and Community Sector

Chapter 1: Introduction

The UK Coalition government's 'emergency budget' of June 2010 signalled the beginning of a retrenchment in UK public expenditure which was without parallel since the end of Second World War (Taylor-Gooby 2012, p.226). Within the spending cuts that followed, the Department of Communities and Local Government accepted the highest proportional reductions of any central government department, with a budget cut of 51 per cent, and funding for core grants to local authorities reduced by 27 per cent (HM Treasury 2010b p.10). Cuts to local government grants were 'front-loaded' with the most significant reductions made during the first three years of the spending review period. Local authorities' main lobbying body, the Local Government Association (LGA) termed the 2010 Comprehensive Spending Review 'the toughest local government finance settlement in living memory' (BBC News, 2010).

For the period 2010 to 2015/16 the real terms reduction in government funding to local authorities was estimated to be 37 per cent (NAO, 2014a). The size of the UK's local government workforce fell by 21 per cent, with a headcount reduction of 622,000 (ONS, 2015). In this context one might have expected radical changes to the way local public services were provided and experienced at a local level. Yet despite this huge reduction in resources dedicated to local service delivery, the impact on service provision appeared markedly less dramatic.

In 2012 the Audit Commission, local government's (then) main regulator, reported that the majority of councils had dealt well with the financial challenges, with only nine percent of local authorities experiencing 'high in-year financial stress', and most being well-placed to deal with future cuts (Audit Commission 2012 p.5). In January 2013, Ipsos Mori found that 65 per cent of a sample of 1015 adults agreed

with the statement 'I haven't really noticed any changes to the services provided by my local council' (Ipsos MORI, 2013a) and this conclusion was repeated by a BBC poll, prompting the headline 'public service cuts: did we notice?' (Easton, 2013). Residents' satisfaction with council services also remained stable at around 70 per cent (LGA 2013 p.11). Even in 2015, after the introduction of a sweeping programme of welfare reform and two further years of cumulative funding reductions, studies were continuing to report that 'councils were largely managing (by their own account) to balance budgets without major loss of frontline services nor serious impacts on service quality' (Fitzgerald & Lupton, 2015 p. 590). No councils attempted to set an illegal unbalanced budget between 2010 and 2015 (NAO, 2014a).

The starting point for this research was to question how local public services were responding to the Coalition government's austerity policies, and apparently maintaining their capacity to function, in the face of such a drastic decline in funding. This question, later termed the 'austerity puzzle' (Gardner & Lowndes, 2015) encompassed three important areas of enquiry which had theoretical implications as well as significance for policy and practice. First, were austerity policies genuinely being delivered (as both central and local government claimed) with minimal effects on local services, and if so, how was this being achieved? Second, had austerity affected local government's role as a co-ordinator of 'local governance', including its capacity to deliver services in partnership with other public, private and voluntary sector organisations, and to act as a 'community leader'? Third, how rapidly, and to what extent, was local government and local governance changing in response to austerity?

The research available in 2012 showed a division in perspectives, both at practice level and within the academy, in relation to the effects of cuts on services. This was exacerbated by the uneven application of spending cuts, as the greatest reductions to funding also occurred in local authority areas subject to highest levels of multiple deprivation (Hastings, Bramley, Bailey, & Watkins, 2012 p.13; Audit Commission,

2013 p.23). Local authorities in affluent areas were less dependent on grant funding and experienced lower levels of financial pressure, which contributed to varying and localised impacts from austerity and an absence of shared experiences.

Narratives from both central and local government tended to discourage critical comment about the effects of austerity on services. The Government argued that there were multiple ways for councils to achieve 'sensible savings', and that these could be achieved with minimal effect on the frontline (DCLG, 2012; Osborne, 2013). The Coalition proved extremely successful at promoting their vision of austerity as an 'unavoidable deficit reduction plan' (HM Treasury, 2010 p.5) packaged with 'comrade-in-arms' reassurance that 'we are all in this together' (Cameron, 2009). If councils protested, they were accused of exaggerating the effect of reductions and building excessive financial reserves (DCLG, 2013; Johnstone, 2012). Meanwhile the local government trade press offered a heroic narrative, emphasising that local government had done 'a spectacular job of swallowing the cuts' (Jameson, 2013) and reinforcing local government's reputation as 'the most efficient part of the public sector' (Downs, 2013). In this context, any council raising negative consequences from austerity risked accusations of acting against the national interest and condoning inefficiency.

At the same time, academic discourse was divided on the consequences of austerity for local services. Pierson's new institutionalist perspective had demonstrated the resilience of the welfare state against retrenchment policies adopted by the Reagan and Thatcher governments during the 1980s (Pierson, 1994). Early research on Coalition policies supported a historical institutionalist analysis, highlighting evidence of local government's stability and creativity in the face of austerity policies (John, 2014; Lowndes & McCaughie, 2013). Alternatively, critical policy approaches tended to focus on austerity as an attack on the values of the welfare state and

an extension of neo-liberal ideologies (see for instance Levitas, 2012; Peck, 2012; Taylor-Gooby, 2012).

In a hybrid approach, Newman argued for recognition of greater complexity at a local level, where local authorities could function as 'landscapes of antagonism' providing 'incubators of new possibilities that may bend or adapt neoliberal logics or may establish new pathways' (Newman, 2013 p.7). Newman's perspective identified a middle ground by highlighting the dynamic and iterative relationship between institutions and values. However there was a gap in empirical studies taking a similar perspective.

In relation to the second area of enquiry, although much comparative research had focussed on the impacts of cuts to services, (see for example Crawford & Phillips, 2012; Hastings et al., 2012; The Audit Commission, 2012) less attention had been given to how austerity policies were affecting the partnerships and commissioning relationships core to local governance. Under the preceding Labour administration many councils had embraced an identity as a 'community leader' (Leach & Roberts, 2011; Sullivan, 2007) and service 'convenor' (Lyons, 2007 p.3). These terms provided recognition for local government's 'place-shaping' role in articulating civic ambitions and acting on community aspirations; and councils' strategic responsibilities in planning and co-ordinating multi-agency service provision. Both functions entailed the maintenance of extensive partnership relationships between local authorities and other service providers in the public, private and voluntary sectors. However, academic research suggested ambiguity on the consequences of austerity for partnership. On the one hand Lowndes and Pratchett noted that under Coalition arrangements, resources for partnership work had been depleted, potentially leaving strategic partnerships to 'wither on the vine' (2012 p.29). In a separate (2012) study Lowndes & Squires argued that, in practice, partnerships were still valued as a buffer against the harshest effects of austerity. Further empirical

investigation was needed to understand how such tensions were playing out.

The third area of enquiry concerned the pace and extent of change to local government occurring in response to austerity. This research question was identified as a result of the mismatch between narratives that suggested that cuts could be delivered by minor adjustments with minimal impact at the frontline (Osborne, 2013) and academic and campaigning groups' arguments that austerity was re-scaling the welfare state (Forbes, Dore, & Anderson, 2012; Hastings, Bailey, Gannon, Besemer, & Bramley, 2015; Taylor-Gooby, 2012). It also involved important theoretical debate on the *process* and *outcomes* of change. Would processes of change be incremental (in line with historical institutionalist explanations of change, see for instance Streeck & Thelen, 2005) or punctuated by sudden fluctuations in the manner described by Jones and Baumgartner (Baumgartner & Jones, 2002; Jones et al., 2009)? The outward stability of public services pointed towards incremental change, but the rapidity of cuts to public finances and resources raised the potential for punctuation, and contemporary studies were already cautioning in 2013 that the full impact of austerity measures had only been temporarily delayed by one-off spending reductions, rather than fully absorbed (Audit Commission, 2013; Hastings et al., 2013).

In addition, whilst there were strong theoretical arguments that both incremental and punctuated change could have transformative effects (Jones et al., 2009; Mahoney & Thelen, 2010; Streeck & Thelen, 2005b) there had not yet been any attempt to assess the cumulative extent of austerity-related change for local government and its partners. This was partly an issue of timing, as previous studies of retrenchment had shown that an extended timescale was needed to understand the outcomes of policy changes (Pierson, 1994 p.14) and thus any assessment on the extent of change just five years after 2010 could only aspire to cautious and interim judgments. However, at the outset of this research there seemed to be merit in attempting such an

analysis, especially given the likelihood (now proved correct) that austerity would continue to set the policy context beyond the 2010-2015 Parliament. Hall's (1993) paradigms of first, second and third order change offered a useful framework to shape the research and fitted well with a philosophical approach which sought to combine analysis of the effects of austerity on values (or in Hall's terms, 'goals') as well as institutions.

In summary, these three emerging areas for enquiry; focusing on the (apparent) maintenance of service delivery; the effects of austerity on partnerships for service delivery and community leadership roles; and the type and extent of change, suggested the importance of understanding the local effects of austerity policies 'in the round'. This research was therefore designed to take account not just of the services provided by local authorities, but of their wider roles and responsibilities in the governance of localities.

In order to make the research manageable within the resource constraints and timescale of a PhD, a decision was taken to focus empirical work on a single case study of a council and its service delivery partners. The case was an English unitary local authority area which had been relatively severely impacted by the recession and subsequent cuts. England was chosen because it was the country in which the Coalition's austerity policies had made the most direct financial impact (spending cuts to local authorities in Scotland and Wales were conducted in a different context, given higher per-capita funding settlements historically provided to these regions, and mediation by the Scottish Parliament and Welsh Assembly) (Crawford & Johnson, 2015; Keep, 2015). A single case provided the opportunity for in-depth exploratory and revelatory study which could examine the combinative effects of austerity from multi-dimensional perspective. It also allowed this author to work collaboratively with local service providers, in this case Nottingham City Council and a number of partner organisations, through an action research approach. The research adopted as its time frame the period from the introduction of the

Coalition government's emergency budget, in June 2010, to the close of the current Comprehensive Spending Review period, in March 2015.

Limitations of this research included scope, timescale and the capacity for generalisation. In regard to scope, the study focussed mainly on institutional level responses rather than population impacts and in this sense presents only part of a wider story about the effects of austerity policies. However, this was a pragmatic choice; institutional responses were chosen as the focus because they were subject to a shorter time-lag and fewer intervening variables than population effects. Kennett, Jones, Meegan, and Croft (2015) have also started the important work of linking austerity to population effects in urban areas.

Regarding timescale, this study inevitably offers a snapshot of a dynamic situation, and therefore risks misjudging the cumulative effects of austerity policies, due to a lack of historical distance. However as we are on the cusp of a further five years of austerity (HM Treasury, 2015c) an attempted assessment of the consequences for institutions and their underpinning values is timely.

On the issue of generalisation, the foregoing analysis has already highlighted that impacts of austerity are highly localised and subject to a range of spatial and historical factors. In this sense, local context is an important variable for this study which has potential to be obscured by a larger 'n' analysis. In addition, this study sought to create a novel perspective by moving beyond the comparison of services or functions to seek a more holistic understanding of austerity as it impacted in a single locality.   Although this case cannot be generalised to a population, it can be generalised to theory via the substantiation or modification of theoretically informed propositions (Yin, 1994) and this is the approach adopted within this research.

1.1 Structure of the thesis

Chapter 2 sets the context for this thesis, examining the role of English local government under the 'new' Labour administrations, with reference to service delivery and governance responsibilities.   It describes how an emerging identity for councils as 'convenors' of partnerships for service delivery (Lyons, 2007 p.3) and 'community leaders' (Sullivan, 2007) was impacted by spending cuts and legislation from June 2010 onwards, and explores the tensions created by those changes, demonstrating how they gave rise to the three core research questions.

Chapter 3 begins by discussing the ontological and epistemological issues associated with studying austerity. The chapter makes a case for combining theories on stability and change, drawn from new institutionalist approaches, with interpretive analysis exploring the local and situated meaning of change. Insights from new institutionalist and interpretive studies of local governance are subsequently linked with the research questions to create six theoretically-informed propositions (see box 1.1 below).

Chapter 4 introduces the research design, which was novel in attempting to combine a collaborative action-research approach with elements of appreciative inquiry (Gaya Wicks, Reason, & Bradbury, 2008; Ludema & Fry, 2008). It gives a reflexive account of the non-linear nature of this research 'journey', explaining how the analysis in this thesis developed over time. It also explains how the propositions introduced in chapter 3 were used to create a framework of detailed research questions which informed the initial document review, interviews and workshops. Data was then analysed with reference to the propositions, and emerging conclusions triangulated using three or more data sources. The description of the research methodology is followed by Chapter 5, a short chapter introducing the case study of Nottingham, providing essential background information to the following chapters analysing responses to austerity.

Box 1.1: Propositions

P1) The range and quality of services available to the public has been maintained during the period 2010-2015

P2) The Council's institutional rules, practices and narratives have been maintained during the period 2010-2015

P3) Partnerships for service delivery between the Council and other statutory, business and voluntary partners have been maintained in the period 2010-2015

P4) Local political representatives continue to exercise community leadership and 'place shaping' roles

P5) The change processes instigated in response to austerity have so far been characterised by incremental change rather than 'punctuated equilibrium'

P6) Austerity policies have so far been delivered with minimal (first order) change to local governance and systems

Chapter 6 addresses propositions P1 and P2, considering the extent to which local services and their underlying institutions have been sustained between 2010 and 2015. With regard to P1, it argues that – in line with expectations guided by a historical institutionalist analysis - the range of services provided by the council appears to have been maintained in Nottingham (though there was insufficient evidence to make a judgement on service quality). However analysis of the 'rules, practices and narratives' underlying service delivery in relation to P2 suggests that although the council maintained its outward 'rules' in the face of austerity, subtle changes were occurring to practices, and there were also contesting narratives about the best approaches to

addressing the budget gap. However a purely institutional analysis could not offer answers as to whether such changes *mattered*.

Chapter 7 picks up this issue in relation to proposition P3, examining the effects of austerity on Nottingham's role in leading partnership arrangements to deliver local services. In this case, from a structural perspective, the institutional 'rules, practices and narratives' of strategic partnership work appeared to have been maintained, or even strengthened since 2010. However some partnerships for service delivery, particularly with the voluntary and community sector, appeared to be under strain. Tensions were rooted in changing practices, as the council moved from a 'gift' to a 'contract' based relationship with the sector through the introduction of new commissioning processes. Analysed using Bevir and Rhodes' concept of government traditions (Bevir & Rhodes, 2003, 2006, 2010), these changes showed a shift in local 'traditions' of partnership work, which sat at odds with the historic position of the council.

Chapter 8 considers proposition P4, looking at whether austerity had affected community leadership and 'place shaping' functions. Helen Sullivan's four interpretations of community leadership as an enabling role, community voice, a symbolic act, and an expedient device (Sullivan, 2007) provide a useful framework to analyse the council's chosen strategies of leadership. In Nottingham's case, the gradual withdrawal of the council from community-facing roles raises important questions about its ability to influence and express 'community voice', with wider potential implications for local democratic engagement and legitimacy.

Chapter 9 takes an overview of the final two propositions which examine the process and extent of change in local government. In relation to proposition P5 it argues that despite an apparent punctuation in finance at national level, Nottingham City Council had been able to mitigate the external shock of austerity into incremental changes at the front line. However analysis also suggested that sources of institutional

resilience were being steadily eroded, and that individual agency focussed on the defence and maintenance of existing institutions was increasingly being challenged by revisionist proposals from 'symbionts' and 'opportunists' (Mahoney & Thelen, 2010). The mitigating actions deployed to date appeared likely to be temporary in their effects, and there was potential for radical institutional change in the future.

In regard to proposition P6, Hall's concept of paradigmatic policy change was applied to make a cautious and interim assessment of how far institutional reform had progressed. In Nottingham the research identified clear evidence for 'first order' change to the 'settings' of local government and some 'second-order' change to policy instruments. There was also some evidence that financial pressure was compromising the 'third-order' goals of the organisation.

Chapter 10 draws together the conclusions, revising the propositions in the light of research findings. It sets the work in context with other recently published studies, and outlines its distinctive contribution in empirical, methodological and theoretical terms. The chapter concludes by highlighting the policy implications arising from the investigation, and outlining an agenda for future study. Ongoing scrutiny of the ramifications of spending cuts for services and governance systems will remain an important and controversial topic of enquiry, given the 2015 Conservative government's stated intention to continue austerity policies and entrench spending reductions using a new 'fiscal charter' (Osborne, 2015a).

Chapter 2: Local government, governance and austerity

2.1 Introduction

The 2008 banking crisis, and the subsequent 'Great Recession', resulted in the largest UK budget deficit since 1945 (Taylor-Gooby & Stoker, 2011). Although overall levels of national debt were comparable with that of other European partners at 50-60% of GDP (Bailey, Bramley, & Hastings, 2015), the UK's annual budget deficit had risen sharply, partly due to the urgent recapitalisation of several major UK banks (Brown, 2011). The resulting rapid growth in debt, against the background of an international sovereign debt crisis, undermined the UK's credit rating and raised a spectre of unsustainable government borrowing.

For the Coalition government elected in 2010, the solution lay in a radical programme of public spending cuts, originally aimed at clearing the deficit in a single parliament. The pace of these cuts was amongst the fastest of all industrialised nations: only Iceland and Ireland cut public spending faster (Bailey et al., 2015). Between 2010 and 2015 the UK's Coalition government reduced public expenditure by 2.9 per cent, and spending as a share of national income fell from 44.8 per cent of GDP in 2009/10 to 40.7 per cent in 2014/15 (IFS, 2015). These figures masked substantial variations across different government departments, with expenditure on areas such as healthcare and pensions rising, whilst unprecedented cuts were applied to 'unprotected' government departments[1]. The most severe cuts were made to local government spending, with the Department for

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[1] Areas of public spending which were relatively protected in 2010 included health, education, international development and defence (HM Treasury, 2010b). Pensions were protected through George Osborne's 'triple lock' guarantee to uprate the state pension by earnings growth, price inflation or 2.5%, whichever was the highest (Lupton et al., 2015).

Communities and Local Government offering savings amounting to 51 per cent of its budget (HM Treasury, 2010b p.10) and local authorities subject to a 37 per cent real terms cut in central funding (IFS, 2015; NAO, 2013 p.4) leading to an estimated 32 per cent real terms reduction in per capita funding (Municipal Journal, 2015a).

Yet the way in which austerity was implemented meant that the implications for local services were far from clear. Whilst the Local Government Association had initially warned of a £16.5 bn funding gap in public expenditure by 2020 (LGA, 2012 p.8) (a projection which subsequently became known as the 'graph of doom'), Audit Commission and National Audit Office reports consistently reported that most councils were coping financially, albeit with some signs of stress (Audit Commission, 2012, 2013; NAO, 2013). During the whole of the 2010-2015 spending review period no council attempted to set an unbalanced budget (NAO, 2014a). In addition, surveys in the early part of the spending review period suggested that the general public had limited awareness of reductions to services with two-thirds of respondents agreeing that they had not noticed any changes to services provided by their council (Easton, 2013; Ipsos MORI, 2013b)[2]. In 2013 the Chancellor of the Exchequer, George Osborne, was even suggesting that services had improved:

> 'We were told by the scaremongers that savings in local government would decimate local services. Instead, public satisfaction with local council services has gone up. That's because with our reforms, communities have more control over their own destiny' (Osborne 2013).

This PhD research began in the autumn of 2012 with a research puzzle, how were local services provided by local authorities and their partners responding to the unprecedented financial pressure of austerity? This chapter summarises the academic, policy and practice literature which shaped the study. It begins by putting the austerity

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[2] Variants on this narrative persisted, with Mori reporting in 2015 that three quarters of survey respondents considered that government savings had not affected them 'very much' (39%) or 'at all' (37%) (Duffy, 2015)

reforms in context, reviewing the role and status of local government in years running up to 2010, with reference to the sector's service delivery and governance responsibilities under Labour administrations from 1997-2010. It goes on to examine the detail of the spending cuts and processes of implementation, together with reasons why the experience of cuts varied between localities. It then considers the evidence available (at the initiation of this study) on responses to spending cuts, highlighting three core areas which required further investigation.

2.2 Local government and governance prior to 2010

The period from 1997 to 2010 was characterised by sustained growth in public spending, and in some ways also represented an era of increasing confidence for local government, after the legislative and financial strictures imposed by the preceding Conservative administration. Although the 'new' Labour leadership, conscious of maintaining its electability, was 'suspicious' of its own local government activists (Laffin, 2008 p.110), early interchanges between the 1997-2001 Labour administration and local government showed signs of improving central-local relations. One of the incoming government's first acts was to sign the 'European Charter of Local Self-Government', and they quickly jettisoned the controversial policy of compulsory competitive tendering of local authority services (CCT), in favour of an ambitious programme of modernisation and a policy of seeking 'best value' (Cabinet Office, 1999; DETR, 1999). There was an initiative to recruit local government officers to central government departments[3], and the Department of Environment Transport and Regions (DETR)

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[3] This author was seconded from Nottingham City Council to the Department for Environment, Transport and Regions in 2001. Other higher profile individuals also moved into central government roles during this period, including Peter Housden, Chief Executive of Nottinghamshire County Council, who later became permanent secretary at the Office of the Deputy Prime Minister. Also Lucy de Groot, Chief Executive of Bristol City Council, who took up a post at the Treasury; and Lin Homer, Chief Executive of Birmingham City Council, who joined the Home Office and later HMRC.

also established a 'central local partnership' to help create a more constructive dialogue between central and local government.

However, some academic accounts of English local government during this period represent local authorities as a much-weakened partner to central government. For Sullivan, local authorities were fundamentally compromised by accepting increasing service responsibilities as part of the expansion of the welfare state after the end of the second world war; exchanging new areas of responsibility for ever-extending strictures of central government control (2011 p.182-3). Stoker has argued that too much of local government's 'hard power' was ceded during this period for the less tangible benefits of 'community governance' (2011) whilst Laffin suggests that Labour's modernisation agenda constituted a 'case study of central government's capacity to manage change at a local level' (2008 p.110). Lowndes (2002) also argued that central-local dialogue was rapidly supplanted by individualised relationships between central departments and councils, via increasingly sophisticated technologies of performance management.

Taking a different stance, this chapter will argue that although central government retained dominance in the central-local relationship during the 'new' Labour years, many councils created a distinctive identity and sense of purpose between 1997 and 2010, based around their continuing powers as a service provider, emerging role as convenors of partnerships for service delivery, and adoption of community leadership or 'place shaping' responsibilities. Furthermore councils performed a valuable service for central government at this time, in terms of providing accountability for the implementation of national policies in an increasingly complex governance landscape, a role which provided a source of local legitimacy and influence over other local partners. This reading of central-local relations takes a similar view to that of Griggs and Sullivan, who argue that state-centric accounts of the 'New Labour' period as top-down managerialism, or as a type of 'disciplined pluralism', are built on a 'thin' understanding of the agency of local

actors, which neglects the capacity for local interpretations of legislation and regulation (Griggs & Sullivan, 2014).

For example, in relation to service provision local authorities retained substantial powers. In 2012 they were still accountable for around a quarter of public spending with a total of 1,335 statutory duties (NAO, 2013 p.5). Critics of the 'new' Labour era argue that local authorities' power was limited by a burgeoning apparatus of monitoring and control, including the use of tightly specified ring-fenced grants; increased monitoring, inspection and regulation; and control of the public sector unions (Laffin, 2008). Yet although the modernisation agenda has been described as a 'high water mark' for technocratic 'new public management' techniques, (Martin, 2002 p.129) local government retained considerable influence over policies that were implemented.

Peter John describes a tradition of government simply reproducing what local authorities are already doing (John, 2012 p.43), and this process was evident throughout the Labour government's modernisation programme. The flagship policy for improving local government performance, 'Best Value', was extensively consulted upon before its introduction[4]. Its successor, the 'Comprehensive Performance Assessment', was welcomed by senior officers because it highlighted the importance (and value) of effective strategic management (Laffin, 2008 p.115). Both 'Local Strategic Partnerships'[5] and the concept of

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[4] 'Best Value' was introduced under the Local Government Act 1999, requiring authorities to secure 'continuous improvement' through exercising 'economy, efficiency and effectiveness'. It replaced universal rate-capping for local authorities, although the Secretary of State retained powers to cap individual authorities, and to intervene in instances of poor performance.
[5] Local strategic partnerships were multi-agency collaborative bodies which emerged from the LGA-led 'New Commitment to Regeneration' initiative in the late 1990s, as a strategy for bending mainstream funds to broad regeneration objectives. They were given momentum by a requirement on local authorities to produce community strategies in the Local Government Act 2000, and by the introduction of the Neighbourhood Renewal Fund for the 88 most deprived local authority areas, in which the receipt of funding was contingent on having a local strategic partnership.

'Local Area Agreements'[6] arose from policies which originated within localities, developed and supported by the LGA.

In addition, performance monitoring provided an important mechanism for demonstrating local government's strengths. The Local Government Association used the sector's apparent improvement under the Comprehensive Performance Assessment regime to reinforce a discourse that local government was the most efficient and best-managed aspect of the public sector (Cameron 2009; Laffin, 2008 p.115) making an (ultimately successful) lobbying pitch for the return of public health budgets to local authorities, and for a new regime of 'sector led improvement'. Thus, whilst the tools of the modernisation agenda could appear coercive, some parts of local government were able to shape the effects of modernisation to their advantage.

Many local authorities were also cultivating an increasingly significant role as co-ordinators of 'local governance' during this period, both through the important function of drawing together partnerships for service delivery, and through their adoption of the 'community leadership' role. The term 'governance' related to the increased complexity of government engendered by the reforms of the Conservative governments of the 1980s and early 1990s. In an effort to privatise public services and circumvent local government, policy-makers had created a 'congested state' of statutory bodies, quangos[7], 'next steps' agencies, regulators and private and voluntary sector providers (Skelcher, 2000 p.3). In this context, *local* governance articulated a distinctive role for local government in governing localities in a multi-organisational and multi-actor context, characterised by an inclusive approach to policy-making, extensive use of networks and

[6]Local Area Agreements were introduced in 2007. They provided for councils to act as lead negotiators on agreements between central government and local partners to deliver specific policy objectives in return for additional funding and powers. They built on an earlier policy known as local public service agreements (LPSAs) which had not been rolled out as extensively.

[7] 'Quango' is a colloquial term standing for quasi non-governmental organisation, referring to centrally funded government agencies which have some level of structural independence from the Civil Service, for example the Audit Commission or Planning Inspectorate. Quangos are also often formally referred to as 'non-departmental public bodies'.

partnerships, indirect or blurred accountability arrangements, and a focus on outputs and outcomes which transcended traditional institutional boundaries (Wilson & Game, 2006 p,142)

Partnership activity was core to delivering services in a governance context, administering services through a variety of formal and informal relationships with other local service providers in the public, private and voluntary sectors. Meanwhile 'community leadership' drew on a long history of civic and municipal innovation (Sullivan, 2007) to assert that the function of councils in an increasingly fragmented public sector was 'not just to deliver certain services well but to steer a community to meet the full range of its needs' (Stoker, 2011 p.17).

The association of local government with a coordinating role for local governance was not immediate or automatic. Newman notes that although early versions of the concept embodied 'normative' hopes for a move beyond the dislocating market reforms of the 1980s (2001 p.17), central government responses to the challenges of governance often resulted in contradictory processes of 'centralisation and dispersal, enabling and controlling, loosening and tightening' as the incoming Labour government sought to gain authority over service delivery in an increasingly confusing landscape (p.163).

However, despite a persistent paternalistic discourse throughout the 1997-2010 Labour administrations, which emphasised a need for councils to win 'earned autonomy' (Lowndes & Pratchett, 2012 p.37) local authorities were able to exercise some choice in the way that local governance developed.

One area of contest was over the definition and practice of local authorities 'enabling' role. Sullivan (2011 p.184-5) highlights that in the 1980s Conservative minister Nicolas Ridley envisaged enabling as a challenge to producer interests a means to 'keep politics at bay'. Alternatively 'enabling' was also used in connection with the community leadership function, encompassing both community empowerment, and

a 'search for consent' to tackle big issues (Clarke & Stewart, 1994; Stoker, 1996).

Although compulsory competitive tendering was abolished in 1998, local authorities and other public agencies were nonetheless encouraged to continue 'market testing' their services against private sector providers, with the Audit Commission's 'Best Value Inspectorate' present in the background as a not-so-subtle challenge for those who failed to subject their services to sufficiently rigorous review (DETR, 1998 paragraph 7.28). The government's mantra was 'what matters is what works' (DETR, 1999 p.5). Private sector outsourcing providers such as BT, Capita and Serco flourished; 'joint ventures' were pioneered between local authorities and the private sector to 'modernise' services,[8] and there was also increased engagement with charities as service providers (Laffin, 2008 p.123). Major public infrastructure projects were also required to pursue private finance initiative funding, with the (then Junior) Health Minister Alan Milburn declaring in 1997 that, 'when there is a limited amount of public sector capital available, as there is, it's PFI or bust' (Monbiot, 2009).

However, despite the rising diversity in service providers, it was (usually) possible for authorities to maintain a level of choice in the way they managed and contracted services. 'Best Value' provided the opportunity to contract on the basis of quality as well as cost, which could provide authorities with sufficient justification for retention of services in-house, where they wished.[9] Later, local authorities obtained the power of 'wellbeing' which partially circumvented their inability to act 'ultra vires' without specific powers, together with limited powers to trade (HM Government, 2000; ODPM, 2004). Although Griggs and Sullivan (2014) have shown that wellbeing powers were utilised with

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[8] Examples of joint ventures included 'Liverpool Direct' formed between Liverpool City Council and BT, which ran from 2001-2014, or the Local Government Association's strategic partnership with Liberata, which operated from 2008-2015.
[9] The 2007 Audit Commission report *Healthy Competition* showed that non-employee costs (an indicator for the amount of services contracted) fell after the introduction of "Best Value", though it rose again during the period of the Labour administration reaching CCT levels by 2007 (p.9).

varying degrees of enthusiasm, some local authorities used them to provide novel services on behalf of their communities, which had previously been completely outside service delivery confines. For instance Essex County Council explored support for rural post offices, to prevent them from closure (Essex County Council, 2008). Whilst the process of opening up to the challenges – and opportunities - of enabling undoubtedly unleashed change in processes of delivery, local authorities' responsibilities remained relatively stable. Even in 2013, after two years of austerity, the National Audit Office noted that they remained responsible for a quarter of public spending, with 1,335 statutory duties (2013 pp.4-5).

Meanwhile opportunities to develop 'community leadership' responsibilities were created through successive initiatives including the Local Government Act 2000; 'Neighbourhood Renewal' funding for 88 councils to initiate local strategic partnerships (LSPs); and from 2007 onwards Local Area Agreements, which positioned councils as leading negotiators with Whitehall departments on behalf of their locality (DCLG, 2011b p.23). Although there were tight limits on the autonomy available to local authorities during this period, many local authority officers and members welcomed community leadership as an opportunity to go beyond the provision of statutory services, and facilitate a response to social, economic and environmental problems, which had previously been beyond the scope of their tightly constrained powers (Leach & Roberts, 2011 pp.113-114).

Some criticisms of community leadership arose from the policy's failure to address issues of democratic deficit inherent in the modernisation agenda. It was originally seen as part of the solution to the need for democratic renewal, and Clarke and Stewart promoted its potential as a means to deliver community well-being and enable 'collective choice' (Clarke & Stewart, 1994 quoted in Sullivan 2007 p.144). However, in practice the rise of quangos, partnerships and networks accompanying governance also created a democratic deficit at local level. Elected members were given limited opportunities to influence local strategic

partnerships, unless they possessed executive power (Sullivan, 2008). Some statutory partnerships also required members to sit alongside officers, which subverted traditional hierarchies and further emphasised the ascendancy of managerial power and expert power in comparison to political power (Skelcher, 2000 p.17). Stoker later came to question whether a 'network coordinator' role was a sufficient basis for local authorities to claim legitimacy and power (Stoker, 2011 p.29); whilst Sullivan suggested that community leadership could be interpreted as an expedient device: 'a sleight of hand employed by government to divert local authorities attention from the fact that their influence is waning as central government exercises greater control and service delivery is undertaken by a proliferation of other agencies' (Sullivan, 2011 p.154).

However, whilst there were elements of truth in the these perspectives, they did not fully reflect local authorities' growing confidence in their community leadership role (Sullivan, 2008), nor central government's increasing reliance on local government and local strategic partnerships to deliver cross-cutting policy objectives. The acceptance of local authorities' community leadership responsibilities was further emphasised by the publication of the Lyons Enquiry in 2007. Sir Michael Lyons was initially commissioned to conduct a review of local government finance, but expanded his remit to encompass the purpose and role of local government. His enquiry defined a role for local government which he termed 'place shaping'. This encompassed building and shaping local identity; representing the community; regulating harmful behaviours; maintaining community cohesiveness and ensuring smaller voices are heard; helping to resolve disagreements; working to make the economy more successful; understanding local needs and preferences; and responding to disasters and emergencies (Lyons, 2007 p.3). Whilst not all of his recommendations were embraced by central government, particularly around the politically difficult issues of local government finance, the place shaping role was anticipated and acknowledged in the white

paper 'Strong and Prosperous Communities" and has since become an established part of the local government lexicon[10] (DCLG, 2006 p.10). In 2007 this role was further reinforced by a 'Central-Local Concordat' which – though mainly rhetorical in its value - affirmed a partnership between central and local level and the importance of local authorities in promoting 'the prosperity and well-being of all citizens in their area and the overall cohesion of the community' (Headlam, 2008 p.11).

Thus by 2007 the Labour administration had effectively acknowledged that local government had a local leadership role over and above its service responsibilities, as well as providing an important lever for delivering central objectives at a local level. These were incentivised using a variety of carrot-and-stick approaches. For example, the 'comprehensive performance assessment' celebrated those councils achieving high standards against centralised performance targets, (whilst also 'naming and shaming' poor performers); and local area agreements allowed councils and their partners to earn additional funds in return for rapid improvement against negotiated areas of multi-agency delivery. Although central-local relations undoubtedly remained unequal, there was a degree of symbiosis in the local governance solutions which community leadership and its associated structures and policies provided. Some councils were able to utilise their powers as a service provider, commissioner and place shaper to develop their local power and capacity to act during this period (Sullivan, 2008). Councils also performed a valuable role for central government in terms of co-ordinating and providing local accountability for the implementation of national policies.

Local Government's long phase of growth ended in June 2010 with the incoming Coalition government's 'emergency' budget (HM Treasury, 2010a). The subsequent Comprehensive Spending Review of 2010 saw much of the architecture for local co-ordination and monitoring abolished as a result of austerity and 'localism' agendas. Regulators,

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[10] For example a search of Municipal Journal's online database on 30th June 2013 found 206 matches for the term 'place shaping.'

performance management regimes, regional government offices, statutory requirements for local area agreements, capacity building bodies and funding for partnerships were all cut in the first two years of the Coalition government. The next part of this chapter will explore in more detail how the Coalition applied spending cuts, and outline the implications for local government's institutions.

2.3 The 2010 Comprehensive Spending Review

The 2007-8 financial crisis may have been rooted in the excesses of the global banking and mortgage lending industries, but for the purposes of the June 2010 'emergency' budget, public expenditure had become the national malaise. The maxim that 'reducing the deficit is a necessary precondition for sustained economic growth' (HM Treasury, 2010 p.1) was presented as a self-evident truth, picked up in the presentation in October 2010 of the Comprehensive Spending Review as the Coalition's 'unavoidable deficit reduction plan'. This review argued that the economy had become unbalanced due to 'unsustainable public spending and rising levels of public debt'. (HM Treasury, 2010b p.6) Whilst spending cuts were presented as essential, the Coalition protected funding for the NHS, education, and overseas aid. The emphasis fell instead on reducing welfare costs and 'wasteful spending', with an underlying objective of 'changing the role of the state and how services are provided' (HM Treasury, 2010b p.32). For some commentators this could be interpreted as 'politics as usual' from the Conservatives, as the senior partners in the Coalition, bearing out the maxim 'never waste a good crisis' (Taylor-Gooby & Stoker, 2011 p.12).

The implications for 'unprotected'[11] government departments were profound, with local government being affected from three different

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[11] See note section 2.1

angles, through direct cuts to its funding, through the implications of welfare reform, and through the Coalition government's 'bonfire of the quangos' (Buser, 2013 p.6).

The Communities and Local Government department took the highest direct cut of any government department, 51 per cent over the spending review period, with a 27 per cent cut in central grant funding for local government (HM Treasury, 2010b p.10). Cuts were "front-loaded" into the first two years of the spending review period. Capital funding for local government from all departments was set to fall by 45 per cent by 2015 (HM Treasury, 2010b p.50). Smaller cuts from other departments such as transport added to the local authority share of the burden, for instance transport resource grant was cut by 28 per cent, and bus subsidy cut by 20 per cent (HM Treasury, 2010b p.46). Fire and police resource grants were also cut by 13 per cent and 14 per cent respectively (HM Treasury, 2010b p.48, 54).

There were some mitigating factors. Central government funding represented only about a quarter of total funding available to local government, although councils in areas of high deprivation (with lower Council Tax receipts) were more dependent on central grants (Goodwin et al., 2012 p.128). The Coalition argued that on average councils would face a cut of 14 per cent of their 'revenue spending power' when transitional measures and other sources of income were taken into account, (HM Treasury, 2010b p.50) although this was strongly disputed by some of the most deprived council areas, who later argued that they had been hit much harder by a combination of cuts and formula grant changes (Anderson, 2012). Some funding protection was provided for schools and social care, (HM Treasury, 2010b p.6-8) although local authority influence over schools, (already severely limited by Labour policies on 'pass-porting'[12] schools funding) was further undermined by the Coalition's policy of promoting free schools and academies, which were funded centrally (HM Treasury, 2010b p.42).

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[12] 'Pass-porting' is the practice of directly transferring funds, or spending cuts, to a particular department or body, without any form of alteration.

In a move to increase the freedom of action available to local authorities, the Comprehensive Spending Review of 2010 announced the removal of restrictive 'ring fences' from all grants excepting public health and education, and core grant funding for local government was simplified from more than 90 streams down to just 10. There was also commitment to 16 'Community Budget' pilots, a partial successor to Local Area Agreements, which provided place-based funding pooled between a range of local agencies to focus on families with complex needs (HM Treasury, 2010b p.32). This later became known as the 'troubled families' programme.

Local government was also subject to a national two-year public sector pay freeze (which was subsequently followed by a pay offer of one per cent) (HM Treasury, 2010a p.2; Press Association, 2013). Councils that wished to freeze their Council Tax were offered a specific grant for each year of stabilised Council Tax (HM Treasury, 2010a p.3), although local authorities taking up the offer were limited in their leeway to recover the resulting gap in the tax base in subsequent years (an issue discussed further below in relation to localism). Finally, local authorities were offered hints of the government's willingness to explore 'options for business rates and council tax incentives' to 'reinvest the benefits of growth' (HM Treasury, 2010a p.31). Business rate localisation was progressed by increments throughout the period under study[13].

Whilst the impacts of welfare reform policies announced in the Comprehensive Spending Review were less immediate (with most implementation being delayed until 2013) they were equally significant for organisations involved in the delivery of public services. An array of policy changes included the localisation of Council Tax Benefit with a 10 per cent cut in funding, passed directly to local authorities who were

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[13] In April 2013 the Coalition introduced a system of business rates retention, whereby local authorities could keep up to half of any local growth in business rates. Enhanced business rates 'earn back' was offered to Manchester in 2014 as part of negotiations over combined authorities and local elected mayors. George Osborne subsequently stated his intention to extend powers to lower business rates to all localities in his party conference speech of October 2015 (Osborne, 2015b) although (a limited) power to raise rates was only offered to those with directly elected mayors.

left to absorb the costs or transfer them on to working-age households in the form of increased Council Tax contributions. There were also changes to housing benefit, including the controversial Housing Benefit under-occupation charges ('bedroom tax') which applied only to tenants with spare bedrooms in social housing, not those in the private rented sector. There was a cap on benefits which stipulated that no workless family should receive more than the median income after tax for working households (HM Treasury, 2010b p.28) and a time limit on Employment Support Allowance (the replacement for Incapacity Benefit). The biggest proposed change was the introduction of Universal Credit, which aimed to amalgamate a range of means-tested benefits in a single flexible monthly payment which could be more flexibly linked to incentives for work. This was scheduled for 2013-14, but in practice was still awaiting completion of roll-out in 2015 (HM Treasury, 2010b p.68-69).

Most of these changes affected local service providers directly. For instance, councils were free to choose how they absorbed the localisation of Council Tax Benefit, leading to multiple local consultations, and extensive variation across England (Barry-Born, Bushe, & Macinnes, 2015). Social housing providers expressed concern at the ramifications of the 'bedroom tax', and in some cases, set about gaming the system, for instance re-designating spare bedrooms as living space, in order to protect their tenants from reductions in Housing Benefit payments (Municipal Journal, 2013). There was also evidence of a rapid growth in crisis support facilities such as food banks, with up to half of referrals being attributed to benefit payment delays and sanctions (Cooper & Dumpleton, 2013 p.3, 5). Research by Beatty and Fothergill (2013) mapping the cumulative impact of welfare reform, in terms of the money extracted from local economies, demonstrated that the cuts were 'hitting the poorest areas hardest'.

Meanwhile the initiative which became known as the 'bonfire of the quangos' involved a commitment to radically reduce the number of

arms-length bodies across government (HM Treasury, 2010b p.37). However, there was some debate on the gap between rhetoric and reality. Flinders and Skelcher highlighted in 2012 that 'the reforms will reduce the number of small or inactive bodies but the vast majority of large and powerful quangos have not been affected' (2012 p.331). Nonetheless, there were some significant changes affecting local governance, particularly in relation to partnership working between statutory agencies. These included the (lingering) abolition of Audit Commission and its extensive inspection and regulatory responsibilities over local government and governance partners.[14] Regional Government Offices (GOs) and Regional Development Agencies (RDAs) were further 'fuel' to the bonfire, and specific grants distributed by these bodies were abolished, such as the Local Area Agreement 'reward grants', which had been used to incentivise multi-agency partnership work at a local level. The removal of the agreements and grants left Local Strategic Partnerships, in particular, in an uncertain position regarding their role and responsibilities. In place of the RDAs, a new (sub-regional) partnership vehicle was announced by the spending review in the form of Local Enterprise Partnerships (LEPs), designed to provide 'strategic leadership in their areas to set out local economic priorities, and play a pivotal role in helping rebalance the economy towards the private sector' (HM Treasury, 2010b p.23). However these partnerships were typically poorly resourced compared to RDAs, with a business-dominated board membership and minimal core staff (Rossiter & Price, 2013 p.855).

Finally in relation to the bonfire of the quangos, the cut in central funding to local government was accompanied by a proportional cut in 'top-slice' funding to the Local Government Association, and dissolution of associated arms-length bodies, such as the Improvement and Development agency (IDeA). Whilst these bodies had limited direct impact on taxpayers, they performed a role in assisting councils and

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[14] The abolition of the Audit Commission was announced in 2010 but not completed until the end of March 2015.

their partners to transfer learning, adapt and change in response to external pressures. In the abolition of the IDeA and steady erosion of the LGA, councils lost resources for national-level advocacy and assistance in adapting their services to an increasingly hostile financial environment.

These were the main policies announced in the 2010 budget and Comprehensive Spending Review as mechanisms to cut spending and respond to austerity. However there were other important legislative changes in the Coalition's programme which also impacted on local governance, particularly the 2011 Localism Act, public health reform, and the introduction of police and crime commissioners.

The Government's 2011 Localism Act provided a long sought-after general power of competence for local government, which essentially granted councils the power to do anything an individual could do that was not already proscribed in law (DCLG, 2011a p.4). This went beyond the 'wellbeing' powers granted in the Local Government Act 2000, providing in particular new powers to trade and transfer services. (Local Government Association, 2012 p.9). Further flexibilities in service delivery included the simplification of planning consents (DCLG, 2011a p.11), and greater discretion over the levy and retention of business rates (p.6) and the allocation of social housing and tenure (p.15).

Reforms to political processes included the abolition of a national standards board for councillors, with local authorities becoming responsible for designing their own codes of conduct (although to prevent corruption it also became a criminal offence for councillors to misrepresent a financial interest) (DCLG, 2011a p.5). The Act removed some constraints on governance set by the Local Government Act 2000, providing the opportunity for councils to return to the traditional

committee system, if they wished (p.7)[15]. The 2011 Localism Act also allowed the government to devolve its own powers to local authorities or partnerships, (p.6) a mechanism which was initially used as part of locally negotiated 'city deals', and presaged later commitments to devolution.

The Localism Act also offered significant powers to local communities, including a community right to challenge council decisions, the right to bid for assets, and a requirement for local authorities to hold a referendum on Council Tax rises over 2 per cent, a significant disincentive to above-inflation Council Tax rises (DCLG, 2011a pp.8-9.). The government's declared intention in regard to these powers was to rebalance accountability away from centralised regulation towards local communities, in line with David Cameron's ideal of a 'Big Society' (Cameron, 2010; Levitas, 2012), but in practice, the new powers appeared to place communities in a more antagonistic zero-sum relationship with the local state (Lowndes & McCaughie, 2013 p.541).

Public health reform represented a further significant change for local government, representing the return of statutory responsibility for commissioning a range of public health duties which had been removed from local authorities to the NHS in 1974. However, the Health and Social Care Bill also proved controversial, abolishing primary care trusts, which had largely been co-terminus with local authority boundaries, and replacing them with 'clinical commissioning groups' (CCGs) run by General Practitioners, who had little prior experience of working co-operatively with local government. The change created tensions: staff within the NHS were concerned that local health needs would be subordinated to local political priorities (Timmins, 2012 p.85). Opponents to the policy argued that it created wasteful instability within the system, created ambiguous accountability structures (both between CCGs and Councillor dominated 'Local Health and Wellbeing Boards'

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[15] In hindsight this policy subsequently appeared at odds with the practice which emerged in connection with 'devolution' deals from 2014 onwards, that combined authorities should accept directly elected mayors in return for devolution.

and upwards to new national quangos, Public Health England and the NHS Commissioning Board), and that it placed the vast majority of funding for primary care within the private sector, covered by a patina of localism (Timmins, 2012 p.78). The £2.66bn of public health funding eventually allocated to local authorities for administration by local health and wellbeing boards from 2013 onwards (Local Government Association, 2013a) was relatively 'small beer' compared to more than £62bn resting within the remit of CCGs (NHS Commissioning Board, 2013).

Lastly, the 2011 Police Reform and Social Responsibility Act replaced police authorities, (which had previously been appointed by councils) with a single directly elected police and crime commissioner (PCC), whose duty was to secure efficient and effective policing within their police areas. The principal impact for local government, apart from their loss of influence over policing through police authorities, was that funding which had previously been passed to community safety partnerships (involving the local authority, police and other service providers) was now passed to the PCC for allocation. Whilst the PCC and community safety partnership had a duty to work together, the PCC was also able to withhold funding (LGG, 2011 p.2, 5). This legislation had the effect of rebalancing power from unelected partnerships back to more formal political control, but was weakened by the extremely low turnout for inaugural PCC elections, which averaged just 14.7 per cent (Berman, Coleman, & Taylor, 2012), and by potential for conflict between PCCs and local authorities, particularly if they held different political sympathies to local councils.

In summary, despite the tensions inherent within Coalition, the reforms instigated by the Conservatives and Liberal Democrats from 2010 onwards had radical implications for local government and governance, with ramifications for the funding and stability of key service delivery organisations, shifts in the power balance and objectives within local partnerships, changes in the focus of accountability to national bodies and communities, and increased financial challenges, particularly for

the poorest communities. The next part of this chapter will look in detail at what these changes meant for local government and its governance role, focussing on the implications for council-controlled services, for partnerships focussed on service delivery, for community leadership, and for the type and extent of change occurring in local government and governance. A summary of the reforms and their key implications is provided below in table 2.1.

2.4 Implications for service delivery

As noted at the start of this chapter, the link between the implementation of the 2010 comprehensive spending review cuts at a national level, and their impacts at a local level, was far from clear. Although the cuts were being made to local government budgets at a national level, local councils did not immediately show signs of financial stress, and the general public did not instantly observe a difference in services. There were several reasons why this was the case.

First, the cuts did not fall equally on every local authority. Although the core local government grant was cut by a standard percentage (subject initially to 'floor targets' protecting the most deprived councils) some councils were far more dependent on government grants than others, with dependency on grants ranging from 27.9 per cent of income in the least deprived borough to 86.4 per cent in the most deprived borough in 2009/10 (Innes & Tetlow, 2015b). Henceforth a cut of (for example) eight per cent in a deprived borough constituted significantly more, in cash terms, than the same size cut in a better off locality.

Table 2.1: Coalition policies, and their implications for local government and governance. Source: Author's analysis

Government policy	Implications for local government and governance		
	Council-controlled services	Partnerships for Service Delivery and 'Community Leadership'	Type and extent of change
Spending cuts to central grant funding (27 percent for local government, 'front loaded')	Cuts impact variably across localities, further mediated by local political choices and circumstances	Cuts to area-based funds and partnership funding. Commissioning impacts, particularly for VCS partners	Link between deprivation and funding eroded. Speculation about the future of LG grant.
Spending cuts to partners (e.g. Fire 13%, Police 14%)	Impacts for jointly delivered services	Increases impetus to seek partnership solutions	Impetus for institutional integration.
Removal of 'ringfences' from grants	De-ringfencing combined with cuts caused local confusion over funding levels for specific programmes e.g. 'Supporting People'	Some increased tensions with partners over funding allocations	Greater discretion over use of some resources for LG
Community Budgets / 'Troubled Families' initiative	Resources / focus for 'prevention' and early intervention initiatives	New focus / funding for some partnership work	Impetus to further multi-agency integration.
Pay freeze for public sector staff	Diminishing pay for existing staff		

Government policy	Implications for local government and governance		
	Council-controlled services	Partnerships for Service Delivery and 'Community Leadership'	Type and extent of change
Council tax freeze grant	Short-term funding provided by government to plug gaps		Depressed council tax base for councils accepting freeze.
New homes bonus	Increased income for some councils		Widens gap between stronger economic areas and those without housing demand.
Business rates reform	Increased income for some councils	Increased engagement with business community	Increased autonomy for LG but longer-term potential to erode principle of redistributing business rates
Welfare reform measures	Some cuts associated with 'localisation' of benefits. Potential for increased demand on some services, e.g. welfare rights	Multiple implications for partners, especially social housing. Increase in crisis support services.	In poorest areas, significant cumulative implications for local economy

	Implications for local government and governance		
Government policy	**Council-controlled services**	**Partnerships for Service Delivery and 'Community Leadership'**	**Type and extent of change**
'Bonfire of the quangos'	Fewer targets, inspections. Reduced 'capacity-building' work and national advocacy LEPs replace RDAs leading sub-regional economic development.	Abolition of local area agreements: reductions in funding for LSPs.	More potential for variation in local service standards. Partnership activity focussed at sub-regional level
Localism Act 2011	Increased flexibility on trading / commercial activities, planning, housing, governance.	Increased 'community rights', but few roles for backbench members.	Greater discretion via power of general competence, but limited financial autonomy.
Health and Social Care Act 2012	Public health responsibilities moved to local authorities.	Closer working between LG and health.	Potential for further rationalisation / integration of services.
Police Reform and Social Responsibility Act 2011	Reduced influence over policing.	Funding straight to PCCs rather than community safety partnerships.	Tensions with 'localist' reforms.

Second, authorities in deprived areas also lost a range of dedicated area-based funding streams focussed on worklessness, housing, regeneration and urban renewal, which were either stopped altogether or rolled into the main formula grant. Where funding was continued, the amalgamation of specialist grants within each council's formula allocation was far from transparent, and the LGA told councils in 2010 that some grants had gone 'missing in action' (One Nottingham, 2011b).

Third, authorities in deprived areas were also unable to raise money as effectively as those in less deprived areas, due to the lower value of local housing stock. In an affluent area a rise in Council Tax delivered higher returns, due to having more valuable properties, than an area where housing was mostly in lower Council Tax bands (Innes & Tetlow, 2015 p.306). The 'Council Tax freeze grant' was also more generous for affluent areas, due to their higher Council Tax base (Hastings et al., 2012 p.19). Proposals introduced later in the spending review period, including the policy allowing councils to keep a proportion of business rates uplift, and the 'new homes bonus' for housebuilding also disproportionately benefitted those areas with a buoyant local economy.

Accordingly, at the time this research was initiated, several comparative studies had examined the impact of spending cuts on services in the spending years 2010-11 and 2011-12 and conclusively demonstrated that the impact of cuts varied considerably between localities, with areas that were more highly dependent on grant funding losing higher amounts of funding, in both relative and absolute terms (Crawford & Phillips, 2012 p.124; Hastings, Bramley, Bailey, & Watkins, 2012 p.15; The Audit Commission, 2012 p.15). In practice authorities with greatest levels of relative deprivation appeared to be experiencing the largest proportional cuts. This meant that although the real terms cumulative reduction in spending averaged 9.4 per cent over the first two years of the spending cuts, 26 per cent of councils had already experienced reductions in net current service spending of 15 per cent or more. (Crawford & Phillips, 2012 p.132-133). However councils with higher

levels of funding were also starting from a much higher per-capita funding base, with spending on average £1,328 in the most deprived fifth of areas compared to £782 among the least deprived fifth (Innes & Tetlow, 2015 p.316).

Reflecting this variation and complexity, Hastings, Bramley, Bailey and Watkins (2012) found that of 25 local authorities surveyed, six indicated that initial cuts had no impact on actual service provision. In a further nine, impact was small scale, involving scaling back or cancelling projects before they went live. In ten authorities there had been a significant impact, defined as projects and services withdrawn, job losses, and the re-shaping of services (p.29). Additionally most welfare reform measures did not take effect until April 2013, delaying the direct effects of austerity-related cuts for those in receipt of benefits. Such variation partly explained why national surveys initially failed to reflect the impact of cuts on council services.

It was also difficult to pin down effects of austerity in relation to where the cuts were falling. In terms of reductions to service budgets, research from the Institute for Fiscal Studies found that the greatest cuts were initially made to planning and development, regulation and safety, housing, and transport (Crawford & Phillips, 2012). Yet these cuts also needed to be seen in the context of rapid service growth between 2001/02 and 2009/10, for instance, housing expenditure rose at average annual rate of 14.1 per cent in real terms in that period, and the initial cuts reversed only 30 per cent of that increase. Transport spending had also grown by 8.3 per cent per year in real terms between 2002 and 2010, and the initial cuts undid half of this growth (Crawford & Phillips, 2012 p.139).

Hastings, Bramley, Bailey and Watkins drew on different survey evidence to suggest that cuts to services were principally falling on youth services, early years, libraries and culture, sport, leisure and parks, with a pronounced tendency for cuts to adversely affect young people. Central services, young people, libraries and early years were

taking 'disproportionate' cuts as a percentage of their budgets (2012, p.51). They also attempted to trace patterns in the types of cuts that were made, finding a somewhat progressive picture in terms of higher cuts to services which were pro-rich, as opposed to pro-poor (2012, p.48). However, their interpretation involved some subjective judgements over which services fitted into pro-rich or poor categories, and might also have reflected other explanations, for example that planning or central services were easier to cut because they were relatively easy to stop and start, less needed in a recession, or politically less sensitive.

A further limitation of these early studies was that although they showed which service budgets were being impacted by spending reductions, budget cuts did not translate directly into service reductions due to the myriad possibilities available for changes in staffing, delivery mechanisms or adjustments in service quality. Such variables became an important factor in what Gardner and Lowndes (2015) later termed the 'austerity puzzle', describing the apparent capacity for even the worst affected councils to maintain services. Some research on these issues emerged at the end of 2013, which highlighted the trend of councils cutting 'back office' posts and questioned local authorities' ability to sustain the pace of spending cuts (Hastings et al., 2013; The Audit Commission, 2013). However, performance management frameworks associated with Local Area Agreements and the Comprehensive Area Assessment had been withdrawn in 2010, (DCLG, 2010a, 2010b) resulting in a considerable reduction in audited comparable performance information. This made adjustments to service quality difficult to discern, although by 2014 it was clear that service volumes in areas such as adult social care were being reduced (NAO, 2014b p.35). Questions therefore remained about the impact of local political choices and other institutional processes on cuts at the front-line.

Another factor affecting responses to austerity was authorities' actions to capitalise on the opportunities offered by the localism and health and

social care acts, coupled with local strengths and assets. The potential for creative responses to austerity was highlighted by Lowndes and McCaughie (2013) as they described how local authorities were 'weathering the perfect storm' through processes of institutional remembering, sharing and boundary-crossing, driven by a pragmatic 'politics of the present'. As core budgets contracted, income generation opportunities were dynamically expanding. There was growing emphasis on 'commercialisation' of services, with the general power of competence providing new opportunities around trading and charging for services (Local Government Association, 2012 p.4) Local authorities historic role as powerful land and property owners meant that each locality possessed a unique legacy of assets which could be used to generate income. There were also opportunities for rationalisation of services across agencies, particularly resulting from the integration of public health provision with local government services in 2013.

To summarise, in 2012-13 there was a growing body of evidence looking at the extent of service cuts in a comparative context. It was clear that the financial impact of cuts would vary in every locality and be cumulative, building up over time. However, there was limited information on how cuts were interacting on the ground with local political choices, institutional systems and assets. The nature and processes of those choices and their outcomes was a topic meriting further critical attention.

2.5 Implications for partnerships, and 'community leadership'

In relation to local government's 'convening' role, co-ordinating local service provision through external organisations (Lyons, 2007 p.3), evidence for increased use of out-sourcing was inconclusive. The National Audit Office found that councils with smaller funding reductions were tending to decrease staffing costs, which possibly indicated

increased outsourcing by these authorities; yet councils with larger funding reductions were decreasing running costs, potentially by drawing services back in-house (NAO, 2014b p.23). Again local political choices appeared to be an important variable.

However there was some national evidence for strain on relationships with voluntary sector providers. A report from the National Council for Voluntary Organisations quoted findings that 50 per cent of local authorities had 'disproportionately' cut voluntary sector grant funding in 2011/12 (Heywood & Bhati, 2013 p.4). Although the figures were contested, such findings reflected disputes about allocations of 'de-ringfenced' grants, which had been rolled into local authority funding[16]. They also suggested an emerging tendency for local authorities to offset cuts through more extensive and tighter contract management, raising a question as to whether 'partnerships' were being exchanged for more formal contractual relationships as local authorities sought ever greater value for their spending.

On local government's role as community leaders, it was difficult to see in 2012 whether the extent of partnership working had waned or merely transferred its focus to new objectives. For instance, Local Area Agreements had been abolished and many local strategic partnerships (though not all) had foundered (Lowndes & Pratchett, 2012 p.29). At the same time fresh partnership initiatives had been introduced in their place. The 'Community Budgets' programme provided a framework for multi-level and multi-agency working in sixteen areas, with a focus on sharing resources to fund 'preventative' services which could save money over the longer term. Health and Wellbeing Boards, which were introduced to provide oversight for public health from April 2013 knitted local authority and NHS structures together more closely than at any time since 1974. Local Enterprise Partnerships were creating new opportunities for local political leaders to influence economic drivers at

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[16] In Nottingham a Housing Association took the council to judicial review in 2011 regarding disputed allocations from the de-ringfenced 'Supporting People' funding stream; see section 6.2 for further details.

a sub-regional level, backed by structural funding and Michael Hestletine's report *"No Stone Unturned"* (Heseltine, 2012)*.* As one anonymous practitioner put it, "Partnership – its time has come!" (quoted in Lowndes & Squires, 2012 p.402). Therefore*,* whilst the mechanisms for motivating partnership activity had changed, it seemed that local government was in some senses continuing to act as a 'convenor' for multi-agency action at a local and sub-regional level, with increased incentives for rationalisation and potentially further integration.

However, the role of non-executive councillors in partnership arrangements continued to be problematic. Police and Crime Commissioners had replaced police authorities, so there were fewer leadership roles available for councillors to fill. Sub-regional LEPs and local Health and Wellbeing Boards had limited spaces for elected politicians, tending to draw their membership from executive councillors. There was emphasis within the Localism Act on the 'community rights' to challenge, bid, build, and veto Council Tax rises, but it was not clear how far councillors were supposed to act as a conduit for the expression of those rights, or if alternatively they were expected to move out of the way (DCLG, 2011a). Lowndes and Pratchett also suggested that Coalition ideology privileged individual interests, expressed through the ballot box, over a search for collective identity within communities, (Lowndes & Pratchett, 2012 p.29) thereby undermining a further role that local councillors might have facilitated. In this way lack of clarity about roles for 'backbench' councillors, started under new Labour, was perpetuated by the Coalition government

In summary, there remained important questions as to how funding pressures and changes to legislation were impacting on local authority partnerships and collaboration. Regarding partnerships for service delivery, further investigation was merited into how power relations between partners had been affected by the cuts. In respect of community leadership, there were questions about the potential democratic deficit associated with the community leadership role and

the scope for local government to express a form of community leadership which Sullivan termed 'citizen voice' (Sullivan, 2007).

2.6 Implications for the type and extent of change in local government and governance

Meanwhile, the rhetoric of the Coalition, and apparent resilience of local authorities to the spending cuts, embodied mixed messages about the nature and extent of change occurring within local government and local governance in response to austerity. There were contradictions between the scale and speed of the spending cuts and a 'business as usual' message from the Department for Communities and Local Government, which implied that the cuts could be achieved through 'sensible savings' (DCLG, 2012).

In some ways local government had been empowered by the Coalition's policies. The abolition of ring-fences on most central grants provided much-needed flexibility and greater local discretion in spending. The slow demise of the Audit Commission, and more rapid abolition of the performance management framework which had dominated local government under Labour, increased the freedom of local politicians and managers to vary levels of service delivery and quality without fear of external scrutiny or criticism. The 'power of general competence', increasing flexibility over business rates, return of public health responsibilities and (towards the end of the spending review period) commitments to further devolution, all represented long-sought freedoms. There was also increasing speculation during the spending review period about the capacity for councils to become self-sufficient, fuelled partly by the aspiration of some cities to become independent of central grant funding (Core Cities, 2013b).

However, this increase in local autonomy needed to be viewed against the longer term diminution in local government's resources, given the financial constraints of austerity. In particular the Coalition's reforms

brought some fundamental challenges to the historical basis by which local government was funded, including a steady erosion of the link between deprivation and additional grant funding (Hastings, Bailey, Bramley, Gannon, & Watkins, 2015 p.17). Coalition policies which conferred additional revenues, such as Council Tax freeze grant, business rates retention, or the 'New Homes Bonus' (which incentivised development), also tended to benefit areas with buoyant local economies. Whilst the 2011 Localism Act delivered some powers to assist with raising revenue, particularly in relation to commercial activities, flexibility over local tax-raising remained tightly constrained. Local authorities were required to hold a referendum on any Council Tax increases above an arbitrary limit set annually by the Secretary of State (set at 2% for most of the spending review period). When combined with the legal requirement to set a balanced budget, this created a political imperative for local politicians to appear to be 'coping' with the cuts, regardless of the financial pressure.

In 2013, academic argument was split on the possible longer term implications of austerity. On the one hand John (2014) emphasised the persistence and resilience of local authorities over time, arguing that local authorities represented an extreme case of 'path dependency'. Lowndes and McCaughie (2013) also emphasised local actors' capacity for creativity, describing 'a 'present centred' and 'non-prophetic' politics that proceeds by 'small steps', focussing on 'what can'' (T.J Clarke quoted in Lowndes & McCaughie, 2012 p.17). On the other hand, critical perspectives argued that austerity policies represented a calculated ideological project to restructure the welfare state and embed neo-liberal approaches to social policy (Grimshaw & Rubery, 2012; Peck, 2012; Taylor-Gooby, 2012). Reviewing the type and extent of change occurring within the institutions of local government and local governance was therefore an important area of enquiry, to determine whether local government was indeed retaining its resilience, or alternatively being reordered through the convenient 'crisis' of austerity.

However, further theoretical tools were required to examine this issue, and these will be considered in more detail in Chapter 3.

2.7 Conclusions

This chapter has reviewed the Coalition's austerity policies, placing them in the context of the preceding administration's approach to local government and local governance. It examined how austerity was enacted at a national level, and the emerging evidence for responses at a local level.

Three broad questions emerged to guide enquiry into local public services were responding to austerity. First, were austerity policies genuinely being delivered with minimal consequences for local services, and if so, how was this being achieved? Second, had austerity policies affected local government's role in delivering services through partnership, or as a community leader? Third, how quickly, and to what extent, was local government, (and local governance) changing in response to austerity?

The argument outlined here has emphasised that any study of responses to austerity within local public services must address the implications for *local governance* as well as *local government*, as the practice of governance was central to local government's identity and purpose, as well as the basis of a wide range of services and functions.

This chapter has also underlined the differential impacts of austerity, emphasising that generalisation is difficult, and the outcomes in each local area are unique. Even within a single locality, the responses of different types of service are likely to vary (for instance, education and social services will be relatively less affected than transport and planning, due to their differing levels of political and financial protection). However unless we consider specific examples, we risk never understanding how cuts are enacted in practice. Laffin has made an argument for the value of studying local politics 'in the round'

especially in relation to the impact of socio-economic factors on local policy outcomes (Laffin, 2008 p.122). Whilst empirical generalisations cannot be drawn from such cases, this type of approach can in some senses tell a story of austerity which is being played out in every locality; issues of power, politics and place colliding with exogenous factors to produce variation, and possibly longer-term change.

Finally, the study of retrenchment requires a long time frame (Pierson, 1994 p.14). This doctoral research was limited in scope to the period of the 2010-2015 Comprehensive Spending Review, and due to the lack of historical distance can only make provisional suggestions regarding the long term implications of austerity for local governance institutions. However, it is important to make that attempt, especially given the proposed extension of austerity policies under the Conservative administration elected in 2015.

Chapter 3: Theoretical approaches to understanding responses to austerity

3.1 Introduction

The previous chapter reviewed a range of academic, policy and practice literature relating to the development and implementation of the UK Coalition government's austerity policies. The review highlighted three areas of enquiry in relation to how local authorities are responding to austerity. First, were austerity-related savings genuinely being delivered with minimal consequences for local councils' frontline services, and if so, how was this being achieved? Second, had austerity affected local government's capacity to deliver services in partnership and act as a community leader? Third, what was the type and extent of change to local government? Had change to date been incremental, or alternatively characterised by more radical shifts, and was austerity likely to result in marginal differences, or be transformative in its effects?

This chapter starts by examining the ontological and epistemological challenges of studying austerity. It then takes each of the above debates in turn and explores new institutionalist and interpretive theories which can shed light on these areas of enquiry, highlighting key theoretical insights, debates and areas for further exploration. It concludes by outlining six theroretically-informed propositions which were used to operationalise the research.

3.2 Studying austerity

The term 'austerity' is a loaded construct, with a long semantic and intellectual history. Pilkington highlights that the term arises from the Latin term 'austerus' and Greek 'austeros' meaning dry, harsh and bitter (2013 p.148). Since 2008, 'austerity' has been used as a shorthand for 'a form of voluntary deflation in which the economy adjusts through the reduction of wages, prices and public spending' (Blyth, 2013 p.2) or more colourfully (and encapsulating *involuntary* aspects of austerity), 'a set of painful economic conditions imposed upon a country' (Pilkington 2013 p.148).

The economic roots of austerity policies have been traced by Blyth back to the 17th century, (Blyth, 2013) but in the UK, prior to the 2008 financial crisis, the term was mainly associated with 'the promise of hardship and the memory of post-war collective solidarities' (Clarke & Newman, 2012 p.307). Appelbaum has focussed on austerity's wider social and cultural connotations, showing that during the post-war period 'austerity' carried suggestions of hope as well as constraint, empowerment and social action as well as social control (2014 p.77).

David Cameron's evocation of 'an age of austerity' to frame policies for the post 2010 spending cuts (Summers, 2009) was a deliberate political device, drawing on collective cultural memory of the 1940s and 1950s to justify a substantial retrenchment in public spending, as part of the government's 'unavoidable deficit reduction plan' (HM Treasury, 2010 p.5). This interpretation of austerity 'moves uncomfortably between the economic necessity claim and a more moral and social vocabulary of responsibility and interdependence' (Clarke & Newman, 2012 p.303) packaged with "comrade-in-arms" reassurance that 'we are all in this together' (Cameron, 2009). In this sense austerity was not just a specific set of policies, but a means of signalling a substantive change in the political environment and governing ethos, which would inform a wide range of political choices and decisions. As Appelbaum points out, when politicians choose to frame situations using such concepts,

they do so 'with the weight and ambiguity of the concept in mind' (Appelbaum, 2014 p.77).

'Austerity' is therefore a social construct rather than a brute fact; an idea which has been created to help explain and justify the consequences of adherence to a particular political and economic strategy. Within the scope of this thesis there is a need to acknowledge that although politicians, public sector workers, and service users understand and use the term 'austerity', and perceive real and every-day effects, 'facts' about austerity are frequently disputed, and responses may be ambiguous, conflicting and mediated by multiple intervening factors. At the same time there is an ongoing need to assert that powerful social, political and cultural processes accompany austerity policies, and that these impact on the conditions of "real" life, although their manifestations may vary.

This research does not deny the material effects of austerity policies, but draws on a constructivist epistemology, arguing that knowledge concerning austerity will be 'structured by the meanings that particular groups of people develop to interpret and organise their relationships, and environment' (Parsons, 2010 p.80). However, it also takes the position that, whilst 'realities' associated with austerity will be localised and specific (Furlong & Marsh, 2010 p.190; Peck, 2012 p.647), there is an interplay between material effects and meaning, creating a 'structured context' within which 'political and bureaucratic actors interpret their agency' (Gains, 2009 p.53, 2011).

Building on this epistemological stance, the theories chosen to underpin this research needed to address issues of structure to acknowledge austerity's material effects. They also had to encompass explanations for agency, to explore the choices available to actors and institutions in response to austerity. Finally theories were also needed to explore meaning, to understand the motivations behind those choices and the significance of decisions. The following discussion henceforth uses a

combination of new institutionalist and interpretive theories to gain traction on the research questions associated with the 'austerity puzzle'.

3.3 New institutionalist perspectives on austerity and service delivery

New institutionalist theory provides useful insights for the first area for enquiry, concerning how local authorities had managed to maintain frontline service provision, between 2010 and 2015, whilst absorbing a 37 per cent real-terms funding cut (NAO, 2014a). However there are multiple varieties of new institutionalism, with differing ontological and epistemological roots (Lowndes, 2010) and this research found some varieties to be more readily applicable to this study than others.

Historical institutionalism is a varied body of research which explores historical aspects of the functioning of political institutions. According to Lowndes and Roberts, (2013) a characteristic historical institutionalist definition of an institution would include 'formal and informal procedures, routines, norms and conventions' (Hall, 1986 quoted in Lowndes & Roberts, 2013 p.32). Historical institutionalists argue that institutions are constrained in their development (or contraction) by previous policy decisions. Such decisions create reinforcing cycles which result in 'path dependencies', where the costs of a change in institutional direction become too high. Additionally, 'policy feedback' from powerful interest groups may 'lock in' particular paths of policy development (Pierson, 1996 p.153). The best known application of this theory to public administration is Paul Pierson's *Dismantling the Welfare State* (1994). Pierson took the view that powerful groups surrounding social programmes make welfare state institutions less dependent on the political parties, social movements and labour organisations that originally created them, thereby contributing to the 'relative stability of the welfare state', (1996 p.174) and rendering 'retrenchment' of welfare 'a distinctive and difficult political enterprise' (Pierson 1994 p.1).

Drawing on this perspective, Peter John has used historical institutionalist arguments to account for local government's resilience in the face of austerity policies, commenting that 'path dependence describes the history of local government in turbulent times' (John, 2014 p.699). In John's view this stability derives from a strong political and bureaucratic core within local authorities, and (in his terms) 'negative' feedback which ensured that, 'because local government is efficient at what it does, other proposals for reform and possible alternative models were not fully considered' (p.699).

Historical institutionalism therefore provides one potential explanation for stability under external financial pressure. However, a potential criticism of this type of historical institutionalist analysis is that a focus on apparent path dependence, feedback and stability in institutions may negate emerging discursive and ideational shifts with the capacity to undermine those structures. Indeed in a study of the changes to political management structures following the Local Government Act 2000, Gains John and Stoker (2005) pointed out that 'small changes can build up' and given a tipping point, (such as, in the case of their study, national-level political intervention,) become 'a force behind further change' (p.29). In the context of the austerity puzzle, too much emphasis on the (lack of) change in a material sense could neglect important debates in ideas and discourse about public services. Such issues may be more effectively highlighted through constructivist or discursive approaches to institutionalism.

Colin Hay made the case for institutions as internalised constructs founded on ideas (2006, p.66) arguing that 'ideational change invariably precedes institutional change'. In Hay's view, constructivist institutionalism has a particular strength in its 'ability to interrogate and open up the often acknowledged and yet rarely explored question of institutional dynamics under disequilibrium conditions' (p.72) making it especially-well suited for examining institutions subject to the 'shock' of austerity. Hay contends that path-shaping institutional change occurs through 'ideational contestation unleashed in the moment of crisis'

(p.68) with new ideas being of particular significance. Path dependency can also occur as ideas solidify into 'cognitive filters' (p.65) and Hay recognises that crisis will not always prompt contestation, but sometimes 'the vehement reassertion, expression and articulation of prior conceptions of self-interest' (p.69).

However, he also expresses uncertainty in relating this predominantly ideational model to material factors, commenting that 'the extent to which constructivist institutionalism entails the substitution of material by ideational explanations, the development of explanations which dissolve the dualistic distinction between the two, or merely the addition of ideational variables to pre-existing material accounts remains unclear' (p.72).

A partial solution to this problem is provided by Vivien Schmidt in her work on discursive institutionalism (Schmidt, 2008, 2010). For Schmidt, institutions are 'real' 'in the sense that they constitute interests and cause things to happen', but not material in a 'put your hand on it and rest your eyes on it' sense (Schmidt, 2008 p.318). They represent 'simultaneously constraining structures and enabling constructs of meaning, which are internal to 'sentient' (thinking and speaking) agents' (Schmidt, 2010 p.4).

Schmidt's approach is helpful because she challenges dualistic divisions between material and ideational explanations of institutional change, showing how a concept such as 'money' can exist in both realms (Schmidt, 2008 p.318). She also suggests that discursive institutionalism complements other types of institutionalism by providing a means to understand (often unexpected) change against the structural and material background factors provided by older forms of institutional analysis (Schmidt, 2008 p.314). However, a fundamental point of debate exists around whether institutions are internally conceived or external to actors. Schmidt herself acknowledges the need for balance, emphasising that discursive institutionalism must also

make room for issues of power and structure, acknowledging that not everything can be attributed to discourse (Schmidt, 2010 p.21).

In an alternative combinative approach Lowndes and Roberts (2013 p.129 - 136) draw on a wide range of new institutionalist approaches to suggest that institutional change can be examined in a cross-cutting way by considering institutions as systems of rules, practices and narratives. They explain that 'regulative, normative and discursive mechanisms work together to shape behaviour' (Lowndes & Roberts, 2013 p.50). Rules are suggested to be formally constructed and recorded, for instance, law or policy documents; practices express norms or informal rules of the game, 'the way we do things around here'. Meanwhile, in defining narratives, Lowndes and Roberts highlight 'familiar stories' and 'shared understandings' which reinforce 'taken for granted' assumptions (p.52/3). They also draw on Schmidt's idea that discourse can be 'co-ordinative' (focussing on policy construction) or 'communicative', referring to the means by which political actors engage publics in debate about the necessity and appropriateness of policies (Schmidt, 2008 p.310).

This model neatly sidesteps the question of whether institutions are external or internal modes of constraint, combining elements of both approaches. It also balances the role of institutions and agency, making it clear that institutions are dependent on actors for their 'maintenance, defence, revision and discovery' (Streeck, cited in Lowndes & Roberts, 2013 p.136), and that actors can also 'mobilize purposefully to change or resist existing constraints, taking advantage of gaps and contradictions' (Lowndes & Roberts, 2013 p.130), particularly when 'dissonance' appears between institutions, their environment and the willingness of actors to maintain the status-quo. From this perspective institutions are works in progress:

> 'the product of human agency and the outcome of political struggles. Institutional change emerges out of the interstices between rules, practices and narratives; just as stability arises from their alignment. Indeed, in all institutions (at some time and

in some places) rules are broken, practices are ignored, and counter-narratives gain voice.' (Lowndes & Roberts, 2013 pp.73-4)

The attraction of Lowndes and Roberts framework is that it combines the structural and normative insights of historical and sociological institutionalism with an emphasis on the role of agency. Although it is sympathetic to the historical institutionalism of Streeck and Thelen (Streeck & Thelen, 2005a), with their emphasis on micro-level endogenous (rather than exogenous) change, the focus on narrative admits a constructivist element which assists us conceptually in dealing with the 'institutional dynamics under disequilibrium conditions' (Hay, 2006 p.72) likely to be a feature of austerity. Being strongly based in empirical study, the framework of rules, practices and narratives also provides an easily-operationalized basis for field-based research, rendering it a conceptually broad theoretical tool for unpicking the 'austerity puzzle'.

To summarise, these different perspectives suggest that institutions exist in both a material and ideational sense, and evidence for change and transformation should be sought at both levels. They also indicate that actors play a critical role in sustaining or changing institutions, even as they are constrained by them: a point which has been illustrated in relation to public administration by Lipsky's work on the discretion of 'street level' bureaucrats (Lipsky, 2010). Lowndes and Roberts conception of institutions as systems of 'rules, practices and narratives' provides an inclusive and practical means to operationalise an institutional analysis which can explore these insights in greater detail.

Where new institutionalist theoretical approaches currently fall short, however, is on theory to deal with the *meaning* of institutional change; the 'so what?' question. Why might it matter if institutions change, and in what circumstances do institutional changes become significant to actors? These questions are particularly relevant to local authorities 'convening' work (Lyons, 2007 p.3), which is embedded in relational power dynamics between different actors and organisations. In order to

explore this issue in more detail, this analysis will draw on the interpretive approach of Bevir and Rhodes (2003, 2006, 2010).

3.4 Interpretive perspectives on austerity and partnerships.

The extent to which austerity has affected the convening role of local government, as a co-ordinator of partnership-based approaches to service delivery, and in its community leadership function, forms the second key area of enquiry for this research. At one level, new institutionalist theory has insights which can be applied to this problem. Convening partnerships for service delivery and community leadership involves extensive collaborative activity, at strategic and operational levels, and Chapter 2.2 showed how this type of partnership work was institutionalised under the 1997-2010 Labour governments. Lowndes and Roberts' (2013) framework of rules, practices and narratives therefore remains useful as a conceptual framework to identify potential areas of stability and change.

Partnerships are, however, more than institutionalised structures, as their dynamics are continuously reshaped through the agency of individual actors (Sullivan, Williams, & Jeffares, 2012). Gains (2009 p.52) argues that whilst institutional arrangements are important to the context in which local bureaucratic actors act, local bureaucrats are not only informed by the 'formal legalistic and operational 'rules of the game', but also by 'internalised and informal perceptions by actors of appropriate role behaviour and how to operate', in other words 'actors interpret how to act'.

Bevir and Rhodes' (2003, 2006, 2010) concept of governance 'traditions' provides another means to explore the context within which policymakers and practitioners make sense of their options. Traditions are defined as 'a set of inherited beliefs about the institutions and history of government' (Rhodes, 2015 p.6). Within this context, actors

have the capacity to adopt different beliefs and actions, and can - in turn - transform traditions in an iterative way. Traditions may provide a source of ideas and creativity, but can also act as a constraint on thought and action.

The concept of traditions thus has a strong affinity with discursive and constructivist concepts of institutions, being ideational, and emphasising the constrained 'situated agency' exercised by actors embedded within their local historical and social context. Hay highlights that although Bevir and Rhodes disavow the concept of structure, traditions have structural qualities. He describes how they exert influence 'as if' they were material (Hay, 2011 p.177) in a discussion which recalls Schmidt's description of the way in which the 'social fact' of discursive institutions (such as money) still embody power and influence (Schmidt, 2008 p.318).   However, unlike discursive institutionalism, there is also a sense in which traditions exist independently, beyond Schmidt's concept of internalised structures reproduced by 'sentient agents'. Hay describes how the philosophy of interpretivism is based on a 'conditional, fluid and sociological understanding of knowledge itself – not as the accumulation of objective truths, but as the process of developing and revising an inter-subjective consensus on empirical matters amongst members of a community' (2011 p.171).

This concept of accumulated knowledge and consensus also underpins traditions, which constitute the 'ideational background' against which individuals adopt an intersubjective 'web of beliefs'. These 'webs' form the basis within which individuals exercise reason and interpret their experience. They are influenced - but not determined - by traditions, but also dynamic, in that new beliefs can challenge or change a web (Hay, 2011 p.178).

How then can these concepts assist in understanding the effects of austerity within local governance? First, traditions have particular resonance for local governance, in that they embody factors of locality,

history, place and politics. Although predominantly ideational, reflecting the accumulated beliefs of actors (Bevir and Rhodes, 2010 p.78) they also appear to transcend individuals.

Second, Hay highlights that traditions can be useful in providing resources for institutional design and revision, with particular significance for explaining institutional change in a context of stress such as the 2007/8 financial crisis (Hay, 2011 p.179). He suggests that institutional failure can be a source of 'dilemmas' forcing the reconsideration of beliefs and practices inherent within traditions. According to Rhodes (2011 p.8), dilemmas arise when a new idea stands in opposition to existing beliefs or practices and forces a reconsideration of those beliefs and any associated traditions. Hay suggests that such dilemmas are likely to give rise to ideational conflict, wherein traditions are challenged and changed. In turn, the influence of new or different traditions may have an impact on the revision of institutions (2011 p.180). Gains (2009 p.53) makes a similar point from the perspective of individual actors, (particularly relevant to the Lowndes and Roberts' (2013) conceptualisation of institutions) suggesting that changed material circumstances in the 'situated context' in which strategic actors operate may also require changed practices, or create differing narratives.

Gardner and Lowndes (2015) have developed this theme by identifying five local government traditions (see table 3.1, below) and exploring how they are being deployed at local level to negotiate a path through austerity. The traditions identified are not mutually exclusive or exhaustive, indeed some traditions may be seen as opposites on a continuum, and it is acknowledged that elements of two or more traditions may be observed in councils at any given time. Using case study evidence Gardner and Lowndes show that financial pressure arising from austerity can lead to actors questioning dominant traditions, and mining others for new solutions, sometimes with resulting ideational conflict.

Table 3.1: Traditions of Local Government

Tradition	Characteristics
CIVIC	Collaborative city leadership (political, business, civil society elites); city identity; large-scale, multi-purpose services; economic development focus
COLLECTIVIST	Comprehensive local services; good employer; class and community (of interest) identities; anti-poverty/equality focus; new ways of living/working
PROFESSIONAL	Specialist (social and technical) services; public service ethos; public as clients; standardisation; bureaucratic orientation; councillor/officer joint elite
ENABLING	Minimalist state; new public management (efficiency/marketization); public as customers; councillors as board members who let contracts
COMMUNITARIAN	Small state with devolution to neighbourhoods; community identities (geographical/faith); self-help and co-production of services; local variety

Source: Gardner & Lowndes, 2015

Sullivan (2007) has also used an interpretive approach to suggest links between different types of community leadership and underlying local government traditions. The traditions which Sullivan identifies include 'adaptive institution', 'local self-government', 'community empowerment', and 'agent of centralised control'. With the benefit of hindsight these might now be described as traditions *about* local government rather than 'of' local government, which reflect an external perspective and the context of the 'new' Labour modernisation agenda. There is some resonance with the above traditions identified by

Gardner and Lowndes (2015) although the fit is not perfect. In particular, Sullivan's tradition of 'local self-government' is close to the civic leadership tradition, and 'community empowerment' can be associated with both collective and communitarian traditions. 'Adaptive institution' can be linked to the professional/managerial and 'enabling' tradition, and 'agent of centralised control' could be attached to both traditions of collectivism and professional/managerial influence. The point is not to debate which delineations of local government traditions are the most accurate, but to recognise that institutionalised policies like community leadership are underpinned by longstanding and widely shared traditions, and that shifts to those traditions are likely to carry commensurate implications for those institutions.

The addition of interpretive tools to an institutional analysis can therefore help us by highlighting how institutional failure resulting from austerity may be presenting dilemmas which challenge actors' beliefs and wider local traditions, with a concurrent impact for the way in which institutions are reproduced, in the processes of 'maintenance, defence, revision and discovery' (Streeck, cited in Lowndes & Roberts, 2013 p.136). They show that analysis of local governance needs to be alert to apparent shifts in the traditions of partnership working, and to the ideational contest and institutional change which could accompany such differences. They also help us to understand why some instances of institutional change are accepted and others contested (Skelcher, 2014) as they impact on individual actors' 'webs of belief', shedding light on the specific local, historical and political meaning of institutional change.

3.5 Understanding the type and extent of change

The final area of inquiry raised by the review of policy and practice literature relates to the type and pace of change which is occurring (incremental or radical?) and the question of whether the financial

pressure of austerity will result in marginal adjustment to the local governance landscape or a wider transformation. Some of the historical institutionalist theory we have touched upon already is also useful here, but before exploring this research question further, it is important to note the wider theoretical discussion on how change processes relate to change outcomes.

Minor adjustments do not always result in minor change. Drawing on Dahl and Lindblom's theories about incremental policy making, Cope (1994) argues that it is possible that a decision made incrementally could lead to a large change, and a decision made non-incrementally could produce a small change. Incrementalism is defined by its processes rather than its outputs; and marginal outcomes are not necessarily a defining characteristic (Cope, 1994 p.341). This position is similar to that developed by modern historical institutionalists, who also argue that gradual adjustment can be transformative over the longer term (Streeck & Thelen, 2005b p.9) and conversely, that policies which appear to effect radical change when witnessed at close hand may prove to have a relatively limited effect on institutions when reviewed with adequate hindsight (Pierson, 1994 p.14). Therefore, in attempting to understand the outcomes of change occurring as a result of austerity policies, this study is limited by the recent inception of austerity-related approaches, and must be careful to apply appropriate caveats to emerging conclusions about outcomes.

Having acknowledged that limitation, historical institutionalist arguments can be used to understand the type of change occurring, although there is some theoretical disagreement on the process and timing of change. Punctuated equilibrium theory draws on the work of Steven J Gould and Niles Eldredge, who theorised that, although evolution generally occurs on an incremental basis, rapid evolutionary changes may happen in small populations as a response to changes in environmental conditions, leaving a 'punctuation' in the fossil record (Gould & Eldredge, 1993). Baumgartner and Jones extend this principle to argue that although patterns of public spending in the US are generally

characterised by incremental change, they also show punctuation through instances of major change. Using the geological metaphor of plate tectonics, they introduce the concept of 'stick / slip friction dynamics' speculating that standard operating procedures, cultural norms, human perceptions and increasing institutional costs could create 'a retarding force that interferes with the smooth adjustment of political systems to incoming information' (Jones et al., 2009 p.867). In the face of reductions in public expenditure, existing systems and policies would therefore 'stick' until sufficient friction built up for a change, akin to an earthquake.

One problem with applying this theory to understanding change in local governance is that, whilst it supplies some conceptual assistance with explaining the apparent service continuity associated with the 'austerity puzzle' (the 'stick'), it is difficult to understand whether or not pressure for radical change will eventually build to a 'slip' resulting in radical institutional change. Even its proponents admit that 'we understand the sticking part of the process better than the slipping part… we understand the dynamics of slip only at the vaguest level' (Jones et al., 2009 p.867). Although it would certainly be possible to trace a range 'stick' forces in relation to austerity policies, and plot how 'tectonic' policy pressure may be building up, predicting if and when radical change might occur could be as elusive a goal as predicting a real earthquake. This theoretical approach also implies long periods of stasis or 'equilibrium', which from some perspectives does not fit well with the recent history of local government (Lowndes, 2004 p.230).

A moderated version of punctuated equilibrium is punctuated *evolution,* which implies incremental development along multiple paths, followed by success and dominance of a particular policy. Peter John describes evolution as providing a crucial factor of causality for change, 'a key moment when trial and error or recombination allows successful replication to take place, which can then expand and take hold and challenge an existing policy monopoly' (2012 p.168). Nonetheless this

idea too lacks predictive power, as it is difficult to predict if, when, and how policy innovations might replicate and prove successful, or – if we extend the metaphor to local authorities working under conditions of austerity – whether evolutionary processes might fail to keep pace with exogenous change, leading to decline and potential extinction.

A related but slightly different historical institutionalist approach to change is the idea of 'critical junctures' (Collier & Collier, 1991). In this instance, changes to the institutional 'path' depend on a critical combination of external and internal political forces, which may not individually be capable of creating significant change, but together lead to a significant re-direction. Although this has been successfully applied to case studies of government in Latin America, it is again vulnerable to the criticism that critical junctures are only visible with hindsight, and has been criticised as 'unconvincingly contingent, and then equally unconvincingly deterministic thereafter' (Leach & Roberts, 2011 p.121).

There is also a danger in placing too much emphasis on the role of path dependency and underplaying the role of individual actors. Responding to this argument, Streeck and Thelen have contributed to historical institutionalist accounts of change with a model for more gradual (though still transformative) endogenous change, through processes of displacement, layering, conversion, and drift (Streeck & Thelen, 2005 p.31 Lowndes & Roberts, 2013 p.128). 'Displacement' describes the act of replacing or subordinating one set of institutional rules with another, sometimes with rules that have previously been suppressed. 'Layering' occurs when new rules are superimposed on previous ones, leading to the compromise and eventual defeat of the original rules. 'Conversion' involves adapting existing rules and structures to new agendas through a process of reinterpretation. 'Drift' describes the neglect of rules in response to changes in the environment, leading to slippage of practice on the ground. Streeck and Thelen also describe a final category of 'exhaustion' which is more akin to punctuated

equilibrium, in that it encompasses a situation where the environment has changed to the extent that existing institutions are no longer viable or appropriate.

Rather than focussing on moments of profound change, this branch of historical institutionalism therefore tends to emphasise incremental adjustment. Thelen argues that 'even in times of crisis, actors eschew experimentation and fall back on familiar formulas resulting in institutional reproduction, not change' (2004 p.292). Crouch and Keune also suggest that when change does occur, actors tend to employ tried and trusted templates in the form of institutional materials that were to hand (Crouch & Keune, 2005 p.84-5). Lowndes and Mccaughie have also built on this work to show how local government is 'weathering the perfect storm' of austerity as actors in local government become "institutional bricoleurs", continuously recycling institutional forms to create pragmatic solutions (Lowndes & McCaughie, 2012 p.15). However, in acknowledging the role of actors in institutional change and stability, it is also important to keep in mind varying actor motivations, (explored in more detail below) as actors can work to undermine institutions as well as defend them.

A further influence on the process and speed of change is the degree of resilience embodied within institutions. Resilience is a term originally derived from materials science which informs a wide variety of theoretical approaches (McAslan, 2010), but Shaw has described its utility in relation to local government, outlining the strategies which actors employ, not just in 'bouncing back' (recovering to the original position) but in 'bouncing forward' or transforming to adjust to a new state (Shaw 2012 p.286). These ideas have more recently been applied to analysis of local responses to austerity by Fitzgerald and Lupton (2015), who argue that although there is evidence for transformation in local governance, there may also be limits to resilience.

From a new institutionalist perspective, Pierson has identified four potential sources of resilience: co-ordination, veto points, asset specificity, and positive feedback (2004 p.142). Pierson describes how institutional stability is sometimes attributed to the value of continued co-ordination, in that institutions constitute a stable position or equilibrium, which is of shared benefit to powerful actors, with strong disincentives to explore alternative approaches. Turning next to 'veto points', Pierson suggests institutions are more resilient if changes or challenges need to be agreed in a 'self-referencing' way by actors who have disincentives to altering the status quo. Third, Pierson cites 'asset specificity', suggesting that actors with an interest in assets, such as relationships, expectations, and knowledge of procedures, are likely to support the continuation of activity wherever those assets are applied (p.148). Meanwhile, 'positive feedback', including the support of key interest groups, makes the removal of institutions unattractive and their replacement increasingly costly. He suggests that '*all other things being equal, an institution will be more resilient, and any revisions more incremental in nature, the longer the institution has been in place*' (Pierson, 2004 p.147 emphasis Pierson's own).

This theory has some resonance for English local government, in understanding how institutional resilience may be slowing the pace of change resulting from austerity. For example, Peter John's portrayal of local government as a 'great survivor' built around a strong central core of members and officers (2014) demonstrates the co-ordinative value and asset specificity of local authorities for powerful local elites.

However, this theory also points towards sources of resilience that are not available to local government, or currently being eroded. In particular, though English councils in theory have 'self-referencing' capacity to determine their own budget and Council Tax, in practice they have strong political, legal and financial disincentives to setting an unbalanced budget, or triggering the local referendum which is required if they raise taxes above the government's given limit. It is also striking that - although local government as an institution has been around

since the 19th century - its physical and staff assets have been steadily eroded over the last three decades by public policies such as the 'right to buy' council housing, the marginalisation of the public sector unions, and most recently the financial pressure of austerity. Although some 'positive feedback' operates at a local level, for instance in helping to sustain the system of local political parties, at a national level the relative priority given to institutions such as the NHS or defence spending in the 2010 and 2015 budgets (HM Treasury, 2010a, 2015c), compared to successive cuts in local government funding, demonstrates that councils struggle to generate similar institutional support.

In addition, it is important to consider the role of agency in institutional resilience. Mahoney and Thelen describe four different types of change agent within institutions, working from very different motivational positions; *Insurrectionaries*, who work against the institution and its rules; *Subversives*, who work against the institution but on the surface play by the rules; *Symbionts*, who wish to preserve the institution, but change rules to suit themselves and *Opportunists*, who seek to follow their own agenda (Mahoney & Thelen, 2010 p.23).

The idea of differentiation in the objectives and motivations of change agents is especially useful in a local government context, because it takes into account that actors will have differing levels of power and divergent motivations or political positions, affecting their desire to promote change, or stability, under conditions of austerity. It also raises the possibility of unlikely coalitions, where actors with varying motivations can band together for a common purpose. The capacity and motivation to enact or resist change at organisational level is therefore likely to be affected by disposition towards change at the level of individual actors, and any analysis should take this into account.

To summarise the theories surveyed in relation to the type of change, historical institutionalism provides two broad but contrasting models. Punctuated equilibrium suggests periods of stasis or path dependency

followed by 'punctuated' shifts (Jones et al., 2009). Alternatively theorists like Streeck and Thelen suggest more gradual incremental processes which owe as much to actor-centred endogenous change as external shock (Streeck & Thelen, 2005b). It would be illuminating to explore in more detail how these differing perspectives play out empirically in relation to the change experienced by local governance institutions under conditions of austerity. In addition it is important to consider potential sources of institutional and agential resilience, both in relation to how these have influenced change to date, and in respect to their capacity to influence the pace of change in the future.

Turning now to the outcomes of change, this discussion starts from the premise that both incremental and punctuated forms of change have the potential to deliver transformative outcomes. A useful historical institutionalist model for categorising the outcomes of change is provided by Hall's (1993) study of economic policymaking. Hall outlines three types of policy change:

First order change describes changes in the levels or settings of policy instruments, whilst the overall goals and instruments of policy remain the same. In the context of this research, first order change could be taken to include budgetary changes, and adjustments to functions and service volumes and quality.

Second order change; suggests changes to the techniques or instruments used to attain policy goals. For research focussed on local government and governance, second order change would imply a move away from existing structures and institutions, to new forms of delivery.

Third order change; argues for changes in all three components of policy; instrument settings, the instruments themselves and the hierarchy of goals behind the policy. Hall describes this type of change as 'rare' with an example being the shift from Keynesian to monetarist modes of macroeconomic regulation (1993 pp.278-279). However, it may be useful in this instance to make a link between Hall's idea of a

'policy paradigm' and Bevir and Rhodes' concept of traditions. Hall describes his paradigms as a type of 'Gestalt'; 'a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing' (Hall, 1993 p.279). Hall also suggests that his paradigms can be 'competing' or 'not fully elaborated', (p.291) and that they are expressed mainly in discourse: 'organized interests, political parties, and policy experts do not simply "exert power"; they acquire power in part by trying to influence the political discourse of their day' (p.290). This conceptualisation appears very close to Bevir and Rhodes's description of traditions as 'inherited beliefs', and captures the same sense of a guiding framework within which ideas and discourse are framed.

Hall's model is somewhat limited by its linear nature (for instance, is it possible to claim evidence for third order policy change if second order change has not yet been observed?) The categorisation also implies a stepped or staged approach, rather than a spectrum of potential changes. However, the advantage of this model is that it provides a ready framework within which to understand the extent of change enacted in response to austerity, particularly when linked with Bevir and Rhodes concept of traditions. As emphasised above, strong caveats must be offered on any tentative judgements, as change-to-date may not be a fair reflection of change over a longer time frame.

3.6 Summary and propositions

How then might it be possible to summarise these theoretical insights and link them to a set of operationalisable propositions? This section will review the main observations from the preceding discussion and suggest a set of propositions to provide the basis for a theoretically informed analysis of how local public services are responding to austerity. A diagram summarising the links between theories and

propositions is included below at Figure 3.1. The propositions are worded for application to a single case study, and the rationale for this methodological choice will be set out in more detail in section 4.2.

To recap, the three main areas of enquiry drawn from the policy and practice review were used as a starting point for engagement with relevant areas of theory. Taking theoretical insights into account, it is possible to phrase those areas of enquiry in terms of the following research questions:

- were austerity-related savings really being delivered with minimal consequences for local services, and if so, how was this achieved?
- Had austerity affected local government's capacity to deliver services in partnership and act as a community leader?
- What was the type and extent of underlying change occurring within the institutions of local governance?

Looking first at the issue of frontline services, the new institutionalist perspectives reviewed in this chapter suggested that institutional path dependency and resilience could form part of an explanation for how authorities have apparently been able to 'cope' with the external shock of austerity. To examine this theory, it is first necessary to test the policy and practice-based suggestions noted in section 2.1 that local authorities *are* coping with austerity, by analysing a range of evidence for the maintenance of services throughout the period since the 2010 spending review. This leads to the first proposition:

P1: The range and quality of services available to the public has been maintained during the period 2010 - 2015

Figure 3.1 Connections between theories and propositions

Theoretical framework	Key analytical tools	Propositions
New Institutionalism	Path dependency (John) Rules Practices and Narratives (Lowndes and Roberts)	P1 P2
Interpretivism	Traditions (Bevir and Rhodes / Gardner and Lowndes / Sullivan)	P3 P4
New Institutionalism	Incremental change (Streeck and Thelen) Punctuation (Baumgartner and Jones) Resilience (Pierson) Role of agency (Mahoney and Thelen) Policy paradigms (Hall)	P5 P6

A quantitative framework developed by Hastings, Bailey, Besemer, Bramley, Gannon and Watkins (2013) provides a readily available tool for analysis, enabling the categorisation of detailed local budgetary information on spending cuts. This tool has the added advantage of having already been tested with authorities in Milton Keynes, Coventry and Newcastle.

Following on from this proposition, it would be beneficial to seek a more nuanced picture of whether the institutions underpinning local service delivery have been maintained at both material and ideational levels. If councils are indeed sustaining services, as suggested in P1, one might also expect the underlying institutions to be unchanged.   This topic can be explored using Lowndes and Roberts (2013) framework of institutional rules, practices and narratives, and therefore explicitly references their model:

P2: The Council's institutional 'rules, practices and narratives' have been maintained during period 2010-2015.

Propositions 3 and 4 address the second main area of enquiry, which considers local authorities' role in convening partnerships for service delivery and community leadership. Building on the presupposition in P1 and P2 that councils have 'coped' with austerity, and will show minimal institutional change, Proposition P3 examines whether this also holds true for the council's partnerships focussed on service delivery:

P3: Partnerships for service delivery between the Council and other statutory, business and voluntary partners have been maintained in the period 2010-2015.

In order to address both the institutional and power-related aspects of this proposition the analysis will use both 'rules, practices and narratives', and interpretive analysis to assess the influence of

austerity, in terms of the maintenance or change occurring to structures and actors' perceptions of the meaning of that change.

Following on from this analysis of the local authority's collaborative work for service delivery, the next proposition will look more closely at the Council's community leadership and place-shaping role, to understand whether austerity has affected the local authority's ability to choose how it expresses community leadership. Proposition P4 again assumes institutional stability in the community leadership role:

P4: Local political representatives continue to exercise community leadership and 'place shaping' roles.

This proposition will draw on Sullivan's (2007) interpretations of community leadership as a reference point. Together, the topics of partnerships for service delivery and community leadership provide a helpful extension to the analysis of institutional change examined through the preceding propositions, moving from a local government setting to a local governance context. Drawing on an interpretive approach will also enable an assessment of the significance and meaning of any institutional change observed.

Moving to the third research question, investigating the type and extent of change which is occurring within local government and governance as a result of austerity, this research will draw on theories describing change processes (particularly differing conceptualisations of change within historical institutionalism) and change outcomes. Again the austerity puzzle and the apparent evidence that local government has 'coped' with the cuts would suggest that any change occurring to date has been characterised by incremental processes, hence the fifth proposition:

P5: The change processes instigated in response to austerity have so far been characterised by incremental change rather than 'punctuated equilibrium'.

Finally, whilst it is difficult to consider the outcomes of austerity given the timescale of this project, it is possible to categorise any change observed to date by interpreting field observations in the light of Hall's framework and the concept of resilience. Again, in the light of the austerity puzzle we might propose that:

P6   Austerity policies have so far been delivered with minimal (first order) change to local governance and systems.

However, analysis will also seek evidence for second and third order change. Any judgment on the extent of change will at this stage be both cautious and provisional.

3.7 Conclusions

This chapter began by setting out the three areas of enquiry highlighted by the review of policy and practice literature, and considering the challenges of studying austerity, focussing on the importance of theories to address structure, agency and meaning. It went on to explore a wide range of new institutionalist and interpretive perspectives which could illuminate the research questions.

In investigating the effects of austerity on frontline services and their underpinning institutions the research committed to analysis which could operate at both a material and discursive level, allowing for varying motivational positions of different actors. Lowndes and Roberts (2013) conceptualisation of institutions as rules, practices and narratives facilitated this approach. Looking further into agency and meaning, Bevir and Rhodes' (2003, 2006, 2010) interpretive concept of 'local government traditions' enabled consideration of the local

significance of institutional change, and appeared helpful in exploring changing power relations within a governance context.

In relation to the speed and extent of change, differing historical institutionalist perspectives suggested that responses to the external shock of austerity might be rapid, via a process of punctuated equilibrium, or more incremental, through gradual endogenous adjustment. Pierson provided some insight into potential sources of resilience, which could also slow the process of change, whilst Mahoney and Thelen's theory on the motivations of institutional actors emphasised that actors could both challenge and defend institutions. In addition Hall's concept of policy paradigms was identified as a framework which could be deployed to form a cautious assessment of the extent of change to date.

These theoretical frameworks were subsequently used to inform six propositions which structured the primary research, framed around the starting assumption that – if councils are genuinely managing to absorb the effects of austerity policies – there will be minimal observable change to services, institutions and governance. The next chapter looks at the methodological approach used to operationalise the research.

Chapter 4: Research methodology

4.1 Introduction

This chapter builds upon the theoretically-informed propositions established in Chapter 3 to describe how they were operationalised and tested in an empirical setting. It goes on to introduce the single case study which forms the bedrock of this research.

In setting out this chapter it is tempting to draw 'straight lines' from the research questions to the research design, methods, data collection and analysis, describing how each informed the next in an orderly and logical progression. However, this would not be a full representation of this collaborative research journey, which included points where empirical goals were debated and modified, fresh theories introduced and applied, and unexpected findings demanded attention. This account will begin by acknowledging how the scope of the research and its underpinning theoretical approach evolved over time. It will go on to describe the research design, examining its strengths and weaknesses, and reflecting on the relationship between the design and the research topic.

The chapter then presents a rationale for the case selection, and detail on how the propositions were operationalised. A two-stage analysis process is described, whereby data was gathered and triangulated to create initial fieldwork reports to research partners, and subsequently related back to the theoretical propositions for this thesis. Reflections are also given on the methods used to test the validity of these findings. In conclusion the chapter reflects on novel areas of the research design, as well as its limitations.

4.2 Reflecting on the research process

This project was originally conceived in 2011 as a piece of collaborative research between the University of Nottingham and Nottingham City Council. It built on established relationships between academic staff in the university's schools of Politics and International Relations, and Sociology and Social Policy, and the council's policy team. At that time the council was in the midst of dealing with extensive funding reductions, demanding a 'fundamental consideration' of its services and functions (Mills-Evans, 2011a p.3 see also chapter 6.3). Many posts across the council which had been connected with policy and research were being deleted (Interview, 2014o). At the same time the University was seeking increased civic engagement and opportunities to demonstrate research 'impact'. A collaborative PhD studentship, principally funded by the University but including a seven per cent contribution from the council, was conceived as a cost-effective way for the local authority to monitor the effects of austerity, and a means for the university to contribute positively to its local community whilst also gaining high quality research access. From its inception the project therefore carried an expectation of partnership working, which was demonstrated through the council's involvement in the appointment of this author, and shaped by regular engagement between council officers and the researcher. This became an integral factor to the research design process, resulting in the use of action-research and appreciative inquiry, which are discussed in more detail in section 3.3 below.

During the scoping of the project there were a number of key decision points. The first important decision was that the study would focus on 'responses' to austerity, rather than 'impacts'. This term was deliberately chosen, as the research aimed not just to quantify (disputed) material effects, but also consider meanings and significance attached to austerity by different participants in the study. Pragmatically it also allowed the research to concentrate mainly on the 2010-2015 Comprehensive Spending Review period, rather than

requiring extensive research into the preceding period for the purposes of establishing baseline information. Additionally it was determined that the research would focus on 'local public services', with this term including both services provided directly by the council, and those commissioned from other local providers in accordance with English local government's service delivery and governance role.

There was also a decision to focus on responses to austerity within local institutions rather than in communities and populations. This choice was based on an emergent understanding of the complexity with which austerity affected local services. This complexity was expressed (and discussed with project stakeholders at the council and university) using a conceptual framework which drew on theoretical insights from Pierson's study of retrenchment within the welfare state (1994) as well as a review of policy and practice literature (see figure 4.1 below).

Figure 4.1 Researching Conceptual Responses to Austerity
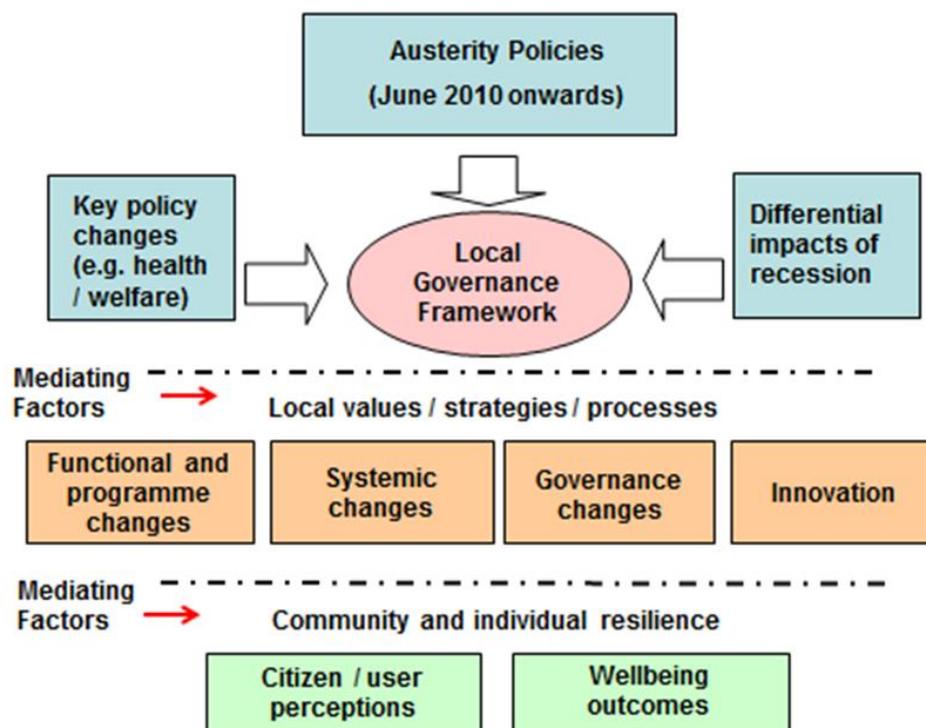
Source: Author's analysis

The top layer of the framework (coloured blue and pink) represented the issues affecting local governance from a national perspective. These influences were common to all localities, and included austerity policies, other major policy changes (for instance around health, policing and welfare) and the impacts of the 2007-8 recession (acknowledging that the recession affected different parts of the country in different ways).

The upper dotted line represented mediating factors that were unique to each locality – issues such as politics, history, place, strategies, and processes. These place-related factors were those which determined how far the national influences at the top of the framework actually created change at a local level. They represented the plethora of details which contributed to ensuring that cuts in the Treasury's budget did not automatically equate to service cuts on the ground. They also included the decisions organisations took on their approach to implementing austerity.

The second layer of the framework, (coloured orange) represented the types of change this study expected to observe in response to austerity policies. It drew on Pierson's idea that the student of retrenchment should look not just at overall spend, but at programme and systemic change. (Pierson, 1994 p.17). However, it also extended Pierson by adding two further areas of potential change: changes to governance, particularly work in and through partnerships; and change through innovation, to capture instances where organisations found ways of doing things wholly differently.

After this layer came a further layer of mediation, represented by a second dotted line. This line signified factors influencing individual and community resilience, which would be expected to impact on the connection between changes to local services and the extent to which those changes affected individuals and communities.

The final layer of the framework (coloured in green) included outcome measures used to monitor the 'wellbeing' of citizens, such as citizen and user perceptions, and 'wellbeing' indicators, such as health status, mental health, the quality of the local environment, and measures of community cohesion. Public sector organisations in the UK regularly used such measures to assess the effectiveness of their programmes (although the Coalition government of 2010-2015 had reduced statutory responsibilities for publishing the results). The framework recognised that factors connected with individual and community resilience were likely to influence these outcomes. In addition there was potential for long time-lags between policy interventions (or their cessation) and their consequences. Whilst it was important to observe such measures as a proxy for the overall wellbeing of a community in times of austerity, the effectiveness or otherwise of public services could not be fully judged by these means.

The framework illustrated that the relatively modest resources associated with a PhD project would need to be carefully focussed in delivering achievable research goals. It was henceforth agreed with the council at an early stage that the research would focus on the top two layers of the model (national policies and their institutional effects) rather than citizen and community resilience and population effects, as the latter area would arguably require a longer research timeframe (to take account of time lags) and merit a separate substantial research project in its own right. However, some commentary on 'outcome' indictors as a proxy for service quality is included in section 6.5.

A subsequent academic review of the research design led to a further agreement not to focus on innovation as a separate area of institutional change, given that defining innovation and the effects of austerity on that process could (again) merit an organisational-science research project by itself. Observations on the development of innovative practices have therefore been addressed in this thesis from an

institutional and interpretive perspective through commentary on service and programme changes.

The third important decision point concerned the choice of research design. In this respect a decision was taken to examine austerity through a single 'exploratory' and 'embedded' case study, based on a number of important factors. The intention was to provide a different perspective to studies of austerity existing at that time (see for example Crawford & Phillips, 2012; Hastings, Bramley, Bailey, & Watkins, 2012; The Audit Commission, 2012), which largely focussed on comparison across services and functions. By contrast this study sought to consider responses to austerity 'in the round' across a single locality, taking into account both service delivery and governance issues. Using this perspective, even a single case contained many different variables and perspectives to take into account, necessitating collection of a wide range of data from the council and its partner organisations. Concentrating on a single case also acknowledged the contingent and localised aspects of austerity, including the differential impacts of the recession and varying distribution of spending cuts noted in chapter 1, alongside the factors of politics and place acknowledged in figure 4.1. The local context therefore acted as a core variable, which would have potentially been obscured by a larger 'n' study.

The case study was 'exploratory' in the sense that it aimed to 'gain insight into the structure of a phenomenon, in order to develop hypotheses, models or theories' (Scholz & Tietje, 2002 p.11). It was embedded because it contained more than one unit of analysis, with subunits including budget lines from strategic choices documents and other service providers (Scholz & Tietje, 2002 p.11). It drew upon mixed methods, with qualitative data including elite interviews and collaborative events; and quantitative including data from budgets, citizen surveys and performance management systems.

Although this choice helped to create a tightly bounded case, focussed on a single locality, the main disadvantage related to the accepted principle that it would not be possible to generalise from single case to a wider population. Rather, this study adopted Yin's approach of generalizing to theoretical propositions (Yin 1994 p.10). The full set of propositions used in this study has been introduced in section 3.6.

Additionally, although the preceding two chapters have traced close links between the empirical puzzles of austerity and the theoretical insights informing the propositions, it is important to acknowledge that the author's understanding of those connections has developed throughout the full period of this study. Thus whilst new institutionalist analysis informed initial conceptual framework outlined at figure 4.1 above, and helped to shape the propositions guiding this study, originally there were only four guiding propositions, equivalent to those expressed in section 3.6 as P1, P3, P4, and P5. The value of including P2 (focussing specifically on the institutional effects of austerity) and P6 (considering the extent of change) was recognised at a later point in the research, as a useful means of exploring the findings that emerged from the primary research. In addition, the relevance of the interpretative analytical perspective was recognised at the mid-point of the project, and thus informed analysis but not research design. Although these twists in the research journey might have been concealed to provide an impression of a smooth, deliberate and unimpeded progression to the conclusions of the research, they are important to understanding how and why the study has developed in the way it has.

4.3 Adopting a collaborative approach

Building on the collaborative work which initiated this study, this investigation adopted action research and appreciative enquiry as strategic approaches to research design and practice.

Action research has been defined by Reason and Bradbury as seeking "to bring together action and reflection, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally, the flourishing of individual persons and their communities" (2011 p.4).

This research strategy has a strong association with practitioner-based enquiry (McNiff, 1997 p.xiii; Zuber-Skerritt, 1996 p.3) and the empowerment of grass-roots social reform movements (Gaventa & Cornwall, 2008 p.180). As such, it fitted well with the aims of this research project, which had arisen from a shared desire on the part of individuals at both the university and the council to respond to challenges arising from austerity. In addition the council wished to play an active role in the research design, and sought to reflect and act upon findings as they emerged.

In practice, the action research process was developed in iterative way, with both the council and researcher contributing to defining goals and managing mutual expectations as time progressed. In the first year of the project this researcher spent one day a week at the council's main offices, holding informal conversations with stakeholders and potential interviewees, reviewing data sources, undertaking observation and agreeing key elements of the research design. She was issued with a staff identity pass, and given a corporate email address which facilitated access to the staff intranet and all-staff emails, including weekly blogs from the council Chief Executive. She also commenced participant observation of board meetings for the small charity 'Transforming Notts Together' (featured in a case study for chapter 6), and agreed research access with the local housing organisation, 'Framework'.

In the second year of research the researcher typically used the council offices several days per week to gather data, arrange and carry-out workshops and conduct interviews. Two workshop reports and two field reports were provided to stakeholders at the council (in draft and final formats) and findings were discussed with the policy team and senior

managers. A summary of fieldwork was distributed to all research participants and mini case-studies shared with contacts at Framework and Transforming Notts Together. During the third year contact between the researcher and the council was more intermittent, but copies of the thesis chapters and draft papers were shared between the researcher and key contacts.

A benefit of adopting the action-research approach was its adaptable nature (Denscombe 2011 p.129). Given that the council was experiencing a high level of financial change, it was important to choose a framework which provided the flexibility for a researcher to reflect on emerging findings, check their salience with practitioners, and explore new sources of evidence as they emerged. For example, the initial document review and participant observation uncovered evidence about the impacts of austerity on the local voluntary and community sector which had not been anticipated at the research design stage. These issues were pursued in further detail by ensuring that relevant interviewees were included within the interview schedules and that questions about the sector were encompassed within the framework of semi-structured interviews (see below for further information about the choice of research methods and questions.) This was consistent with a 'progressive focussing' approach to producing the case study (Stake 1995 p.22).

Action research is also considered particularly suitable for practitioners who are participants in the field of study (McNiff 1997 p.1). Rather than requiring researchers to be detached or take on the role of a stranger, it values the knowledge of the researcher/practitioner in providing a deep and detailed understanding of the field. Although this researcher was no longer a local government employee, she was drawing on fifteen years of experience in policy and performance work within local government, including experience as a former employee of the organisation under study. This background brought a practical understanding of the historical and cultural factors shaping perspectives within the 'epistemic community' of local government, and conferred

some advantages in terms of finding sources of evidence, understanding organisational dynamics, and presenting results in ways which were accessible to both academic and practice audiences.

Nonetheless, there were also some disadvantages to the action research strategy, over and above the problems with generalising from results which are common to all single case studies. For example, the researcher possessed limited control over key issues of relevance to the research, because research was conducted alongside the routine activity of local services. This resulted in challenges such as the departure of key project sponsors, meaning that the rationale for the research needed to be re-negotiated with new stakeholders. Such issues were inevitable in an organisation where staff and policies were subject to considerable financial pressure, but since change (or its absence) was part of the topic under study in this instance, these challenges also became an aspect of the research observations.

Action research is sometimes also associated with the potential for conflict between the researcher and collaborating organisations over development and ownership of the research process and products. This researcher sometimes found the experience of being neither 'fully independent' nor 'fully engaged' to be an uncomfortable position, particularly when trying to negotiate obligations to the council in parallel with the longer timescales of academic research. Potential conflicts were mitigated by regularly discussing project development and emerging findings (the issue of sponsors leaving the organisation necessitated ongoing attention to this practice). However, maintaining dialogue became more challenging in relation to the production of academic research products, as busy practitioners have limited time for engagement with academic debate. Principles for using data in academic settings were discussed with research participants as part of gaining their agreement to participate in the study, but sustaining collaboration in building and disseminating research outputs for academic consumption remains an aspiration.

Furthermore, there is an argument that the engagement required of action researchers leads to a lack of impartiality, meaning that results are unlikely to be 'entirely detached or impartial in accord with the classic image of science' (Denscombe 2011 p.134). However, this argument is at odds with the epistemological basis for this research, which argues that every participant, including the researcher, is engaged in the process of constructing perceptions of austerity, and the key is not to deny underlying motivations, but to recognise them. In this context it is not impartiality which is required but reflexivity, acknowledging different perceptions, and testing the validity of conclusions using multiple data sources (see section 4.6 below).

Appreciative inquiry was the second principle shaping the research, and has been helpful in promoting reflexivity within the research design. It is grounded in asset-based theory, which advocates focussing on social and community assets (rather than deficits, such as spending cuts or deprivation) in formulating public policy interventions (see for example Foot & Hopkins, 2010; Rowett & Wooding, 2014; The Health Foundation, 2015). Appreciative enquiry recognises that the questions researchers ask can have a dynamic impact on the system they are trying to understand. It considers that 'people invent and create their organisations and communities through conversation about who they are (identity) and what they desire (ideals)' (Ludema & Fry, 2008 p.291). The aim of adopting an appreciative inquiry approach was to ensure that the research process did not impact negatively on an organisation that was already experiencing considerable strain as a result of the spending cuts. In practice, it meant that interview frameworks and workshops gave space to elucidating the strategies that helped services to survive and thrive in delivering services, and (whilst acknowledging areas of work that had ceased or deteriorated) avoided an excessively negative focus in questioning.

This approach was welcomed by research participants, who were keen to reflect on positive achievements and actions in response to austerity. Its main disadvantage lay in the danger of creating an artificially positive

bias in the research responses. This disadvantage was offset by ensuring some balance in questionnaires and workshops between reflections on 'positive' and 'negative' aspects of austerity, as well as triangulating findings with the documentary and data analysis. However, the inclusion of this type of balance also represented a compromise in the appreciative inquiry method which advocated a purist focus on positivity. Thus whilst there was merit in drawing on this theory, it proved difficult to apply authentically within a research (as opposed to organisational development) context.

A further criticism in relation to action research and appreciative inquiry was that these research strategies diminished the potential for adopting a critical perspective on austerity. In recording positive responses to the spending cuts, and assisting practitioners to focus on practical actions, the research arguably sacrificed some of its impact as a potential source of challenge to austerity-related policies. This was a particular concern for this author, who had experienced redundancy as a direct result of the spending cuts and personally disagreed with many aspects of them. However, acknowledging this frustration also demonstrated a benefit of appreciative inquiry, in that the attention to balance which it encouraged acted as a restraining force on this researcher's potential bias. Appreciative inquiry could henceforth be seen as encouraging rigour in critical perspective, by facilitating the search for alternative constructions of responses to austerity.

Looking at this issue from a slightly different perspective, it might be argued that appreciative inquiry also helps to address the gap sometimes evident in literature between critical academic perspectives (which tend to focus on history, and concentrate on what is being lost) and practitioner perspectives, which instead focus on pragmatic approaches to moving forward with available resources. A combination of action-research and appreciative enquiry arguably provides some tools to close this gap by both acknowledging the local problems created by austerity, and enhancing understanding of how they were being addressed.

Both action research and appreciative enquiry were also helpful in establishing an ethos for research ethics, with an emphasis on collaboration in all aspects of the research design, so that research was done 'with, rather than to' participating organisations. They emphasised transparency in research objectives and the importance of communication, together with the value of validating research findings by reflecting on them alongside participants. In practice, this was achieved by the regular mechanisms of communication set out above, providing all potential participants with information about the research and ensuring that participants gave signed consent to their participation (see appendix 1 and 2). A briefing note was also shared with all research participants in 2014 setting out the key findings from fieldwork (Appendix 3). To avoid breaking confidences granted through access to the intranet and other internal documents, this author also undertook to quote solely from documents which were in the public domain. All these practices were in line with the commitments made under a formal ethical review of the research undertaken in 2012 and 2013, and approved by the ethical review committee of the School of Politics and International Relations.

4.4 Why Nottingham? Selection of the research case

Having determined that the research was to be bounded as a single exploratory and embedded case study, the selection of Nottingham local authority area as the 'case' was made for a number of reasons. The most obvious was the council's role as joint-originators, sponsors and participants in the work. The second was the researcher's experience of living and working in the locality, which brought local knowledge and connections important to understanding issues of history, politics and place. This experience also facilitated access to a wide range of participants who could assist with the research.

Third, Nottingham was interesting in that it was relatively vulnerable to recession and the subsequent spending cuts, due to pre-existing deprivation and heavy reliance on financial and public sector employment (see case profile, section 5.3). In this sense it formed a useful 'revelatory' exemplar of how one of the areas most deeply affected by austerity was responding to financial pressure (Yin 1994 p.40) and an excellent test of the 'austerity puzzle'.

Fourth, although the locality was unique, it also possessed some features which facilitated contextualisation with a wide range of other areas. In terms of its functions, the council was a Labour-led, unitary authority with service responsibilities substantially similar not just to other unitaries, but also metropolitan districts and London boroughs. It is also one of a small group of 'core cities' recognised by the Coalition government as key drivers of economic growth, which provides a further natural comparative group (Core Cities 2013).

The two mini-case studies of partner organisations which contribute to evidence in chapter 8 were also subject to a selection process. Within the analysis as a whole there was a need to focus qualitative data collection on a limited number of service areas, in order to effectively manage constraints on time and resources. A decision to focus on homelessness and advice services was taken, as these were areas where one might have expected to observe early indications of strain from austerity-related policies (and thus either confirm or challenge the apparent service continuity underpinning the 'austerity puzzle') due to their focus on the most vulnerable members of society, and mix of statutory and (more financially vulnerable) non-statutory functions. Accordingly, the partnerships chosen as 'mini-cases' also focussed on homelessness and advice.

These two mini-cases were included to explore how the voluntary sector was acting in local governance systems to address perceived needs arising from austerity, and to understand whether relationships were changing as a result of financial pressures on statutory service

providers. The two partners were selected to provide a contrast using a 'most different systems' approach, with one being an established housing agency, with a longstanding contractual relationship with the local authority, and the other a new charity, albeit with strong local authority connections via its board of directors, seeking to increase the capacity of church congregations to provide volunteers and funding into homelessness and advice services.

4.5 Operationalising the propositions

Having selected the case (and sub-cases) the next stage was to operationalise the propositions. This was achieved by developing a framework of detailed questions which underpinned each of the four original propositions, and could guide the collection of data (see Appendix 4). The framework included case-level questions, potential sources of evidence, detailed questions, and initial ideas about whether these related mostly to rules, practices or narratives (Lowndes & Roberts, 2013 p.129-136) (see section 3.3). In line with the collaborative approach these questions reflected the appreciative inquiry ethos and were reviewed and agreed by key stakeholders at both the council and university. The choice of data collection methods also flowed from these research questions and available sources of evidence. They included document review, semi structured interviews, and collaborative workshops, underpinned by informal participant observation. This chapter will now consider the strengths and weaknesses of each of these approaches in greater detail.

Document review formed an initial stage of data collection, focussing on documents and committee papers produced for the council's executive committee and the board of the local stategic partnership, 'One Nottingham', from the summer of 2010 onwards. All the papers for these two committees which had been published between June 2010 and December 2013 were reviewed for measures to address financial pressure in both government and governance contexts. The papers

included detailed financial information, in the form of budget consultations and annual financial plans and strategies. Additional financial and performance reports were also gathered throughout 2014 as they became available. Extra supporting statistics were collected from data sources including NOMIS, 'Nottingham Insight' and GOV.UK.

These documents provided official information for the public record, but despite their official status, did not contain indisputible facts. Reports and strategic plans, such as the Nottingham Growth Plan (Nottingham City Council, 2012c) often aimed to pesent a positive image of the City as well as conveying raw information. Statistics were politically sensitive and liable to continuous reinterpretation. Meanwhile, committee papers tended to obscure the underlying ideologies and beliefs which may have informed decision-making. Reports were prepared by council officers seeking to convey advice with professional political neutrality, whilst minutes were designed for public consumption and historical record and generally conveyed a heavily edited summary of richer debate.

Despite these limitations, however, it was possible to gain from these documents a valuable contextual understanding both of how the council and strategic partnership understood and interpreted the cuts, and of the actions they recorded in response. Extracts from the documents which related to the detailed case questions were collected to create an emergent body of evidence in relation to each proposition. This in turn provided a useful seam of evidence to both inform the collection of evidence from interviews and collaborative events, and compare with those findings.

In addition a detailed analysis was carried out of financial information published by the council as 'strategic choices' in annual budget consultations. This analysis was completed using a framework developed by Hastings et al. (2013) and described in more detail in section 4.4., providing a core of quantitative evidence for proposition 1.

The second part of the methodological design involved creating a semi-structured framework for interviews and selecting interviewees. Elite interviews are sometimes viewed as being in tension with an action research approach. This is because they are often associated with a requirement for the interviewer to assume objective neutrality, or an assumption that organisational power play (generally to the interviewer's disadvantage) leads to a perceived requirement for researchers to develop controlling strategies for the interview in pursuit of 'truth' (Slote Morris, 2009 p.209). However, this perspective stems from a positivist epistemological stance. In contrast, Silverman highlights that a constructivist perspective positions interviewers and interviewees as actively and mutually engaged in constructing meaning. In this interpretation the interviewee is not a passive 'vessel waiting to be tapped' (Gubrium and Holstein quoted in Silverman p.164), but a co-creator of truth in the context of the questions that are asked. This interpretation of the interview process provided flexibility for this researcher to draw on shared experience and knowledge in the practice of co-creating meaning, without needing to feign detachment from the issues under discussion. In accepting the inevitability of some subjectivity in interviewing, opportunities emerged for 'reframing the interview as a collaborative process', (Slote Morris, 2009; p.215 Silverman, 2011 p.164) though in practice whilst some interviewees entered into that collaboration, others remained reserved.

In choosing who should be interviewed, a framework was drawn up (see table 4.1 below) to ensure that qualitative data was drawn from multiple layers within the arrangements for government and governance. Council sponsors of the research assisted with names of suitable people to approach, and sometimes facilitated introductions. All interviewees were sent information about the research process (appendix 1) and asked for signed consent (appendix 2). To preserve confidentiality the final list of interviewees was not shared with the council but was reviewed (considering a balance of positions and perspectives) with this author's PhD supervisors. Table 4.1 provides an

overview of the data sources (also including the collaborative workshops, which are discussed in more detail below). Interviewees were free to suggest a time and convenient venue, although council offices were also used, if the interviewee was comfortable with that venue. All interviews were recorded as digital files using a dictophone, and written up as summary reports (the researcher returned to the audio file when transcribing exact quotations). In total 46 people were approached, and a total of 34 interviews were carried out with 37 people participating. The numbers of participants from each segment of the framework are included below.

To provide a basis for the semi-structured format, a set of interview topic guides were drawn up, which were based on the detailed research questions and also attempted to balance critical appreciation of more negative effects of austerity with appreciative inquiry. In the first instance there were three slightly different topic guides, reflecting the different perspectives of politicians, officers and partners. Occasionally additional questions were added to the framework (or questions from two or more topic guides were combined) to probe on an area raised by new data, or to draw on a particular perspective that was distinctive to the interviewee. Examples of the three basic types of proforma are at appendix 5a, 5b and 5c.

Whilst this format of interviewing provided some structure and helped to ensure that evidence could be related back to the propositions, it had limitations. Despite piloting the framework, some interviews over-ran or did not cover all the questions in the time available. Some interviewees appeared less interested in co-creating a dialogue than promoting an agenda, and did not leave much space for the question framework. Others were reserved in their answers, and it was clear that they chose their words carefully.

Table 4.1 Overview of sources for interviews / workshops

Role of Interviewees	Inter-agency partnerships	Local Authority (directly delivered services)	Commissioned Services
Strategic	8 strategic partners (One Nottingham Board plus other major agencies)	7 elected members and senior managers	4 strategic partners (senior level, but not on One Nottingham board)
Co-ordinative	Neighbourhood Action Teams (2 collaborative workshops with inter-agency teams, inner-city and outer-estate)	8 middle managers, commissioning and policy staff	4 partner policy managers
Operational		4 frontline staff (focus on advice services)	2 partner frontline staff

Yet at the same time, this conscious construction of the interview content could be viewed as compatible with the concept of interviews as a collaborative process, and could hold benefits for both interviewer and interviewee. For instance, some senior partners and managers seemed to view the interview process as a unique opportunity to communicate certain messages, using the mediation of the research to speak more frankly than they would face to face, knowing it would reach a range of stakeholders at the council. Some comments, for instance about the pace of public sector re-organisation, or appreciation for certain elected members, were shared with a candour that would perhaps have been inappropriate in a public meeting or awkward in a one-to-one conversation. The high turnover of personnel also assisted with gathering data. Senior managers who were either recent ex-employees, or about to move on, were generous in both their time and

personal opinions, and open about policy successes and failures, (perhaps more than they would have been had they been remaining with their employer). In these cases the interview became a means of making a final impact, by recording lessons from their experience. A further interviewee brought his own life experience to the interview process, explaining that as he had interviewed many people for his own PhD, he now felt it was his duty to extend the same generosity to aspiring researchers approaching him. In this way the aspiration of collaborative interviewing was achieved.

Whilst interviews were progressing two collaborative workshops were initiated with inter-agency teams of frontline staff known as neighbourhood action teams. The selection of neighbourhoods was contingent on the willingness of teams to participate in the process, but a geographical balance of perspectives was achieved, in that one team was based in the inner city and the other on an outer estate. Again the workshops aimed to marry critical inquiry with an appreciative perspective, and the format of the event was agreed with team leaders, with an added objective of providing material which could feed usefully into their development and review processes, as well as the research. A workshop outline can be found at Appendix 6. Each workshop was jointly facilitated and recorded by this author and her research supervisor, Professor Vivien Lowndes.

The advantages of the workshop process included the opportunity to access a range of frontline staff and team leaders from a variety of agencies, and appreciate their partnership dynamic in a way which would be difficult to achieve from individual interviews. It was successful both in eliciting a range of challenges at a local level and providing examples of partnership-led initiatives to mitigate those problems. It also provided an effective mechanism for expressing shared emotions, such as pride in the local area, or frustration at the requirements of performance management systems. The appreciative inquiry element helped to inject positive energy into a conversation that could otherwise sometimes depress group dynamics; for example there

was a palpable change of atmosphere in the second workshop between discussing issues of 'control, influence and concern', and issues that positively influenced the local area.

In practice, however, the design presented some dilemmas. The strain between appreciative inquiry and a critical perspective on austerity has already been noted, but there was also a further tension in this workshop between creating a device which could meet both organisational development aims (informing future team and area planning) and research aims (understanding from a political perspective how local partnerships were experiencing and responding to austerity). The two objectives were not mutually exclusive, but neither was the design totally successful in producing outputs which satisfied both purposes. For example, the groups would have needed to reflect further on workshop findings to use them as an input to future strategies.

One of the practical challenges of the workshop method was effectively recording comments. Combining facilitation with capturing the nuanced responses of participants proved difficult, even with two researchers present. Although both workshops produced a number of flip-charted responses (summarised in an overview report, circulated back to each team) subsequent reflection showed that these responses carried much greater impact when accompanied by verbatim quotations from participants. These had been captured to some extent in detailed notes taken at the first workshop, but a dictophone was used in order to ensure such detail was captured consistently at the second meeting. It was also beneficial to have two researchers recording the event, from the perspective of being able to triangulate observations and note non-verbal interactions.

A second challenge of the workshop method was the 90-minute time frame which was rather constraining (although it was the maximum time team leaders were able to spend on the exercise). Whilst there was some limited flexibility to stretch some parts of the feedback (and

constrain others) it would have been beneficial to explore some issues in greater detail. For example, the first workshop provided many more issues of control, influence and concern than we were able to examine in depth with participants.

Another issue associated with the workshop method was that although it enabled the expression of shared values, it may also have constrained opinions that participants did not wish to share widely. We noted that in the second (outer estate) workshop, staff appeared more relaxed than they had in the inner-city session, and wondered whether this was related to the absence of elected members, who had been present at the first session. At the inner-city workshop, plenary sessions had felt awkward at times, with some participants needing to be encouraged to contribute. By contrast in the second session, the plenary discussions had higher levels of energy and were noticeably open and good-humoured. It was possible that the first team had been conscious of maintaining their professional personae in front of councillors, whereas, because the second team consisted largely of peers from frontline services who had clearly established a high level of trust and confidence, participants had been more forthcoming and candid. Ultimately it was difficult to draw conclusions from a single comparison, but the observation suggested that a workshop context might act as a constraint on conversation, as well as an enabler.

The final method touched on in this study, albeit in a much less formal way than other methods, was participant observation. The very process of action-research resulted in some background knowledge being gleaned through observation, as the researcher spent long periods of time alongside research subjects, and occasionally contributing to their work.[17] During that period the researcher absorbed the atmosphere of buildings and meetings, observed hierarchies and group dynamics, and picked up multiple pieces of soft intelligence

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[17] For example, the researcher occasionally helped with work at the council, such as providing feedback on in-house research designs. The researcher also contributed various items of information to meetings of Transforming Notts Together (see mini-case study section 8.5).

which provided important background context to data being gathered through other research methods. However that knowledge has not been explicitly drawn upon in analysis, and findings have instead been evidenced through the other three research methods. This is because, although notes of meetings, events and some records of personal impressions were taken in the field, fully-documented observation had not originally been envisaged as one of the data-collection methods for this study, and observations were henceforth recorded in relatively unstructured way, lacking the rigour, reflection and analysis required to be counted as part of the evidence base. On reflection this was an important learning point for this researcher; as given the action research approach, it would have been more helpful to research and plan protocols for recording participant observation at the beginning of the study. In the absence of such protocols, the informal information gathered through observation at the council has provided helpful background context, but not usable evidence.

To summarise, this was a mixed-methods research design centred on principles of action research and appreciative inquiry, which drew on a range of methods compatible with a collaborative and constructivist approach. Together these methods provided a rich variety of qualitative and quantitative information relating to the four (later six) propositions. The process of analysing the data against these propositions will now be examined in greater detail.

4.6 Analysing the data

Building on the documentary analysis, deductive analysis of the interview and workshop data was carried out using the theoretically informed propositions (and their underpinning case and detailed questions) as the basis for organising data.

Interview and workshop records were initially examined for their relevance to the propositions. Quotations and passages with relevance

to the propositions (whether supporting or disagreeing) were drawn into a summary document, with notes of their sources. Where necessary the researcher returned to audio files to ensure that quotations were transcribed accurately. Patterns were sought and key themes from the evidence identified through a process of data triangulation, where three or more sources of evidence were required to justify each theme. All document, interview and workshop reports were also uploaded into a Mendelay reference system, which provided an automated keyword search facility that assisted with compiling and evidencing themes. In accordance with the constructivist approach to triangulation, any highly divergent opinions were also noted, as well as 'surprises' in the research.

Interpretation of the findings was then carried out in two stages. The first stage involved presenting several iterations of findings from fieldwork to stakeholders at the council. An initial set of bullet points outlining emerging themes was shared with key stakeholders in early March 2014. At this point the findings (though gathered against the theoretical propositions) were not explicitly linked back to theory. The response to these themes was positive, in that contacts at the council found them resonant, and encouraged the researcher to provide greater detail. Following this, an interim fieldwork report on perspectives from the council's partners was produced in Spring 2014, which summarised emerging themes from Neighbourhood Action Teams, the One Nottingham Board, and the voluntary and community sector. This report was provided to two contacts in the policy team and One Nottingham. Although this document attracted minimal comment, practical actions were taken to address some of the findings in relation to working practices of the One Nottingham Board.

Using a similar format, a final fieldwork report covering all the evidence gathered by document review, interviews and workshops was submitted to stakeholders at the council in the autumn of 2014 and finalised in December 2014. This was accompanied by a presentation to the policy

team and a further presentation to the (new) director and senior manager of the policy team, as well as members of the press and communications team. This report was arranged in a way that more closely reflected the propositions, focussing on organisational responses to austerity, partnership responses, and the council's community leadership role. It was summarised in a short briefing note shared with all research participants (see appendix 3). Meanwhile case studies of Transforming Notts Together (TNT) and Framework were shared with these organisations in Spring 2015, with a presentation provided on request to the board of TNT.

Although comments were again minimal, feedback from original sponsors of the research was that findings were insightful and timely. However, by the point that the final fieldwork report was completed, three layers of management that had originally sponsored the project at the council had moved on. This led to some challenge to findings about the impact of commissioning mechanisms from new managers, who had not been involved in sponsoring this research, but had been involved in overseeing commissioning processes. They emphasised the justification for commissioning processes and steps taken to minimise their impact. Nonetheless, given the weight of evidence in relation to this area, the theme was left to stand in the final report.

Finally the second stage of analysis involved relating the evidence more explicitly to theory, by testing the theoretically informed propositions against the themes identified in empirical evidence. This process was carried out during 2015, and it was at this point that two additional propositions were added to help with the analysis of findings, P2 focussing on different levels of institutional response to austerity, and P6 which helped to differentiate discussion on the process and pace of change (examined in P5) from the extent of change.

On reflection, this approach to coding and analysis might have benefitted from the employment of an appropriate software package,

such as N-Vivo. However, it did create a very flexible means to analyse the data which was simple and quick to deploy, an important consideration in relation to the action-research approach which sought rapid and on-going feedback.

In addition the validity of this analysis can be demonstrated in a variety of ways. Construct validity has been strengthened through the application of multiple theoretical perspectives and research methods to the research question. Potential researcher bias has been mitigated through the action-research and appreciative inquiry strategies, which harnessed the benefits of reflexive subjectivity whilst requiring a stakeholder-reviewed collaborative approach to research design, and attention to balance in the interviews and workshops. Face validity has been established through the maintenance of dialogue with research subjects and the distribution and discussion of findings. Data triangulation has been enhanced by methodological triangulation, and in the case of workshops, observer triangulation. Whilst no research design is perfect, and this researcher has certainly learnt valuable research lessons from this non-linear research journey, evidence has been presented above to show that this research process was robust.

4.7 Conclusions

This chapter has attempted to provide a reflexive account of the journey underpinning the research, including research design, case selection, operationalisation of propositions, and analysis of data. In recording that journey, it has attempted to convey some of the non-linear elements of progress; the challenges inherent in experimenting with novel approaches to design and data collection; and some areas of learning for this researcher, which would be approached differently in future. Whilst it might have been possible to iron-out some of these process-wrinkles in the production of this thesis, they are an essential aspect of the reflexivity core to action research, and thus important to acknowledge.

Overall, the action-research philosophy fitted well with the constructivist stance informing this thesis, accepting that the 'realities' of austerity were subjective, but also paying attention to its felt material and ideational effects. Developing this research methodology proved challenging and time consuming for this researcher, but from an empirical perspective it created the opportunity to provide a new way of understanding how austerity was experienced, as a 'compound' process with multiple short and longer-term effects across the local governance system. From an ethical perspective it also facilitated a way of working which focussed on benefits to the research subject, as well as the researcher, which was crucial in this period of financial pressure and constrained resources.

Perhaps one area where this research design could have made greater impact, given its engaged stance, was in its 'catalytic validity' or the 'degree to which the research process re-orients, focusses and energises participants…. knowing reality in order to better transform it' (Lather, 2003 p.191).

However, this may also have been a somewhat unrealistic aspiration, particularly as this study focusses on an institutional environment, where participants are always partially constrained, and transformation often proceeds incrementally (as demonstrated in chapter 9 of this thesis). Instead its catalytic value was evident in the small gestures, including the many interviewees who thanked this researcher for the opportunity to reflect on recent history, as well as their hopes and fears for the future; the team leader who said how much their team had enjoyed a workshop; the policy officer who insisted that findings were important, and ensured they were conveyed to senior officials, even when she anticipated that some messages would be difficult for the individuals concerned to hear. This value is continuing to accrue as the research reaches a wider audience through the publication of academic articles, and further benefits may become apparent in the future.

The next chapter will look in greater detail at the case study of Nottingham, setting the context for a further four analysis chapters addressing the theoretical propositions.

Chapter 5: Introduction to the case

5.1 Introduction

This short chapter aims to provide an overview of Nottingham, the case study locality.

Nottingham is situated in the East Midlands region of England, one of the eight largest city economies outside London, with a travel to work area population of 755, 800 (Nottingham City Council, 2012 p.11). The city has a strong identity, intimately connected with some of the most potent English legends and episodes of history, including the myth of Robin Hood; the birthplace of the English civil war; popular dissent during the passage of the Great Reform Bill in 1831; and as an international centre for lace production during the industrial revolution. Positioned near the centre of England (see Figure 5.1), the city is surrounded by countryside including the Vale of Belvoir, the Peak District and Sherwood Forest. 90 per cent of the English population is within two hours travel, via national road and rail links (Nottingham City Council, 2012a).

Modern day Nottingham draws 35 million visitors a year to its businesses, leisure, retail and nightlife. The city hosts more than fifty regional and national business headquarters, including Boots, Experian and Speedo, as well as two successful universities attracting over 55,000 students. It has a history of biotech and pharmaceutical innovations, including the invention of Ibruprofen at the Boots company, and pioneering work on magnetic resonance imaging (MRI) led by Sir Peter Mansfield at the University of Nottingham.

Figure 5.1: Map of England showing location of Nottingham and England's other 'core cities' (see section 5.6)
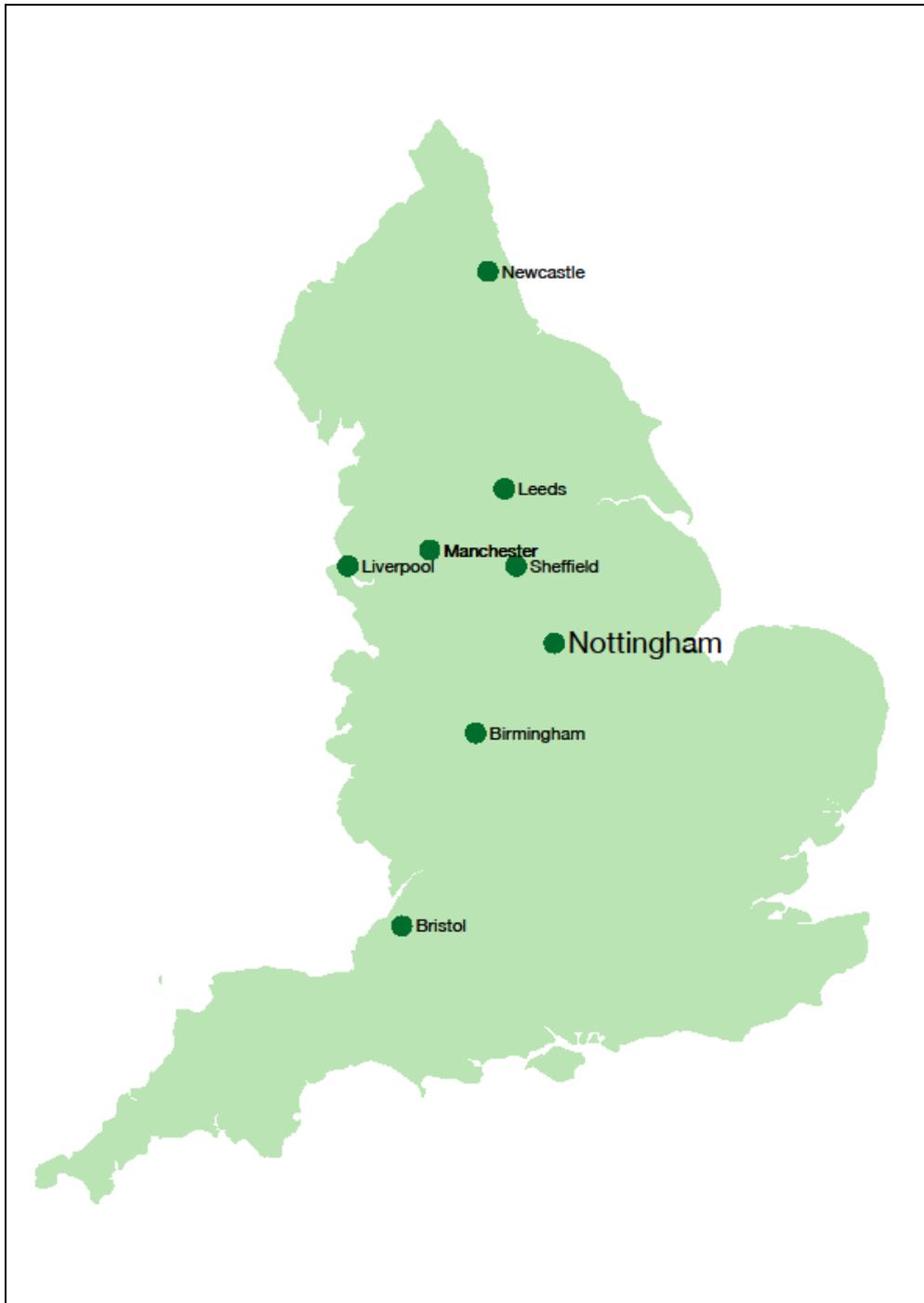
Source: author's own image

Culturally, twentieth century images of the city have been shaped by gritty working class dramas 'Saturday Night and Sunday Morning' (1960) by Alan Sillitoe, and 'This is England' (2006) by Shane Meadows. However, in a new millennium, advocates for the city are keen to emphasise its modern, creative and sporting attributes. In 2015 the tourism body 'Visit England' named Nottingham as England's official 'home of sport'. Nottingham has also worked to establish itself as a centre for computer gaming, being the global headquarters for Games Workshop and boasting the National Videogame Arcade; the UK's first museum dedicated to the art of gaming.

5.2 Demography

Despite the size of the greater Nottingham area, the boundaries of the Nottingham City local authority are drawn tightly, with a resident population of 308,700, excluding the wealthier suburbs of the city (see figure 5.2) The population is growing quickly, rising by 5000 since 2011 (Nottingham City Council, 2014 p.2). Most of this growth is attributable to international migration, increased numbers of students and a local excess of births over deaths.

Nottingham is also a young city – 28 percent of the population are aged 18-29, and full time university students make up one in eight of the city's population. By contrast, other age groups are under-represented as families and older residents tend to move out of the city to the surrounding districts (see figure 5.3). Because of this youthful population, the city is less likely than other areas to follow the national trend of large increases in the numbers of people over retirement age, although the number aged 85 plus is projected to increase. (Nottingham City Council, 2014 p.8). The population is becoming more diverse in terms of ethnicity; 2011 Census data shows 35 per cent of the population are from BME groups, (compared to 20 per cent for England) an increase from 19 per cent in 2001 (Nottingham City Council, 2014 p.3; One Nottingham, 2012).

Figure 5.2 Nottingham City (ward boundaries)
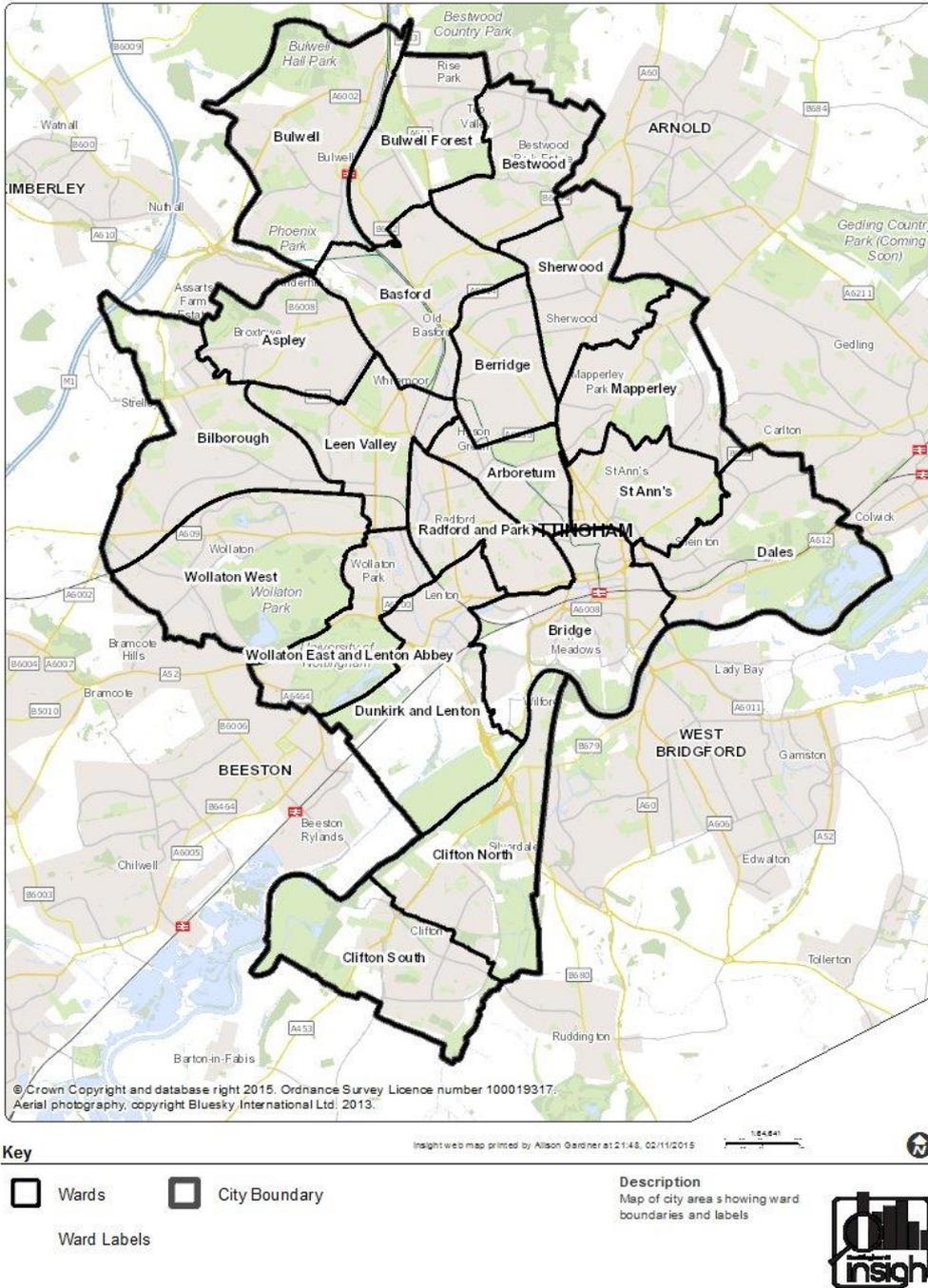
Source: Nottinghamshire Insight Mapping 2015

In 2012 Nottingham also had an estimated 2000 short term migrants staying between three and twelve months, of whom 1500 were thought to be students (Nottingham City Council, 2014a p.4). There is a high population turnover with 17 per cent of people changing address in the

year before 2001 (excluding students in halls of residence) (Nottingham City Council, 2014b p.3).

Figure 5.3: Age Structure of Nottingham and England
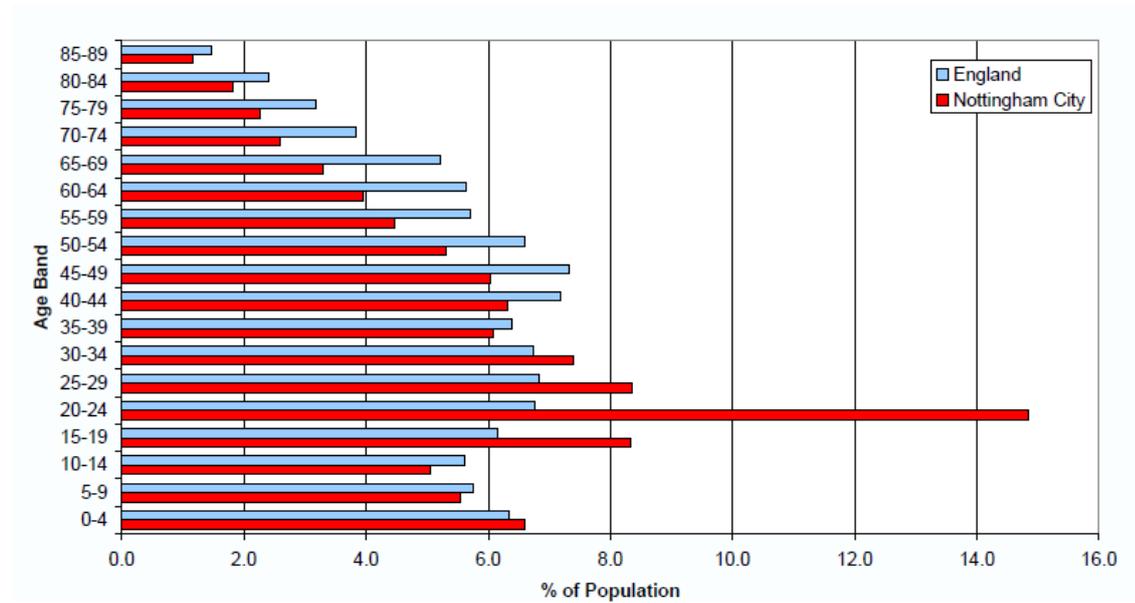
Source: ONS 2013 in Nottingham City Council, 2014c p.3

5.3 Challenges for the city

The exclusion of the wealthier suburbs from Nottingham's local authority area mean that the city has relatively high levels of poverty and deprivation, being ranked the 20th most deprived district in England out of 326 on the average score measure of the index of multiple deprivation. There are also some particularly deprived areas; 45 of the city's 176 'lower super output' areas rank amongst the ten per cent most deprived in the country. However, the city has grown in prosperity during the past decade and the overall Index of Multiple Deprivation ranking is more favourable than Nottingham's position in 2004, when it was considered to be the ninth most deprived local authority area in England (One Nottingham, 2011a).

Nonetheless, residents of the city have some of the lowest wages in England, with average median annual earnings currently at £22,332 in

Nottingham compared to an average of £26,289 for all English Unitary authorities (see Figure 5.4 below) possibly partially related to the city's relatively young demographic profile. Gross Disposable Household Income (GDHI) is also lower in Nottingham than many other comparable cities (Economic Strategy Research Bureau, 2012 p.2). Nottingham has a significant overrepresentation of residents employed in the lowest skilled group, 'Elementary Occupations', at 17.2 per cent, compared to a UK average of 11.1 per cent (p.40). Highly skilled workers tend to live outside the City boundary, travelling into Nottingham from neighbouring districts such as Rushcliffe and Broxtowe (p.2).

Figure 5.4: Wages in Nottingham

Median gross annual pay of employees by residence (resident base) (raw values) (latest plus last 4 calendar years) for Nottingham & All English unitary authorities
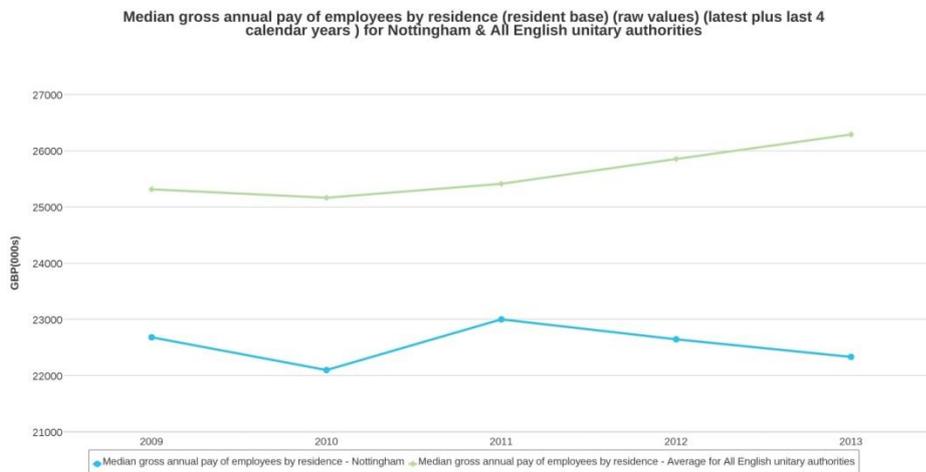
Source: LG Inform, 2014

In terms of the economic landscape, Nottingham has a relatively high dependency on services and the public sector. In 2010 Business Services accounted for almost 23 per cent of total full time equivalent (FTE) employment and 19 per cent of GVA[18] in the city. The share of employment in business services was significantly higher than other nearby cities such as Derby and Leicester (both around 17 per cent) and the national average of 15.7 per cent (Economic Strategy

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[18] GVA (gross value added) measures the contribution of individuals to the economy. It is used in the estimation of gross domestic product or GDP.

Research Bureau, 2012 p.22). In addition, research in 2010 showed that 1 in 3 jobs were in the public sector (One Nottingham, 2010a p.4). Public Administration, Defence, Education and Health accounted for 31 per cent of FTE employment and 27 per cent of total GVA in Nottingham (Economic Strategy Research Bureau, 2012 p.22). The percentage of the local population in public sector employment continues to remain above the average for English Unitaries (see figure 5.5).

Figure 5.5: Public Sector Employment in Nottingham

All persons employed in public sector as percentage of all persons in employment (raw values)
(latest plus last 15 rolling calendar quarters) for Nottingham & All English unitary authorities
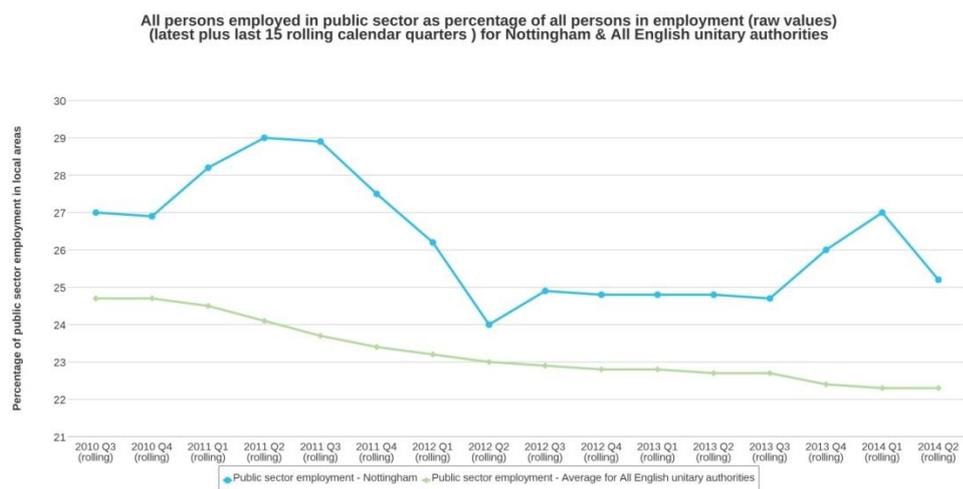
Source: LG Inform, 2014

This dual emphasis on services and the public sector meant that Nottingham suffered more than comparable cities from the 2008/09 recession (Economic Strategy Research Bureau, 2012 p.39) although this effect may have been exaggerated by Nottingham's tight city boundaries, which did not include the economic performance of the more affluent suburbs. International Labour Organisation unemployment rates show growth in unemployment over time was higher than the UK's other comparable 'core cities'[19] (p.36). By the period April 2010-March 2011, the unemployment rate (according to the

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[19] For more information on 'core cities' see section 5.6

International Labour Organisation definition) had increased to 14.1 per cent in Nottingham, almost double the national average.

2014 marked an improvement in the local economy, prompting Mark Carney, in his first speech as Governor of the Bank of England to describe Nottingham as a 'bellwether' city for the UK (Murray Brown, 2014). Although unemployment has decreased since its peak in 2011 there remains a persistent gap between Nottingham and the England average. However, the difference between the city and national claimant rates has narrowed considerably over the last two years from 3.7 to 2.1 percentage points. This is still higher than the pre-recession level, but suggests claimant numbers may be returning slowly to a pre-recession level (see figure 5.6), although Nottingham may now have a larger proportion of Jobseekers Allowance claimants who (prior to welfare reform) were formerly claiming alternative benefits and are now experiencing greater barriers to finding work (Oxendale, 2014).

Figure 5.6: Nottingham and England JSA claimant rates (September 2012-September 2014)
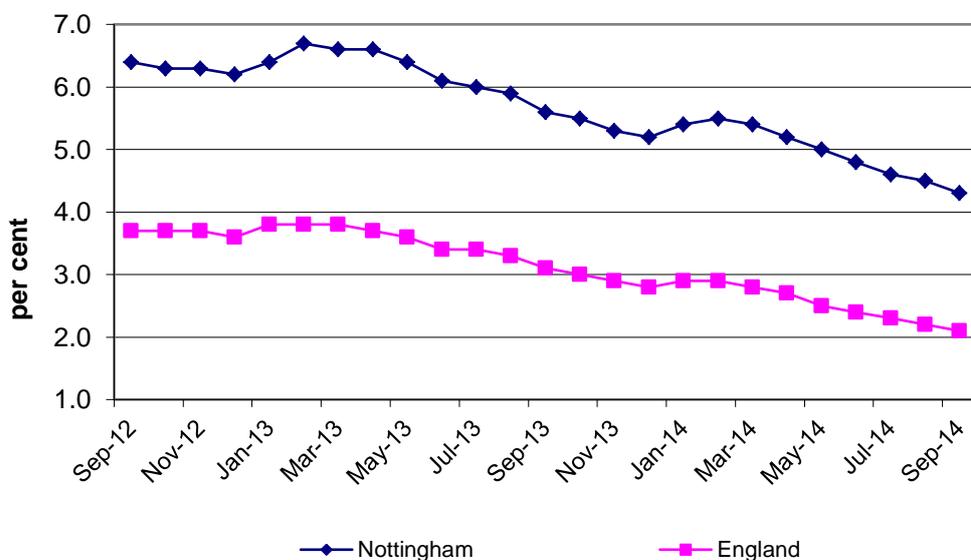
Source: ONS Claimant Counts from NOMIS (Oxendale, 2014)

Nottingham's economy is also affected by the cumulative economic impacts of the Coalition government's welfare reform programme. Figures published by the Local Government Association and Centre for Social Inclusion in 2013 suggested that 57,428 households in Nottingham claimed working-age benefits or tax credits (about 57 per cent). Of those households approximately 22,000 have someone in work, and were predicted to lose on average £2116 per year due to welfare reform. 35,226 had no one in work, losing an average of £1058 per annum (Local Government Association, 2013b). This represented a significant amount of money lost to the local economy. A separate study, 'Hitting the Poorest Areas Hardest' estimated Nottingham's total annual loss due to welfare reforms at £120m per year (Beatty & Fothergill, 2013b).

A report by the Money Advice Service (Money Advice Service 2013) found that 41.2 per cent of the population in Nottingham were over-indebted (more than three months behind claiming bills or describing debts as a 'heavy burden'). This was the second highest rate of over-indebtedness in the UK, with only Kingston upon Hull having a higher proportion of over-indebted people (Money Advice Service, 2013 p.3). However, it is possible that this finding partly reflects perceptions of the high proportion of students living in the city. The rate of total individual insolvencies in 2012 was only 22.6 per 10,000 people, compared to an England average of 24.2 per 10,000. Bankruptcy orders also decreased from 439 in 2009 to 143 in 2012, though debt relief orders increased by almost a third, from 125 in 2010 to 184 in 2012. The level of individual voluntary arrangements has been relatively stable, at 225 in 2009, and 229 in 2012 (LG Inform, 2014).

The city has relatively high levels of child poverty, with 34 per cent (21,200 children) living in households claiming workless benefits and poverty compared to 20 per cent nationally (Nottingham City Council, 2013 p.4). GCSE results, though improving, remain well below the national average, and the gap between the educational achievement of children in Nottingham compared to other areas is widening

(Nottingham City Council, 2014b p.6). Only 21 per cent of pupils from maintained schools in Nottingham progress to Higher Education by the age of 19, 12 percentage points lower than the national average in 2009/10 (Economic Strategy Research Bureau, 2012 p.5). Nottingham also continues to have a high – albeit reducing - rate of entrants to the youth justice system (Nottingham City Council, 2014b p.6).

Despite the relatively young population, unhealthy lifestyle behaviours and long term conditions mean that adults living in the city are living with relatively high levels of ill-health. Premature mortality rates for the four 'big killers' (cancer, circulatory disease, respiratory disease and liver disease) are worse than 75 per cent of upper tier authorities, with Nottingham residents living shorter lives, and with fewer years of good health than the England average. Life expectancy also varies within the city, for instance a man born in Wollaton West ward can expect to live 11.8 years longer than a man born in the Arboretum. Emergency admissions to hospital for lung disease are among the highest in England and levels of preventable sight loss due to diabetes are twice the national average (Nottingham City Council, 2014b pp.5-7).

5.4 Developments

The city is currently benefitting from some major infrastructure renewal programmes and accompanying regeneration.

In 2012 Nottingham City Council was amongst a vanguard of local authorities negotiating a 'city deal' with central government with the local aim of enabling a 'structural shift' in Nottingham's economy through facilitating the sustainable growth of life sciences, green technology and digital enterprise. The city deal provided for the accelerated development of Nottingham's Lace Market area as a 'creative quarter' for arts and science businesses, alongside accompanying investment in apprenticeships and skills, as well as

energy, communications and transport infrastructure (Nottingham City Council, 2012a).

Significant construction projects which have come to fruition in the last ten years include two new tram lines to join Nottingham Express Transit line one, creation of a new transport hub at Nottingham Station, programmed improvements to the outer ring road and A453 trunk road, and urban regeneration schemes connected to the expansion of both universities.

The city has also invested in sports, arts and culture over the past decade, including the development of Nottingham Contemporary Art Gallery, the New Art Exchange at Hyson Green, construction of Nottingham's Ice Arena, creation of a new leisure centre at Harvey Hadden and contributing to development at the Trent Bridge cricket ground. The city narrowly beat Manchester to be declared England's first 'City of Football' in 2014, with an accompanying £1.6m grant for the development of grass-roots sport from the National Lottery. A further £12.4m has recently been secured from the Heritage Lottery Fund to redevelop Nottingham Castle as a 'world class' visitor attraction.

5.5 The City Council

Nottingham City Council has been a unitary authority since local government reorganisation in 1998, responsible for all local authority services in its area, including planning, transportation and highways; waste management; social services; leisure and libraries; strategic housing and education (although the authority has very limited control over an increasing number of academies and free schools). Social housing is managed through an arms-length organisation, Nottingham City Homes, though all housing stock remains the property of the council. The council also assumed responsibility for public health in 2013 in line with the wider re-organisation of the NHS.

Politically the council has been governed by a solid Labour majority since the 1980s. There are 20 council wards, with a total of 55 councillors of whom 49 represented Labour, 4 Conservative and 2 independents in October 2014. The Executive Board has been relatively stable with the Leader and Deputy Leader having occupied those positions for most of the past decade, and the council has a reputation for strong political leadership. Senior members are involved in providing 'peer support' to other local authorities and occupy prominent positions on local, regional and national bodies associated with local government.

By comparison there has been an extensive rationalisation of officer management structures over the past decade and a high turnover in senior management positions which has been continued throughout the period of the current Comprehensive Spending Review. The current Chief Executive, appointed in late 2012, inherited a corporate management team of four corporate directors in charge of cross-cutting portfolios for Children and Families, Communities, Development and Resources. This structure contrasted with the service-based power dynamics and silos of a decade earlier, when a former Chief Executive worked with ten departmental directors. None of the directors in place during 2004 remain in 2014.

In line with its Labour values, the council has a tradition of providing services 'in house' despite sustained pressure from successive governments to introduce outsourcing and marketization. In practice this tradition has been married creatively with financial and legal imperatives. For instance, the city continues to hold a majority stake in the Nottingham City Transport bus company, despite its 'privatisation' in 1986 (Nottingham City Transport, 2013). In another example, human resources and payroll functions are now provided by East Midlands Shared Services, a public sector partnership established by Nottingham City working with Leicestershire County Council.

In response to budget pressures the local authority has recently been developing a programme of 'commercialisation' introducing more widespread application of business practices and making use of trading powers arising from the 2011 Localism Act to generate income through 'municipal enterprise'. Services trading for profit include contract building cleaning, vehicle maintenance, waste management, energy consultancy and Robin Hood Energy, launched in 2015. Nottingham City Council is helped in establishing such businesses by having historically retained services in-house. This decision now means that it benefits from both the capital assets and pool of trained staff essential to running competitive business operations.

Commissioning is also a core approach to service delivery, monitored by a dedicated sub-committee of the Executive Board, and chaired by the Leader of the council. For example in 2010/11 the Council planned to spend more than £67 million on commissioning services from the voluntary and community sector (VCS) (Gilby, 2010) although total spending on commissioned services from the VCS has substantially reduced during the Comprehensive Spending Review period.

5.6 Strategic objectives

Nottingham has a long tradition of multi-agency partnership liaison both within its own boundaries and across the greater Nottingham area, pre-dating requirements in the Local Government Act 2000 to create local strategic partnerships (LSPs). The partnership, 'One Nottingham', has to date survived the spending cuts – albeit with much reduced resources – and continues to provide a locus for inter-agency and cross-sector partnership working through a strategic board, a range of themed and area-based sub-partnerships, and regular 'forum' meetings involving a wide range of partner organisations. Through 'One Nottingham', the council led the development of a single strategic plan - the '*Nottingham Plan'* - for the local authority area. This was compiled following a review of quantitative and qualitative evidence and after

widespread consultation with partner organisations. The plan has the following long term objectives, looking ahead to Nottingham in 2030:

- Being one of Europe's top ten cities for science and innovation, sport and culture
- Making every neighbourhood a great place to live
- Giving the best start in life to all of our children and young people
- Making poverty history

(One Nottingham, 2009 p.6-7)

A range of key performance indicators spanning the period 2014 to 2020 are monitored and reported upon annually by the One Nottingham board and the council's Executive Board, with targets set with reference to similar local authority areas. In the draft 2014 annual report 19 of 37 indicators were viewed as 'green' i.e. meeting or exceeding expected levels, including indicators measuring Gross Value Added and new business start-ups, reductions in youth crime and teenage pregnancy and environmental indicators such as use of low carbon energy and public transport.   There were four amber indicators (performing slightly below target) including targets focussing on the employment rate and employment in the 'knowledge economy'.   Ten areas remained red, including the percentage of children achieving five or more GCSEs at A* to C, alcohol-related admissions to Accident and Emergency, fuel poverty and a commitment to halving the number of children in child poverty.   The remaining four targets had no available comparative data (Catchpole & Jones, 2014).

In the shorter term the council and their partners have their own plans, guided by the *Nottingham Plan*, but also reflecting shorter term political and organisational priorities, including the adopted Labour manifesto. The 2012-2015 Council Plan had the following objectives:

1. To cut unemployment by a quarter
2. To continue to cut crime and halve anti-social behaviour
3. To ensure that more school leavers get a job, training or further education than any other city
4. To keep your neighbourhood as clean as the city centre

5. To help you keep your energy bills down
(Nottingham City Council, 2012b)

Examination of the detailed manifesto pledges underpinning these promises reveal that of the 60 commitments mentioned 33 involve partnership working, or 55 per cent. This means that effective partnership working is essential to the delivery of the council plan and fulfilment of the Labour group manifesto. The council also played a leading role in establishing 'D2N2' the Nottinghamshire and Derbyshire Local Enterprise Partnership, which covers both counties.

Looking more widely, the City Council is also a member of the influential Core Cities group of Local Authorities (also shown on the map at figure 5.1), which in 2013 published a nine-point plan setting out a shared ambition on behalf of the eight largest cities outside London to out-perform the national economy by 2028 and become financially independent of central government (Core Cities, 2013b). Core Cities – and particularly Manchester - have been in the vanguard of recent experiments in devolution including 'city deals', establishing combined authorities and the devolution of further powers with the aim of creating what George Osborne termed a 'northern powerhouse' (Osborne, 2014). Nottingham was in the first round of authorities creating a City Deal, but was slower to move beyond preliminary discussions regarding combined authorities although (in common with many other areas) it submitted an expression of interest, based on the D2N2 area, in advance of the 2015 Comprehensive Spending Review.

5.7 Comparative performance

In its last comprehensive performance assessment in 2008 Nottingham City Council was found to be a two star (fair) authority which was 'improving well'. A subsequent Comprehensive Area Assessment in December 2009 found that the city had no 'red flags' (areas for urgent

improvement) and identified a particular strength in its strategy for public transport.

The abolition of the Comprehensive Area Assessment programme in 2011 and subsequent demise of the Audit Commission, has contributed to a reduction in high quality comparative data on local authority performance. However some un-audited comparative information is available through the Local Government Association-funded 'LG Inform' system.

Areas of relatively low performance in comparison to other unitary authorities frequently echo the areas of challenge identified earlier and priorities in the *Nottingham Plan*. These include the percentage of students achieving five or more A*-C GCSE's, where - despite improving overall results - the gap between Nottingham and the rest of the country is widening (although there is a smaller gap in the results of pupils whose first language is not English). There is also lowest quartile performance on the percentage of children becoming the subject of a child protection plan for a second or subsequent time, time taken to process Housing Benefit and Council Tax support claims and changes, and the percentage of household waste sent for re-use recycling and composting.

By contrast high performance areas include access to employment by public transport, the processing of planning applications. Upper-quartile performance is also found in the percentage of child protection cases reviewed within required timescales, and care leavers placed in suitable accommodation.

It is also notable that spending per head of population on highways and transport, children's services planning, housing and environmental services is relatively high in comparison to other unitary local authority areas. This partially reflects the higher grant base of an intensely urban area, but may also reflect recent political priorities, particularly regarding public transport and the importance of maintaining a high quality urban environment.

Recent national awards for the City Council include a 2013 award for improvements to bus services; Local Government Chronicle's 2014 award for energy efficiency; the Association of Public Service Excellence 2014 awards for best employment and equality initiative and the best service team for parks, grounds and horticulture; and macro employer of the year at the National Apprenticeship Awards 2014.

5.8 Conclusion

This chapter has provided an overview of key contextual factors shaping Nottingham's experiences of austerity in the years 2010-2015. In doing so, it draws out some highly specific aspects of identity, culture, demography, infrastructure and politics, which are essential to understanding both the challenges posed by austerity policies, and the basis of local institutions and governance traditions which mediated responses to those challenges.

Although these factors are combined in a locally-unique way, there are elements of the case that could facilitate comparison with other localities; indeed Mark Carney's description of the city as a 'bellwether' for the wider economy (see section 5.3) shows that there is much in the city which resonates with other places and contexts. In particular, Nottingham's status as a 'core' city provides a natural comparator group, and its experience as a unitary authority, with strengths in some service areas and recurrent challenges in others, is not unique. Thus this single case can be helpful to illuminate other contexts, if analysis is combined with the discipline of generalising to theory (Yin, 1994 p.10).

There are also aspects of this case which make it an effective exemplar for a test of the 'austerity puzzle', including the relative severity of the local recession, and Nottingham's high level of deprivation, which positioned it amongst those localities experiencing the greatest cumulative spending cuts (see section 2.4). The next chapters will look

in more detail at Nottingham's experience of the cuts, and at individual and institutional responses to the 'dilemmas' that were created.

Chapter 6: Austerity, public services, and institutional effects in Nottingham

6.1 Introduction

This chapter presents findings and analysis relating to the first area of enquiry underpinning the 'austerity puzzle': were austerity-related savings really being delivered with minimal consequences for frontline services, and if so, how was this being achieved? It also examines whether institutional resilience and creativity forms part of the explanation for how Nottingham was apparently able to cope with the external shock of austerity. In order to explore these issues, it was first necessary to examine whether Nottingham's case supported the suggestion that local authorities were coping with austerity, analysing a range of evidence for the maintenance of services throughout the period since the 2010 spending review. This led to proposition 1: *the range and quality of services available to the public has been maintained during the period 2010 to 2015.* This case formed an important test of the 'austerity puzzle' because, as noted in section 5.3, Nottingham was relatively severely impacted by the recession and subsequent spending cuts, and was thus arguably a 'critical case'. If Nottingham had managed to maintain its services then it would provide an excellent example of the paradox in action.

Having tested the extent to which Nottingham's case conforms to the 'austerity puzzle' concept, this chapter goes on to build a nuanced picture of whether the institutions underpinning local service delivery have been maintained at both material and ideational levels. It works from the assumption that, if services are being sustained as suggested in P1, one might also expect the underlying institutions to be unchanged. Lowndes and Roberts (2013) framework of institutional

rules, practices and narratives underpinned this proposition as it combined the structural insights of historical institutionalism with discursive institutionalism's focus on ideas and discourse as an important aspect of institutional maintenance and stability, as well as a medium for change. The second proposition therefore suggested that *the council's institutional rules, practices and narratives have been maintained during the period 2010-2015.*

To examine these two propositions, a mixture of qualitative and quantitative data was drawn from public records of committee reports to the Executive Board and the city's strategic partnership, 'One Nottingham'. Detail on where and how savings had been achieved was taken from Nottingham City Council's medium term financial plans and budget documentation, particularly appendices focussing on 'strategic choices' and 'big ticket' transformation projects. An analysis framework devised by Hastings, Bailey, Besemer, Bramley, Gannon and Watkins (2013 p.20-21) was utilised to help understand and contextualise the findings, and emerging conclusions drawn by triangulating findings with comments made during interviews and frontline staff workshops.

In relation to P1, the research findings indicated that the range of services which the council provided to the public had indeed been largely maintained, although there had been reductions in service volumes and eligibility. It was not possible to adequately assess the maintenance of service quality, but outcomes data from the *Nottingham Plan* and citizen satisfaction data indicated that key priorities were being progressed, whilst citizen satisfaction appeared to be increasing.

Yet despite the apparent stability in the range of services provided (alongside progress against priority targets), analysis of evidence in relation to P2 suggested that although Nottingham appeared to maintain an outward adherence to its published policy 'rules', there were subtle changes to practices, as well as challenges to dominant narratives. Findings suggest that in the 'dissonance' created by the

demands of austerity, practices were starting to draw upon different values to those formerly referenced by the council.

This chapter will begin by reviewing the extent of spending cuts in cash terms, and provide an overview of the mechanisms used to identify savings. It will then examine evidence for the maintenance of services, presenting analysis of Nottingham City Council's 'strategic choices' as well as relevant performance information.   The discussion will subsequently address the changes occurring to institutional practices and narratives, and explore links between discursive and material shifts, drawing on Streeck and Thelen's theories of gradual institutional change (Streeck & Thelen, 2005b).   In conclusion it examines the significance of these shifts in relation to propositions P1 and P2, and points to the need for further analysis which looks more deeply at the values underlying institutional change.

6.2 The extent of spending cuts.

Cuts to Nottingham City Council's grant funding over the period of the 2010 – 2015 Comprehensive Spending Review were phased and impacted at different points through the period under study. Funding reductions can be separated into several categories:

- The 'emergency budget' 'in-year' cuts from June 2010, particularly to area-based grants and the Working Neighbourhoods Fund[20]. These cuts were unexpected and necessitated rapid and radical action.
- The Comprehensive Spending Review of October 2010, resulting in annual formula grant cuts from 2011 onwards. These cuts had been modelled and anticipated in scenario planning.
- Changes to funding provision, such as the localisation of Council Tax Benefit with a ten per cent cut, or the rolling of multiple funding

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[20] The Working Neighbourhoods Fund (WNF) was introduced by Communities and Local Government (CLG) and the Department for Work and Pensions (DWP) in April 2008. WNF, which replaced Neighbourhood Renewal Funding (NRF), provided resources to 65 local authorities to tackle worklessness and low levels of skills and enterprise in their most deprived areas.

streams into a single early-intervention grant, with 'hidden' cuts. These types of cuts introduced great uncertainty and difficult budget choices between different spending commitments.

- Additional reductions to specific budgets in the years after 2010.

Figures provided for the purposes of setting the budget in Nottingham's successive medium term financial plans from 2011-2014 show a 22 per cent drop in cash terms in 'revenue spending power'[21] over the period from their re-based 2010/11 budget (after the emergency budget of June 2010) to the (modelled) position in 2015/16 (Figure 6.1). However, analysis undertaken by Nottingham City Council suggests that in real terms they experienced a 50 per cent cut in Government funding (Chapman, 2015). This discrepancy (aside from the difference between cash and real terms impact) is partly explained by the fact that, although revenue spending power offers a broadly comparable overview of the resources available to councils, it presents an incomplete picture. It excludes certain area-based funds which have been abolished since 2010 but were particularly important for local authorities with high levels of deprivation, and includes other specific grants which local authorities have little discretion in spending. It is not strictly comparable year on year, due to the way in which service responsibilities and specific grants are constantly transferred in and out of local authority control. For example in figure 6.1, the analysis excluded the contribution of the public health grant (introduced in April 2013) because although it represented a substantial additional budget of £27m, (DOH, 2013) the grant was already largely committed, and thus did not provide 'additional' resources (although it did present opportunities for rationalisation).

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[21] Revenue spending power is the government's estimate of the amount of funding available to each authority to spend on their core services. It is made up of estimated Council Tax and business rate income, Revenue Support Grant and New Homes Bonus plus a number of government grants excluding those for education and policing.

Figure 6.1: Cash terms NCC Revenue Spending Power £m (without public health grant)
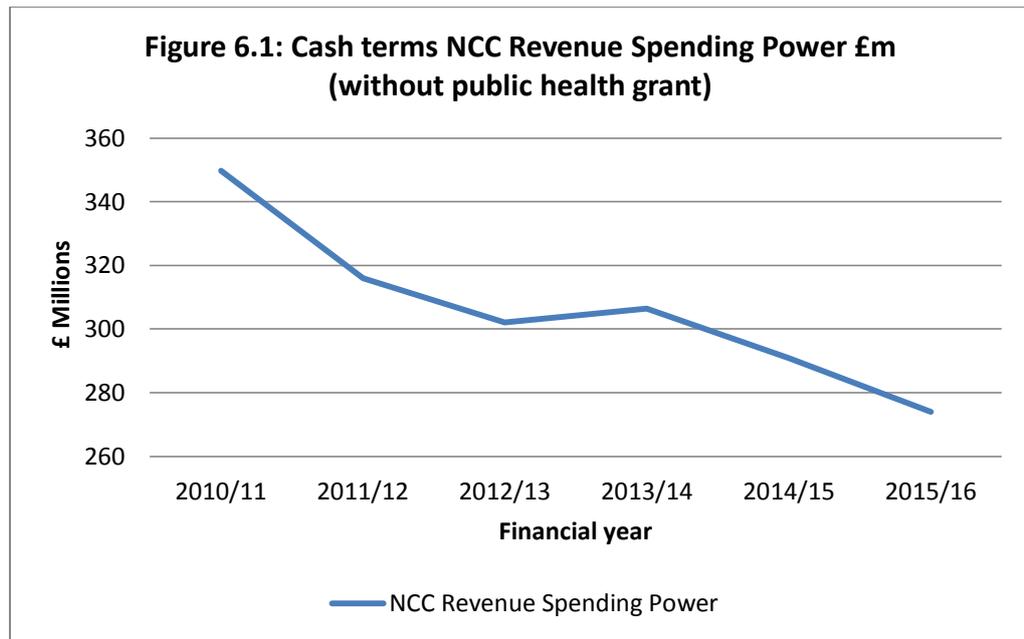
Source: NCC Medium Term Financial Plans, 2011-2014

The National Audit Office has recommended in 2014 that DCLG needs to create a more reliable year-on-year comparison of how council funding is affected by the cuts (NAO, 2014 p.10), but has concluded that, in the absence of such time-series information, revenue spending power is currently the best means of achieving comparison between authorities in a given year (p.24).

There were many other interpretations of the severity of Nottingham's cuts. For example, research by the Strategic Interest Group of Metropolitan Authorities (SIGOMA) suggested that in relation to the spending cuts outlined in 2010 Nottingham was initially the 21st hardest hit and 12th most financially disadvantaged area in England (One Nottingham, 2011b). However, using the revenue spending power calculation the Department for Communities and Local Government (DCLG) did not find Nottingham eligible for any 'transition grant' funding for the 2011-12 financial year and the City was required to contribute towards the 'damping' fund to protect more severely affected authorities from the worst impacts of cuts (Mills-Evans, 2011a p.4).

Having acknowledged the difficulty of pinning down precise figures for budget reductions, it is important to emphasise that local authority

'budget gaps' extended beyond the cash value of central grant funding cuts, to include a range of pressures which created additional operating expenses and increased financial uncertainty (Hastings et al., 2013 p.15).

For example, the 2010 Comprehensive Spending Review introduced a significant rebalancing of the way the councils received their income, with a dramatic reduction in specific grants which were theoretically rolled into the Revenue Support Grant (RSG) in a process called 'de-ringfencing'. The government claimed that this approach would create increased flexibility for local government, but a report to the One Nottingham board in January 2010 noted that a number of grants had gone "missing in action", whilst major funding streams such as 'Supporting People'[22] were subject to heavy cuts (in Nottingham's case from £22m to £10m in a single year) (One Nottingham, 2011b p.3).

There were also cuts to funding within a range of other public services in the city. A report by 'One Nottingham' in January 2011 noted that further education colleges had been hit by a £1m reduction in funding and abolition of the Educational Maintenance Allowance. The police were facing 'significant' reductions totalling about £10m per year, which were expected to lead to redundancies and compulsory retirements. In addition, Nottingham City Homes was reducing capital expenditure and Fire and Rescue faced a 25 per cent reduction in funding, totalling £8m over four years (One Nottingham, 2011b). In designing responses to austerity, public services therefore had to take into account the cumulative effects of cuts on partner organisations, as well as their own.

Other factors creating uncertainty in spending included constraint on Council Tax, due to a legislative requirement in the 2011 Localism Act that councils exceeding (first) a 3.5 per cent limit and then a 2 per cent limit should carry out a public referendum (DCLG, 2011a). Demand for

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[22] The Supporting People programme was launched by the Labour government in 2003 to improve the funding, planning and monitoring of housing-related support.

some services was also increasing, with Nottinghamshire Homeless Watch observing a 26 per cent increase in the numbers of people presenting as homeless in Nottingham City between survey periods in 2012 and 2013, alongside a rise in the number of applicants with children (HLG, 2013). Meanwhile potential income generators, such as control over business rates uplift, and the New Homes Bonus, carried limited benefits for Nottingham, which was suffering economically from recession (see case description Chapter 5.3) and possessed limited space for development. The introduction of the 'general power of competence' also increased the rights for councils to charge for services, but income from charges was difficult to guarantee.

In addition, the complexity of the local government finance system meant it often took time for the full impact of spending reductions to be clarified. For example, the 2013 spending round announcement, of a 2.3 per cent reduction in spending for local government, translated into a 10 per cent cut in departmental expenditure limits at the Department for Communities and Local Government (DCLG) and then a 14.6 per cent real terms cut announcement in the corresponding DCLG local government finance consultation (Werran, 2013a). At the level of individual local authorities, such uncertainties meant that actors were often making financial decisions on the basis of heavily bounded rationality.

6.3 Identifying savings and meeting the budget gap

Strategies for meeting the budget gap increased in their sophistication and complexity throughout the period under review.

In 2010, the unexpected in-year reductions in Area Based Grant funding streams which arose from the June 'emergency budget' were initially 'pass-ported' straight through to the council departments and partners benefitting from the funding, with the exception of education,

which had a £2.666m reduction in comparison with a £2.778m grant reduction. The Council's guidance for implementing the cuts included:

> 'Cuts to be made in grant areas that the Government has informed the City Council they are cutting.
> - Front line service projects are protected wherever possible.
> - Savings should be made wherever possible in areas without contractual commitments.
> - Priority areas of the One Nottingham Working Neighbourhoods Fund Programme – the Nottingham Jobs Plan and Early Intervention - to be protected.
> - Savings to come from infrastructure, consultation and 'back office' in as many areas as possible.
> - Underspends and savings to be used for meeting the cuts target wherever possible' (Cooke & Kirkham, 2010 p.3).

An addendum to the report gave a recommendation that programmes financed by Area Based Grant should offer savings of at least 20 per cent. In summary, this approach formed a well-recognised approach to delivering urgent spending cuts – a combination of 'salami slicing' (the 20 per cent contributions) with use of underspends, savings and cuts to the 'back office', away from council and city priorities.

By contrast the main body of 2010 Comprehensive Spending Review cuts were anticipated, and the final funding position of an initial 8.43 per cent reduction in 'spending power', with a net grant reduction of 14.53 per cent had been one of a range of budget scenarios played out in March 2010 (Mills-Evans, 2011b p.56). A report to One Nottingham in January 2011 suggested that over five years the council was expecting a cumulative impact of a 33 per cent cut on its budget (One Nottingham, 2011b p.2). In the same month, the council's Executive Board were told that 'the scale of the challenge requires, alongside ongoing cost reductions and income increases, a fundamental consideration of the nature of the council's activity and service delivery' (Mills-Evans, 2011a p.3).

This process of 'fundamental consideration' was initially carried out through financial and service planning mechanisms already in place following previous re-organisations (Mills-Evans, 2011b p.3). These

involved establishing a medium term financial strategy (MTFS) for a three year period, drafting a medium term financial plan (MTFP), and carrying out service and performance planning. The whole cycle included briefing and budget preparation; establishing 'strategic choices' (detailed options for spending cuts at service level) followed by peer challenge from a panel of senior officers and public consultation. ((Mills-Evans, 2011b p.6) In these processes the council tried to emphasise continuity rather than change, linking changes to the forerunning transformation programme; 'the council continues on its ambitious transformation journey' (Mills-Evans, 2012a p.4).

In practice, earlier statements of financial strategy showed a focus on rationalising back-office systems:

> 'Local affordability has been the primary driver given the scale of the funding reductions and has been applied to every area of the council business. However, the council has sought to protect front line services by first examining back office and corporate or cross-cutting budgets. Many of the efficiency proposals have an internal focus; examples include £6.027m from proposed changes to staff terms and conditions, £0.950m from a corporate transport review; £0.400m from consolidation of telecommunication budgets; and £0.400m from increasing the council's level of self-insurance…' (Mills-Evans, 2011d pp.7-8).

Towards the end of 2011, however, the Medium Term Financial Strategy started to reflect the need to find larger-scale savings whilst addressing external pressures, including the impact of welfare reform, demographic pressures on adult social care, the implications of slow local growth, and the need for service redesign (Mills-Evans, 2011 p.2 and p.23). This was to be achieved through a 'big ticket' programme of ambitious reviews, tackling core expenditure in areas such as prevention and safeguarding services for children; adult social care; 'commercialisation'; strategic asset management; community provision in neighbourhoods; and workforce initiatives (Mills-Evans, 2012b pp.9-10). Unlike the forensic 'coal-face' search for savings through strategic choices, 'big ticket' was top-down, overseen by the Deputy Chief Executive and designed to engineer fundamental change, rather than

find savings within the existing delivery model.

Therefore the document review shows some evidence of an increasing pace to the search for savings, with incremental approaches being shifted to more radical responses. However, the documentary review and interviews noted relatively few examples of aspects of frontline service delivery which had completely ceased. This analysis will now look in detail at the strategies which were observed by the research.

6.4 Analysing organisational responses to austerity

Nottingham's 'strategic choices' and 'big ticket' spending reductions were analysed using a framework presented in the Joseph Rowntree Foundation publication *Coping with the Cuts?* (Hastings et al., 2013 pp.20-21). This framework defined three headline strategies for managing austerity:

- Efficiency: reducing costs without changing service levels (as far as the public are concerned).
- Investment: reducing the need for council services or future cost of services.
- Retrenchment: reducing the council's role.

Each of these strategies also had a set of more detailed sub-categories to assist with allocating spending proposals: for instance 'efficiency' included reducing 'back office' and fixed costs; as well as income generation or loss reduction; seeking savings from external providers, and redesigning frontline services. The framework's definition of retrenchment included increased contributions from other agencies and citizens, decreasing the range and level of services, and the introduction of selective targeting according to need.

Coping with the cuts? presented a hypothesis that retrenchment would increasingly replace efficiency measures in providing the highest proportion of spending reductions, and that this would happen more

quickly in deprived urban areas (Figure 6.2 shows their results in three case study authorities, Newcastle, Coventry and Milton Keynes).

For the purposes of this research, this method of analysis was repeated using published budget data from Nottingham City Council, specifically savings proposals listed in the medium term financial plans published between 2011 and 2014, which included savings proposals stretching to 2016. The process of aligning Nottingham's strategic choices with this analysis framework had limitations. First, it relied on a subjective judgement as to which category each savings proposal should occupy, with some savings potentially appropriate to two or more of the detailed categories. Second, the categorisations of what constituted retrenchment, investment or efficiency were debatable; for instance, reduced staffing for a universal service was counted as retrenchment, but savings from integration of services (also implying reduced staffing levels) could be categorised under this model as 'efficiency'. Third, it did not include the substantial in-year cuts of 2010 (which particularly affected the voluntary sector) because these were unexpected and not documented in 2009/10 budget papers. The first 'strategic choices' publication which could be deployed for this analysis was produced to inform the re-based budget of 2011/12. Fourth, because the City Council's strategic choices documents principally covered proposals for savings against existing budget lines, they did not fully reflect areas of invest-to-save activity, such as the extension of apprenticeship schemes or introduction of a living wage for lowest paid staff, meaning that spending to encourage economic growth or increase employment were underrepresented in this analysis. This also means that this analysis is not precisely comparable with that conducted for the JRF study, as positive 'investment' decisions were not generally reflected.

Figure 6.2: Coping With Cuts? Comparison of savings 2011-2013 and 2013-2016 by headline strategy and case study.
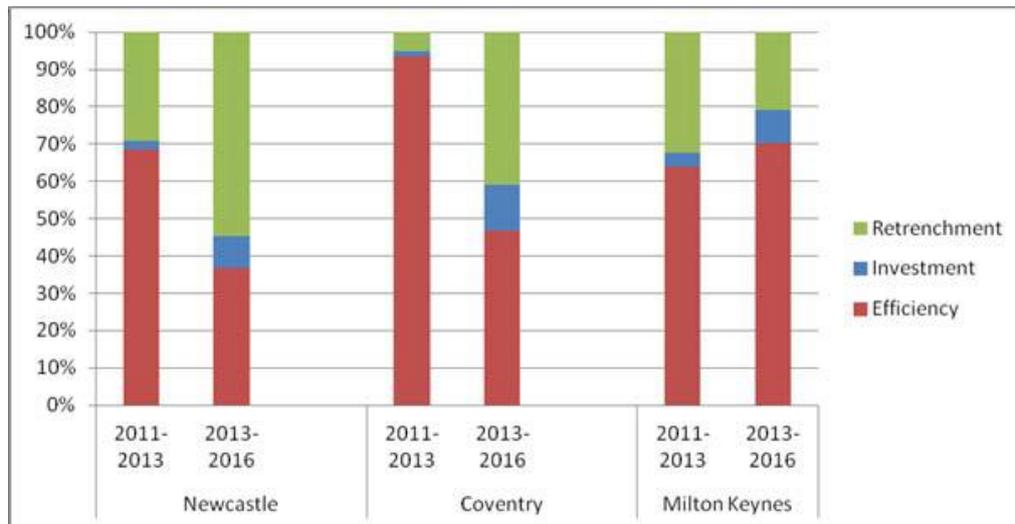
Source: Hastings et al., 2013 p.22

Nonetheless the analysis was useful in providing a tool to analyse in a broad sense how the majority of savings had been achieved. In Nottingham, categorisation of 'strategic choices' and 'big ticket' savings indicated that the highest proportion of savings had been achieved through 'back office' efficiencies, which included management delayering, corporate redesign, reduced support functions, reduced interest payments and reduced office space (see Figure 6.3). Back-office efficiencies were twice as valuable as the next strategy, delivering approximately a third of total savings. These savings included many one-off savings including the deletion of vacant posts, management delayering, and savings in procurement. However the most substantial element of back office efficiency involved changes to the pay and conditions of staff, with half the 'back office' savings in 2011/12 (equal to £6m) arising from changes to staff terms and conditions.

The next highest value strategies in terms of proposed savings included income generation, service redesign, and savings from external providers, with savings from passing responsibilities to other agencies a close fifth (see Figure 6.4). Income generation reflected the council's growing emphasis on commercialisation, which became increasingly

important throughout the period. Significant income streams included trading energy and waste (worth £1.1 m in 2015-16); charges for parking; and increasing the income of services including parks and leisure. The institutional implications of this more commercial approach to service delivery will be examined in further detail below.

'Service redesign' included myriad instances of re-shaping and integrating services to fit lower levels of staffing and budgets; whilst savings from external providers included many examples of renegotiating existing contracts to fit reduced contract values. In the context of the JRF framework all these strategies constituted 'efficiency savings' with only the fifth most popular strategy, (passing responsibilities to other agencies) being counted as retrenchment. Retrenchment measures which were judged to 'reduce the range of services' accounted for just five per cent of overall savings.

Overall, using this framework, Nottingham's pattern of savings showed reduced use of 'retrenchment' in the second part of the spending review period combined with greater exploitation of efficiencies and investment (see Figure 6.5). There were several possible explanations. First, the 2010 Comprehensive Spending Review cuts were front-loaded, requiring councils to make greater reductions in the first two years of the spending review period. Second, the introduction of the council's 'big ticket' programme meant that there were slower-delivering but higher value systemic transformations in later years, for instance the more commercial approach to income generation, adopted across the council from 2013 onwards.

Therefore despite the limitations of the analysis framework, the findings generally support an argument that the council was able to avoid retrenchment in the range of services it provided by finding alternative mechanisms to address the budget gap throughout the period under study. Instead of efficiencies becoming less effective as a savings mechanism, as hypothesised in *Coping with the Cuts?* (Hastings et al.,

2013) they appear to increase in importance, as do savings from investment.

Figure 6.3: Proportion of NCC savings programmed via different strategies 2010-2016 (using Hastings et. al. 2013 categories)

Legend:
- Reduce back office
- Income generation / reduce loss
- Redesign
- Savings from external providers
- Pass to other agencies
- Prevention
- Reduce range of services
- Reduce universal services
- Reduce eligibility - focus on need
- New or increased charges
- Accelerate capital investment
- Renegotiate with communities
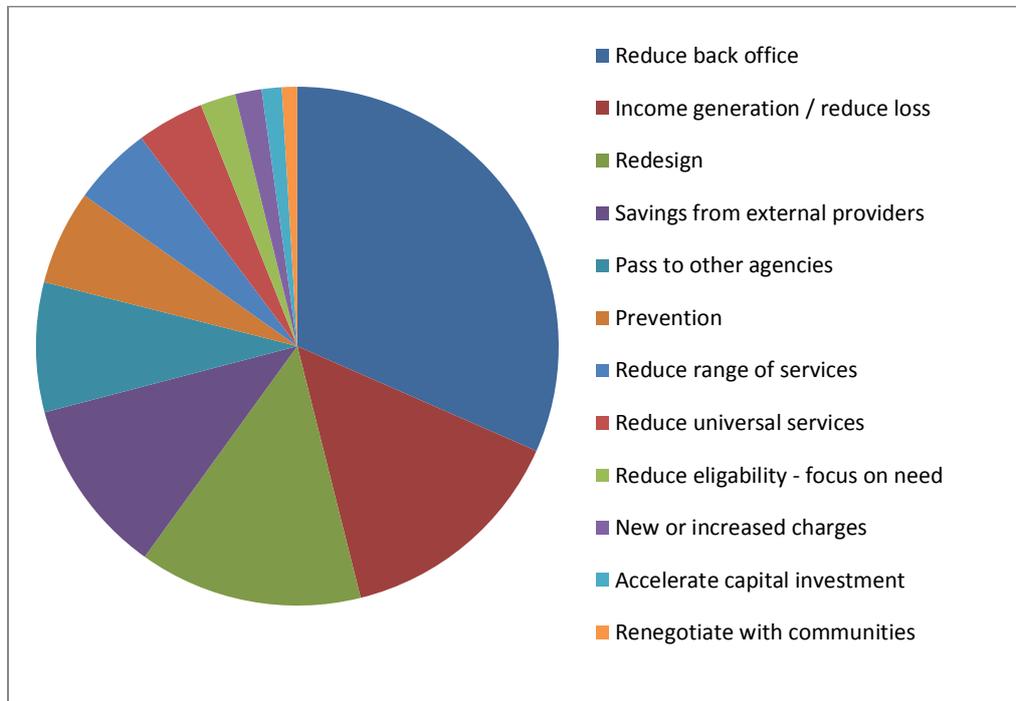
Source: Author's analysis of strategic choices and big ticket proposals, NCC Medium Term Financial Plans 2011-2014

Figure 6.4: Value (£ Million) of NCC programmed savings 2010-2016 (using Hastings et al. 2013 categories)
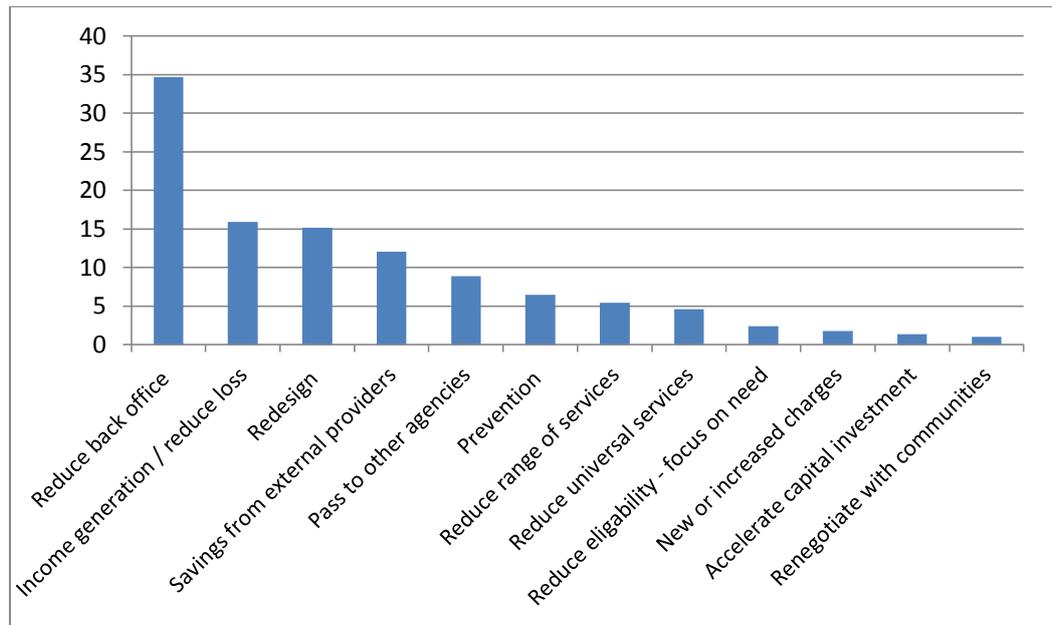
Figure 6.5: Comparison of NCC savings strategies 2011-13 and 2013-16
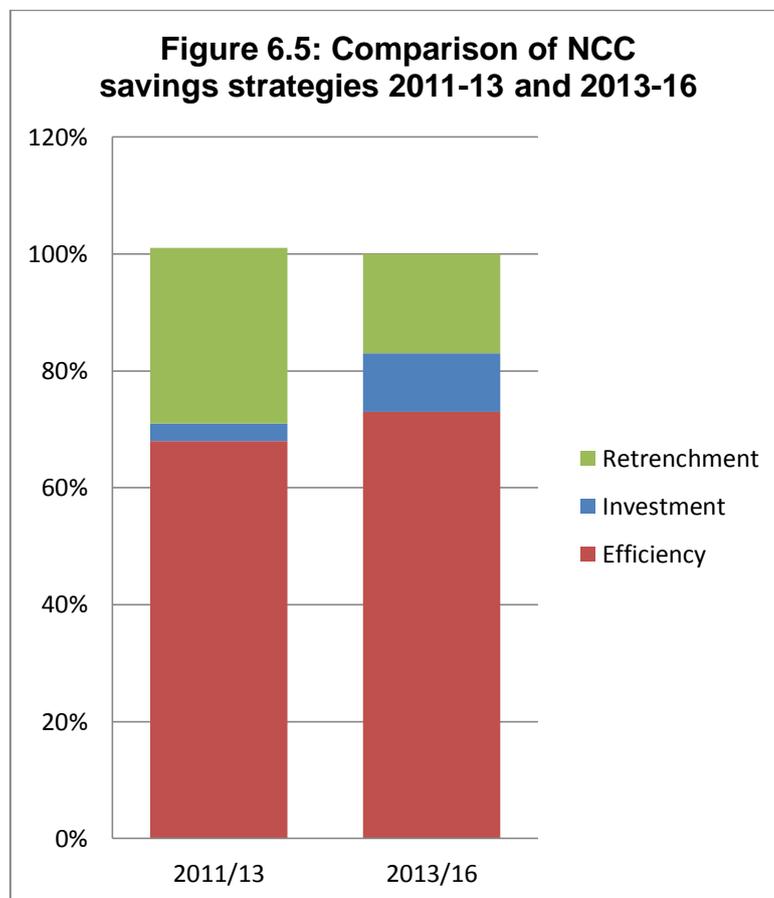
Source: Author's analysis of strategic choices and big ticket proposals, Medium Term Financial Plans 2011-2014

This is not to say that all services continued to be provided at the same level or volume. It was clear from successive medium term financial plans that some areas underwent a substantial reduction in budget and were extensively re-designed, particularly highways (Mills-Evans, 2011; Mills-Evans, 2012c) neighbourhood-based community development (Mills-Evans, 2012c) and youth and play (Mills-Evans, 2012d). Eligibility for certain services such as assistance with buying school uniforms (Mills-Evans, 2011a) and free access to adult social care (Mills, 2013b) was reduced and some 'preventative' services (such as support to people vulnerable to homelessness) were removed (Mills, 2013a). There were also examples of arms-length retrenchment where funding was cut for services provided by third parties - an issue explored in more detail in chapter 7.

In addition there were examples of closure of specific facilities, although this often occurred as part of an overall programme where other resources were enhanced. For instance Bulwell, St Ann's and Carlton Road libraries were programmed for closure in 2011, but only in the context of two new facilities being created in the same areas. Bestwood day centre for learning disabilities was closed as 'unfit for purpose' but a new centre at Aspley Wood was opened, with savings used to ensure its financial viability (Mills-Evans, 2011). This was confirmed through interviews, with an executive member emphasising that a guiding principle had been 'before you cut, can you reorganise?' (Interview, 2014g) and another senior manager stressing how members had set an expectation:

> 'we ought to do everything within our creative minds and power to avoid the budget cuts impacting upon those services. I don't think you'll see them saying we'll close swathes of leisure centres unless we have exhausted every other opportunity' (Interview, 2014d).

Again, these examples showed that the range of services was being maintained, although it was possible that reduced local access may have adversely affected service quality for some users.

The 'other opportunities' that emerged, during the time period under review, included a diverse and creative selection of approaches to meeting the budget gap, some more strategic, management-led and top-down; others process focussed and bottom-up. Table 6.1 shows a selection of the strategies observed in operation or mentioned in budget and policy documents, with specific examples of how and where they were applied.

Whilst acknowledging reductions in service volumes, it therefore appeared from documentation that in most cases the Council, sometimes working with partners, was able to maintain some continuity in the range of services, so they did not cease altogether. Moreover, despite meeting a budget gap of more than £100 million over five years it was also able to expand work on significant capital projects, including Line 2 of the Nottingham Express Transit, a partnership project to redevelop Nottingham Station, a new Leisure Centre at Harvey Hadden and proposals to re-develop Nottingham Castle.

6.5 Service quality

Whilst the evidence for a reduction in the range of services was limited, the effects of the spending cuts on the quality of services were harder to pinpoint. This was partly due to a substantial reduction in published performance information from 2010 onwards after the Coalition government abolished statutory requirements to report against many performance indicators, in line with its commitment to 'localism' (DCLG, 2010b). Bodies that promote 'benchmarking 'services, such as the Association of Public Service Excellence (APSE), have claimed there is emerging evidence for a fall in quality standards (O'Brien & Johns, 2015) but that evidence is currently available only to benchmarking subscribers, and lacks the transparency and accessibility of published and audited performance data. There is also a time-lag in recording and publishing results, which means that available data may not reflect effects of recent spending cuts; for instance the most recent audited

data on Adult Social Care at the time of this analysis related to the 2013-14 financial year, when the City Council's re-organisation of Adult Social Care was only just starting to take effect (HSCIC, 2015).

| Table 6.1: Strategies to negotiate austerity | | |
| Source: author's research | | |
Strategy	**Definition**	**Example**
Strategic asset Management	Using land and investment assets to generate one-off and ongoing sources of income, or to influence other local bodies (for example to encourage service continuity or inward investment).	Maximising returns from council cash balances by lending available capital to other organisations, profiting from interest rates. Use of property assets to assist VCS organisations.
Shared services	Cross-organisational co-operation in functions and/or resources such as HR or contact centres.	Introduction of East Midlands Shared Services (joint with Leicestershire CC) to cover HR and payroll services. Project 'Aurora' integrating management of police beat teams and city council neighbourhood staff.
Commercialisation	Adoption of business practices and trading powers to promote efficiency, self-sufficiency and expansion into new markets.	Expansion of vehicle maintenance to provide servicing to Fire and Rescue service and Rushcliffe BC. Creation of energy company.
Commissioning	(Re-)design, specification and procurement of services on a contract basis (sometimes used in place of 'outsourcing' or 'grant funding').	Streamlining of VCS grants process. Re-commissioning major contracts (for instance within public health)
People Management	Measures to reduce workforce costs and increase productivity,	Employee incentive schemes (Works Perks) Time buy-back schemes (My time and Holiday Plus) flexi-time, reducing use of agency workers, reducing headcount, reducing training.
Early Intervention	Investing in services that may reduce the longer	Priority families programme. "Small steps,

	term requirement for public spending.	big changes" (Big Lottery project).
Co-production / 'Big Society'	Working with partners (often in the community) to remove the requirement for public services or provide them in a different way	Co-operating with partners like Advice Nottingham or food banks to provide financial management and debt advice in the community.
Income generation	Seeking new sources of income for instance through (limited) tax raising powers, charging, or seeking other grants.	Workplace parking levy; increased charging for car parks; lottery funded projects (e.g. Forest Recreation Ground, 'Opportunity Nottingham'; Nottingham Castle)
Demand management	Reducing costs of high-demand services e.g through channel shift	Moving welfare rights from a face to face to telephone-based service.

Where data is available, it often relates to outcomes (proxy measures for the overall wellbeing of the city, such as educational attainment, or GDP/capita) rather than detailed service outputs, which describe what has been delivered. Some of these indicators (for instance, measures of child poverty or fuel poverty) do not reflect only local authority services, but a complex interplay of factors involving many societal and environmental effects. Outcome indicators also suffer from time-lag effects, for example action to reduce levels of obesity can take years to show results.

Despite these drawbacks, considering 'outcome' measures rather than service outputs arguably provides a way around problems in understanding how austerity affects issues of quality. The National Audit Office has emphasised that although published performance data shows reductions in service volumes, it does not necessarily indicate a deterioration in the service (NAO, 2014b p.36). The need underlying a service may be met in many different ways, and there is no automatic link between funding, volumes, outputs and outcomes (Lipsky, 2010 p.178). If one accepts this point of view, outcome measures provide the best representation of how well public services are meeting identified needs, as they measure whole-system effects, rather than

service outputs, and are not directly connected to the processes and institutions underlying service delivery.

Whilst Nottingham City Council initially emphasised the importance of maintaining performance monitoring, its public reporting has become simpler and less frequent, on an annual as opposed to quarterly basis, and mainly focussed on outcomes targeted in the key city partnership document, the *Nottingham Plan,* rather than discreet service areas (Banfield & Jones, 2010 p.2). Priorities in the plan were also refocused and rationalised in response to the spending cuts (Lowry, 2011 p.2) and there were some adjustments to targets which had been affected by the recession, such as aspirations regarding the city's economy (as measured by Gross Value Added or GVA), and housing stock. Other targets were changed because public sector cuts had created an inability to gain comparative data (for instance due to closure of the East Midlands Regional Development Agency, deletion of national indicator set, or cessation of the national 'place survey'). However, although targets showed some alignment with political priorities outlined in Nottingham's Labour manifesto and the Council Plan (Nottingham City Council, 2012b; Nottingham Labour Party, 2011), the selection of performance indicators was not solely limited to topics where a favourable outcome was assured. In 2014, 51 per cent of the plan's ten-year targets were judged to be on track for delivery, with another 11 per cent performing just below expectations, and 27 per cent showing minimal improvement (the remainder lacking reporting data) (Nottingham City Council, 2014e).

Nonetheless, annual reports showed some progress against priorities (Jones & Johnson, 2013; Nottingham City Council, 2014e) although the most recent *Nottingham Plan* acknowledged that 'the current climate of significantly reduced public sector funding is making it harder for us and our partners to deliver the changes we want to make for our city' (Nottingham City Council, 2014 p.5).   Some of the more striking successes, given the spending cuts and introduction of welfare reforms, included strong progress on hosting internationally significant and

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regional or city events, increasing the use of public transport, and reducing the proportion of people with poor mental wellbeing. Areas which showed little improvement included targets to increase family housing stock; challenges around educational outcomes; alcohol-related admissions to hospital and levels of child and fuel poverty.

The most surprising improvement was in levels of citizen satisfaction, which, in the absence of detailed data on quality, provided a general perspective on how local citizens were experiencing public services. Nottingham City Council and partners carry out an annual Citizens Survey to obtain robust statistical data on a range of public opinion issues. It might have been expected that this data would show decreasing satisfaction with 'the way the Council runs things', especially given the reduction in Council Tax relief, introduced as part of the Coalition Government's welfare reform package. A trend in national survey data towards decreasing satisfaction with 'the way the council runs things' and the 'local area as a place to live' has been noted by Hastings et al. in their analysis of the relationship between public satisfaction and austerity, although they emphasise a that margins remain small, possibly due to a time-lag between service cuts and their impact (Hastings, Bailey, Bramley, Gannon, & Watkins, 2015 p.23).

However, although there was a small, but statistically significant drop in the satisfaction of Nottingham residents during 2011 and 2012, the percentage of residents fairly or very satisfied had steadily increased to 73 per cent by the end of 2014 (Nottingham City Council, 2014a). The Local Government Association carried out national surveys on the same question in 2012 and 2013, and although their sample is not directly comparable with Nottingham's, the average figures of 72 per cent (2012) and 70 per cent (2013) show consistency with Nottingham's results (Figure 6.6).

Figure 6.6: per cent very or fairly satisfied with the way the council runs things
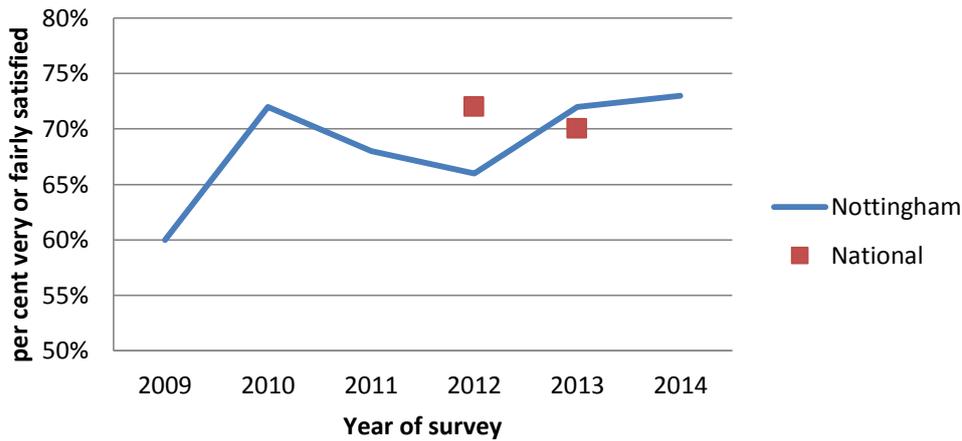
Source: Local Government Association, 2014 p.5; Nottingham City Council 2014a p.39

Figure 6.7: per cent very or fairly satisfied with the local area as a place to live
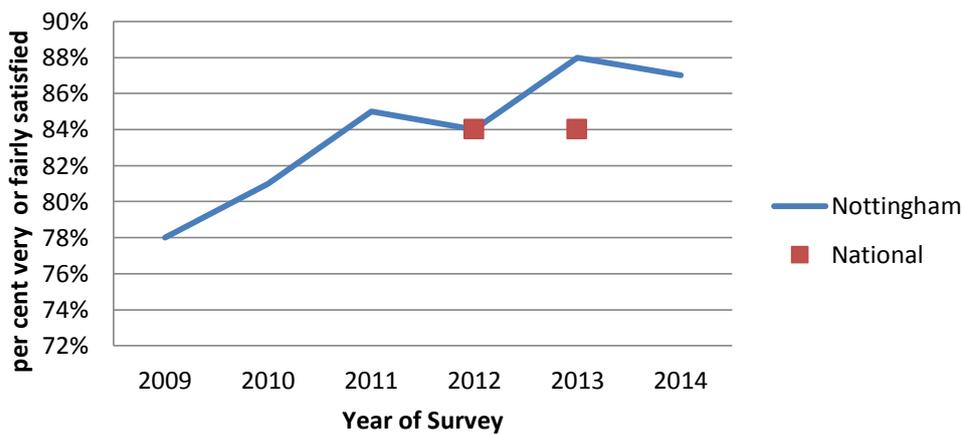
Source: Local Government Association, 2014;Nottingham City Council, 2014a

In addition 'satisfaction with my local area as a place to live' rose to an 'all time high' of 88 per cent in 2013, which was maintained (within 95% confidence limits) the following year (Nottingham City Council, 2014a p.3). This is well above the 80 per cent target specified in the

Nottingham Plan and again, though results are not directly comparable, consistent with a national survey result of 84 per cent (Figure 6.7).

There are several potential explanations for this rise in public satisfaction in Nottingham. For instance, the next section of this chapter will show how the council had placed an emphasis on maintaining its visibility as an organisation, improving street cleanliness and championing the city's reputation (Banfield & Jones, 2011), all of which have been found to correlate with achieving higher satisfaction levels (Local Government Association, 2006 p.6). In prioritising functions connected with the effective presentation and representation of the city, it was therefore likely that the council was also making political choices which helped to maintain public satisfaction levels.

It might also be suggested that public sympathy for local authorities has grown as public awareness of the spending cuts increases; in 2013 Mori found that three times as many people blamed central government for the cuts than local government (Ipsos MORI, 2013a). At the same time expectations of public services may have been lowered given the publicity surrounding the spending cuts, possibly adding to the perception that the council is providing 'value for money' (Page, 2015).

Nonetheless, Nottingham's figures did appear to contradict the national trend towards declining satisfaction noted by Hastings, Bailey, Bramley, Gannon and Watkins et al. (2015 p.23). Whilst an imperfect proxy for service quality, these figures seemed to show that residents' expectations for public services and the local neighbourhood environment were being met, and that despite multiple changes in underlying systems and processes of delivery, public perception of local services was improving.

To summarise the evidence relating to P1, analysis suggests that the range of services available to the public was substantially maintained between 2010 and 2015 albeit with a certain fragility. Many of the efficiency savings delivered at the point of analysis represented one-off reductions in costs (such as the deletion of vacant posts) which could

not be repeated. Certain functions had also been substantially re-designed to offer a lower volume of service, reductions in eligibility, or a decreased level of access. There is less evidence relating to quality of services, but data from the *Nottingham Plan* shows steady progress against a majority of the outcome targets, and climbing citizen satisfaction levels, both in relation to the way that the council runs services, and the local living environment. The overall impression created by this evidence is therefore one of relative stability despite the cuts, showing that Nottingham's case conforms outwardly to the concept of the 'austerity puzzle'. This chapter will now go on to address the second proposition, to understand whether the institutions underpinning local services have remained equally stable.

6.6 The effect of austerity on institutional rules, practices and narratives

This section of the analysis will make use of Lowndes and Roberts conceptualisation of institutions as a system of 'rules, practices and narratives' (Lowndes & Roberts, 2013) discussed in section 3.3. In Lowndes and Roberts analysis 'rules' are formally constructed and recorded, for instance, law or policy documents. 'Practices' reflect the informal rules of the game, including prescriptions for possible and desirable behaviour which are distinct from actors' personal values or broader cultural tendencies, specific to a particular political setting and enforceable (2013 p.62). Meanwhile in defining narratives Lowndes and Roberts highlight 'familiar stories' and 'shared understandings' which reinforce 'taken for granted' assumptions (2013 pp.52-53). The proposition suggests that, in line with the relative stability in the range of services, we might expect that 'The council's institutional rules, practices and narratives have been maintained during the period 2010-2015'. However, the analysis presented here suggests that institutions underlying service delivery are less stable, particularly at an ideational level, than the apparent service continuity would suggest. By looking at

subtle changes it is possible to build up an image of an institution under increasing strain, with divergent practices and narratives undermining established institutional rules.

6.7 Rules

Rules governing institutions at the council can be divided into two types: externally imposed rules produced by the legal and financial framework which surrounded the local authority, and organisational rules establishing policy direction and procedures.   In relation to externally imposed rules, both politicians and senior officers were clear that the council needed to work within the given legal and financial framework.   Senior politicians had taken a conscious decision to 'manage despite the cuts'

> 'We learnt from the poll tax that you've got to battle through. The people that would blame you first would be local people…The public would end up blaming us and not the government' (Interview, 2014g).

Officers cited a number of areas where the council was 'pushing boundaries' including vocal opposition and mitigation for the 'bedroom tax' (Interview, 2014b, 2014h, 2014n); working around statutory guidance on council publicity (Interview, 2014e); and seeking to expand local authority powers through the lobbying activity of Core Cities (Interview, 2014b, 2014k).   However this work was generally conducted without explicit challenge to legal constraints.   As one director put it, '[This council] has never felt it wants to go to the barricades. It always works a different way. We are very rarely in the courts' (Interview, 2014e).

Within this context of acknowledging and submitting to external legal and financial constraints, executive members and the corporate leadership team collaborated early in the spending review period to produce a strong statement of organisational 'rules' steering the council's policy priorities in a way that was politically and locally

distinctive. Acknowledging the need to manage within the cuts, a report to executive board (Probert, Banfield, & James, 2010) described how previous plans needed to be 'recalibrated' and viewed through the 'lens of local affordability' (see figure 6.8 below). The report asserted that strategic priorities were 'unchanged' but identified four 'areas of focus'; 'supporting the most vulnerable'; 'local jobs'; 'presence' (acknowledging the role of the council in key activities and the provision of services); and 'enjoying Nottingham' (ensuring opportunities for leisure and enjoyment during austere times). The 'areas of focus' were included in the medium term financial plan for 2011/12-2013/14 (Mills-Evans, 2011e) and interviews with directors and senior officers confirmed that they remained important in shaping responses to austerity in 2014 (Interview, 2014c, 2014k, 2014l).

The 'lens of affordability' diagram revealed much about the council's policy rules for retrenchment. It situated 'local affordability' - setting a legal balanced budget - as the lens, or principal rule, at the forefront of priorities. It also outlined a set of 'enablers' or preferred ways of working, as a guideline for the practices determining how savings would be achieved; through working 'effectively' with others; 're-shaping' services and functions; and 'early intervention' (addressing emerging problems before they reached an acute stage; for example, supporting vulnerable adults to help prevent homelessness). Finally, the four areas of focus prioritised a limited range of policy areas which were strongly rooted in the politics and economic context of Nottingham.

Taken together, the areas of focus asserted a strong sense of continuity with local political priorities, despite the straightened financial context. They showed that there were certain 'bottom lines', which were core to the council's aims as it negotiated its way through austerity. For example 'supporting the most vulnerable' demonstrated continuity with longstanding council and strategic partnership policies for breaking 'the inter-generational cycle of poverty' (One Nottingham, 2009 p.28), while the focus on 'local jobs' was a response to the high

levels of unemployment experienced by the city as a result of the recession.

Figure 6.8: The 'lens of affordability'
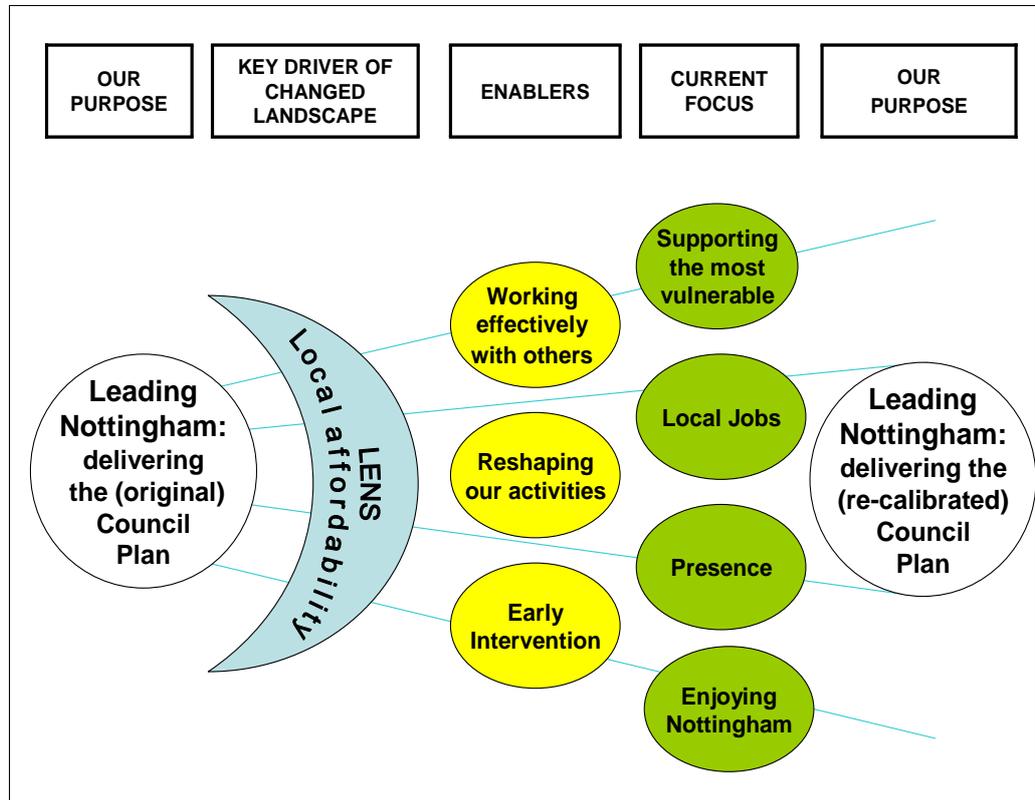
Source: Probert, Banfield, & James, 2010 p.2/3

The council was also explicit about aiming to preserve certain universal services despite the spending cuts. 'Presence' pointed to politicians' concerns to continue being visible and accessible to communities whilst ensuring stability and security, particularly on the outer estates (see also the preceding comments on maintaining citizen satisfaction, section 6.5) (Interview, 2014g). 'Enjoying Nottingham' linked to a longer tradition of regeneration through cultural and leisure activities and One Nottingham's long term aspiration for the city to be 'world class' (One Nottingham, 2009). This recognised the city's relatively young demographic profile and the need to maintain the arts, cultural and sporting offer to support other drivers of the city's economy and promote 'clear, shared and positive messages about Nottingham and its future' (One Nottingham, 2012b p.1; One Nottingham, 2012c p.1).

Consistency was also reflected in the council's published strategic priorities (see Table 6.2, below) albeit with some moderation (in the 2012 indicators for crime and cleanliness) and refocussing (in education and recycling).

Table 6.2 comparison of priorities 2006-2011 and 2012-2015

Council's Six Highest Priorities 2006-2011 Source: Banfield & Jones, 2011	Council plan priorities 2012-2015 Source: Nottingham City Council, 2012
Cut crime by 25 per cent	Continue to cut crime and halve anti-social behaviour
Make Nottingham England's cleanest big city	Keep your neighbourhood as clean as the city centre
Fastest rate of improvement for GCSE results	Ensure that more school leavers get a job, access to training or further education than any other city
Reduce waste and double the rate of recycling	Help you to keep your energy bills down
Improve physical access and infrastructure	Cut unemployment by a quarter
Improve attractiveness and balance of Nottingham's Housing offer	

Where changes emerged, for instance in the move away from targets for access and infrastructure, these sometimes reflected the achievement of major policy aims to win funding to extend the tram network, improve highways infrastructure (on the ring road and A453) and improve the main railway station. However, there was also some realism; in education the council was able to exercise diminishing influence over GCSE results, as more schools opted out of local

authority control to take up 'academy' status. In addition, capital resources to influence housing in the city were reduced by austerity, although the council continued to pursue some substantial changes to housing stock, including the demolition of an estate of five tower blocks in the inner-city ward of Lenton and their replacement by new 'low rise' social housing.

Yet within the apparent stability and continuity of these policy rules there was a great deal of room for interpretation. The 'enablers' in the 'lens of affordability' diagram were ambiguous; for instance, the definition of 'working effectively' or 're-shaping our activities' was not clear, and begged a question as who would be the judge of effectiveness, or the main beneficiaries of 're-shaping'. In addition defining the 'most vulnerable' was a relative, rather than absolute measure, representing a moveable judgement rather than a line in the sand. Accordingly, the practices and narratives which appeared to underpin these rules showed less coherence and stability, and it is to practices that this chapter now turns.

6.8 Practices

The work of Streeck and Thelen (2005) provides a helpful framework for the consideration of changes to practices. Although their analysis refers to institutions as a whole, it can also function as a means of identifying challenges to the separate elements of institutional constraint identified by Lowndes & Roberts (2013 p.52-3). Moreover Streeck and Thelen conceive of institutions as 'building blocks of social order' which create collectively enforced expectations on behaviour 'distinguishing between appropriate and inappropriate, 'right' and 'wrong', 'possible' and 'impossible' actions (2005 p.9). This has a strong resonance with Lowndes and Roberts view of 'practices' as 'informal rules of the game' (p.58) which provide prescriptions for possible and desirable behaviour which are both enforceable and specific to a particular political setting (2013 p.62).

However, in order to recognise emerging tensions, it is important to consider agency as well as structure; what actors are actually doing in the context of constraint, as well as the contexts in which informal rules are applied (or ignored). This analysis will therefore also draw upon interpretive perspectives on practice which place emphasis on the significance of practical judgements, expressed through 'situated' agency (Wagenaar, 2004) through processes of 'acting upon the situation at hand' (Griggs, Norval, & Wagenaar, 2014 p.15). The following analysis therefore uses a slightly broader definition of practices than that adopted by Lowndes and Roberts, considering the actions taken in response to rules, as well as the informal 'rules in use', which in Ostrom's terms include the 'dos and don'ts that one learns on the ground' (Ostrom, 1999 p.38).

As outlined in section 3.5, Streeck and Thelen's concept of 'conversion' involves adapting existing rules and structures to new agendas through a process of reinterpretation. 'Layering' occurs when new rules are superimposed on previous ones, leading to the compromise and eventual defeat of the original rules. 'Displacement' describes the act of replacing or subordinating one set of institutional rules with another, sometimes with rules that have previously been suppressed. 'Drift' describes the neglect of rules in response to changes in the environment, leading to slippage of practice on the ground. Streeck and Thelen also describe a final category of 'exhaustion' which is more akin to punctuated equilibrium, in that it encompasses a situation where the environment has changed to the extent that existing institutions are no longer viable or appropriate (Streeck & Thelen, 2005 p.31).

Using this framework it is possible to observe conversion, layering, displacement, and drift in the council's practices as the spending review period progressed. Elements of practice underpinning the council's services were re-purposed, overlaid with new approaches, and in some cases displaced or abandoned. This process challenged and sometimes contradicted the published 'rules' or policies setting out how

the organisation was intending to manage the financial pressure of austerity.

The following analysis uses four of the highest value corporate savings strategies outlined in section 6.4 of this chapter to illustrate 'conversion' in workforce management practices; 'layering' in the practice of commercialism; 'displacement' in the application of new commissioning techniques; and 'drift' or potentially even 'exhaustion' masked by service re-design as the council retreated from previous positions on social services eligibility and Council Tax reductions. In so doing, it shows how the development of new practices was starting to undermine formal rules, challenging the 'fit' between the different elements of the institutional configuration (Lowndes & Roberts, 2013 p.134). Although these shifts in themselves did not represent a 'full' institutional change, in Lowndes and Roberts' terms, they might be seen as precursors to more fundamental institutional transformation.

A) Converting practices: workforce management

As noted in section 6.4, savings through changes to workforce management contributed significantly to the overall value of efficiencies delivered in Nottingham between 2010 and 2015. Although the reductions in the staff base were lower than in most other 'core' cities the council still decreased its workforce by 23 per cent between 2009 and 2013 (see figure 6.9). However, the imperative to reduce spending on the workforce potentially conflicted with the council's stated 'area of focus' on local jobs. Steps were therefore taken to minimise the need for compulsory redundancies, ring-fence new jobs to city residents, reduce the use of temporary staff and consultants and make additional investment in apprenticeships, as a contribution to addressing levels of youth unemployment. Job cuts listed within 'strategic choices' documents tended to take place through deletion of vacant posts and management restructuring , within an ongoing process of service re-design, rather than withdrawal of whole service areas.

Figure 6.9: Core Cities per cent FTE post reduction 2009-2013
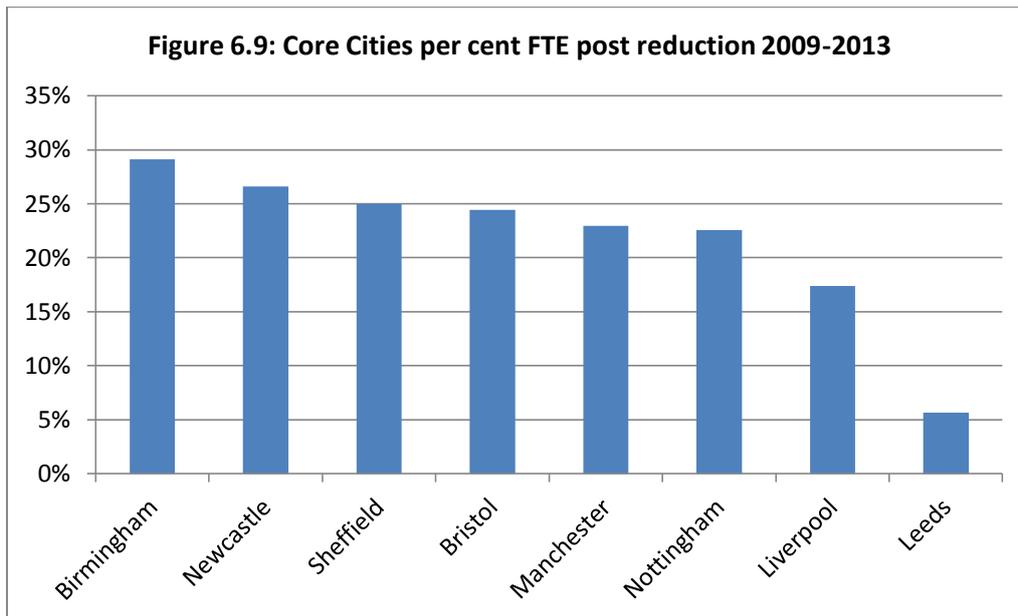
Source: ONS Public Sector Employment Survey based on Q4 data in each year

At the same time, the living wage was introduced for some of the Council's lowest paid staff (Kirkham, 2013). All these measures were consistent with the outward policy 'rules' of 'local jobs' and 'protecting the most vulnerable'.

Despite this apparent consistency, some new techniques in human resources management pointed to the gradual conversion of practices in workforce management in order to generate the required savings, moving the focus incrementally from an emphasis on staff welfare and being a 'good' employer to efficiency. For example, there was steady attrition in wider workforce pay and conditions through successive salary, benefit and increment freezes, which brought the council into increasing conflict with the public sector unions (Interview, 2014g). Although the volume of jobs was being protected (to a limited extent) the quality of those jobs was arguably being diminished, with lower pay and a substantial de-layering of middle managers. Many staff spoke about increased levels of stress and higher workloads (Workshop, 2014a, 2014b).

Additionally, although several interviewees noted elected members' traditional opposition to outsourcing (Interview, 2014c, 2014o, 2014q) senior officers had been allowed to explore the option in relation to a major area of benefits administration, prompting a director to comment 'its quite a radical change. It's something you would have said was a core service …which you would have said was close to the heart' (Interview, 2014e).

This pattern of practices might therefore be interpreted as 'conversion', the redirection of activity that had formerly been focussed on one goal – being a good local employer - towards a new goal, efficiency. The range of practical options that were available to officers were also changing to encompass more radical choices, prompting another director to comment 'we've gone to areas that were no-go in 2010' (Interview, 2014c).

B) Layering practices: commercialisation

Meanwhile the developing practice of 'commercialisation' provides an example of institutional layering in action, where new working practices were layered on top of old to generate savings and income. Essentially this practice encouraged individual service managers to adopt a 'commercial' approach, seeking mechanisms to minimise outgoings and maximise income generation.   Practical examples included winning vehicle maintenance contracts from other public sector bodies, doubling the size of the commercial waste service, increasing income from parking, and developing a local energy company.   In Nottingham a whole-council approach to commercialisation was introduced from 2013, and between 2010 and 2015 it became the second most important approach to meeting the budget gap (see figure 6.4).

For some proponents commercial practices could be easily reconciled with the Council's aim of protecting jobs and services.   An elected member explained simply that the strategy 'allows you to cross-subsidise valuable services' (Interview, 2014g). A director admitted that

although the strategy of seeking contracts from other public sector bodies could seem 'quite predatory', Nottingham had 'a commercial approach with public sector values', citing implementation of the 'living wage' as evidence of the council's social objectives (Interview, 2014d). For this individual commercialisation was a means to larger and less fragmented local state, and maintaining the council's influence as a responsible employer, grounded in sustainable business practice. He spoke of feeling:

> 'blessed by the fact that we still have big services, we haven't outsourced, which limits your flexibility and creativity – we've got that natural opportunity….I'm almost wanting to take us back to big council departments' (Interview, 2014d).

Commercialisation was also viewed as integral to a longer term strategy of ending reliance on central government through increased self-sufficiency: 'our long term strategy is being free from government grant' (Interview, 2014d). An elected member also noted the motivational value of developing the approach in a period of continual cut-backs, saying that the practice 'gives staff something positive to aim for' (Interview, 2014g).

However, for others, commercialisation introduced market-based practices which were not rooted in the council's political or ideological heritage. Another elected member saw commercialisation as a distraction:

> 'you risk taking your eye off the customer and look too much at the balance sheet. Not everything you do can be measured in how much value it gives financially, and whereas we're supportive of our services being more commercial and selling both inside and outside the organisation, the price is probably that you can't always have the same priorities in mind' (Interview, 2014f).

Meanwhile a director saw commercialisation as a 'Trojan horse' which to encourage councillors to 'into the right territory for a sensible discussion' (Interview, 2014b). This individual perceived the commercial agenda opening new scope for practices which had previously been prohibited by the ruling party's ideological antipathy to competition and

markets. She described how she had been 'rounded on' for describing the authority as a business in her first year, but now this type of language had become main-stream. In her view, retrenchment was not sustainable over the long term, and councils needed to increase their appetite for commercial and capital risk as a necessary survival strategy.

Henceforth, Nottingham's approach to commercialisation overlaid the paternalistic social-justice ethics of the council's ethos with a layer of market-driven practice, creating a distinctive cocktail of civic leadership and social entrepreneurism. Although the practice was, for some interviewees, enacted in a way which fulfilled the organisational 'rules' on responses to austerity, others felt that it had potential to challenge pre-existing ideological values.

C)   Displacing practices: commissioning

Some commissioning practices provided examples of areas where the 'rules' of the council's approach to austerity appeared to be more directly contradicted by market-driven practices. Commissioning represented a high-value strategy for engineering savings reductions, contributing heavily to 'securing savings from external providers' (figure 6.4). It had its own framework of institutional rules, including a dedicated sub-committee of executive board, chaired by the Leader of the council, senior management oversight, and several teams dedicated to the process of securing optimal contracts. Yet a number of politicians, staff, and partners expressed discomfort with the way commissioning was being enacted under conditions of austerity, and implicitly, with its underlying philosophy.

Some interviewees perceived the practice of commissioning as alien to the council. One senior politician admitted to concerns that commissioning did not reflect Labour values; commenting that commissioning staff 'talk a different language' (Interview, 2014h). An

officer also commented on a sense that the commissioning teams had a different perspective:

> 'staff in commissioning are quite innovative, but their attitudes are different to other staff members. Some areas were probably 'no go' at the start, but now we are going down that route' (Interview, 2014o).

One criticism centred on the problem that commissioning decisions often used cost as a primary driver. 'The first question is always 'how much is it going to cost' not 'what is the best service'?' (Interview, 2014h). A private sector service delivery partner suggested that a dichotomy was becoming apparent, between Labour politicians who promoted the ideal of the living wage, and the commissioning practices of officers using frameworks based on the minimum wage (Interview, 2014ad). Another partner commented that 'financial pressure is reflected in commissioning, its more about cost than value' (Interview, 2014ab).

In addition, there was a sense that a policy decision to replace voluntary sector grants with commissioning processes had depleted the quality of relationships between the City Council and VCS service providers (this issue will be explored in more depth in chapter 7). A middle manager commented that his involvement in commissioning contributed to a requirement to be 'hands off' with local delivery partners, affecting relationships with smaller groups (Interview, 2014j). A voluntary sector partner also described how the council's voluntary sector support team had been replaced by a 'market-making' team, (Interview, 2014ae) whilst a senior member admitted discomfort that

> 'A lot of these organisations need TLC, commissioning and then withdrawing is sometimes a bit mechanical…. It's a transactional relationship. I don't like having to do it… I hate transactional relationships' (Interview, 2014g).

A further criticism was a sense that the mechanics of commissioning inhibited effective communication, with one partner commenting that 'sometimes people in commissioning don't understand the services they commission' (Interview, 2014ac), although other individuals were

praised for their efforts at consultation and involvement (Interview, 2014ae). Meanwhile a member of a commissioning team admitted that the pressure of the budget process could sometimes mean that processes of communication were futile:

> 'there has been lots of engagement, remodelling things, but it gets undermined through an uncollaborative process of making final cuts' (Interview, 2014p).

In summary, although there was some recognition that city commissioners had tried to mitigate some impacts of spending cuts, there was also a widespread view that commissioning practices had displaced other practices – particularly grant-making – with significant implications for organisational relationships and perceptions of organisational values. These practices highlighted the ambiguity inherent in the organisational 'enablers' of 're-shaping activities' and 'working effectively with others' when there were different levels of organisational and financial power. They showed that implementing these 'enablers' in the council's interest could have negative consequences for other organisations with less financial power, potentially contradicting the council's policy rules about supporting local jobs and protecting the vulnerable. This theme will be addressed further in Chapter 7.

D) Service re-design, drift and exhaustion

Finally, there were a limited number of areas where it was clear the council had been unable to maintain cherished principles and to abide by their own 'rules', particularly 'protecting the most vulnerable'. For one senior member these included the inability to shield the poorest from making increased contributions to Council Tax:

> 'that's the one that hurts the most. That and bedroom tax. Then there's charging as well; categories of social care that are sliding away from us; that hurts. Also help for the homeless, the loss of 'Supporting People' (Interview, 2014g).

Although many of these issues concerned welfare reform rather than core council services, this did not diminish the sense of responsibility felt by some councillors and officers to mitigate the negative consequences for local people. Efforts had been made by the council to temporarily off-set contributions to Council Tax, minimise the households affected by 'bedroom' tax, effectively distribute hardship funding and bolster advice services. However, politicians remained conscious that spending cuts were forcing neglect of the council's principles on 'early intervention' and rules about protecting the most vulnerable (Interview, 2014g, 2014h). Instances of policy 'drift' (Streeck & Thelen, 2005b) were evident in higher eligibility thresholds for adult social care services, as well as reductions to 'floating support' services established to prevent vulnerable people becoming homeless.   In Streeck and Thelen's (2005) terms, there was also a sense that options for maintaining the previous organisational 'rules' were being 'exhausted' as financial pressure increased, and in this context a number of interviewees spoke of the need to rebalance the expectations of citizens in relation to the local state (Interview, 2014b, 2014f, 2014q). This issue will be revisited in chapter 8.

Taken together, these different examples show how the council's formal rules on responding to austerity were being challenged in a subtle yet persistent way by emergent practices. Workforce management and commercialisation were sometimes applied in a way that reinforced existing rules, but could also open new spaces and language for the challenge of pre-existing ideological positions. Commissioning and service redesign could be deployed to mitigate the effects of austerity, but were also used to justify squeezing smaller suppliers and to rationalise the neglect of some long-held principles in service delivery. In other words the social construction of what was 'right' and 'wrong', 'possible' and 'impossible' (Streeck & Thelen, 2005b p.9) for Nottingham's approach to service delivery were changing. Although these changes to practices did not in themselves indicate institutional change, they showed how the 'fit' (Lowndes & Roberts, 2013 p.134)

between the rules, practices and narratives underpinning Nottingham's governance was being affected by financial pressure. The next section of this chapter will explore further how dominant narratives were beginning to be undermined through the dissonance created by austerity policies.

6.9 Narratives

In Lowndes and Roberts terms, narratives highlight 'familiar stories' and 'shared understandings' which reinforce 'taken for granted' assumptions (2013 p.52-53). Like any longstanding complex organisation Nottingham City Council had a wealth of myths, legends and stories underpinning its rules and practices, but three prominent narratives are highlighted here in relation to responses to austerity.

The first was about 'pride' in Nottingham. The word 'proud' was on every staff pass, adorned countless posters and bus shelters and was emblazoned on numerous vehicles in the council's vehicle fleet. A marketing campaign based around 'pride' had been instigated several years earlier when the city had been subject to negative media coverage associated with binge drinking and violence in the city centre, a spate of gun crime in inner city estates and poor inspection ratings for council services. Improving and protecting the city's reputation was now a core issue for the council and partners who viewed a positive image of the city as crucial to its ongoing economic health and prosperity, and the key words 'safe, clean ambitious, proud' were prominent in the city's 2030 vision (One Nottingham, 2009 p.7). This in turn was an explanatory factor in the choice of 'presence' and 'enjoying Nottingham' as core areas of focus in a time of retrenchment.

The second narrative was about the extent to which Nottingham was member-led and controlled, with a strong left-wing and Labour ethos (see section 5.5). Senior officers and partners were very clear that politicians were in charge, with members actively managing

performance against manifesto commitments (Interview, 2014e). Directors found leadership 'consistent' and valued the 'clarity' albeit with some reservations about constraints on scrutiny, challenge and debate (Interview, 2014b, 2014d). A partner also commented that the leader and deputy had a clear vision on political choices and resource allocation; 'It isn't just about slavishly following your statutory obligations…I've probably come to appreciate that more in recent years' (Interview, 2014ab).

In relation to austerity, this narrative created a sense of local policy 'red lines', signalling services which were likely to be protected. Some of these were surprising; for instance one officer recounted how any suggestion about charging for the bulky waste collection service could still be 'a very career limiting thing to say' (Interview, 2014b). A senior manager also emphasised that local political choice was still the determining factor in determining how spending cuts would be implemented 'the things that adhere to Labour, the Labour group… have been pretty well protected from cuts' (Interview, 2014e).

A further narrative linking to both these stories concerned Nottingham's concern to retain autonomy and manage cuts in a distinctively 'Nottingham way'.

> 'Its not just about implementing, its about finding a Nottingham response, 'how far can we push it?' There is scope for local interpretation and local policy commitments.' (Interview, 2014o)

The essence of the 'Nottingham way' appeared to lie in implementing distinctively local interpretations of national policies, whilst also mitigating their negative impacts, sometimes with subtly subversive intent. As one director put it 'we respond to external stimuli in the way that we want to, and not in the way the stimuli may have intended us to respond' (Interview, 2014e). The adaptation of commercialisation to create larger and less disjointed services could be seen in this light, for example the council chose to create an in-house company to manage solar panel installations on its social housing (Municipal Journal, 2015d).

These narratives formed important discursive foundations in the way the council responded to austerity, helping to shape the 'rules' of retrenchment. However, just as practices had been subtly reshaped in the context of the persistent downward pressure on financial resources, narratives were also being re-purposed and modified by the search for solutions to meet the funding gap.

For example, 'pride' in Nottingham was being invoked as part of the campaign for encouraging citizens to take greater personal responsibility for keeping the city clean. A six-week campaign in 2014 saw communities collaborating with the council to remove litter and graffiti; whilst a city-wide campaign called 'Waste Wednesday' encouraged everyone in the city to pick up and dispose of a piece of litter. This type of initiative had resonance with the concept of a move towards the 'responsibilisation' of communities as the council drew back from areas of service delivery (Hastings, Bailey, Gannon, Besemer and Bramley, 2015 p.601). In the context of austerity, rather than the council delivering and championing a city that everyone could be 'proud' of, the emphasis was on encouraging Nottingham's citizens to demonstrate civic pride in a way which would reduce the requirement for local services.

In relation to political leadership, although leadership was seen as consistent, there was also a sense that elected members were embracing new agendas and driving ambitious programmes of change. A director commented that 'political ambition has pushed us' citing the council's energy company and the work-place parking levy as 'real examples of bravery' (Interview, 2014b). Another senior manager talked about how members had developed a more 'energetic appetite' for commercialism (Interview, 2014k). As new ideas were embraced, they sometimes brought a degree of ambiguity in members' ideological stance, given their imperative to 'manage despite the cuts' (Interview, 2014g). The preceding section of this chapter noted that although commissioning was directed by elected members at a strategic level, interviews with two executive members also uncovered discomfort with

the process, alongside a sense of resignation about needing to release savings (Interview, 2014g, 2014h). A director also commented that councillors were steering 'a clever path' through welfare reform, commenting that they'd been able to 'navigate the difference between their policy differences and staying true to their values, but it has been hard' (Interview, 2014b). Thus whilst strong political leadership remained a guiding narrative in Nottingham, members were also having to demonstrate flexibility in the policies they adopted, sometimes with a degree of compromise in values.

What did this mean for the 'Nottingham way' in context of austerity? For some individuals it symbolised a narrative of resistance and autonomy:

> 'we do what we want to do anyway. People think local government has these edicts they have to work to, but if they are not locally appropriate you can find a way around them. It's a huge misconception, we have more power than people believe' (Interview, 2014c).

Another officer highlighted that leader of Nottingham had more power than a junior minister, labelling some of the infrastructure projects that were coming to fruition 'visionary' (Interview, 2014q). A middle manager also commented that the council had combated welfare reform to the extent that 'everything's a fight' , but conceded 'there are limitations in what can be done to cushion the blow' (Interview, 2014n).

Yet for others the notion of local autonomy was an 'illusion' with two officers citing a 'suspicious' relationship between central and local government, where national performance frameworks had been replaced by financial constraint (Interview, 2014r). A director highlighted the general weakness of the sector saying 'we are so compliant in almost everything now that we've accepted this complete subsidiary status as a local deliverer of national policy' (Interview, 2014e). Some staff also talked about the struggle to maintain consistent policies in an organisation that was experiencing substantial staffing reductions, higher levels of demand, loss of talent and

'organisational memory', and higher levels of stress (Interview, 2014l, 2014o).

In institutional terms this could be seen as an example of dissonance, whereby the practical challenges of austerity were causing actors to re-work, question and disrupt narratives, with contrasting views surfacing as the council responded to the material realities of the external environment. However at the time of this research such disruption had not yet displaced the dominant narratives, so ideational contest was ongoing. Given the requirement for ever more radical change, in order to meet continuing budget gaps, it seemed likely that dissonance would grow and pressure increase for narratives to be modified.

In summarising evidence for the second proposition, P2 'the council's institutional rules, practices and narratives have been maintained during the period 2010-2015', it has been argued that although organisational rules, as expressed through policy intentions, were largely maintained throughout the period; practices were changing through incremental processes of conversion, layering, displacement, drift and exhaustion; and narratives revealed contest at ideational level caused by 'dissonance' between the council's narratives and the practical challenges of managing services in a context of austerity. Thus although the formal rules governing service delivery had not yet fundamentally changed, the 'fit' between rules, practices and narratives was weakening, creating the potential for more profound institutional change in the future.

6.10 Conclusions

This chapter has examined in detail how the council responded to the spending cuts, including the implications for service delivery and the institutions underpinning that delivery. It found that despite losing at minimum 22 per cent of its spending power, in cash terms, the council was able to maintain relative stability in the range of services it

provided. However, that stability masked incremental change and contestation at the level of institutional practices and narratives. At the time of the research ideational positions were still in flux, but shifting practices and challenges to dominant narratives indicated that individuals within the council were beginning to consider how it needed to redefine its relationship with communities, modify formerly taken-for-granted associations between political values and practices, and re-define its scope for autonomy and action.

Beyond the scope of these propositions, these findings also raised a suggestion that austerity conditions were helping to extend and strengthen the dominance of new public management-style 'business' practices. Although the Coalition government had abolished many of the regulatory mechanisms associated with 'New' Labour's modernisation programme, including audit, inspection, and statutory performance reporting; the growth in significance of commercialisation and commissioning meant that managerial language and techniques were thriving. At the same time, the market-inspired ideological logic or as one director put it, 'reality' (Interview, 2014b) underpinning those approaches was subtly re-shaping local practices of service delivery despite the presence of strong political leadership that had traditionally resisted such pressures.

The related normative question arising from this observation is whether the practices and narratives of service delivery mattered as long as services were maintained. The New Labour 'third way' ethos of 'what matters is what works' (Cabinet Office, 1999 p.40) argued that if services were continuing to be provided to the satisfaction of the public, methods of delivery were not important. However, many people interviewed for this research expressed disquiet about changes to the values underpinning service provision, looking beyond the immediate objective of service delivery to perceive wider meaning in subtle institutional changes (Interview, 2014g, 2014h, 2014i, 2014r, 2014w, 2014ab). This issue will be explored further in the next chapter, in the

context of an institutional and interpretive analysis of the council's relationship with its partners.

Chapter 7: Austerity and traditions of service delivery through partnership

7.1 Introduction

The previous chapter examined how the council's services and their underlying institutions responded to austerity. This chapter considers service delivery in a governance context, investigating how spending cuts affected services delivered through multi-agency partnerships in Nottingham between 2010 and 2015.

Section 2.2 notes that partnership became an integral feature of local regeneration programmes and service improvement initiatives during the 1990s and early 2000s, as successive governments sought to modernise and 'join up' an increasingly fragmented landscape of local service delivery (Lowndes & Skelcher, 1998; Cabinet Office, 1999 p.12). The term 'partnership' covered a wealth of different relationships, including strategic inter-agency bodies, grant funding, contractual arrangements, and multi-agency neighbourhood working, at varying levels of formality. Many of the aspirations councils sought to achieve on behalf of their locality could only be delivered through multi-agency activity. In 2012, 55 per cent of the Nottingham Labour group's manifesto commitments were dependent on success in partnership work (Nottingham City Council, 2012b). Partnership also constituted an essential aspect of councils' community leadership and 'place-shaping' role, (DCLG, 2006, 2011b; Lyons, 2007) a topic which will be considered in more detail in chapter 8.

Research into the impacts of austerity on local government has not generally focussed on the implications for partnership activity. Existing studies have concentrated mainly on strategic partnership work

(Lowndes & Pratchett, 2012; Lowndes & Squires, 2012) or neighbourhood governance (Davies & Pill, 2012; Pill & Bailey, 2014) presenting a mixed picture as to whether partnership working has waned or waxed in the context of spending cuts. This chapter considers the evidence for proposition 3, suggesting that if local services have been maintained, one might also assume that *'partnerships for service delivery between the council and other statutory, business and voluntary partners have been maintained in the period 2010-2015'*.

For the purposes of this discussion, the term 'partnership' embraces a broad swathe of arrangements between the council and other providers to facilitate service delivery, including strategic inter-agency partnership relationships, neighbourhood working, and commissioned services. It does not include any large-scale 'outsourcing' arrangements, or goods or assets rented or procured from external suppliers. The inclusion of commissioned services is deliberate, based on the observation that, during the period under examination, many services which were formerly provided through grant funding to the voluntary and community sector have been moved to a contract basis. Organisations which had been termed 'partners' under the grant regime, became 'service providers' in terms of the commissioning process, despite the nature of the work remaining the same. Reflections on this development form an important part of this analysis.

Recognising the institutionalised nature of partnership work, the analysis starts by considering the extent to which institutional elements of partnership work have been maintained, using Lowndes & Roberts (2013 pp.52-53) definition of institutions as 'rules, practices and narratives' (see section 3.3). It finds that although national-level institutions underpinning partnerships had been substantially altered, in Nottingham many local structures supporting partnership activity appeared to have been sustained. However, in common with the tensions noted in the council's own services (see section 6.9), certain

practices and narratives indicated stresses within the institutional framework.

An interpretive analysis is then applied to Nottingham's partnerships, using the concept of local government traditions, highlighted in section 3.3, (Bevir & Rhodes, 2003, 2006; Gardner & Lowndes, 2015) to consider the local meaning of changes to narratives and practices. Using the example of voluntary sector commissioning, it argues that the 'dilemma' faced by the council as a result of reductions to funding created impetus to draw on different local governance traditions, resulting in the waning of a local 'collectivist' approach to voluntary sector grants and growing influence for 'enabling' traditions. The changes had consequences for structure, in terms of the institutional arrangements for funding distribution; for agency, in relation to the way actors perceived their roles and how they should operate; and for meaning, in respect to the 'web of beliefs' held by actors about the wider significance of the changes. The shifting traditions also provide an explanation for the strain and conflict experienced as voluntary sector partners adjusted to the new partnership environment.

7.2 Austerity and the institutions of partnership working

The 2010 emergency budget and Comprehensive Spending Review brought rapid reorganisation of the partnership landscape inhabited by local authorities. This consisted of a three-front assault on the institutions established by the preceding Labour government to promote collaboration, including a reduction in regulation in the form of statutory requirements for partnerships, (the institutional rules of partnership work,) a reduction in funding and infrastructure, (affecting institutional practices,) and a change in the locus of partnership activity (influencing narratives about partnership).

In the months after the 2010 election, many formerly compulsory partnerships and strategies were quickly shorn of their statutory status, including the removal of a statutory requirement to prepare a 'sustainable community strategy'[23]. The multi-agency inspection process designed to succeed the Comprehensive Performance Assessment system for local government[24], Comprehensive Area Assessment, was abolished alongside its lead agency, the Audit Commission. Residual regulatory activity was practiced mainly by the service-specific inspectorates, such the Commission for Social Care and Inspection, Office for Standards in Education (OFSTED) and Her Majesty's Inspectorate of Constabulary (HMIC). Suddenly the intensely instrumental 'rules' of partnership activity set by the previous Labour government had been swept away, leaving greater scope for local choice and initiative in partnership activity, but fewer legislative imperatives.

As national regulation was removed, so was national funding, with fundamental implications for partnership infrastructure. The emergency budget of June 2010 (HM Treasury, 2010a) cut several major funding streams which had been previously been distributed through local strategic partnerships. These included the Working Neighbourhoods Fund[25], Supporting People[26], and 'reward grant' for the successful completion of Local Area Agreements[27]. This decimated the resource-power of some partnerships charged with distributing the grants. As an example, the One Nottingham partnership went from managing

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[23] Sustainable community strategies were in long-term action plans for local strategic partnerships, introduced from 2000 onwards.
[24] Comprehensive Performance Assessment (CPA) was an inspection regime introduced in 2002 as a means to produce a national overview of local government performance. It was briefly succeeded by Comprehensive Area Assessment (CAA) in 2009 which aimed to provide a multi-agency assessment of the performance of public services across whole localities, before being abolished in June 2010.
[25] The Working Neighbourhoods Fund was established in 2007 to provide additional funding to specific localities in order to address worklessness and skills challenges.
[26] The Supporting People programme was launched by the Labour government in 2003 to improve the funding, planning and monitoring of housing-related support for vulnerable people.
[27] Local Area Agreements had two funding sources: 'pump-priming' funding, provided at the beginning of the agreement to assist in initiating service improvement, and a larger 'reward' grant, to be paid once performance had improved, using a 'payment by results' model.

'Working Neighbourhoods' funding notionally worth around £20m, (One Nottingham, 2010d) to having discretion over total funds of just £167,000 in a period of four years (Chapman, 2014 p.46), with immediate consequences for its supporting administration and the maintenance of its linked thematic partnerships (One Nottingham, 2010b p.6). In response to funding reductions, supporting staff for One Nottingham were cut, and remaining team members re-located from separate accommodation into the City Council offices. The focus of the partnership's activity also changed from oversight and management to a more advisory and co-ordinative role (One Nottingham, 2012e p.3). Objectives within the *Nottingham Plan, (*the city's community strategy) were re-focussed, and performance management arrangements were rationalised from quarterly to annual reporting (see section 6.5).

Eric Pickles 'bonfire of the quangos' (Flinders & Skelcher, 2012) also claimed regional Government Offices and Regional Development Agencies[28], both of which had responsibilities for monitoring and promoting local partnership activity. Local voluntary sector 'infrastructure' bodies, which provided co-ordination, training and capacity-building services for the sector were further casualties of spending cuts. For example, in Nottingham, the £1.217m cuts to the Working Neighbourhoods Fund resulted in reduced funding to involve voluntary organisations in the One Nottingham partnership, and cuts to support for black and minority ethnic voluntary organisations. These compound cuts to funding and partnership infrastructure had wider implications for the relationships between local partners, which will be explored in more detail in section 7.7 below.

Meanwhile new partnership loci were starting to emerge with their own dedicated funding streams. These included sub-regional Local Enterprise Partnerships, (LEPs) the public/private partnerships created in 2010 to channel regional development activity following the demise

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[28] Regional government offices (known as the 'GO's) provided regional bases, intelligence and monitoring for Whitehall departments. Regional Development Agencies (RDAs) were launched in 1999 to promote economic development and regeneration. Both were dismantled following the emergency budget of June 2010.

of the Regional Development Agencies; and 'health and wellbeing boards', installed as part of the governance arrangements for reorganisation of the NHS in 2013. In establishing these new areas of focus the narratives of partnership working also changed. Labour governments had focussed on working in partnership to deliver central (and local) performance priorities. Under the Coalition, partnerships connected with 'localism' narratives, moving away from an emphasis on accountability to central government, towards more place-based policy choices, with business and the economy as a core driver.

At a national level, in institutional terms, it can therefore be argued that the rules, practices and narratives of partnership working had been extensively revised. In response the City Council took steps to adjust its local rules, and 'rationalise the plethora of partnerships' (One Nottingham, 2010c p.5), but in many ways institutions of partnership work remained intact. The evidence for this assertion will be explored in more detail in the next section of this chapter.

7.3 Partnership work in Nottingham

Rather than abolishing the local strategic partnership or 'letting it die peacefully' (Lowndes & Skelcher, 1998 p.328), Nottingham City Council (NCC) strengthened its oversight of One Nottingham after the 2010 spending review announcements, and continued to provide core funding, albeit at a lower level. It also reiterated a commitment to continue 'working effectively with others' as a core part of its policy to address austerity (exemplified in the lens of affordability diagram discussed in section 6.7) (Probert, Banfield, & James, 2010 p.2-3).

In some ways the council used the opportunity of revising One Nottingham's governance rules to remove any uncertainty about the relative influence of the partnership over the council. Whilst Nottingham City Council had always held legal accountability for many of the funding streams administered by One Nottingham, the supporting

legislation had left some ambiguity in the degree to which local strategic partnerships should steer local strategy. In Nottingham a series of governance reviews after 2010 underlined 'the primacy of the City Council's position and the role played by leading councillors' and formally connected the council's cabinet to One Nottingham (One Nottingham, 2010d p.3). However, One Nottingham board members interviewed for this research generally considered that the council was the natural body to convene and resource the partnership, and were pragmatic about its influence over the direction and activity of the partnership's work. One partner commented 'It does feel like its steered by the City Council, but then again in fairness, if the City Council didn't steer it, would anybody else?' (Interview, 2014ab) Another commented:

> 'ideally you could argue for more independence but - the praxis in an imperfect world – it's got to have somebody to resource it. The best people to resource it are the City Council, unless some other body with people and financial resources is willing to drive the bus…' (Interview, 2014y)

Changes in governance therefore did not appear to diminish the commitment of board members to partnership working, and they told many positive stories about its benefits. At an early stage One Nottingham partners recorded a joint aspiration to work together to mitigate cuts, and continue support for the *Nottingham Plan* (One Nottingham, 2011e p.1). The strategic partnership became a forum to share the impacts of cuts and anticipate cumulative unintended outcomes, with detailed intelligence shared through an expanded chief officers group, which included Chief Executives from all the key statutory agencies. Interviewees (Interview, 2014f, 2014aa) perceived an increased openness between the city's elites, and saw this as a positive change to the former 'rules in use':

> 'Personal relationships have been developed and are better…I'm not saying it wasn't there in the past but it was less uniform. Generally speaking the key leaders in the city, in the police, in

the social services, Chief Executives and faith communities now get together and know each other' (Interview, 2014y).

It was clear that partnership relationships were not always easy, and there were some examples of disputes over cuts to funding. However, a middle manager in a partner organisation emphasised that whilst disagreement happened, it was possible to fall out 'professionally' especially if you concentrated on new opportunities as a focus for collaboration (Interview, 2014v). One example of this in practice was the council's relationship with the housing association 'Framework'. Although Framework had initiated a judicial review against the council, over disputed levels of 'Supporting People' funding, relationships were later repaired (see chapter 8.6). In addition new partnership initiatives were created, such as project 'Aurora', which integrated the management of local policing and neighbourhood services (Interview, 2014x). The partnership also played a role in protesting the cuts, through a joint letter to the Prime Minister, and was active in constructing joint bids to the Big Lottery Fund (One Nottingham, 2013b p.6).

Several interviewees related narratives about the partnership being on a 'journey' (Interview, 2014y, 2014aa). One interviewee argued that in many ways the loss of funding had made partnership more genuine because it was no longer 'a fight to look after the money and to take money out of the door', 'people are beginning to sense they can influence a bit more and deliver a bit more….working relationships are better' (Interview, 2014z). Another commented that only constraints to partnership work were:

> 'egos and organisational boundaries, not money. The lack of money will help, will force us to do it. Its whether we can get people to put down egos at the door' (Interview, 2014x).

Perceived successes of the partnership's joint work included the creation of the Nottingham 'Young Creative' awards, which had grown considerably in profile and status in recent years, showcasing the talent

of the city's young writers, artists and designers (Interview, 2014f, 2014z). Partners also highlighted joint efforts to deal with the 'disturbances' (riots) of August 2011 (Interview, 2014y, 2014z); and the co-ordinative work of the partnership in securing lottery funding (Interview, 2014ab). The chief officer's group was mentioned as having delivered effective joint working (Interview, 2014f) and some partners saw good initiatives emerging from the One Nottingham's fora and theme partnership meetings (Interview, 2014y, 2014z). Partners also referred to the value of networking and learning, the importance of personal relationships between board members and their commitment to the *Nottingham Plan* (Interview, 2014x, 2014y, 2014ab).

More widely, partnership working continued at many different levels. In One Nottingham there were some cuts to community focussed and theme-based sub-partnerships, but - in mitigation - board meetings became more cross-cutting, with wider 'forum' workshops taking place on 'challenge' issues (One Nottingham, 2011c). Other partnerships supported by the City Council were praised by partners for their effective work, including the 'Housing Strategy Implementation Group's work on homelessness (Interview, 2014ae); partnership measures to mitigate the impact of welfare reform (Interview, 2014u); protection of voluntary sector funding and advice services (Interview, 2014j, 2014s); and promotion of emergency hardship funding (Interview, 2014u, 2014ac). One middle manager from a local voluntary sector organisation commented 'the City [Council] really tries at this stuff and they have got better' (Interview, 2014ae).

At a neighbourhood level, workshops with frontline staff also confirmed the centrality of partnership to their work on the frontline: 'our best experiences aren't when we work on our own' (Workshop, 2014b). On the outer estate the Neighbourhood Action Team (NAT) had a palpable team atmosphere 'This is a unique NAT, a unique combination of going that extra mile from all service areas' (Workshop, 2014b). The inner city team also saw their partnership as one of the most positive factors influencing the area. Both teams told optimistic stories about the

potential within local communities. The inner city ward was described as a 'vibrant area' where diversity was a positive strength (Workshop, 2014a). Outer estate staff talked about 'visible' improvement and 'transformation' which had occurred in recent years, a 'step change from a low base point' (Workshop, 2014b). Both areas had also benefitted from modern, attractive public buildings built in the past 10 years, physical evidence of substantial multi-agency investment in infrastructure at community level which was continuing to pay dividends.

At the sub-regional level, the council was also active in shaping D2N2, the Local Enterprise Partnership, and supported early moves to establish a combined authority for Nottinghamshire in 2014. A shared service for the council's HR, Payroll and Finance had been established in 2012 with Leicestershire County Council (a Conservative-controlled authority) as an efficiency measure (Smith, 2013). The Leader of the council also took on the chair of East Midlands Councils, the regional arm of the Local Government Association. Nationally, Nottingham played a vocal role in debates about devolution and freedom from central government funding as part of the Core Cities lobbying group (Core Cities, 2013b).

Thus although many of the nationally-given rules and context of partnership had changed; and some of the 'rules' shaping the council's relationship with partners had been adjusted, many narratives and practices of partnership working had remained solid, and perhaps even strengthened over the period under study. The council and its partners had formally re-committed to the shared targets of the *Nottingham Plan*, and interviewees were in general positive about the benefits of partnership activity. In terms of practices, the financial pressure of austerity had encouraged all partners to look more widely for opportunities to collaborate, and improved partnership connections which had formerly been under-utilised (for instance with the faith and business communities), reflecting new 'rules in use' (Ostrom, 1999 p.38). At the front line, there was an established and resilient practice

of agencies working together in an attempt to join up emerging gaps – for instance the inner-city neighbourhood action team described how early cuts within different agencies had created compound effects on services for domestic violence, but that partners had been able to work together to restore some provision. At a sub-regional and national level time was still being found to lobby regionally and nationally for fresh resource.

However, in the midst of this general resilience, signs of strain were also beginning to show, particularly in the relationships between the council and some voluntary and community sector partners. The next section of this chapter will explore these in greater detail.

7.4 Local practices and narratives under strain

Although partnership working continued to be strongly in evidence, interviewees highlighted some areas where narratives and practices of partnership work seemed to be changing as a result of reductions in resources.

The first narrative identified by a number of interviewees related to reduced trust between partners, stemming partly from competition for resources. A One Nottingham board member recounted a story about intense local lobbying for particular community interests to be represented on the board, due to a perception that membership could influence council funding decisions. He emphasised that in an environment of competition and influence, the partnership needed clarity in how it related to the council, particularly around funding decisions (Interview, 2014ad). A different partner mentioned that some voluntary sector groups were also worried about challenging the council due to a perception that it might impact on their funding. They didn't 'want to be the person who asks awkward questions' (Interview, 2014s).

A linked narrative focussed on the increased potential for conflict. For two former senior managers at the Council, the spending cuts had brought more 'competition, confrontation and fighting' partly due to reduced opportunity for informal collaboration. In the past the LSP had been able to provide 'oil on troubled waters… oil in the machine' but increasingly partners found it 'easier to fall out when you are frazzled or in competition' (Interview, 2014i).

In addition there was a sense in which depleted resources had cut opportunities for networking and learning, with one voluntary sector manager describing how funders were more rigid in their requirements, 'some inspirational stuff doesn't happen any more' (Interview, 2014s). At the same time there was a loss of organisational relationship and organisational memory. Front-line staff described the difficulty of maintaining connections 'informal networking is so, so important. There isn't the time for that now' (Workshop, 2014b). A voluntary sector manager worried that the role of networking was undervalued in contracts focussed on service delivery. Citing the time and effort required to draw strategic partners together around a specific topic she commented 'the importance of this type of 'weaving' – strategic influencing – is not well understood' (Interview, 2014ae).

Several interviewees perceived a practice of partnership relationships becoming more contract and performance driven as a result of the need to demonstrate value for money (Interview, 2014x, 2014ab, 2014ae). This could be a problem if monitoring was 'unintelligent', particularly for the voluntary and community sector. One statutory partner commented 'we introduce far too much commerciality' but recognised that this could stem from central plans and targets. 'Changing a supervisory and managerial mind-set won't take place overnight' (Interview, 2014x).

Concerns were also expressed about the way performance management could inhibit partnership activity, particularly at a frontline level. Despite reductions in performance management at a national level, staff at the frontline and within contracted organisations perceived

that they were doing more performance monitoring (possibly as a result of management delayering). 'We're all carrying our rucksacks of targets' commented one frontline staff member, 'three or four years ago we were empowering officers to sort things out' but 'now it feels as if we have a hand-brake on, it's almost disempowering' (Workshop, 2014b). A colleague in the multi-agency team added 'Our team's objectives don't necessarily mesh with the CPSO [Community Protection Support Officer] team's objectives, we've gone our own way'. The issue was summarised as

> 'there's a will for people to carry on working together, and they want to work together, but there's an increasing pressure that they can't work together, because they are having to look at separate targets. They are getting their heads down' (Workshop, 2014b).

Conversely, deterioration of facilities for gathering and sharing data, could also present problems for service providers. One partner commented that after regional bodies were scrapped 'decisions were made in ignorance' (Interview, 2014ae). Another spoke about the importance of the national housing database developed by St Andrews University commenting how glad he was that the council had retained a subscription to the service after DCLG had stopped providing the data. 'It helps to demonstrate outcomes' (Interview, 2014v).

These narratives suggested that although partnership for service delivery was being maintained, some narratives and practices underpinning institutions of partnership work were being challenged. In particular, interviewees identified less trust, learning and informal co-operation, and increased potential for conflict. In addition partners perceived an increased emphasis on contracts and targets, coupled with a less effective infrastructure for using data effectively. At one level these subtle changes might be attributed to the effects of resource dependency as organisations under financial stress sought to reach new types of accommodation (Lowndes & Skelcher, 1998 p.317).

However, this analysis will suggest that the changes could also be argued to reflect a wider shift in the 'traditions' underpinning the local authority's approach to partnership. The next part of the chapter will explore this contention in greater detail.

7.5 Local government traditions and partnerships for service delivery

Rhodes defines traditions as 'a set of inherited beliefs about the institutions and history of government' (see section 3.4), (Rhodes, 2011 p.6). As noted in chapter 3, traditions provide an ideational context within which policy makers and practitioners make sense of their options. Gardner and Lowndes (2015) outline five local government traditions: Civic, Professional, Collectivist, Enabling and Communitarian traditions (see table 7.1, below). These categories are not mutually exclusive or exhaustive and elements of two or more traditions may be observed in councils at any given time. However, in many councils, one or two traditions are dominant in providing a context for decision-making and policy development. Extending this analysis slightly (see table 7.1 below) this chapter argues that different local government traditions are also likely to be associated with different practices of partnership and with institutions which facilitate those practices.

For example, the civic tradition lionises the ambitious city leadership pioneered by Joseph Chamberlain, and partnership work in this context would be weighted towards enhancing the reputation, power, and status of the locality, principally through work with elites. In practical terms this type of partnership activity is enabled through structures including LEPs, combined authorities, LSPs and bodies like 'Core Cities'.

Table 7.1 Traditions of Local Government and their implications for partnership

Source: Gardner and Lowndes 2015 plus author's own analysis

Tradition	Characteristics	Partnership practices	Facilitating institutions
Civic	Collaborative city leadership (political, business, civil society elites); city identity; large-scale, multi-purpose services; economic development focus	Cross-border and inter-agency partnership relations between elites which aim to enhance the reputation, status and power of the locality	LEPs, combined authorities, LSPs Core Cities
Collectivist	Comprehensive local services; good employer; class and community (of interest) identities; anti-poverty/equality focus; new ways of living/working	Partnerships to ensure collaboration of statutory agencies; paternalistic relationship with community and neighbourhood organisations. State-sponsored 'convening' role.	Council –sponsored LSP, and neighbourhood governance structures
Professional	Specialist (social and technical) services; public service ethos; public as clients; standardisation; bureaucratic orientation; councillor/officer joint elite	Cross-border partnerships focussed on building professional expertise, efficiency, innovation and sharing good practice	National professional bodies e.g ADASS, SOLACE
Enabling	Minimalist state; new public management (efficiency/marketization); public as customers; councillors as board members who let contracts	Delivery-focussed partnerships based on a commissioner / provider contract relationship. Minimal attention to convening role.	'Joint Ventures' with private sector. Commissioning infrastructure.
Communitar-ian	Small state with devolution to neighbourhoods; community identities (geographical/faith); self-help and co-production of services; local variety	Encourage VCS to lead on partnership activity and convening function. Emphasis on strong civil society, fundraising and philanthropy.	VCS Infrastructure bodies. Civic societies e.g. Nottingham Citizens

Meanwhile the collectivist tradition prioritises the co-ordinative role of the state, within a hierarchical power dynamic (Powell, 1991) and would imply a paternalistic 'positive sum' approach to state funding of community and neighbourhood level partnership infrastructure, (Lowndes & Pratchett, 2012 p.32) as well as a 'convening' role for the state in co-ordinating the achievement of central goals.

In the professional/managerial tradition, partnership is likely to be associated with technocratic comparative work revealing new sources of innovation or best practice. Such work is typically promoted through professional bodies such as the Association of Directors of Adult Social Services, (ADASS) or The Society of Local Authority Chief Executives (SOLACE).

'Enabling' tradition partnerships prioritise a market-based approach that focuses on the delivery of measurable outcomes and provides scant resources to back office costs such as 'strategic influencing' and partnership 'infrastructure', leaving the market to fill the gap left by the retracting state. Institutions facilitating the enabling tradition include strong commissioning infrastructure and 'joint venture' partnerships.

Finally, in localities influenced strongly by the communitarian tradition, there would be encouragement for the voluntary and community sector to provide their own convening institutions, with an emphasis on moving away from state-facing and state-dependent partnerships to diverse funding sources and civic activism such as that expressed, in the case of Nottingham, through 'Nottingham Citizens'.

Interpretivist theory (see chapter 3.4) suggests that in the context of a crisis (such as the 2010 spending cuts) existing practices and institutions may become unsustainable, resulting in a 'dilemma' or turn to alternative traditions, as a source for institutional redesign (Hay, 2011). Such shifts carry impacts for institutions, which are subject to revision, and for actors in terms of their perceptions of institutional constraint and scope for agency. They also carry meaning, based on

actors' 'web of beliefs' (Bevir & Rhodes, 2010 p.74) about the context in which they are situated.

The next section of this analysis will consider evidence for change in Nottingham's local traditions, including the implications for institutions of partnership, and for voluntary and community sector agency. It will also discuss the meaning of those changes for individuals.

7.6 Nottingham's local government traditions

In Nottingham the council has historically resonated most strongly with the 'civic' and 'collectivist' traditions of local government. Civic ambition is manifest through the city's self-styling as a member of the 'Core Cities' lobbying group, its aspiration in the *Nottingham Plan* to be a 'world class city' (Jones, 2011), extensive physical regeneration, policy intentions to develop and own utilities companies (Interview, 2014d), and the watch-words for the council, 'ambitious' and 'proud', which are printed on every staff member's identity card. The historic example of Joseph Chamberlain was specifically referenced by a senior politician, who upheld Chamberlain's holistic approach to municipal leadership as a model for the future (Interview, 2014g).

Meanwhile collectivist policies are reflected in the council's championing of the workplace parking levy for improved public transport (Interview, 2014f) and concern for maintaining the scope and influence of the council as an employer and service provider (Interview, 2014d), as well as the city's continuing commitment to some universal service provision and protecting those impacted most severely by welfare reforms (see section 6.7).

By contrast, professional traditions are weaker, partly due to Nottingham's extremely strong and stable political leadership (also noted in section 5.5 and 6.9). One senior manager commented 'Jon Collins [the leader] understands executive governance' and had 'taken on a lot of the clothes of a mayor'. In his view the correlate had been a

diminished role for senior officers in the political executive (Interview, 2014e). Other senior officers also recognised the degree to which the council was 'overtly politically led' (Interview, 2014d) and recognised that officers sometimes found difficulties in bringing alternative views to the executive (Interview, 2014b).

This strong political leadership had also sometimes been in tension with a communitarian tradition. The council's move after 2010 to assert itself within local partnership structures is consistent with this view, alongside perceptions from some local leaders that, prior to austerity, there had been less dialogue between the council and faith and business sectors (Interview, 2014y, 2014aa), and that councillors had some discomfort with the concept of 'community empowerment' (Interview, 2014e).

Enabling traditions are also less well-developed. Outsourcing and the compulsory marketization of services through compulsory competitive tendering were actively resisted in the 1990s (for example, the local bus company continues to be majority owned by the Council, despite being 'privatised' in 1986). However, as demonstrated in chapter 6, market-based practices were beginning to assert themselves in the years after 2010, particularly in relation to commissioning.

In line with this analysis, it is possible to see how partnership governance has in the past been most strongly influenced by civic traditions. Prior to 2010 the council had a long-standing approach to cross-border partnership work through the Greater Nottingham Partnership, which had arisen from the 'New Commitment to Regeneration' initiative[29] and pre-dated the requirement to form and maintain a local strategic partnership. The authority also had a history of working with elites to promote its national and regional interests, including the aforementioned partnerships with 'Core Cities' and 'East Midlands Councils', as well as more disparate groupings such as the

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[29] See note on New Commitment to Regeneration, section 2.2

'Nottingham Ambassadors'[30] scheme. It could be argued that the One Nottingham Board was preserved after 2010 partly because it enabled this type of interaction.

However, due to the 1997-2010 Labour Government's substantial funding and promotion of partnership initiatives, it is more difficult to identify collectivist partnership approaches, prior to 2010, which can specifically be related to the initiative of the council, rather than European and national government policies. Before the 2010 emergency budget there was a great deal of funding via initiatives such as the Neighbourhood Renewal Fund[31] and Community Empowerment Fund[32]. These were used to supply funding for partnership infrastructure, including the core team of 'One Nottingham', funding towards the Nottingham Council for Voluntary Service, and money for niche infrastructure bodies such as the 'Hostels Liaison Group' (HLG) and 'Nottingham Equal', which acted as an umbrella body for Black and Minority Ethnic Voluntary Organisations. There also existed a layer of local area partnerships, (with their roots in the governance of regeneration funding such as the Single Regeneration Budget[33]), which received state funding to represent the interests of neighbourhoods, and mirrored the council's own area committee structure.

After 2010, national funding for the majority of these activities was cut, and in most cases the council reduced its own spending accordingly. Evidence of a residual collectivist approach can be found in the effort made by the council to stabilise and guarantee a baseline level of

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[30] Nottingham Ambassadors was originally created by the City Council as a means to promote the City through the contacts and profile of some of its most famous residents. The campaign continues with details available at
http://events.experiencenottinghamshire.com/ambassadors/

[31] The Neighbourhood Renewal Fund was established in 2001 to reduce social inequalities between deprived neighbourhoods and the rest of the country, focussing on the 88 most deprived local authority areas.

[32] The Community Empowerment Fund provided funds from 2001 for the 88 NRF authorities to engage communities in their local strategic partnerships.

[33] The Single Regeneration Budget (SRB) programme was launched in 1994 to bring together twenty separate programmes for economic, physical and social regeneration and act as a catalyst for partnership working in areas with high levels of deprivation.

funding for voluntary sector partners between 2012 and 2015 (Interview, 2014g), and its protection of funding for partnerships perceived as alleviating welfare reform, for instance around advice services (Interview, 2014h, 2014u). However, the mechanisms used to implement the council's spending reductions also suggest a withdrawal from collectivist approaches and the adoption of practices associated with enabling traditions. The next part of this chapter will provide a detailed example of this dynamic in action.

7.7 Changing traditions: the voluntary sector and commissioning

When the emergency budget provisions were announced from June 2010 onwards, cuts began to impact on Nottingham City Council's partnerships with the voluntary sector in three main ways.

First, as detailed above, the substantial cuts to major funding streams administered via the local strategic partnership, 'One Nottingham', meant that there were rapid reductions in funding for many voluntary sector initiatives, particularly for projects which did not directly impact front-line services. These included training and 'capacity-building' work, funding for 'infrastructure' organisations, and participation initiatives.

Second, there was a reduction in the number of community-level council posts providing informal and day-to-day connections with partnership activities, including community development, youth work and play (see section 6.4).

Third, the council undertook a rationalisation of voluntary sector grant funding, which instigated a more 'transactional relationship' (Interview, 2014g, 2014i) between the council and voluntary sector, where the local authority commissioned services, often in blocks, from competing consortia of voluntary organisations. As noted in Chapter 6, the 'voluntary sector support' team was replaced by a 'market making' team (Interview, 2014ae). Administration costs were also reduced by

devolving money and funding decisions down to community based 'infrastructure organisations' (Interview, 2014g). The relationship with voluntary organisations moved from a 'grant' basis to an 'SLA[34] based contract' (Interview, 2014b).

Both the pass-porting of funding cuts, and reduction in community-facing frontline staff were symptoms of wider strategies adopted by elected members and senior officers seeking to balance the budget (see section 6.3). The third response, however, represented a shift from the pre-existing institutionalised practice of grant making, (consistent with 'collectivist' traditions) towards more competitive techniques associated with enabling traditions. What then, was the rationale for this, especially given that a senior officer admitted that the changes were 'not without controversy'? (Interview, 2014b).

Differing explanations were evident amongst interviewees in justifying the changes. Two executive members from the council evinced discomfort with the commissioning approach, but justified the switch as an unavoidable cost saving measure:

> 'saves money, dumps administration on somebody else, doesn't always bring a better result … It's a transactional relationship. I don't like having to do it.' (Interview, 2014g)

> 'Within the traditional voluntary sector organisations…there has been a lot of unease with us changing it, they think we are trying to do them down. We're not but we can't keep helping them the way we do, and I think they are beginning to recognise that.' (Interview, 2014h)

Meanwhile, council officers provided a second reason for the changes, defending the approach on terms of efficiency and 'good governance' (recalling the appeal to similar values in relation to workforce management – see section 6.8).   A director described how

> 'it was the right thing to do because we had multiple schemes, we had multiple ways that money was allocated to other organisations, we had grants, we had delivery contracts, all sorts

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[34] SLA stands for Service Level Agreement, a technical specification of outcomes for a given piece of work.

of things being made in all sorts of committees and so it wasn't particularly structured around things that we as an organisation wanted to achieve for the city' (Interview, 2014c).

Another council director described the adoption of the commissioning model as a transparency mechanism, with the added benefit of protecting councillors from political flak:

> 'Nottingham being what Nottingham is, where you've got a very close connection between some of the voluntary sector organisations and councillors, it's important that this [transparency] is very clear in terms of the decisions you are making and the outcomes that you are getting for your money. Because you've got to keep councillors safe from that, especially when times are so hard' (Interview, 2014b)

Once more, these responses were framed as a pragmatic response to the cuts, albeit with a more technical and managerial focus.

A different argument, encapsulated by an executive Councillor, spoke of the need to correct an unbalanced relationship between the council and the voluntary sector:

> 'I have to say there was something that was a bit unhealthy in all voluntary sector organisations relying on the council for their resources. I think we have gone to the other extreme now, the pickings are meagre, however it has enabled some organisations to give themselves a stronger base ... I think the relationship was probably – what's the word? I want to say patriarchal, but that's the wrong word - there was too much dependence on the council' (Interview, 2014f).

These three core narratives - the imperative to save money; an (officer led) push to improve business practices; and a wish by some influential actors to shift away from a paternalistic (collectivist) approach to grant funding - combined for these actors to justify a change in the tradition of partnership work between the council and voluntary sector, from collectivist, grant-led relationships to enabling contract-focussed relationships. However, it was not an approach which was supported by all. Two former directors who had taken up voluntary sector roles saw the policy shift as part of a wider societal trend, with the ethos of the welfare state being a 'gift relationship', but the dominant narrative

now being consumer and individual choice. In following this trend they felt that the council had departed from earlier principles:

> 'Dir 1: The contractual culture is coming in now strongly. I'm not sure how I like that, and commissioning. Because its back to this individualisation stuff, rather than communities.
>
> Dir 2: That purchaser provider split you know, the delivery and the contract. Nottingham fought hard against that with its CCT' (Interview, 2014i)

For these interviewees, the introduction of commissioning techniques represented a cultural break with the collectivist policies of the past that could not be easily reversed.

This shift in the traditions underpinning partnership relations came with material effects; revising and disrupting institutions facilitating partnership with the voluntary and community sector, and changing the scope for agency available to voluntary sector actors. Such changes carried specific meanings for actors related to their internalised expectations of partnership, based on Nottingham's previous traditions of partnership work. The next section will look at institutions, agency and meaning in turn, with changes summarised in table 7.2, below.

A) Disruption to institutions facilitating partnership

The move from grant-based funding to commissioning-based funding created a shift from a highly centralised grant administration structure, where voluntary organisations were directly accountable to the local authority, to more a devolved form of administration, where funds were distributed through contracts via area-based, and voluntary and community sector-led, 'infrastructure' organisations. This institutional revision brought a number of challenges.

Communication and accountability channels were slow to establish. City-wide groups and communities of identity initially 'struggled to see where they fitted in' (Interview, 2014s). An area-based infrastructure organisation also spoke about problems of establishing working

relationships with other voluntary organisations: 'It is tricky for us because we don't have the contacts, we are having to work with community associations, it will be a long game'. At same time, the participant agreed 'multiagency working is vital' but:

> very time-consuming for the voluntary sector. You can spend days in meetings which you need to, but it is difficult for small local voluntary organisations" (Workshop, 2014a).

Some partners also cited a loss of relationship with the council, expressing a felt need for a greater level of connection and engagement: 'something is not quite working' (Interview, 2014ae). A further interviewee commented that there was confusion on who to go to with issues and problems, due to a loss of key contacts who had provided 'organisational memory' (Interview, 2014s).

An aspect of commissioning which was widely questioned was the rule requiring organisations to bid for contracts in consortia. Forming consortia could be a problem if partners did not share objectives, or had unequal levels of power. One partner recounted a successful example of consortium working, but emphasised that the approach within her sector had pre-dated the commissioning process. In this case organisations had chosen to work closely together to win new work, while maintaining their local distinctiveness. Partnership was maintained throughout the tender process by working out protocols and talking to all the relevant boards. Trustees recognised that they had to work together, but it was 'not a comfortable process' (Interview, 2014ac).

When consortia contracts were cut, partners also emphasised that the impact could sometimes fall more heavily on small organisations, removing chunks of their core funding and leaving larger organisations with a dilemma over whether to continue to support struggling partners (Interview, 2014ab, 2014ae).

Table 7.2 Changing relationships with the Voluntary and Community Sector and their expression in institutions, agency and meaning. (Source: author's analysis)

Implications for:	Grant based VCS funding distribution	Commissioning-based funding distribution
Institutions	• Multiple gateways to council funding • Admin by council • Relationships through VCS 'support team' • Funding for capacity-building and infrastructure • Accountability from grant holder to grant maker (vertical) • Predominantly state-based funding	• Single gateway to council funding • Admin by VCS infrastructure organisations • Relationships through 'market making' team • Minimal or precarious funding for capacity-building and infrastructure • Accountability between consortium members (horizontal) and from consortium to grant makers (vertical) • Diversifying funding sources
Agency	• VCS dependence on council • VCS agency shaped by core 'mission' and funding availability	• Greater VCS independence – but subject to financial resources / power relations with consortia partners • VCS agency shaped by funding and available delivery roles
Meaning	• Paternalistic relationship with individual organisations. • 'Gift based' • Value for diversity • Acknowledges wider social value of VCS contribution	• Business – focussed relationship with consortia. • 'Transactional' • 'Survival of the fittest' • Acknowledges only value of service delivery

In addition, interviewees also confirmed the tendency towards greater levels of performance monitoring. One commented that 'being forced into consortiums means that you are constantly being asked irrelevant questions' adding 'what they really want to do is the human stuff, building trust and relationships. The time for that has been stripped out of contracts.' Even in a consortium which was working effectively, there was a need to 'count stuff you wouldn't have counted in the past' to demonstrate value (Interview, 2014ae).

Therefore, from an institutional point of view clear vertical lines of accountability, supported by familiar personal relationships, had been replaced by more ambiguous horizontal accountability, where accountability was often enacted through monitoring. Communications and relationship-building had become more complex, exacerbated by the effective devolution of difficult funding decisions.

B) Effects on agency

The new commissioning arrangements provided community and voluntary sector partners with greater independence from the council, but partners representing both larger and smaller organisations expressed a widely shared anxiety that commissioning provided clear advantages for large organisations, constraining the agency of smaller organisations (Interview, 2014aa, 2014ae).

One interviewee commented that commissioners tended to go for 'organised and networked' partners (Interview, 2014af). In some cases consortium members would 'compete to cherry-pick roles' (Interview, 2014s) and larger organisations could 'play politics' (Interview, 2014u). Certain organisations tended to be protective of their work or 'suspicious of faith groups', who were 'held at arm's length' (Interview, 2014af). Interviewees were also concerned about larger organisations holding too much power, cautioning 'we need to think carefully before giving all contracts to one provider' (Interview, 2014ae).

Four partners described how 'mission drift' could affect organisations pursuing new funding streams, though bigger agencies were judged better able to withstand service reductions, develop new business and to diversify (Interview, 2014s, 2014v, 2014ab, 2014ae). One partner talked of inevitable tension, when senior managers were fighting to keep jobs, between the desire to grow the business and the charitable aims. It 'goes to the very core of "why are you here?"' (Interview, 2014v). Another described a situation of 'collaborate or die' where smaller partners had to conform to the wishes of more powerful partners to survive 'if push comes to shove you have to wait in line for your bowl' [this comment was accompanied by a begging gesture] (Interview, 2014ae). In this organisation's case, retained independence had come at the cost of withdrawing from some areas of service delivery.

Competition was also prompting a 'race to the bottom' in terms of the terms and conditions of VCS partners, which smaller organisations could not sustain. One voluntary sector interviewee commented that her organisation had already been subject to six per cent wage cuts, from a low base to keep up with the competition - 'one cuts wages and the others follow suit' (Interview, 2014ae). A senior manager from a larger partner explained that wages had been frozen but 'larger organisations can make sharper offers in terms of prices and building resources' (Interview, 2014ab) due to economies of scale. He expressed concern that these factors could prevent smaller organisations from being competitive, endangering overall the diversity of providers, and – by extension – the range and inclusivity of services for clients. There were also some comments that financial pressure on providers was leading to more difficult clients being deliberately excluded from contracts (Interview, 2014p, 2014ad).

In summary, the more competitive environment was arguably constraining agency, rather than facilitating it. Local actors, particularly within smaller organisations were experiencing a more complex governance environment where the space for exercising agency was

under constant negotiation, and subject to ambiguous and unpredictable power-play.

C) Contests over meaning

There was anxiety about whether a commercial approach was starting to re-define the meaning of the relationship between the council and the third sector. One council director reflected that

> 'we've reduced our relationship to a business transaction… That's become the central focus of our conversation with the VCS and that's a very small slice of what the VCS do for our city. And that's not necessarily a healthy relationship to have' (Interview, 2014c).

This narrowed perspective on the sector had a range of implications. Several respondents highlighted that communities of interest had particularly struggled to cope under new arrangements, with 'some short term impacts on community cohesion' (Interview, 2014s, 2014w, 2014ad). 'Different communities are pitted against each other' commented a VCS board member, in a process that was 'alien to the sector' (Interview, 2014w). The emphasis on tendering had created 'a massive amount of animosity' and culminated in a loss of trust (Interview, 2014ae). 'When push comes to shove if you are both going for the same grant … the tendering process can be toxic for partnership' reflected a frontline worker (Interview, 2014u).

A further manager in an infrastructure organisation cautioned that the voluntary sector's value base (which she saw as a strength, promoting service continuity) should not be taken for granted:

> 'Its people's sheer bloody will and passion…People will do unfunded stuff until the cows come home, but there is a real danger that it will get to the point where people say 'enough is enough' People have got to live' (Interview, 2014ae).

Yet for other partners, the loss of some organisations was an inevitable winnowing process after a period of plenty: 'there is sometimes a sense in the VCS that organisations should always exist, but you have to

guard against that, we are better off without some of them (Interview, 2014ab).

Essentially these competing interpretations encapsulated a struggle over meaning, whereby many voluntary and community sector actors viewed the adoption of the commissioning framework as a negation of the wider social value delivered by the voluntary sector, including advocacy and campaigning, innovation, co-ordination, and self-help. This broader conception of social value had been acknowledged under previous funding arrangements, but now existed in opposition to the narrower focus of commissioning process, which concentrated on delivering services, saving money and creating transparent business practices.

In summary, an interpretive analysis suggests that the shift to an enabling tradition was revising voluntary and community sector institutions, and destabilising actors' perceptions of the space available for exercising agency. Voluntary sector actors interpreted these changes with reference to their historic experience of grant funding arrangements, perceiving a fundamental shift in practice, and prompting narratives of resentment and conflict.

7.8 Conclusions

This chapter has examined proposition P3, that *'Partnerships for service delivery between the council and other statutory, business and voluntary partners have been maintained in the period 2010-2015'*. The analysis considered partnership work from two perspectives; as a set of institutional arrangements, with rules, practices and narratives; and from an interpretive perspective using the reference point of local government 'traditions', and the example of Nottingham's voluntary and community sector.

It finds that, whilst the national context of partnership work has been substantially revised, many institutionalised aspects of partnership

activity in the City of Nottingham have been maintained or even strengthened, especially those relating to the city's elite civic tradition. This finding will be explored in more detail in relation to the concept of 'community leadership' in chapter 8.

Nonetheless, attention to incongruous narratives and practices suggested that partnerships were under strain. When examined from the perspective of the voluntary sector, using an interpretive framework, it appeared that the council had moved away from traditions associated with 'collectivist' governance to market-inspired commissioning informed by 'enabling' traditions. Grant funding institutions had been revised, de-stabilising actors' perceptions of the opportunities available for agency. There was an ongoing struggle to articulate the meaning of the changes and their wider significance for the value delivered by the voluntary and community sector.

The analysis provides additional depth to the conclusions drawn in chapter 6 about the rise of NPM and market-based practices. It also complements that institutional analysis by highlighting the importance of articulating the meaning of institutional change within the local context, in order to understand why these practices appear incongruent with the history and traditions of the locality, and why they become contested.

There are some limitations to this analysis. It is unclear, from this research, whether the shift in traditions was a decision forced by austerity, or whether the spending cuts had in fact provided a convenient context for some officers and executive politicians to justify policy change. The council's strong leadership existed in some tension with ideals of community empowerment, and it was possible that former models of partnership engagement mourned by some of the interviewees for this research were more a product of the funding and guidance prescribed by previous governments, than a local political tradition. However, the switch to market-driven approaches for voluntary sector partners did make a stark contrast to the policies historically followed by the council in relation to its own services, and

given the authority's reputation for strong leadership, it was difficult to see the move to commissioning as an accidental or incremental process rather than a decisive political shift.

It is also possible that a different partnership case study – for instance an examination of relations with the police, or health and wellbeing board, may have delivered a different perspective. However, this study did not set out to specifically examine the case of the voluntary and community sector; rather their example became a recurring theme in interviews which required analytical attention. Future research might fruitfully contrast the experience of statutory and non-statutory partners more explicitly.

In drawing together this analysis one is also reminded of the specificities of place, and more research would be needed to understand how far this finding is specific to the situation and history of Nottingham, or whether such shifts in traditions apply more widely. However, similar struggles have been documented in other contexts and time periods. Lowndes and Skelcher describe a similar dialogue in their 1998 paper on multi-agency partnerships, as partnerships moved in a cycle from network-inspired trust and reciprocity to market-inspired competition and bidding wars. Milbourne and Murray (2014) have also recently described similar effects for the VCS from market-based practices in a comparative study looking at seven different areas.

In conclusion, whilst the evidence does show that elite institutionalised partnership links were maintained in Nottingham during the 2010-2015 Comprehensive Spending Review period, proposition P3 requires modification to acknowledge that different practices of partnership were being applied to some less financially-powerful partners. This implies a shift in the 'traditions' of partnership work drawn upon by the council, with negative consequences for some suppliers.

Chapter 8: Austerity and community leadership

8.1 Introduction

The previous chapter examined responses to austerity in relation to partnerships for service delivery. This chapter extends that analysis to consider the evidence concerning Nottingham City Council's capacity to exercise a 'community leadership' role in the context of austerity.

From the 1990s onwards, academics and policy-makers championed 'community leadership' as a legitimate role for local authorities working within an increasingly fragmented landscape of service delivery, arguing that the function of councils was 'not just to deliver certain services well but to steer a community to meet the full range of its needs' (Stoker, 2011 p.17). This role went beyond service delivery, to acknowledge local authorities' ability to facilitate responses to cross-cutting social, economic and environmental problems (Leach & Roberts, 2011 p.113/114; Sullivan, 2007 p.156).

Community leadership was also embedded within the New Labour 'modernisation agenda', which promoted 'joined up' government. The policy was developed through successive initiatives including the statutory requirement for councils to produce a 'community strategy' (HM Government, 2000), funding for 'local strategic partnerships' (LSPs), and from 2007 onwards, 'local area agreements', which positioned councils as leading negotiators with Whitehall departments on behalf of their locality (DCLG, 2011b; DETR, 1998; SEU, 2001). Not all stakeholders engaged in local governance accepted local government's community leadership role, and both Sullivan (2007) and central government evaluations, (DCLG, 2011b) noted tensions in the engagement of elected members and some strategic partners. Nonetheless, many local authority officers and members welcomed the

acknowledgment of the wider potential impact of local government beyond the scope of councils' tightly constrained powers, (Leach & Roberts, 2011). Concepts of 'community leadership' and 'place shaping' increasingly influenced policy discourse about local government's identity and legitimacy (reflected, for example, in the 'central-local concordat' of 2007) (Headlam, 2008). The term remains an established part of the local government lexicon today (see for instance McMahon, 2015).

On the basis that community leadership was viewed as a fundamental aspect of councils' role and function; and that it was distinctive from responsibilities for service delivery though partnership; it was important to understand whether austerity-related policies influenced the role. This chapter addresses proposition P4, that if austerity policies had been enacted with minimal impact on frontline services, we would expect that '*local political representatives continue to exercise community leadership and 'place shaping' roles'*.

To consider these issues in more detail, this chapter will use an interpretive framework (see section 3.4) to explore the local meaning of community leadership in the context of austerity. The analysis begins by introducing Sullivan's four varying interpretations of community leadership (2007) considering how they link to local government traditions in both Sullivan's model and that described by Gardner and Lowndes in section 7.5 (2015). It goes on to explore how changes to the national institutional frameworks of legislation and funding since 2010 both expanded and closed-down opportunities for local authorities to express Sullivan's four different variants of community leadership.

Drawing on case study evidence from Nottingham City Council and its partners, the chapter argues that although 'enabling' civic leadership continues to be a core function of the council, the analysis suggests a withdrawal from engagement in 'collectivist' approaches to the articulation of 'citizen voice'. In turn voluntary sector and faith-based organisations appeared to be taking on some co-ordinative roles,

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suggesting a strengthening communitarian tradition, but the evidence presented suggests that such agency did not fully replace the council's mechanisms to ascertain 'citizen voice', and could also be also costly and contested.

8.2 Interpretations of community leadership

The term 'community leadership' has deep historical roots; Sullivan (2007) describes how the concept dates back to the municipal entrepreneurship of the 19th Century, when councils first took on responsibilities for providing sewerage, water and other utilities. The concept was revived in the 1990s both as a response to the fragmentation of local services in the wake of market-led public service reforms, and as a potential vehicle for democratic renewal and 'modernisation' of public services (Stoker, 2011). Sullivan (2007) argued that there were four distinctive 'traditions' of local government, including local government as an 'adaptive institution'; as 'local self government'; as 'community empowerment'; and as an agent of centralised control (discussed in section 3.4). In response to these traditions, community leadership could also be interpreted in four ways; as a symbol of change; as an expression of local authorities' 'enabling' role; as the articulation of 'citizen voice'; and as an 'expedient device'.

Considering these variants in turn, Sullivan's tradition of an 'adaptive institution' linked to the interpretation of community leadership as a 'symbol of change'; embodying a narrative about the modernisation of local government, which connected 'a past golden age of local government with a 'modern' future' (Sullivan, 2007 p.148). Sullivan argued that such symbolism helped to construct a 'new symbolic order', legitimising the role and status of local authorities as leaders of local governance. The ongoing importance of symbolism to partnership work was developed further in Sullivan, Williams, Marchington and Knight (2013) which identified 'cultural performance' as a key driver for

collaboration in a context of austerity, 'encouraging and securing conformance to a set of traditions and values or promoting subversion of those same traditions and values in pursuit of others' (p.125).

Sullivan's second (2007 p.151) tradition of 'local self-government' linked to an interpretation of community leadership as 'a formalisation of local government's 'enabling' role', whereby the local authority acted as a 'linchpin of governance activity'. This concept could also be likened to the idea of local government as a 'network co-ordinator' managing diverse relationships and recognising multiple accountabilities (Stoker, 2011 p.17). The interpretation was underpinned by the (somewhat limited) 'wellbeing' powers, granted to councils in the Local Government Act 2000 to promote social, economic and environmental wellbeing. It was conceptually similar to the vision of local government as a 'convenor' and 'place shaper' for local services expressed in the Lyons Report and the *Strong and Prosperous Communities* white paper (DCLG, 2006; Lyons, 2007). Madden (2010 p.189) argued that policies supporting 'place shaping' intensified the power of this leadership role, bringing 'certainty, stability and a unifying narrative' and concentrating power in existing structures rather than re-distributing it.

In a contrasting interpretation, Sullivan's (2007) tradition of 'community empowerment' highlights that community leadership could also be interpreted as 'citizen voice', eliciting and acting upon community aspirations. This responded to contemporary anxiety in the 1990s about a need for democratic renewal;

> 'Local government itself is based on the principle of representative democracy, yet democracy tends to be passive. Citizens have little opportunity to engage apart from periodic visits to the ballot box. Worse, for many, there is a sense of alienation and apathy. New relationships with citizens and communities are needed' (Clarke & Stewart, 1999 p.2).

As a response to this perceived deficit, Clarke and Stewart argued for a form of governance which would ensure that resources in the

community were used to the good of the locality. This was a devolving vision of community leadership, within which 'the local authority's role in community governance is only justified if it is close to and empowers the communities…and the citizens which constitute them' (p.2).

Finally Sullivan (2007) suggests that local government also has a tradition of functioning as the agent of centralised control. In this context, community leadership could be interpreted as an 'expedient device', diverting attention from the hard power lost to local government as a result of market-led reforms. This interpretation was echoed four years later by Stoker;

> 'I worry that we.. may have sold local government 'a pup', that is the idea of local governance and the role of the community governor. I have doubts about the sustainability of local government at all if all that it has to offer is the role of community network co-ordinator' (Stoker, 2011 p.16).

The four interpretations do not link seamlessly with the alternative local government traditions described by Gardner and Lowndes (2015) but they do have some overlap (see figure 8.1, below). In particular, community leadership as a formalisation of local government's 'enabling' role links closely to Gardner and Lowndes concept of a 'civic' tradition. ('Enabling' in Sullivan's sense has wider governance connotations, rather than narrower, commissioning-focussed meaning utilised by Gardner and Lowndes for a separate tradition – see sections 2.2 and 3.4 for differing uses of this term.)

Figure 8.1: Links between Sullivan's interpretations of community leadership and traditions described by Gardner and Lowndes (2015)
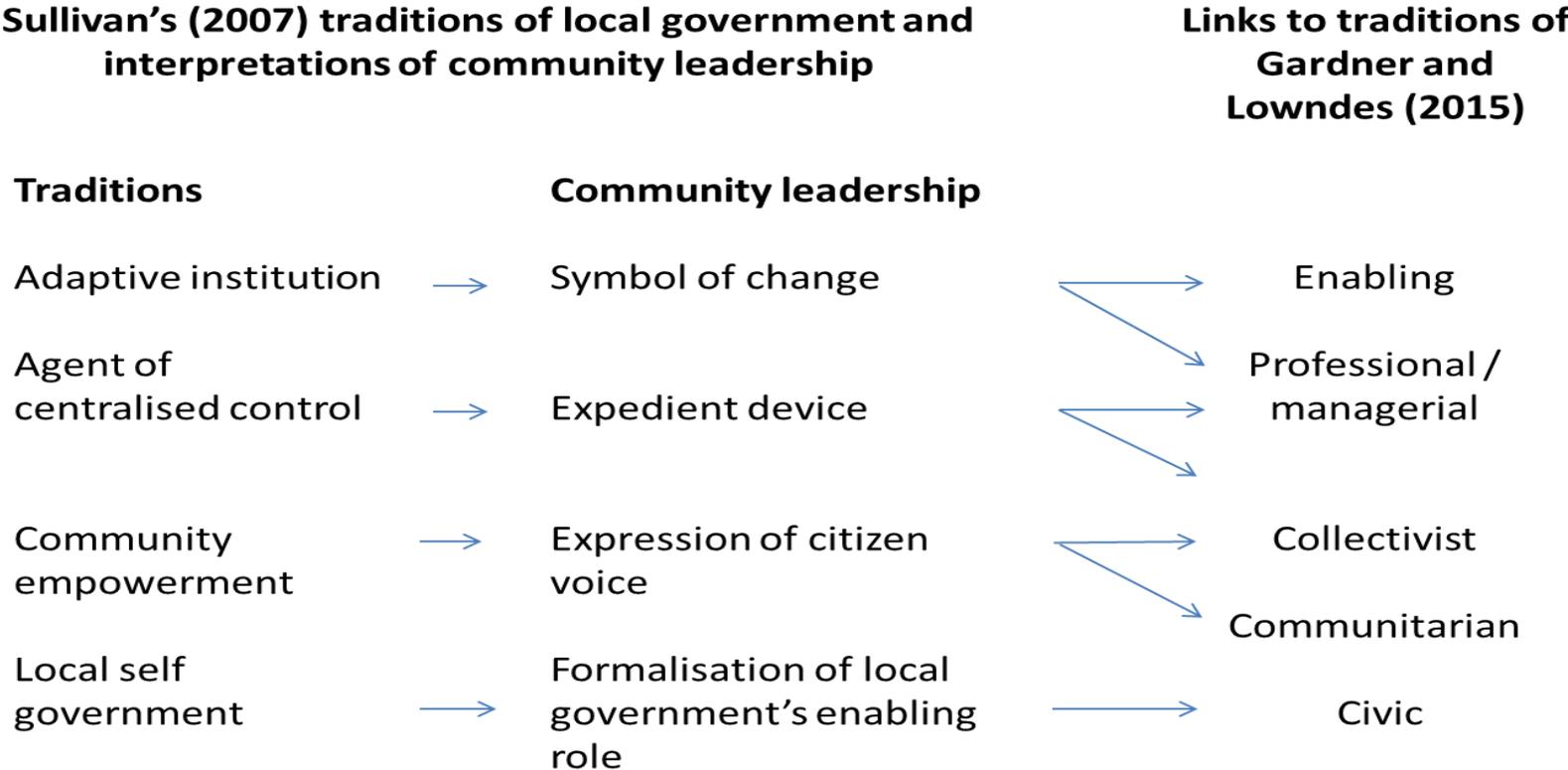
Community leadership as an expression of 'citizen voice' also links to aspects of Gardner and Lowndes' 'collectivist' and 'communitarian' traditions, highlighting an interesting ambiguity in Sullivan's interpretation as to whether citizen voice might be ascertained through top-down approaches to gathering citizen input, or bottom-up initiative arising from communities themselves.

Community leadership as a 'symbol of change', or as an 'expedient device' are more difficult to link with Gardner and Lowndes' traditions, although Sullivan's concept of local government as an 'adaptive institution' could be seen to connect with 'professional and managerial' and 'enabling' traditions. The 'agent of centralised control' has resonance with the emphasis on performance in Gardner and Lowndes' (2015) professional and managerial traditions, but also with centralised collectivist practices of partnership.

Although Sullivan's four interpretations of community leadership were very distinct from each other, they were not mutually exclusive, and from different actors' perspectives could co-exist in a single place at any given time. The value of defining varying interpretations of the role lies in their capacity to offer lenses through which we can examine how community leadership has been practiced in the past, and how it may be expressed in the future, in response to challenges to local traditions and changing institutions.

8.3 National enablers and constraints for community leadership

Chapter 7 argued that changes to institutions could restrict – or expand - scope for individual agency, with implications for the way that actors interpreted change. Similarly, a review of changes to legislation and policies constraining or empowering 'community leadership' helps to demonstrate how opportunities to enact differing interpretations have both emerged and closed down during the Coalition government's

administrative term.

Table 8.1 (below) lists the key policy and institutional changes made by the Coalition, according to whether they support or restrict the different interpretations of community leadership. From this brief overview it appears that institutions facilitating the exercise of an 'enabling' role in community leadership continued to strengthen between 2010 and 2015, whereas those facilitating the exercise of 'citizen voice' have become more limited.

Starting with the enabling role, it can be argued that the removal of funding and statutory impetus for local strategic partnerships and local area agreements (see section 2.5) reduced resources - and motivation - for an 'enabling' interpretation of community leadership. However, new spaces also emerged in which local authorities were able to lead this type of multi-agency collaboration. For instance, the removal of area-based audit and inspection provided partnerships with greater scope to achieve locally defined (as opposed to central government) objectives (see note on Comprehensive Performance Assessment, section 7.2). The power of general competence gives local authorities a wide remit to initiate all kinds of activity in the interests of their local area[35]. 'Whole place' community budget pilots[36] provided the Coalition with a vehicle for the pooling of multiple funding streams, and prefigured both the pilot devolution of major areas of public spending (as in Greater Manchester) as well as continued lobbying by groups such as 'core' and 'key' cities for wider devolved powers (Core Cities, 2013b). At a sub-regional level some local authorities have also helped to shape local economic partnerships (LEPS) and combined authorities, increasing their

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[35] The power of general competence was provided as part of the 2011 Localism Act, essentially granting Local Authorities the same powers as individuals. For criticism see Jones and Stewart (2012) who highlight the subtle semantic difference between the original proposals for a 'general power of competence', and a more tentative 'power of general competence'.

[36] Community budgets were launched by the LGA as a successor to the 'Total Place' initiative in 2011. Four areas, Essex; London Tri-borough Partnership, Greater Manchester and West Cheshire were chosen as pilots. The government subsequently rolled out the scheme through the Public Services Transformation Network from 2013.

influence over economic development (although this may also be perceived as a performative role- see below).

In contrast, institutions supporting local authorities to elicit and express 'citizen voice' have been restricted during the past five years. This is partly an issue of reductions to funding for partnership activities (previously explored in section 7.4). Cuts have impacted heavily on funding available for voluntary and community sector infrastructure, reducing capacity for third-sector advocates to work with statutory agencies. However, the reducing capacity for councils to express 'citizen voice' is also an issue of philosophy; the rhetoric surrounding the initiation of the 'Big Society' was clear that it stood in a 'zero-sum concept of the relationship between civil society and the state, whereby more 'society' involvement equated to less 'state' activity' (Cameron, 2010; Lowndes & Pratchett, 2012 p.32). Correspondingly the Coalition government drew upon a very different concept of 'community' within the 2011 Localism Act (DCLG, 2011a), providing power to communities acting in opposition to existing public service institutions, rather than working alongside them. Section 2.5 noted that the 'community right' to challenge services; the 'community right' to bid for assets; and 'community rights' to plan and build, constituted local authorities as an obstacle which community rights could overcome. Furthermore, legal restrictions on local authorities' publicity, extended by the Coalition, made it increasingly difficult for councils to initiate dialogue with communities[37]. The spaces for agency for local authorities wishing to exercise 'citizen voice' had increasingly been restricted.

It is also possible to identify instances where policies enacted by the Coalition government supported the interpretation of community leadership as a symbolic and performative act, and community leadership as an expedient device.

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[37] Secretary of State for Local Government, Eric Pickles, declared his opposition to council newspapers (which he termed 'Pravdas', after the official Russian state newspaper) early in the Coalition's administrative term (Pickles, 2010). After councils were judged to be flouting a voluntary code of practice on local authority publicity, the 'guidance' was given statutory force in association with the 2014 Local Audit and Accountability Act.

Table 8.1 'Community leadership': enabling and restricting factors

Mode of community leadership	Factors supporting this role for local authorities	Factors restricting this role for local authorities
Community leadership as 'Enabling' / place shaping	Removal of audit and inspection Power of general competence Whole place community budget pilots (2012) Local Enterprise Partnerships (LEPS) Combined authorities Lobbying for additional powers (e.g. 'core' and 'key' cities) Devolution of major areas of spending (e.g. Greater Manchester)	Removal of funding and requirements for local strategic partnerships and local area agreements
Community leadership as 'community voice'	Our Place' Programme (neighbourhood level community budgets)	Reduction in sources of funding for VCS infrastructure bodies and regeneration partnerships Big society 'zero sum' approach 'Community rights' to challenge, bid, reclaim land, plan and build Local government publicity controls
Community leadership as a symbolic and performative act	Local authority oversight for public health Councillor engagement on LEPs	Rationalisation of statutory partnerships
Community leadership as an expedient device	Council Tax referendum limit Academy and free schools policy SoS interventions Continued central oversight for key programmes e.g. troubled families programme	Power of general competence

In relation to the former, the rationalisation of statutory partnerships after the 2010 Comprehensive Spending Review may have reduced purely 'symbolic' partnership activity. However, the engagement of elected members to provide a veneer of democratic legitimacy on (otherwise minimally accountable) bodies such as Local Enterprise Partnerships, and the unequal power allocation within public health[38], contained more than a suggestion of community leadership as performance.

Meanwhile, with regard to the idea of community leadership as an 'expedient device'; although the power of general competence indicated that the Coalition's 'localist' agenda may not have been conceived in total cynicism, there were numerous limits on that power. These include restrictions on tax-raising powers, the move to academies and free schools outside local authority controls; detailed interventions by the Secretary of State for the Department for Communities and Local Government in areas as diverse as job-roles, flag-flying and publicity; (Golding, 2010; Pickles, 2010; Werran, 2013b) and continued direction over performance in core policy initiatives;[39] highlighting that Whitehall retained key marionette strings.

The policy and legislation review therefore provides a framework which helps us to understand how institutional changes at a national level may have impacted upon the interpretations of community leadership open to local authorities at local level. The next section of this analysis will look in more detail at how actors practiced community leadership in Nottingham, and at which opportunities were emerging or closing as austerity-related policies took effect.

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[38] Heath, (2014 p.8) notes that local authority influence has been granted over a relatively small proportion of the public health budget, compared to multiple billions transferred to Clinical Commissioning Groups).

[39] For example the Coalition's flagship 'troubled families' programme required local authorities to report against more than 50 separate pieces of data about each family they worked with (Ecorys, 2013)

8.4 Nottingham's traditions of community leadership

As this thesis has already noted in section 7.6, Nottingham had strong tradition of 'enabling' or civic leadership. This tradition helped to provide the impetus to sustain strategic level partnerships for service delivery, whilst new institutions facilitating 'enabling' community leadership emerged. Major regeneration and infrastructure projects such as Nottingham's second tram line, and a new station transport hub, had a symbolic significance beyond their value for service delivery, providing a physical manifestation of 'place shaping' in action. The Council also made use of the platform provided through the Core Cities lobbying organisation to be amongst the first wave of councils agreeing City Deals with the Coalition government and was vocal about its longer term ambition to be free of government grant (Interview, 2014d). Although some officers commented that Nottingham came relatively late to the economic development agenda (Interview, 2014b, 2014d), the authority helped to initiate D2N2, the Local Economic Partnership; and the creation of a combined authority for Nottinghamshire.

Members were bullish about the continuing opportunities for a civic leadership role and the Council's unique responsibilities in drawing other agencies together. One executive member referenced areas where he considered that the Council's powers had increased, including to the health and wellbeing board, local enterprise partnerships, urban and regional development, and transport. 'People look to the council to take a lead. We're the only accountable body' (Interview, 2014f). Another commented:

> 'we still own a load of land, we've still got planning powers, investment portfolio, we still run transport, Workplace Parking Levy brings in eight to nine million per year. The other thing is there is no one else to do it…. There is nobody else. We are elected, we have a certain legitimacy' (Interview, 2014g).

This confidence in the council's ability to perform a civic leadership role translated into a sense of local autonomy amongst many officers, who

felt that the council was able to advance its own priorities, even in the face of considerable financial pressure. One director pointed to the power which came from being a relatively large authority which had retained a wide variety of in-house services and many local political and economic levers:

> 'I don't fully subscribe to the graph of doom. I get why people say that. Our spending power is a billion pounds, that presents a huge amount of opportunity. Some of that is money washes through the council, but if you look at the spending cuts in the context of our gross budget rather than our net budget you've got a slightly different lens'.

This in turn meant that the council could be assertive in its policy choices: 'we're really not bothered what anyone thinks of us, we're really not bothered what government says, because we're Nottingham…. And you know, that's it' (Interview, 2014d).

For others, the opportunities for expressing 'enabling' leadership existed in the technical 'grey area' between national policy and local implementation. As noted in chapter 6, a middle manager emphasised that 'its not just about implementing… its about finding a Nottingham response …and some of it is about 'how far can we push it?' (Interview, 2014o).

Nottingham's political stability was seen by some members and officers as a core strength in this regard, allowing the council to pursue place-shaping objectives over many years. One member cited the 'workplace parking levy'[40] and changes to school holidays[41] as examples of bold – and sometimes unpopular – political decisions which might not have been possible in a more volatile political setting: 'it is easier for us to see it through' (Interview, 2014f). Another executive member emphasised that 'I think you do need stability to get things done. You need to be able to say [to central government], 'we are going to do a tram, and its going to happen, so sod off' (Interview, 2014g). Officers

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[40] A local tax on workplace parking used to raise revenue for the second line of the Nottingham Express Transit (a light rail system).
[41] Nottingham City Council opted for a shorter summer holiday from 2013 onwards in an attempt to improve educational outcomes across the City.

also appreciated the benefits of this stability, including the 'bravery' in taking strong political decisions and clarity of direction (Interview, 2014b, 2014d) although the flip-side of such stability could be a lack of challenge and debate for the executive leadership (Interview, 2014b, 2014e).

However, there was some acceptance amongst members and officers that the scope for performing an 'enabling' community leadership role was diminishing as the Council's financial power reduced. For one officer this created an 'empty toolbox' as service delivery capabilities were eroded (Interview, 2014l). Others were more optimistic, emphasising the role of influence (Interview, 2014f, 2014z). A director agreed that the degree of power was reducing but influence was growing. 'We underestimate influence that council can have. A little bit of power and a lot of influence is where we are heading' (Interview, 2014a). For another director there was a need to fundamentally re-think the way that the authority approached its leadership role, in the context of reduced resources and increasingly fragmented services:

> 'we need to move towards having a greater focus on commissioning, enabling and the role of the business sector and voluntary sector. We need to be less about direct delivery - and I don't mean this in any political ideology sense, its just reality - and thinking more about early intervention so that we change - lessen - future demand. We need to take more of a role in place shaping, getting people to behave differently as a group, a collective, we need to be the oil or glue to make things happen, accepting that our role has changed… to one more of influence, nurturing, cojoling, persuasion and helping, and buddying up to people, rather than grabbing the democratic mandate' (Interview, 2014b).

In summary, it was clear that the council had some scope for agency in which to exercise an 'enabling' leadership function, building on historic assets and service strengths, as well as strong and consistent political leadership. However, some key actors perceived that the nature of the power available to the council was changing, due to reductions in financial resources, from a focus on leading-by-acting, to leading by cohering alliances, in a gradual shift towards a more 'symbolic' form of

community leadership. There was also a paradox here, in that the time and funding available for providing 'oil in the machine' of strategic partnership work (Interview, 2014i) had radically reduced (see section 7.4). In this context, a number of interviewees noted how the council had increased its openness to the potential contributions of other sectors, including businesses and faith organisations (Interview, 2014f, 2014l, 2014y, 2014aa).

In contrast, the leadership role associated with articulating and expressing 'citizen voice' appeared to be in retreat at the time of the research. Section 7.7 noted how the reduction in frontline community services, and cuts to neighbourhood regeneration programmes and local voluntary sector 'infrastructure' bodies impacted on the ability of the council to sustain informal and everyday connections with communities at a neighbourhood level. One senior partner expressed concerns that in some areas the council's intelligence about local communities was being eroded:

> 'I'm a bit worried that I think we have lost some of the underground intelligence that we used to have. I think that we used to pick up quite a lot from a set of voluntary organisations and Local Area Partnerships and neighbourhood workers and things, so we could get a sense of what was going on in a particular area. I'm not sure we can do that, I'm not sure the relationships are quite the same now…' (Interview, 2014z)

Another partner described how when fears of further disturbances had occurred in response to an extremist murder in London, it had been faith communities, rather than the Council, which had convened an urgent response to contribute to calming the situation (Interview, 2014y).

In replacement, the council was beginning to focus on a more facilitative role, whereby residents were encouraged to assume civic responsibilities and support each other. This was apparent in council-wide schemes, from a council-initiated social enterprise whereby residents were encouraged to share skills and offer mutual support with simple tasks, to a campaign to assist in litter collection. It was also

observed at ward level, where examples were given of volunteers staffing community centres (Workshop, 2014a, 2014b), and local faith groups organising food banks (Interview, 2014o).

Integral to this change was an emerging narrative that communities needed to contribute more. A staff member spoke of how communities were increasingly expected 'to sort themselves out' (Interview, 2014l). Another mentioned the need to tackle 'dependency culture' (Interview, 2014a) whilst a senior member talked of the 'unrealistic expectations' of some communities (Interview, 2014f). As one director put it:

> 'We've had decades of the state being the paternalistic provider of all things that people need. We expect more. To turn that tap off when you've had that for several generations is a really hard message. People have got an unrealistic expectation, there is something wrong where people will not accept responsibility' (Interview, 2014b).

Some interviewees did not view this as a negative shift, indeed faith representatives, in particular, highlighted that the post 1945 welfare state had 'squeezed out' community initiative, and saw the re-opening of opportunities for community involvement as a timely re-balancing (Interview, 2014y, 2014af; Workshop, 2014b).

Another aspect to this narrative was a hope that the voluntary and faith sectors would 'step up' to meet emerging gaps in provision (Interview, 2014ad), recognising that 'people with a mission have a moral imperative' (Interview, 2014z). A senior member envisaged the Council's future role more as a backstop against the failure of community-led activity, rather than convenor or initiator: 'I do think increasingly councils are likely to oversee and are almost the fallback… taking a broker or policing role for when things fall apart, or when you have internicene warfare' (Interview, 2014g).

However, interviewees also expressed concern about withdrawal of the state and recognition that the 'Big Society' would not work in many localities. Workshops with frontline staff provided examples of areas where councillors and staff were struggling to stimulate community

engagement. One participant commented that people didn't take initiative to help themselves.

> 'They look to people, look to council, look to different organisations…they are not a community so much any more… They go to work and go back into their boxes' (Workshop, 2014b).

A director also acknowledged that 'Some communities will do it for themselves. Others need encouragement or incentive' (Interview, 2014b).

In the absence of local community initiative, professionals sometimes attempted to fill the gap, with diminishing resources. Sometimes this resulted in a subtle change of emphasis. For instance, one senior manager observed that under a new regime of partnership collaboration between the police and council, there was greater influence on community protection than community development, and emphasis had moved towards sanctions rather than education (Interview, 2014e). A frontline staff member reinforced this point, describing how staff cuts had removed opportunities for police officers to carry out preventative work with schools (Workshop, 2014b). A 'One Nottingham' board member commented:

> 'I think our focus around respect and around cohesion now is actually about managing the public or community safety of an area rather than having a coherent community, and I think that is a bit of a problem' (Interview, 2014z).

To conclude, whilst opportunities for agency consistent with an 'enabling' interpretation of community leadership appeared to have been sustained, (albeit moving towards a more symbolic, influencing role) there were concerns about the Council's ongoing capacity to understand, elicit and give expression to 'citizen voice'. This linked back to the withdrawal of funds from VCS infrastructure bodies and community-level partnerships noted in chapter 7, which suggested a move away from 'collectivist' traditions of partnership work (Gardner and Lowndes 2015). In effect, the ways in which the council was able to interpret and practice community leadership had been restricted by

its diminishing resources, although substantial scope remained in relation to a 'civic' or, in Sullivan's terms, 'enabling' role.

Yet as the council withdrew from its 'top-down' approach to 'citizen voice', some voluntary and community sector partners also appeared to be taking on community leadership' functions, in an expression of 'citizen voice' more consistent with Gardner and Lowndes concept of a 'communitarian' tradition of governance. The next section of this chapter will explore this finding using the perspectives of two faith-based partners connected to the council.

The first focuses on a small Christian organisation, 'Transforming Notts Together'. It was established in 2012 as a 'joint venture' company between the Anglican diocese of Southwell (which includes the City of Nottingham), and the Church Urban Fund (a national charity connected to the Church of England) with an aspiration of connecting faith communities to local projects addressing poverty. Its launch coincided with increased interest from the statutory sector in the locality in working with faith partners (Interview, 2014f, 2014i), and intentional action by local faith networks to become more engaged in civic life (Interview, 2014af). The board was highly experienced in working with statutory agencies, being initially chaired by a former Chief Executive of Nottingham City Council, and including several trustees who worked at a very senior level in local authorities. The venture had an initial budget of around £40,000 and initially employed just one part time development worker, with a remit focussed mainly on facilitating churches and other partners to take action, rather than direct delivery of services.

The second looks at 'Framework', a large regional housing association based in the Midlands, employing around 600 people and with an income in 2013/14 of nearly £28 million. It describes its mission as 'helping homeless people, preventing homelessness, and promoting opportunities for vulnerable and excluded people to change the direction of their lives'. Although now a secular charity, Framework

maintains links to its faith-based roots, with an annual service in the local cathedral and many church-based funding activities. A senior manager emphasised the importance of values to the organisation, particularly in providing clients with 'second, third and fourth chances' (Interview, 2014ab).

Although these organisations were very different in size, both had faith roots, both had good connections to statutory partners and both had the opportunity to draw on resources not available to the statutory sector. Interestingly, both organisations were also trying to fill perceived gaps in community leadership but found that this was often an uncomfortable space.

8.5 'Transforming Notts Together'

'Transforming Notts Together' (TNT) initially focussed their work on three core objectives. First, they sought to create additional capacity for welfare rights and debt advice. Second, they supported the development of winter night shelter provision by churches in Nottingham and Mansfield. Third, they aimed to grow voluntary involvement and participation in tackling poverty, by facilitating volunteers from local church congregations to offer time and skills to local projects (TNT, 2013).

As a 'new' entrant to the local voluntary sector scene, the TNT board paid considerable attention to how it was positioned in relation to existing voluntary sector bodies. For instance, at the organisation's launch in 2013 the Chair presented a diagram to show the organisation's distinctive offer around debt advice (Figure 8.2, below) to allay potential fears from other advice organisations that TNT would become a new competitor for funding.

Conversations took place at an early stage to co-ordinate with other Christian umbrella groups, and build relationships with other voluntary and community sector partners. TNT aimed to follow an 'asset based' community development model (Baker, 2013c) which meant focussing on opportunities rather than need, sometimes building on pre-existing projects (such as the Mansfield night shelter) and at other times allowing other partners to take a lead (for example, avoiding duplication of the Nottingham Night Shelter, co-ordinated by another charity, Emmanuel House)(Baker, 2013b). Despite the emphasis on the complementary role of the organisation, both the board and the development worker maintained an acute sensitivity in dealing with areas of potential overlap and conflict, for instance it was noted in the minutes of one meeting that the development worker would need to 'be aware of politics and personalities' and bear in mind need for 'tact' (Baker, 2013a).

Figure 8.2: TNT's Launch Offer
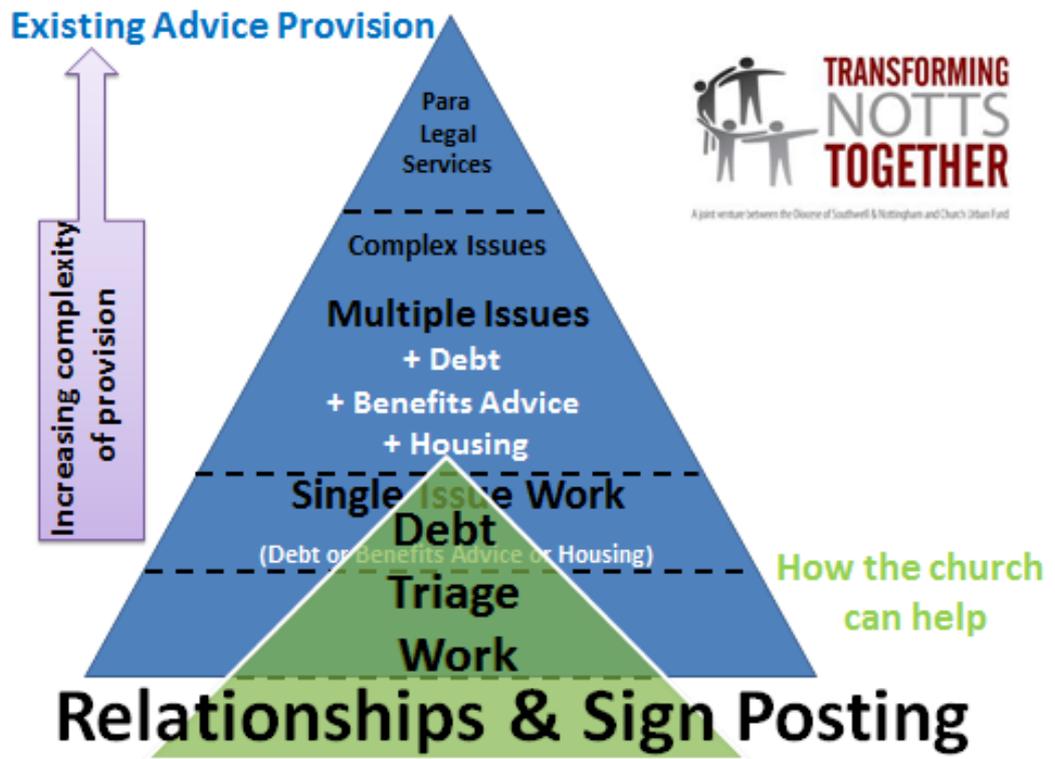
Source: TNT Launch Presentation 2013

During the first two years of operation TNT initiated a number of projects to put its objectives into practice. Achievements included adapting and developing training courses on 'basic budgeting' and 'signposting' for people in need, designed to be picked up and rolled out by local churches through a 'train the trainer' model. They helped to organise several one-off events, for instance working with the City Council to promote emergency hardship funding and with local voluntary groups on different ways to access funding. The charity sourced volunteers for more advanced debt advice training delivered by another voluntary sector organisation, 'Advice Nottingham', and developed a website which included a tool for local voluntary sector projects to use in advertising for volunteers. They also acted as the linchpin for the fundraising and organisation of a winter night shelter in

Mansfield, North Nottinghamshire, and supported the establishment of a debt advice organisation in the town.

In seeking to play this co-ordinative role, the organisation also encountered a number of challenges. First, it had to establish its credibility with local partners. It was helped in this regard by the expertise and local profile of board members; for example they were able to hold a launch event at Nottingham City Council's offices, welcoming a wide variety of elected members, officers, and other voluntary and community organisations. However, there was some reluctance from non-faith-based partners to cede a role to faith organisations. One comment in TNT's 2013 annual report suggested that 'being connected to the wider church network is sometimes viewed with hesitation' (Henderson, 2014) whilst a TNT interviewee admitted that church connections could 'work both ways..sometimes you take on other people's baggage' (Interview, 2014u). Several organisations were also keen to emphasise the need for professional, rather than amateur engagement with issues such as advice and housing, because 'so much can't be done by volunteers' (Interview, 2014ab, 2014ac, 2014ae).

As a small organisation TNT sometimes found itself caught up in the political machinations of larger partners. In Nottingham it had to negotiate with local partners carefully to position the basic budgeting course in relation to other advice offerings. In Mansfield, preparations for the night shelter were disrupted in 2013 when a larger partner unexpectedly withdrew co-ordination and funding. These problems were resolved, but demanded considerable time and relationship building from the development workers and board members, as well as more direct hands on delivery than had originally been envisaged in the organisation's 'facilitative, brokering and capacity building' role (Interview, 2014u).

There were also challenges in matching churches with resources with areas of need. In practice the churches engaging most readily with

TNT's training courses in Nottingham tended to be large predominantly middle-class congregations which were not necessarily geographically connected to areas of deprivation, particularly deprived estates. In contrast, churches in poorer areas were often unable to engage with such initiatives, due to being 'under-resourced, exhausted and overwhelmed' (Interview, 2014t). Whilst the larger and better resourced churches were often keen to engage in direct delivery, it was more difficult to encourage them to connect-up with smaller churches to capitalise on existing community links.

As an infrastructure organisation, TNT also found it difficult to evidence its contribution in terms of outcomes, as these often involved intervening partners. This connected to their sensitivity to other organisations' contribution and territory; 'we have to be so careful, we can't take credit' (Interview, 2014i).

Whilst these challenges at times slowed the progress of individual initiatives, board members were keen to emphasise that they were not insurmountable, and the charity continues to develop its local convening role. In summary, TNT provides an interesting example of the Church (in its widest sense) seeking to address perceived gaps arising from austerity policies by harnessing and focussing the social capital present in churches and their congregations. However, in moving into this public policy space, it was having to work hard to establish its contribution, competence and credibility; overcome prejudice against faith-based organisations; negotiate routes around the power machinations of larger partners; and seek solutions to inter-denominational supply and demand barriers. It showed that even with core funding, national support, and well-connected local expertise, moving into a community leadership role was not an easy or straightforward undertaking.

8.6 'Framework'

Prior to 2010, much of Framework's activity was based around providing contracted services to local authorities in Nottingham City and County as part of the 'Supporting People' funding stream (see footnote, section 6.2). The Coalition's emergency budget of June 2010 and subsequent Comprehensive Spending Review in October 2010 brought heavy reductions to this funding stream, with Nottingham City Council estimating its cut at twelve million pounds (One Nottingham, 2011b). In its annual report of 2010-11, Framework recorded that of twenty-two Supporting People contracts delivered in Nottingham City in April 2010, twelve had been decommissioned for 2011/12 with four closing by the end of March 2011. All remaining Framework services were operating with reduced funding, eighty staff had been made redundant, and the whole workforce was subject to wage reductions (Framework, 2011).

Framework's initial response was to contest the cuts, initiating Judicial Review against both the DCLG and Nottingham City Council, who were in dispute about the amount of Supporting People funding included in City's grant settlement for 2011. However, on legal advice, action against DCLG was dropped, leaving the Judicial Review focussed on the City Council. A senior manager at Framework later described this as a 'mistake', admitting that relationships had been negatively affected, but emphasising 'staff and service users expected us to stand up' (Interview, 2014ab).

At the same time, the organisation started to restructure and re-focus its business, expanding into new geographical areas. In its 2012-13 annual report Framework highlighted a new target of raising ten million pounds from social and philanthropic investment, with a focus on consolidating new commercial partnerships, most notably with the Nottingham Building Society. This collaboration yielded an additional source of income, through specially designed philanthropic savings accounts; a Housing Crisis centre in Nottingham City Centre (in 2013) and a fresh source of capital funding for building new accommodation.

The organisation also continued to draw on and reference strengths emanating from its community and voluntary roots, emphasising factors that were promoting continuity, including faith in the 'professionalism of its staff', faith in the 'growing role' of service users and faith in the 'strength of communities' (Framework, 2014a p.2).

Aside from its commercial and community collaborations, Framework made considerable progress in establishing itself as a powerful influence in partnership working within Nottingham City. It re-built its relationship with the City Council, concentrating on new opportunities and partnership imperatives arising from public health funding.

In 2013 Framework's Chief Executive was elected by other voluntary sector bodies to the One Nottingham Board, acting as a representative for the local voluntary sector. The organisation also led a successful £9.8m bid to the Big Lottery Fund in 2013, 'Opportunity Nottingham,' which aimed to 'revolutionise' support to the most vulnerable and challenging clients and people with multiple and complex needs (Framework, 2014b).

'Opportunity Nottingham' included contributions from seventeen organisations, but represented a 'Framework led response' which aspired to create a 'system change' in the way people were supported (Framework, 2014b). Proposals to create this change included the involvement of 'beneficiary ambassadors' (former clients of the services) in initiatives to re-shape statutory services. At the same time a 'systems change group' (chaired by a former Chief Executive of the City Council) was charged with delivering change in the 'DNA' of the system at a local, regional and national level. Framework interviewees felt this was significant because, for the first time, they had an opportunity to influence and change statutory systems, rather than working around them.

Framework's relative power as a partnership player in the city also sometimes brought it into conflict with other, smaller voluntary sector organisations. Some voluntary sector interviewees expressed misgivings during the course of the research about Framework's success in winning contracts, and the potential impact of a loss of diversity in voluntary sector service providers:

> 'as the biggest provider... they have secured contracts through commissioning services that have wiped out other, smaller third sector bodies. They have taken over certain services…. They have not got a good reputation among the third sector. Joe public, yes. The third sector in that area has an interesting relationship with them' (Interview, 2014af).

These concerns were acknowledged by managers at Framework,

> 'I think four years ago if you'd gone around the voluntary sector partners and said "what do you think about Framework, does it work in partnership?" they would have said "yes". I'm not sure they would now. But that's change of perception rather than a change in reality. It just illustrates how tough it is' (Interview, 2014ab).

Framework interviewees were also keen to emphasise both their wish to see diversity in provision, and their role in preserving it:

> 'In the City you would want to see the range of services for homeless people continuing. I think some people would probably think "Oh, Framework, they swallow up all the contracts" but also you wouldn't want to have just one agency, I think it's vital to have different kinds of services' (Interview, 2014v).

> 'Despite how it may feel to some of the smaller organisations who may well see us as a threat, actually I think we have helped to keep afloat organisations…. There is a limit to what we can do to help those organisations, but I think we have been of some assistance to them' (Interview, 2014ab).

However interviews also highlighted the difficulty of taking a wider community leadership responsibility whilst also acting as the lead organisation for commissioning consortia. One senior manager commented that partnerships had become 'a bit more brutal':

> 'We can't afford to be nice to people in the same way that we could….it's difficult, it's all part of the management of shrinking resources, clearly that does impact on the relationships between organisations and the ability to co-operate' (Interview, 2014ab).

On the other hand, the same individual felt that partnership working at a strategic level had helped to ameliorate the impact of spending cuts. Health in particular was seen as a crucial area for the expansion of partnerships. A staff member also emphasised the importance of partnership to future efficiencies:

> 'the needs of service users should be at the top, partnership working is crucial. If as a result of austerity there is less of that…. if there is less money about, you can afford less waste, you need to be as efficient as you can' (Interview, 2014v).

In summary, Framework's story provides an example of a large voluntary sector organisation exploring expanding opportunities to lead collaboration as it sought solutions to reductions in public spending. In common with local authorities, it had developed new ways of structuring services and income, including a more commercial approach and the pursuit of new and varied funding sources. Like other organisations approached for this research, it also found resources in the resilience and pragmatism of its staff base, involvement of service users and inspiration and values from its faith-based roots. However, although the move into a role where it acted as a partnership 'convenor' provided opportunities in gaining contracts and funding, as well as potential influence over statutory partners, the new responsibilities also brought a degree of conflict and contestation, especially with smaller voluntary sector partners. In the context of ever decreasing budgets, hard-headed business practice and community leadership could not easily co-exist.

8.7 Analysis

The findings raise a number of interesting points in relation to the development of community leadership in Nottingham between 2010 and 2015.

First, they highlight that community leadership remained a core function for the council, although the local authority appeared to be moving from an active civic 'enabling' interpretation towards a more symbolic influencing role. It was also withdrawing from the direct connections with communities that facilitated what Sullivan (2007) terms 'citizen voice'.

At the same time, voluntary organisations were starting to move in an opportunistic way into community leadership roles, with some encouragement from the council. These went beyond the maintenance of service provision, to encompass some co-ordinative activity, drawing together people and organisations in pursuit of joint action. In this sense the third sector was indeed beginning to 'step-up' to fill emerging gaps, prompting one faith partner to claim 'the 'Big Society' has worked' (Interview, 2014y).

However, it is questionable whether the roles performed by TNT and Framework helped to replace the diminishing council activity associated with expressing 'citizen voice'. Some of their work (such as the lottery funded initiative) was likely to impact on the policy of statutory organisations, but the majority was focussed on service delivery rather than communications and advocacy. Whilst other organisations existed to express citizen voice (for example organisations representing 'communities of interest' such as Nottingham Citizens, and Nottingham Equal) these did not necessarily represent or replace the geographical community-based connections which the council appeared to be losing. The top-down, paternalistic 'collectivist' traditions of partnership

described by Gardner and Lowndes (2015), were not being fully replaced by bottom-up communitarian approaches.

Although TNT and Framework were very different in size and capacity, they also both met with challenges in assuming 'community leadership' responsibilities. For TNT these may also have been the challenges of a pioneer organisation; establishing a space in which to act, demonstrating credibility (especially with non-faith partners), achieving autonomy and deciding how best to match capacity to action. Framework's challenges were those of a more mature organisation. Their financial power meant that they did not have to create new spaces for action, but they did need to pay careful attention to the effect of their power relations on others, and had challenges in maintaining trust, and influencing other statutory partners in areas of strategy which had formerly been beyond their remit.

Both organisations could access resources unavailable to the council or its statutory partners such as volunteers, philanthropy, and lottery funding, but these were also less stable and flexible than state funding. Accordingly the functions they helped to provide had a high degree of precarity, involved some complex power relationships and depended on continuous negotiation, which proved time-consuming and costly for the organisations involved. Overall the case study evidence demonstrates that although new opportunities for community leadership were potentially being created – or left behind – as the local authority withdrew from a 'citizen-voice' role, these were not easy or uncontested areas to fill.

8.8 Conclusions

This chapter has explored theory and evidence in relation to proposition P4: 'local political representatives continue to exercise community leadership and 'place shaping' roles'. It found national-level institutional support for a continued 'enabling' civic leadership role for councils,

although emerging opportunities were predominantly focussed on sub-regional initiatives including local enterprise partnerships and combined authorities. As resources at a local level continue to reduce through a further five years of financial austerity, with attendant concerns about a deterioration in the ability of the local authority to exercise 'hard' power, (Stoker, 2011) there are suggestions that future 'civic' leadership may be increasingly focussed on symbolic leadership and influence rather than direct action.

The main qualification of the proposition occurs in relation to the 'citizen voice' interpretation of community leadership; specifically that there appears to be a reduction in the resources and possibilities to perform this role, and, in Nottingham, a growing acceptance that the council must inevitably withdraw from community-focussed activity. Although in some cases voluntary sector and faith-based organisations were beginning to explore community leadership roles, these tended to be focussed on communitarian approaches to service delivery, which, although closer to specific communities of interest, are unlikely to provide a direct replacement for the diverse neighbourhood connections that previously enabled the articulation of 'citizen voice'.

There is a fit between these findings and the traditions discussed in chapter 7. In particular Nottingham's strong civic tradition is underlined by these findings, as is the weakening of the state-led collectivist tradition of partnership. However, it is unclear from this research to what extent this is a (widespread) response to national institutional change or a result of Nottingham's historic preference for elite and civic leadership (see section 7.6). Additional research would be helpful in understanding whether the identified constraints on the ability to exercise 'citizen voice' are manifested in similar ways across different localities.

This chapter has also suggested that 'communitarian' leadership traditions may be viewed as strengthening, which stands partly in tension with Nottingham City Council's historic ambivalence towards

communitarian approaches, noted in chapter 7. However - drawing on the findings of that chapter - it is also possible that leadership opportunities are restricted principally to those parts of the voluntary and community sector which, through a diverse and independent funding base, have been able to mitigate the worst impacts of the cuts and the instigation of market-based commissioning practices. More research focussed on the changing role of civil society organisations would help to explore this further.

In respect to Sullivan's 2007 typology, the analysis highlights the benefits of separating (top-down) 'collectivist' and (bottom-up) 'communitarian' perspectives in determining whether the local authority (or other bodies) are exercising leadership consistent with 'citizen voice'. In particular it demonstrates that, as local authorities withdraw from community-facing activities, we should be alive to the potential for other types of organisation to perform 'community leadership' functions.

In this circumstance, 'backbench' councillors could play a key role in bridging the divide, making a link between voluntary and community-level agency and wider place-based leadership. However the centralisation of powers in political executives, combined with the pressures under conditions of austerity for radical top-down savings initiatives does not facilitate this connection. The government's current proposals for imposing elected mayors on combined authorities with cabinets formed through representative (rather than direct) democracy will only serve to exacerbate any disconnection between civic elites, working at a sub-regional level, and the communities they serve.

This also begs an important question: if community leadership was originally conceived as a contribution towards democratic renewal, at what point will this issue be revisited? Whilst service delivery and sub-regional governance in England is undergoing radical transformation, local political structures lag unreformed. If community leadership was originally conceived as part of the answer to problems of trust and

legitimacy in mature democracy, then a potential disconnection of councils and their communities renders this challenge more acute.

Chapter 9: The type and extent of change in local public services in Nottingham

9.1 Introduction

This chapter looks at how we might characterise the type and extent of change occurring within local public services in Nottingham as a result of austerity policies. Chapter one of this thesis explored how government ministers have tended to play down the extent of change occurring within councils, claiming that 'sensible' cuts could be delivered without serious impact for front line services (DCLG, 2012; Osborne, 2013). At the same time there has been a tendency within the local government press to celebrate local authorities' ability to maintain delivery and absorb spending cuts (Jameson, 2013) and in Nottingham the expressed policy of 'we will manage within the cuts' (Interview, 2014g) has already been noted as a guiding narrative (section 6.6). However, chapters six, seven and eight have shown that despite the outward appearance of relative stability, financial pressure has brought some material changes to Nottingham City Council's services and interactions with partners, as well as evidence of shifts in the ideas and underpinning traditions shaping how services are funded and delivered.

This chapter considers two propositions:

P5: The change processes instigated in response to austerity have so far been characterised by incremental change rather than 'punctuated equilibrium'.

P6: Austerity policies have so far been delivered with minimal (first order) change to local governance and systems.

The two propositions are interlinked but represent a separation of the process and outcome elements of change. The rationale for this separation is explained in detail as the starting point to this chapter. Proposition P5 is subsequently examined by considering Nottingham's situation in context with national policy drivers, reviewing the change processes explored in earlier chapters and looking more closely at issues of institutional resilience and expressions of agency. Proposition P6 is then assessed using Hall's idea of policy paradigms (see section 3.5) to look at evidence for first, second and third order change outcomes to date. Whilst this framework's linear nature does not perfectly reflect the change observed, evidence is presented to support the argument that transformational change is occurring and may continue to occur as a result of austerity. The chapter's conclusions explore the implications of this finding.

9.2 The nature of change: analytical considerations

This chapter argues that within the context of a multi-layer system of governance it is possible to observe both a national-level punctuated financial change, and incremental institutional adjustment relating to austerity policies. To help illustrate this point, the analysis draws a deliberate distinction between the type or process of change occurring and the extent of that change. A focus on process allows differentiation between changes occurring at national level and local level, which is important because national changes in funding and legislation arguably constitute a policy punctuation (Baumgartner & Jones, 2002; John & Bevan, 2012; Jones et al., 2009), while the change implemented at local level has so far been characterised by more incremental processes, including displacement, layering, conversion, drift and exhaustion (see section 3.5 for further discussion of these models, and section 6.7 for the observation of incremental changes in Nottingham).

This chapter therefore also asserts that these types of change process can co-exist simultaneously.

The separation of *types* of change from an attempt to categorise the *extent* of change also recognises the principle that incrementalism is defined by its processes rather than its outputs (Cope, 1994) and that gradual adjustment can still be transformative over the longer term (Streeck & Thelen, 2005b) (see section 3.5). Given the relatively short timescale of this thesis, from 2010-2015, and the lack of distance between the end of the spending review period and the time of writing, strong caveats must be given in regard any attempt to accurately judge cumulative outcomes of austerity policies at a local level. Nonetheless, existing institutionalist theory, including Hall's ideas of policy paradigms (Hall, 1993) and Jones et. al.'s concept of 'stick slip friction dynamics' (Jones et al., 2009), can help in attempting to categorise the extent of change to date, and in discussing prospects for change in the future.

Questions of structure and agency are also core to these two propositions. In relation to structure, it is important to take account of the different ways of conceiving institutions, particularly that changes can be sought and observed at both material and discursive levels (as demonstrated in chapters six and seven). In addition, this analysis will highlight the diminishing resilience to change exerted by local institutions, with reference to Paul Pierson's ideas about obstacles to revision, including co-ordination problems, veto points, asset specificity, and positive feedback (Pierson, 2004 p.142-153) (see section 3.5).

In relation to agency, attention is given to the complex role played by actors in processes of change. Institutional theory suggests that they will be active in the 'maintenance, defence, revision and discovery' of institutions (Streeck, cited in Lowndes & Roberts, 2013 p.136), and that their methods might involve deploying 'tried and tested templates', resulting in institutional reproduction, or 'mobilizing purposefully to change or resist existing constraints' (Crouch & Keune, 2005 p.84-5; Lowndes & Roberts, 2013 p.129 - 136). To better understand the role

played by actors, Mahoney and Thelen's framework will be used to explore the role of institutional change agents including insurrectionaries, subversives, symbionts and opportunists (Mahoney & Thelen, 2010) (see section 3.5).

Utilising these theoretical tools, this chapter will explore how Nottingham City Council has been able to exercise some constrained agency in mitigating a punctuated change in national budgets, modifying the financial cuts into more incremental changes at a local institutional level. However it will go on to argue that although changes to date have been characterised by incrementalism, they may nonetheless still be transformative in their effects.

9.3 National and local processes of change: from punctuation to mitigation

At a national level, a strong case can be made for viewing the emergency budget and Comprehensive Spending Review of 2010 as a financial policy punctuation, understanding punctuation as 'a discontinuous pattern, characterised by a large sudden shift in attention that departs from a long period of stability' (John & Bevan, 2012). The 28 per cent cuts to local government's central grant funding (HM Treasury, 2010b) represented an unprecedented reversal in public spending, unequalled since the second world war (Taylor-Gooby, 2012). Changes to local government's grant formula were accompanied by a decoupling of the previous link between rates of deprivation and funding, with authorities in areas with higher levels of multiple deprivation experiencing much higher cumulative cuts than local authorities in more affluent areas. This had a regressive redistributive effect, whereby the difference in spending between English authorities in the most and least deprived bands has fallen from 45 per cent in 2010/11 to just 17 per cent in 2014/15. (Hastings, Bailey, Bramley, Gannon, & Watkins, 2015 p.16).

At the same time a series of incremental policy shifts affecting institutions at the local level served to reinforce and sharpen the punctuated financial change, particularly with regard to the restriction of income generation. These are explored in more detail in section 2.4, but include the capping of Council Tax increases at first three and then two per cent unless local authorities were prepared to hold a referendum; the de-ringfencing of government grants, which contributed to the obfuscation of spending cuts; and the design of income-raising measures such as business rates uplift or the New Homes Bonus, such that they benefitted more affluent areas to a greater extent than areas with high levels of deprivation. The cumulative effect of these changes was to increase financial pressure on local authorities particularly in deprived areas, whilst decreasing their access to grant funding, and restricting the ability to close the funding gap through local tax-raising.

Despite the financial punctuation at national level, compounded by the more incremental local changes noted above, the changes in institutional processes observed in Nottingham were initially characterised by incremental adjustment. Yet it was also possible that this phase of incrementalism was temporary, as by the latter half of the spending review period, tried and tested mechanisms to achieve savings were starting to be supplemented by more radical approaches.

Reviewing Nottingham's responses to austerity, evidence was provided in chapter 6 for an evolving approach to managing the City Council's budget gap, which moved from an incremental approach of 'pass-porting' cuts - making 'salami slices' from departmental budgets - to seeking more substantial savings through the ambitious 'big ticket' transformation programmes (see section 6.3) alongside a forensic search for small savings. Whilst a core set of policy priorities (as exemplified in the lens of affordability and the *Nottingham Plan* [42] (Lowry, 2011) were protected, the shift from incremental savings to more fundamental service re-design was accompanied by a steady

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[42] Nottingham's community strategy, drawn up between the council and the One Nottingham partnership.

reduction in the staff base, ongoing re-evaluation of existing policy parameters, (including, for instance, eligibility for certain social care services) and the substitution of voluntary sector grants with commissioning approaches (see section 6.7, and 7.7). In turn, as policies were changed, there was evidence for increased debate on the rationale and philosophy underpinning the way the Council provided services, including the officer who recounted how the organisation had moved from an anti-business philosophy to the roll-out of commercialisation (Interview, 2014b), and other interviewees who explained how the Council's aims had changed from acting as a paternalistic provider of funding to a situation where communities were being left to 'sort themselves out' (Interview, 2014l) (section 8.4).

None of this happened in a radical moment of change; indeed one director commented 'I don't think this is a place that does radical, because the ideology is quite traditional in some ways' (Interview, 2014b). This apparent minimisation of change may also have been a factor in the growth levels of citizen satisfaction in recent annual surveys (Nottingham City Council, 2014b). However, the identification in chapter 6 of examples of displacement, layering, conversion, drift and exhaustion (Streeck & Thelen, 2005b) shows that practices and narratives were being altered as financial pressures mounted. This gradual shift to increasingly radical responses could be likened to the pace of an athlete on a treadmill which was speeding up: as the pace (or requirement for budgetary savings) became more challenging, the strides (or movements away from existing ways of doing things) began to increase. In summary, the radical financial punctuation had been mitigated into small, incremental shifts, but the transformational potential of those incremental changes, which increasingly drew upon different traditions of service delivery and challenged formerly dominant narratives, was increasing as time progressed.

9.4 The erosion of institutional resilience at national and local level

Using Paul Pierson's ideas on institutional resilience (see section 3.5 for a discussion), it is also possible to see how sources of institutional resilience, which would normally act to prevent the revision of local government institutions, were gradually being eroded at both national and local level. Pierson identified four potential sources of resilience: the requirement for co-ordination, veto points, asset specificity, and positive feedback (2004 p.142). The next part of this argument will look at each of these areas in turn, examining co-ordination in relation to Nottingham's ability to exercise political choices on modes of co-ordination; veto points in regard to controls over finance; and asset specificity and 'positive feedback' in relation to the value of Nottingham's asset base as a source of continued influence, power and resilience.

Pierson (2004) describes how institutional stability is sometimes attributed to the value and importance of continued co-ordination, in that institutions constitute a stable position or equilibrium, which is of shared benefit to powerful actors, with strong disincentives to explore alternative approaches. In relation to local government, Peter John has echoed this view, with his portrayal of local government as a resilient organisation built around a strong central core of members and officers (John, 2014). It is therefore worth examining whether the co-ordination role was a factor in Nottingham's ability to maintain institutional stability.

Nottingham had certainly defended its role and position as a local service provider. It had a historic tradition of circumventing laws on compulsory competitive tendering (see case study background chapter 5). Interviews conducted for this research found that outsourcing was generally (though not consistently) resisted by both council members and officers in 2014 (Interview, 2014c, 2014g, 2014o, 2014q) and bringing services back in house was encouraged, although this was justified on cost, rather than ideological grounds (Interview, 2014g). It

was also far from unique in its approach, with a National Audit Office report finding that – whilst outsourcing had increased most amongst authorities with lower funding reductions - authorities with higher levels of funding reduction were actually reducing levels of outsourced activity (NAO, 2014 p.23).

Nonetheless, it was clear from the evidence in chapters 6 and 7 that – whilst it was defending a role in service delivery through partnerships,- market-driven approaches to co-ordination were growing in importance in comparison to state-driven models.   This was evidenced by the exploration of outsourcing in relation to specific functions (Interview, 2014c, 2014e) growth in commissioning approaches and the move from 'gift' to 'transactional' relationships with the voluntary sector (Interview, 2014i).   Although commercialisation had been deployed in Nottingham as an approach to developing a new twist on state co-ordination, this tactic also explicitly acknowledged the dominance of a market-driven philosophy of service delivery.

Moreover, whilst local authorities' community leadership role had been adopted and codified by the new Labour government, and was being continued in a 'civic' sense in Nottingham, chapter 8 showed how the 'community voice' aspect of this role was gradually being eroded.   The 'empty toolbox' resulting from a reduction in financial power (Interview, 2014l) meant that the Council needed to pass greater responsibility to communities just as it withdrew from them, making space for other partners to exercise some of its local convening functions.

Therefore in relation to both service delivery and community leadership in Nottingham, whilst the Council maintained service and civic coordination responsibilities, the nature of that role - and the traditions that guided how it was enacted - were changing.   State-centred approaches were being challenged and eroded as the Council's financial power reduced, and market-driven and communitarian approaches were increasingly influential.

Turning next to 'veto points', Pierson borrows from rational choice scholarship to create an institutional interpretation of veto points showing how they can affect resilience to institutional change over time (Pierson, 2004 p.144-146). He highlights that it is important to understand when institutional vetoes have been constructed to be 'self-referencing', or controlled by the actors who are protected by them, thus carrying strong disincentives for change. An example of this would be legislation on budget referenda in the 2011 Localism Act. Councils are theoretically able to agree an unbalanced budget, or hold local referenda to increase Council Tax above the Government's given limits, but have very strong political, financial and legal disincentives to taking that path, sufficient to dissuade any local authority from adopting that approach to date: effectively they exercise a self-referencing veto (NAO, 2014a p.33).[43] Their only other route to avoiding cuts is alternative methods of income generation or the strategic use of reserves, but in 2014 the National Audit Office found that most councils had not yet used the latter strategy to supplement service related expenditure, preferring to retain funds in an effort to offset future instability (NAO, 2014a p.16).

For actors in Nottingham, the gap between legislation and implementation undoubtedly provided some leeway for local interpretation, as highlighted in sections 6.8 and 8.4. Yet as one director noted, open insurrection was also relatively rare, especially when it involved court action (Interview, 2014e). Elected members were clear that they could not set an unbalanced budget, and their only route was to 'manage despite the cuts' (see section 6.7). Thus, although the council was able to mitigate the effects of financial reductions on services, it had limited scope to prevent those effects within the limits of its own veto.

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[43] A 4.75 per cent Council Tax rise which would have triggered a referendum was explored by Brighton and Hove Council in 2014, but eventually rejected by opposition parties. In 2015 the Police and Crime Commissioner in Bedfordshire triggered a referendum when he proposed a rise of 15.8 per cent in the Council Tax allocated to policing.

Third, Pierson cites 'asset specificity' and 'positive feedback' as a source of resilience, in which organisational adaptations to existing arrangements make the removal of institutions unattractive, and their replacement increasingly costly. He suggests that '*all other things being equal, an institution will be more resilient, and any revisions more incremental in nature, the longer the institution has been in place*' (Pierson, 2004 p.147 emphasis Pierson's own). Asset specificity suggests that actors with an interest and long term investment in assets, such as relationships, expectations, and knowledge of procedures, are likely to support the continuation of activity wherever those assets are applied (p.148).

Considering local government's asset base from a national perspective, and using Pierson's broad definition as a guide, it is striking that - although local government as an institution has been around since the 19th century - its assets have come under a sustained attack over the last three decades. Following on from this observation, it is reasonable to assume that as the asset base is eroded so there will be fewer assets specific to a local government setting, and accordingly reduced incentives for actors to protect their interests through the maintenance of local government-related institutions.

As implied above, the deterioration in physical local authority assets pre-dates austerity, for instance the Thatcher government took significant legislative steps to limit local government's powers and income in the 1980s, (Loughlin, 1996) and pioneered the 'right to buy' for council houses, substantially reducing the physical asset base. In turn the post-1997 Labour administration embedded the division between councils and housing providers by introducing 'ALMOs' (arms-length management organisations) for council housing functions, and encouraging greater engagement of the private and voluntary sectors. Since 2010 however ownership and retention of all physical assets by local authorities has come under further pressure from central policies encouraging asset reduction (BBC News, 2011). Limitations on raising

income also mean that councils are unable to easily replace assets which have been sold.

Furthermore, considering the staff base as a group of actors with an interest in the continuation of local government, it has been argued that the rise of new public management techniques in the 1990s did much to weaken the power-base of the local government professions, whilst the neutralisation of local government unions was facilitated by the 'new' Labour government (Laffin, 2009 p.27). These factors may have contributed to the relatively uncontested 16.6 per cent national reduction in the staff base between 2010 and 2013 (NAO, 2014b p.8).

Finally, as the asset and staff base of local government was reduced, local politics had also been weakened. Again this process had deep roots, stretching back many years. There was anxiety about electoral turnout from the early years of the Labour governments (Cole, 2003; DETR, 1998) and the membership base of all political parties had dropped from 4 per cent of the population to less than 1 per cent in 2010 (Mcguinness, 2012 p.5). Without widespread popular support, or strong professional interests, local government lacked potential sources of the positive feedback which helped to defend other longstanding institutions such as the NHS.

In this context of reducing physical assets and diminishing producer power, local adjustments to the organisational form of local government in response to financial pressure are becoming common, through the creation of shared services and cross-borough collaboration, such as the tri-borough agreement in London between Kensington and Chelsea, Westminster and Hammersmith and Fulham. Although Eric Pickles joked that he would 'shoot' the first civil servant who came in and suggested widespread reorganisation, he was careful to explain that this was not because local government did not need reform, but that it was preferable to 'change the reality and wait for the structure to catch up' (Pickles, 2014).

Compared to this national context of attrition in assets and reduction in sources of 'positive feedback', Nottingham had some features which enhanced its institutional resilience. First, the council had a large property portfolio, managed through a number of trusts, which allowed it to use land and property to generate income, and facilitate investment (Interview, 2014g). Second, its high level of political continuity promoted stability in relationships between council members and other civic elites, supporting increasing depth and maturity of high-level partnership collaboration, (noted in section 7.3). The council had also been consistent in its policy of protecting assets relating to service delivery, such as the bus company and district heating system. Such building blocks were crucial as the basis for innovation and delivery of initiatives such as a second line for the 'Nottingham Express Transit' (NET) tram network, and the 'Robin Hood' not-for-profit energy company, despite the context of spending cuts.

Nonetheless, the council was not able to entirely insulate itself from impacts to its assets. Although not excessive in the context of other core cities (see section 6.7), Nottingham's reduction to its staff base was 23 per cent between 2010 and 2013. This loss of personnel, coupled with a drop in financial power contributed to changes in relationships with some partners; from a trust and support based environment to a more contract-led basis (noted in Chapter 5); and from the ability to promote direct action to an environment where progress depended on influence and 'wheeling and dealing' (Interview, 2014z). Shared services had already been piloted in relation to human resources and payroll, and new management models were being explored with other statutory agencies, such as the police.

To summarise, at both a national and a local level, it can be argued that as processes of institutional change appeared to be speeding up, local government's institutional sources of resilience were being steadily eroded. Councils had less influence and choice in the form of 'co-ordination' they provided; self-referencing veto points prevented the contestation of the cuts; organisational assets were under pressure, or

(via the transfer of services and assets) no longer specific to local authorities; and they had little positive feedback to sustain the current organisational forms: indeed these were already changing. Although Nottingham's particular institutional context had mitigated these effects to a limited extent, between 2010 and 2015 it was experiencing similar pressures.

9.5 Processes of local agency

The effect of individual actors on change processes was more complex, indeed all four of the elements of 'maintenance, defence, revision and discovery' described by Lowndes and Roberts could be observed from the interviews. In considering the role of actors, the four categories of change agent described by Mahoney and Thelen (2010 p.23) provide a useful guiding framework within which to understand the findings. Importantly their agents work from very different motivational positions, a useful idea in a local government context, because it recognises that actors will have differing levels of power and divergent motivations or political positions, affecting their ability to be open about intentions to influence change. It also raises the possibility of unlikely coalitions, where actors with varying motivations can band together for a common purpose.

Given the context of Nottingham's opposition to austerity, this analysis has adapted Mahoney and Thelen's definitions to take account of how actors work to maintain or undermine institutions and contest institutional change (as well as enact it) against the external shock of austerity. In this analysis, *insurrectionaries* are the defenders of institutions, those who wish to preserve local services against prevailing financial pressure, to the point of radicalism; *subversives* aim at maintenance, providing the appearance of conformity with change, but using loopholes to pursue an anti-austerity agenda; *symbionts* outwardly support the organisation's stance on austerity, but have sympathy with some objectives of austerity policies and the aim of

'never wasting a good crisis'; whilst *opportunists* are intent on discovery, looking for creative possibilities within change.

Although, as noted above, opportunities for outright insurrectionary resistance to austerity were severely constrained, interviews certainly showed evidence of a politically-inspired defence against the ramifications of the spending cuts and welfare reform. One middle manager officer commented that in relation to housing 'everything's a fight', alluding to resistance to welfare reform proposals (Interview, 2014n). Another frontline officer said she was 'impressed' with how vocal the Council had been in contesting the 'bedroom tax' (Interview, 2014m). Certain routes for achieving savings also remained taboo, with outsourcing considered as a 'red line' for many interviewees (Interview, 2014c, 2014g, 2014o, 2014q).

More commonly there was evidence for 'subversion' as apparent compliance with the government's agenda was subtly aligned with the council's policy priorities. A repeated refrain was that the City was 'not taking it lying down' (Interview, 2014n, 2014o) with activity in opposition to central policies taking place in the 'grey area' between legislation and implementation (Interview, 2014c). This included, for example, a commitment to funding welfare rights in order to maximise benefits take up; an unwritten policy of trying to avoid evictions related directly to the 'bedroom tax' (Interview, 2014h), and the mobilization of commercialisation in a way that could 'take us back to big council departments' (Interview, 2014d).

However amongst interviewees, and particularly senior officers and partners, there were also examples of 'symbionts' who sought to use the pressures arising from austerity to promote revision of the City's processes and institutions. These included the director who described commercialism as a 'Trojan horse' to get councillors 'into the right territory for a sensible discussion' (Interview, 2014b) and partners who were keen to radically reform the existing shape of the public sector.

> 'our reality is quite stark lest we get in and deal with it. Leadership is about recognising that so that we shape our future and don't react to it' (Interview, 2014x).

Meanwhile a private sector service provider commented that the officer body sometimes tended to behave as a 'small c' conservative force, but that the 'C' had become bigger with retrenchment, inferring that officers were now using right wing values in designing and implementing policies. The extension of cost-driven commissioning approaches was also cited as an example of these values in practice (Interview, 2014ad).

Nonetheless, it could also be argued that by committing to 'manage within the cuts', the political leadership had created a context within in which such apparent compromises and conflicts of interest were inevitable, and thus the mantle of 'symbiont' could in some senses also be extended to senior politicians. One director described the sense of compromise, saying that members had, in the main,

> 'been able to navigate the difference between their policy differences and staying true to their values, to minimise the worst impact of it, but it has been hard' (Interview, 2014b).

There were also a number of examples of opportunism, embodied in actors who were seeking to discover new practices and models of delivery. These included members, partner organisations and council staff who were seeking to explore how to shift the balance of power and responsibility between the council and the community (Interview, 2014f, 2014k, 2014x; Workshop, 2014b). Another example of opportunism in action was the move to use the context of austerity to re-define the central/local relationship, through arguing for devolution in combination with freedom from central grant funding (Interview, 2014d).

In practice the council found itself drawing on all these motivations and perspectives to identify novel ways of meeting the budget gap. In some areas, and particularly the frontline, there were examples of institutional reproduction, with partners mobilising 'tried and tested' partnership relationships to mitigate the effects of cuts, for instance through the

establishment of food banks, or local providers being mobilised to fill gaps in a domestic violence service (Workshop, 2014a, 2014b). At a strategic level there were also examples of actors 'mobilizing purposefully' using creativity and innovation to develop new solutions including the new local energy company, or the 'Project Aurora' collaboration between local policing teams and neighbourhood managers.

The outcome of this diverse agency was essentially that in the short term the punctuated change instigated by budget cuts was being modified. As one senior manager put it austerity had not 'de-railed the agenda' and was being actively mitigated 'within constraints' (Interview, 2014k). However, as the financial pressure grew, defensive and maintenance focussed strategies championed by insurrectionaries and subversives were being replaced by novel and revisionist proposals from symbionts and opportunist players. This was demonstrated by comments in interviews showing how austerity was acting to embed reforms that had formerly been resisted. One manager identified a more 'energetic appetite' for using things like commercialism (Interview, 2014k), another commented that 'we've really softened up the boundaries over the years. We had to say 'please don't stifle the ideas'' (Interview, 2014b). Another longstanding director reflected that some of these changes had multiple antecedents, for instance greater involvement of the private sector could be traced back to the use of Private Finance Initiative (PFI) and Local Improvement Finance Trust or LIFT schemes for health-related capital investment. As he put it, such delivery mechanisms 'became the routes available to provide bread and butter as opposed to the cream, it's happened organically' (Interview, 2014e).

Thus in relation to proposition P5, although it is possible to agree that the change processes instigated in response to austerity have so far been characterised by incremental change rather than 'punctuated equilibrium, this could be the result of mitigating responses, which may be temporary in their effects. Over the longer term traditional

institutional and agential sources of resilience were being challenged as the continued financial pressure acted to embed change at a material and discursive level. Potentially the foundations were being laid for more far-reaching institutional reform. In effect Nottingham provided a working example of what Pierson terms 'longer term incremental changes', which are 'typically invisible' in studies of political phenomena, but 'crucial in creating the preconditions for institutional reform' (2004 p.164). The next part of this chapter will assess how far that reform has progressed to date.

9.6 Assessing the extent of change

Proposition P6 suggests that, building on the argument that austerity has to date been delivered with minimal impact on front line services, we might expect that austerity policies have so far been delivered with minimal (first order) change to local governance and systems. This proposition draws on Peter Hall's (1993) argument that it is possible to identify three distinct kinds of changes in policy making: first order change which amounts to changes in the 'levels' and 'settings' of policies, within a paradigm set by past policy decisions; second order change, which involves greater changes to policy instruments; and third order change, which refers to a radical paradigm shift in the hierarchy of goals behind policy (Hall, 1993 p278-9) (see chapter 3.5).

Whilst a longer time scale and greater historical distance is arguably needed to properly appreciate the long-term outcomes of the Coalition government's austerity measures, the time of writing, at the end of 2015, makes this a useful point to try and take stock of the effect of austerity policies to date. This is particularly important given that the new Conservative Government has committed to continue its existing trajectory of public spending cuts until the UK deficit has been eliminated (HM Treasury, 2015a). Attempting to understand and categorise the extent of change so far gives the basis for reasonable

conjecture on the significance of the continuation of such policies. This part of the analysis will therefore review the evidence found within this research for each type of change.

A) Evidence for first order change: changing the settings

There is extensive national and local evidence for 'first order change' or alterations to the 'settings on the instruments'. In the context of this research, the 'settings' of local authorities might be interpreted as budgetary changes, changes in functions and service volumes. Over a longer time scale, analysis could also include service quality, but (as detailed in section 6.5) data on changes to service quality is either unavailable or has not yet caught up with the progression of spending cuts, and thus remains an item for future research to consider in more detail.

Taking these changes in turn, while the extent of budgetary reductions is disputed between national and local actors (see section 6.2) it is plain that substantial budget reductions have occurred, and in Nottingham these amounted to a (minimum) cash terms reduction of 21.6 per cent in revenue spending power between 2010 and 2015/16, or (according to the City's own analysis) a real-terms 50 per cent cut in its total government funding (Chapman, 2015). Multiple strategies were employed in Nottingham to meet the resulting budget gap, but the majority of savings to date have been delivered through 'efficiencies', including a 23 per cent cut to the overall staff base and significant reductions in the amounts paid to other service providers. This has in turn led to a reduction in the volume of some services – for instance in community development, youth and play and highways (see section 6.4) and reductions in contract value, impacting for instance on contracts to provide early intervention services to prevent homelessness. The picture in Nottingham is entirely consistent with national reports which have shown that budget reductions to date have mainly been managed through efficiency savings and reductions in

service volumes, rather than reductions in the range of functions (Audit Commission, 2013 p.5; NAO, 2014b p.33; Hastings, Bailey, Gannon, Besemer, & Bramley, 2015 p.609).   More extensive retrenchment is thought to be likely in the future as opportunities for efficiencies are exhausted (Hastings et al., 2013).

B) Evidence for second order change: changing the instruments

Second order change implies changing the techniques or instruments of policy in pursuit of policy goals.   In local government's case the implication would be moving away from traditional structures and institutions to new forms of delivery.   Arguably this type of change is also in evidence at a national and local level, although in many cases traditional institutional bodies still persist alongside new delivery mechanisms.

At the national level we can see increased austerity driving the adoption of 'shared services' and cross-border collaboration, in 2015 there were 416 shared service arrangements occurring between councils across the country delivering in £462 million of efficiency savings, compared to 173 such arrangements in 2012 (Local Government Association, 2015). Inter-agency collaboration was also promoted by the integration of public health with local government in 2013, and although this change was not wholly driven by austerity, siting public health in local councils has resulted in challenges to the costs of local public health interventions (Iacobucci, 2014).

There have also been innovations in institutional form for the purpose of economic development, including sub-regional LEPs and combined authorities.   The flagship example for the Coalition Government is Greater Manchester, which was granted devolved NHS funding in February 2015 in return for commitment to a number of policy outcomes and democratic reform in the shape of a nationally imposed 'metro mayor'.   This emerging institutional form is closely linked to arguments

for creating economically viable city-regions, which could eventually be governed without central government grant funding (Core Cities, 2013b). It was also implicitly linked to the government's plans for future spending cuts in the Summer of 2015, when councils were requested to submit proposals for combined authorities by early September, in order to inform the 2015 Comprehensive Spending Review.

In Nottingham, changes to policy instruments were at an early stage, but nonetheless in evidence. Shared services had been established with neighbouring councils, and shared management arrangements were being explored with other statutory agencies. A combined authority had recently been initiated for Nottinghamshire, although its aims and objectives remained under discussion. In essence there had been surprisingly little change to the formal institutional arrangements for local government and other statutory agencies in the city, and at least one partner felt that public sector integration could be taken much further (Interview, 2014x). However, at an ideational level, the introduction of commercialisation could be seen as an alternative type of second order change, introducing a fresh set of policy instruments to achieve the council's objectives.

Perhaps more significant were the areas of community leadership examined in chapter 8 where Nottingham City Council was withdrawing from its co-ordination functions at community level and allowing other organisations to become the policy instrument in its place. This was particularly evident in interviews which explained how the council was transferring responsibilities for service delivery to service users and local communities (Interview, 2014k, 2014l, 2014q). It was also apparent in the way that voluntary organisations were stepping into gaps to take up emerging convening roles (see chapter 8.7). In this respect the council's role as the principal policy instrument for community leadership was diminishing, and whilst other organisations started moving into the spaces left by its withdrawal from the 'community voice' function, although they did not fully assume this role.

C) Evidence for third order change: changing the goals

If first and second order change can be observed, is there also evidence for a more fundamental third order change?

At a national level multiple commentators have argued that austerity is being used by the Coalition (and now Conservative) government to advance an ideological agenda which aims to dismantle the welfare state and embed neo-liberal policy agendas into public services (see for instance Clarke & Newman, 2012; Levitas, 2012; Newman, 2013; Taylor-Gooby & Stoker, 2011; and Wilks-Heeg, 2011). To date institutions have endured the spending cuts, but there have been clear warnings that further cuts – which are fully expected under the new Conservative Government, are unlikely to be achieved whilst maintaining existing institutions and meeting existing statutory requirements (Hastings et al., 2013; NAO, 2014a). In Hall's terms the 'policy anomalies' and 'frequent policy failures' that presage a major third order change may be starting to appear on the radar, embodied – for instance - in recurrent political debates about affordable housing and funding for adult social care.

Given this national context, to what extent can symptoms of third order change be detected locally, given that Nottingham remains a solid Labour council, and has maintained that position for more than 25 years, making it – at least in theory - less open to the ideological drivers behind austerity?

This thesis argued in chapter 6 that despite the outward appearance of stability, Nottingham City Council's institutions were being challenged at a narrative and discursive level, which resulted in practices being altered incrementally through conversion, layering, displacement, drift and exhaustion. Looking through a slightly different lens, in Chapter 7 the case study of the voluntary sector showed how financial pressure from austerity seemed to be contributing to a shift in the partnership traditions of the council, from a collectivist tradition to an enabling and professional / managerial approach. Given these observations, and the

acknowledgment of potential overlap between Bevir and Rhodes's concept of traditions, and Hall's definition of a 'policy paradigm' (see chapter 3.5) it could be argued that the steady financial pressure accompanying austerity was changing the 'third order' goals of the organisation, forcing political compromise and narrowing expectation of what the local state could achieve. A partner perceived this shift commenting that the 'neo-liberal agenda has been taken on board uncritically' there was a need to 'get back to the Robin Hood agenda' and 'become a more progressive authority' (Interview, 2014w). Again, as in the case of processes examined above, changes were not happening in a radical moment of alteration, and perhaps were not even being perceived by officers and members in the cut and thrust of everyday business, but it did appear that – as the long term goals or traditions of the organisation subtly shifted - this change had the potential to be transformative in its long term effects.

9.7 Conclusions

This chapter started from two propositions that aimed to understand the process and extent of change. These propositions were conceived to help scrutinise Coalition claims that the spending cuts would not impact on frontline services, and that they could be delivered through 'sensible savings' (DCLG, 2012; Osborne, 2013). They also help to test academic arguments which contrast the resilience and even path dependency of local government (John, 2014), with contentions that the Coalition's aim was to radically shape the welfare state (Taylor-Gooby, 2012).

In response, this chapter has argued that it is possible, in a multi-layer governance context, to have different types of change occurring simultaneously. In summarising responses to the two propositions shaping this chapter, some important points are evident. The first is that – despite their relative lack of power - local institutions and the exercise of local agency have made a difference to the way that

austerity was experienced on the ground. In Nottingham's case, the council had acted to mitigate a significant punctuation in funding through incremental processes of change. Institutions had (mainly) retained their form, albeit under considerable pressure, and actors had combined to devise ways of navigating the crisis. However, the increasingly radical steps needed to meet budget deficits meant that this mitigation seemed likely to be temporary: processes of change appeared to be speeding up; sources of resilience, though strong in Nottingham, were diminishing, and actors' differing motivations were contributing to on-going challenges to established narratives and traditions.

Regarding the extent of change to date, analysis utilising Hall's 'policy paradigm' framework (Hall, 1993) suggests clear evidence for first and some second order change. Second order changes (to the policy instruments) remained fairly minimal, but from an institutional theory perspective this was unsurprising, as the ideas and traditions underpinning institutions at a discursive level will change before institutions are altered at a material level. The goals of local public service delivery were also actively under debate amongst key local actors, potentially presaging (in Hall's terms) a third-order transformational change in local services.

Therefore despite the lag in institutional change, Coalition policy architects could make a claim that – from their perspective - austerity is working. They have proved particularly adept at establishing a legislative, financial and normative framework that has restricted councils with opposition political views from exercising extensive resistance. From a perspective of changing 'the reality and allowing structure to catch up' (Pickles, 2014) austerity has been a policy success: transformational change appears to be occurring without disruptive 'punctuated' policy shifts at a local level.

However Hall highlights that recurrent policy anomalies presage third order change, and Baumgartner and Jones also caution that 'prior to a

major quake there is seismic activity' (Baumgartner & Jones, 2002 p.296). Recent reports in the local government press have highlighted that a number of councils are entering severe financial difficulties and in danger of becoming insolvent (Municipal Journal, 2015c, 2015e). Social care has already been mentioned as an area of considerable anomaly, and also possesses the high political salience which might drive a rapid shift in policy attention in the event of a scandal or major policy failure. This is likely to have been a factor in the Conservative Government's November 2015 decision to 'localise' a greater proportion of the revenue for social care, via a 'freedom' for councils to add an additional 2% to Council Tax bills (HM Treasury, 2015b). However, a funding gap is likely to remain, and what is not yet certain is whether an instance of social care failure will result in some mitigation of austerity, or an opportunity for the current government to drive-home third-order change. Despite the argument that most change to date has been incremental in process, it is therefore too early to rule out the possibility of a punctuated shift in public services at a local level.

Chapter 10: Conclusions

10.1 Introduction

This thesis began with the research question 'how are local public services responding to austerity?' It focussed on the actions taken by English local authorities and their partners to address the unprecedented public spending cuts enacted through the UK Coalition government's 2010-2015 Comprehensive Spending Review. The apparent stability of many local services throughout this period provoked important theoretical and empirical research questions about how local authorities had retained their capacity to function in the context of radical reductions to national grant funding. This issue became even more salient in the context of the 2015 Conservative government's summer budget of the 8th July 2015, which outlined a further five years of public spending cuts, alongside a continued squeeze on public sector pay and growing pressures on local authority finances.

Using the UK city of Nottingham as an exploratory and revelatory case study, this research found that the Labour controlled local authority had – to a degree - been able to mitigate the effects of 22 per cent cash terms spending cuts arising from austerity during the period 2010-2015. However, it also noted that the sustainability of existing services and functions appeared increasingly precarious, balancing on an institutional base which was steadily being eroded by incremental change processes.

Evidence presented in this study is consistent with wider research findings which suggest that the measures employed to date to meet growing local authority budget deficits will not be sustainable during further five years of austerity (Audit Commission, 2013; Hastings,

Bailey, Bramley, et al., 2015; NAO, 2014a). This study also extended existing service-focussed analyses (see for example Crawford & Phillips, 2012; Innes & Tetlow, 2015; The Audit Commission, 2012, 2013), to offer evidence that, in Nottingham's case, austerity policies had broader impacts on the functioning of local governance, including some restrictions on local political choice; a negative impact upon smaller providers of commissioned services; and a reduction in important communication channels linking the council and the communities that it sought to lead. In regard to the extent of change, local evidence and recently published national research suggested that fundamental changes were occurring within the 'settings' and 'instruments' of local governance, whilst the underlying goals of local government were also being debated and re-focussed (Hall, 1993 p.278-280). These findings indicated that austerity policies could potentially be creating conditions that could lead to transformative 'third-order' paradigm change in local services.

This chapter will recap on the scope (and technical limitations) of the research before going on to present a summary of the main arguments. It will highlight implications for policy and practice, and place those findings in the context of other recently-published research. Finally it will outline the contribution of the thesis in theoretical, methodological and empirical terms, and set an agenda for further research.

10.2 Scope of the research

This research focusses on the period from June 2010 to April 2015, during which the UK Coalition government introduced the most significant restructuring of public spending since the Second World War (Taylor-Gooby, 2012) in response to the UK banking and debt crisis of 2008-9. The Coalition's 'emergency budget' of June 2010 (HM Treasury, 2010a) and subsequent Comprehensive Spending Review (HM Treasury, 2010b) included a funding settlement for local authorities that subsequently gained infamy as the 'worst financial settlement in

living memory' (Hastings, Bailey, Gannon, et al., 2015). This loaded substantial cuts to local authority grant funding into the early years of the spending review period, at a time when councils were also experiencing rising demand pressures relating to the recession and demographic changes (Bailey, Bramley, & Hastings, 2015 p.574).

For the purposes of this study, local public services have been defined as the functions provided by the local authority, as well as services commissioned from other local providers, in accordance with English local government's service delivery and governance roles. 'Austerity' has been interpreted as a political device, a deliberately ambiguous construct which signals a substantive change in the political environment and governing ethos, impacting at a local level upon a wide range of political choices and decisions (Appelbaum, 2014). Austerity's most obvious manifestations include spending cuts and welfare reform, but this study also recognises that the concept of an 'age of austerity' (Summers, 2009) has informed the broader context of policy-making and public administration, influencing how policies are developed, implemented and projected into the future. Austerity has also been widely viewed as a pretext employed to deepen and cement neo-liberal reforms of the welfare state (Bailey et al., 2015; Levitas, 2012; Taylor-Gooby & Stoker, 2011).

In Chapter 2 a literature review sought to contextualise the position of English local government in 2010 as a convenor of partnerships for service delivery, and 'community leader', as well as a service provider and commissioner. Reviewing the effects of the Coalition's austerity reforms, from June 2010 onwards, (as well as other key policy changes including the 2011 Localism Act (DCLG, 2011a)) the literature highlighted three broad research questions. First, were austerity policies genuinely being delivered with minimal consequences for local services, and if so, how was this being achieved? This aimed to explore a division between studies which focussed on local government's capacity for adaptation based on creativity and resilience

(see for instance John, 2014; Lowndes & McCaughie, 2013), and those emphasising the diminishing power and resource base of local authorities (Hastings et al., 2012).

Second, had austerity policies affected local government's 'convening' role as a leader and co-ordinator of local governance?   Existing research was unclear on whether austerity policies would cause partnership activity to 'wither on the vine' (Lowndes & Pratchett, 2012 p.29) or whether, alternatively, partnership might offer a buffer against austerity (Lowndes & Squires, 2012 p.1). This question also implied the need to consider separately the effects of austerity on partnerships focussed on service delivery, and the continuation of the 'community leadership' role which had been widely promoted and adopted under the preceding Labour government (Leach & Roberts, 2011; Sullivan, 2007).

A third area of enquiry questioned 'how fast (and to what extent) is local government changing in response to austerity?   This was identified as a result of the competing narratives that, on the one hand, cuts could be delivered through 'sensible savings' without impacting front-line services (DCLG, 2012; Osborne, 2013); whilst on the other hand. academic and campaigning assertions suggested that austerity policies were re-scaling the welfare state (Anderson, 2012; Bailey et al., 2015 p.571; Taylor-Gooby, 2012)

These research questions were further informed in chapter 3 by an exploration of theory relevant to the research topic.   Historical institutionalist perspectives (for instance John, 2014; Pierson, 1994) provided a potential explanation for the 'austerity puzzle' suggesting that the institutions which underpinned local government would prove resistant to radical change.   However, alternative approaches to institutionalism emphasised that change could occur at a discursive, as well as material level (Hay, 2006; Lowndes & Roberts, 2013; Schmidt, 2002, 2008, 2009, 2010) and that human agency could be significant

driver of change (Mahoney & Thelen, 2010). Henceforth this study committed to seek evidence of change in both material and discursive senses, allowing for the varying motivational positions of different actors. Lowndes and Roberts (2013) perspective on institutions as 'rules, practices and narratives' provided a model which facilitated this nuanced analysis.

Bevir and Rhodes interpretive approach to understanding government 'traditions' (Bevir & Rhodes, 2003, 2006, 2010) provided a complementary means to explore the meaning and significance of institutional changes within the local historical and political context. Bevir and Rhodes' approach had been applied to local government both by Gardner and Lowndes (2015) and by Helen Sullivan (2007) and these adaptations were deployed in analysing changing traditions in partnerships for service delivery (Lowndes & Skelcher, 1998) and varying interpretations of community leadership.

On the type and extent of change, differing theoretical perspectives suggested that responses to the shock of austerity might occur rapidly via a process of punctuated equilibrium (Gould & Eldredge, 1993; John, 2012; Jones et al., 2009) or more incrementally through gradual endogenous adjustment (Streeck & Thelen, 2005b). Pierson (2004) provided some conceptual clarity on sources and manifestations of resilience which might be recognised within local authorities, whilst Mahoney and Thelen's concept of differing agential motivations provided further theoretical leverage to understand how the *process* of change was occurring. In addition to issues of process, there was also a need to consider the *outcomes* of change to date, and in this regard Hall's (1993) concept of policy paradigms offered a framework which could be used to inform a (very tentative and interim) assessment of how far change had progressed.

In order to examine these issues in depth, the City of Nottingham local authority area was chosen as a single revelatory and exploratory case-

study, being an example of a locality that had been relatively severely impacted by the 2008/09 recession and by the distribution of subsequent spending cuts. In choosing a single case-study approach the intention was to provide a different perspective from studies of austerity existing at that time, moving beyond comparison across services or functions to consider responses to austerity 'in the round', examining both service delivery and governance issues. Within this single case there were also many different perspectives to take into account, and the research drew upon a wide range of data from the council and its partner organisations.

Nottingham City Council collaborated in the research design and data collection as well as providing a small (7 per cent) financial contribution towards the PhD studentship. This approach allowed the researcher to be embedded alongside the council's policy team, facilitating an iterative process of research design, as well as access to documents, interviewees and opportunities for participant observation.

The three main research questions were operationalised through a set of propositions (see box 10.1) which drew on the literature review and theory chapters.   In theorising that that minimal change would be observed, the propositions sought to test the arguments emerging from practice and new institutionalist literature that local government institutions could be expected to mitigate the exogenous shock of austerity, and that services and functions of governance would be resilient, with change likely to occur incrementally, rather than in a punctuated way.

Box 10.1: Propositions

P1) The range and quality of services available to the public has been maintained during the period 2010-2015

P2) The Council's institutional rules, practices and narratives have been maintained during the period 2010-2015

P3) Partnerships for service delivery between the Council and other statutory, business and voluntary partners have been maintained in the period 2010-2015

P4) Local political representatives continue to exercise community leadership and 'place shaping' roles

P5) The change processes instigated in response to austerity have so far been characterised by incremental change rather than 'punctuated equilibrium'

P6) Austerity policies have so far been delivered with minimal (first order) change to local governance and systems

These propositions were used to create a framework of detailed research questions (see Appendix 4) which were used to inform a document review, interview framework and interactive workshops. Data collection was conducted with reference to action research and 'appreciative inquiry' principles (Ludema & Fry, 2008) which took into account the potential impact of research questions on the organisations involved in the study. Data was then analysed with reference to the theoretically-informed propositions, and emerging conclusions triangulated using three or more data sources.

There were some technical limitations to this research. The principal limitation was scope, which was partly dictated by the nature of the PhD process and resources available for the study. One key choice was the decision to focus mainly on institutional responses rather than population-level impacts, as institutional responses were felt to be subject to a shorter time-lag and fewer intervening variables than population effects. Recent larger-scale studies, including recent work on the cases of Bristol and Liverpool (Kennett et al., 2015) have since added greatly to our understanding of the impacts of austerity on particular groups in an urban context, but further links remain to be made between the institutional changes and the ways in which populations have been affected by austerity in different types of locality.

A second limitation on this research was the timescale. Although it attempts to provide a sense of the effects of the first five years of austerity, this thesis inevitably provides a snapshot of a dynamic situation, with most of the analysis having been conducted in 2014 (albeit using documentary evidence that projected cuts to 2015 and beyond). As time moves on, the impacts of austerity are continuing to be compounded, and with every month that passes this study risks understating the extent of change. There is also the disadvantage of having no historical distance on the policy impacts of the spending cuts, and the passage of time will certainly provide a fuller picture of the change that has – or has not - occurred. However, given that austerity is likely to form a key aspect of the context for public policy development from 2015-2020 onwards, an attempt to reflect on its consequences is both justifiable and timely in respect to considering implications for policy and practice.

A third key limitation relates to the perennial limitation of single case studies, with regard to the problems in generalising to a wider population, and the degree to which findings rest on specificities of place, particularly factors such as Nottingham's status and economic power as a 'core city' and its unusual degree of continuity in political

leadership. Yet local context also forms a core variable in this study which would have potentially been obscured by the categorisation required by a larger 'n' study – section 2.4 demonstrated that the impacts of austerity policies were localised and contingent on a wide range of spatial and historical factors. Additionally although the findings in this study cannot be generalised to a population, they can be generalised to theory via the substantiation or modification of the propositions (Yin, 1994). The next part of this chapter will therefore examine how far the propositions have been supported by the research.

10.3 Summary of research findings

Chapters 6 to 9 presented research findings in relation to the propositions, as set out in table 10.1 below.

Table 10.1 Research findings chapters and focus of analysis

Chapter	Proposition(s)	Focus
6	P1 and P2	Evidence for sustaining frontline service delivery and underlying institutions.
7	P3	Maintenance of partnerships for service delivery.
8	P4	The local exercise of community leadership.
9	P5 and P6	The type and extent of change in local government .

A summary of the findings against each proposition is presented below.

Proposition 1: The range and quality of services available to the public has been maintained during the period 2010-2015

Research to test this proposition sought first to understand the extent of cuts to grant funding in Nottingham, before going on to explore how the council had managed those cuts. The analysis drew on published

committee reports, medium term financial plans and detailed budget documentation, as well as comments made during interviews and frontline staff workshops. To assist in interpreting the data, the study utilised a framework published by the Joseph Rowntree Foundation (Hastings et al., 2013). Although this framework proved to be subjective (limitations are discussed in more detail in section 6.4) it was helpful in broadly categorising the strategies in use by the local authority.

The total reduction in grant funding was difficult to pin down, due to complexity of local government funding mechanisms. Nottingham City Council's medium term financial plans showed a minimum cash-terms reduction of 21.6 per cent of spending power between 2010/11 and 2015/16. However revenue spending power only partially reflects cuts to government grants, and Nottingham City's own analysis claimed a real-terms spending cut of 50 per cent (Chapman, 2015). In addition ONS data showed that there was a 23 per cent reduction in the council's staff base between 2009 and 2013. Yet despite these considerable retractions in resources, there were relatively few examples noted in interviews or the document review of aspects of frontline service delivery that had completely ceased.

Instead, detailed analysis of budget documentation found that the highest proportion of savings had been achieved through 'back office' efficiencies, including strategies such as management delayering, corporate re-design, reduced support functions, reduced office space and lowering interest payments. Back office efficiencies delivered approximately a third of total savings, totalling nearly £35m between 2010 and 2016. Income generation and service redesign were the next most important categories, each programmed to deliver around £15 million (14 per cent) of savings by 2016. In the context of the JRF framework all these initiatives constituted 'efficiency savings'. By contrast, measures judged to 'reduce the range of services' accounted for just 5 per cent of overall savings during the period under study.

Overall it appeared that the council had been able to maintain some continuity in services, sometimes in conjunction with partners. In addition a number of ambitious new capital projects had been progressed, including Line 2 of Nottingham Express Transit and a new leisure centre at Harvey Hadden.

Although in most cases services had not been entirely deleted, many of the efficiency savings represented one-off reductions in costs (such as the deletion of vacant posts) which could not be repeated. It was also clear from successive financial plans that certain functions had been subject to substantial reductions in budget and were extensively re-designed to offer a lower volume of service, spread more thinly. Examples included neighbourhood-based community development, youth services and highways. There were also reductions in eligibility, for instance in relation to access to adult social care, and for assistance with buying school uniforms. In addition there were instances of 'arms-length' retrenchment, where funding ceased to services provided by third parties.

The maintenance of service quality was harder to assess, as much data on quality had ceased being collected or published since 2010, whilst nationally published audited data, such as that relating to adult social care, was subject to a time-lag. There was clear evidence from interviews and workshops of increased work-related pressure on remaining staff and managers, but the council also published figures which showed they had made progress against a majority of the council's priority targets, and that citizen satisfaction levels had improved significantly during the period under study. This data was recognised to be a partial and problematic proxy measure, and further research, over a longer time-scale would be needed to fully understand the effects of funding reductions on service quality, and concomitant changes in users' expectations.

Henceforth, in relation to P1 there was evidence to support the proposition that the range of council services had been maintained since 2010, with a caveat that the existing range of provision appeared fragile. Many of the efficiencies in the period under study consisted of one-off cuts or reductions to service volume and eligibility, which would prove difficult to repeat without retrenchment. However it was not possible to determine how responses to austerity had affected the quality of services, although progress against key indicators in the *Nottingham Plan* and rising levels of citizen satisfaction were noted as imperfect proxy measurements.

Proposition 2: The Council's institutional rules, practices and narratives have been maintained during the period 2010-2015

Despite the surface-level stability in the range of services available to the public, analysis of Nottingham City's institutions, using Lowndes and Roberts (2013) concepts of 'rules, practices and narratives' (p.52) revealed incremental change in institutional constraints. For the purposes of this analysis Lowndes and Roberts definitions were expanded, so that rules were viewed as formally constructed and recorded (including law, policy and guidance), whilst practices were interpreted broadly to take note of actions taken in response to rules, as well as the less formal 'way we do things round here' (Lowndes & Roberts, 2013 p.51). Meanwhile narratives included stories, myths and explanations.

Applying these definitions, although the council's explicit 'rules' were largely maintained (for instance the need to achieve a balanced budget, meet statutory requirements and deliver core manifesto policies) there was evidence that practices were challenging former 'rules in use' (Ostrom, 1999 p.38). Streeck and Thelen's incremental processes of conversion, layering, displacement, drift and exhaustion (Streeck & Thelen, 2005 p.31) which were introduced in section 3.5 were discernible in the four strategies which made the greatest contribution to council savings (workforce management, commercialisation,

commissioning and service redesign). Thus, although the council had a stated rule of protecting its workforce, elements of 'conversion' could be viewed in the gradual attrition of pay, terms and conditions which brought the organisation into conflict with the unions, a tentative exploration of outsourcing, and the way in which holiday 'buy back' schemes were re-packaged as a means to deliver efficiency savings as well as a staff welfare measure.   Similarly, the 'layering' of commercialism over existing services – though squarely in line with council objectives for some interviewees – represented a distraction or 'Trojan horse' for others.   Meanwhile commissioning was viewed by some interviewees as 'displacing' the council's traditional practices with alien values, management techniques and language.   Finally some aspects of service redesign, for example in relation to certain categories of social care, masked 'drift' in long held principles, and a sense that options for maintaining existing organisational rules had been 'exhausted'. These changes to practices did not in themselves indicate completed institutional change, but showed how the 'fit' (Lowndes & Roberts, 2013 p.134) between rules and practices was being affected by financial pressure.

Whilst local narratives asserted that some autonomy could always be retained to ensure policies were shaped in a 'Nottingham way,' they also revealed an ideational contest over the best way to resolve the 'dissonance' between the council's historic approach and the 'reality' of austerity. It appeared that managerial and market-driven techniques were increasingly being mined for solutions which could achieve the ruling Labour group's policy objectives.   Whilst some interviewees viewed the adoption of such approaches as irresistible, given the financial context, others expressed disquiet that subtle changes to the ideals underpinning service provision could lead to unintended consequences.

Therefore in relation to P2, the evidence suggests moderating the proposition to recognise that although the council's institutional rules

had been largely maintained in the face of austerity, practices showed evidence of challenge to 'rules in use' (Ostrom, 1999 p.38) and there were contesting narratives about the best approaches to address austerity. Although the formal rules governing service delivery had not yet fundamentally changed, the 'fit' between rules, practices and narratives was weakening, creating the potential for more profound institutional change in the future.

Proposition 3: Partnerships for service delivery between the Council and other statutory, business and voluntary partners have been maintained in the period 2010-2015

Analysis relating to proposition 3 considered partnerships focussed on service delivery from both a new institutionalist and an interpretive perspective. This combined analysis concentrating on the structures of local partnership activity, with an exploration of local meanings adhering to change, in the context of wider 'traditions' of local governance.

Using the new institutionalist perspective, the research found that in relation to strategic and elite partnership work (and despite some rationalisation of formal partnership bodies since 2010) the 'rules, practices and narratives' of partnership working had been maintained or strengthened. For example the council had maintained the 'One Nottingham' strategic partnership as a coordinative body for sharing intelligence and mitigating the impacts of cuts. Interviewees perceived an increased openness between city elites, and local politicians had a growing involvement in sub-regional bodies, including the local economic partnership, a combined authority for Nottinghamshire, and chairing the East Midlands local government association. From an institutional point of view partnership working remained intact.

However, taking an interpretive perspective, and focussing more on agency, it was clear that some partnership relationships were under strain, and this was particularly true of the relationship between the local authority and the voluntary and community sector. In this case,

the introduction of 'commissioning' practices by the local authority in place of voluntary sector grant funding had created contract-oriented relationships, which reportedly resulted in a dynamic of 'survival of the fittest' or 'largest' amongst voluntary sector organisations. In terms of Gardner and Lowndes' interpretation of local government traditions (2015), the council appeared to have moved from a paternalistic, collectivist tradition of partnership with the voluntary sector, to a way of working which had more in common with market-driven 'enabling' traditions. It was unclear whether this was a deliberate political decision or simply driven by financial imperative, but the negative effects of this change on voluntary sector partners and their workforce bore out concerns expressed in relation to proposition 2, that changes in the underlying values of the local authority (captured in this analysis through traditions) could have wider consequences in the context of governance relationships, in this case affecting smaller and less financially powerful delivery partners.

Therefore proposition 3 requires modification, to acknowledge that although institutions supporting partnerships for service delivery had been maintained at an elite level, changing practices were being applied to partnerships with less-powerful partners. This implied a shift in the 'traditions' of partnership work drawn upon by the council, with negative consequences for some suppliers, particularly within the voluntary sector.

Proposition 4: Local political representatives continue to exercise community leadership and 'place shaping' roles
This proposition analysed the council's community leadership role with reference to Sullivan's four interpretations of community leadership, as 'enabling' (or place-shaping) leadership; 'community voice'; a 'symbolic act, and an 'expedient device' (2007 p.145).

Considering recent legislative and policy changes made by the Coalition government, the research noted that national initiatives such

as the creation of combined authorities and local enterprise partnerships, supported continuation of a civic 'enabling' or place-shaping interpretation of community leadership, particularly at a sub-regional level.

By contrast there appeared to be a reduction in the resources and opportunities for local authorities to adopt a 'citizen–voice' interpretation of community leadership. In relation to the case study locality, the research observed that Nottingham City Council was increasingly withdrawing from community-facing roles including neighbourhood-level partnerships and voluntary sector infrastructure. As the council drew back, there were examples of some voluntary sector and faith-based organisations moving into this space, but two mini case studies demonstrated how assuming such convening functions could prove both costly and problematic for the organisations concerned.

Given that the 'citizen-voice' interpretation of community leadership was originally advocated as part of the answer to issues of democratic trust and legitimacy, this research potentially highlights a future risk of a democratic deficit, as the focus of local government's community leadership activity moves to cross-boundary and sub-regional level, alongside a central requirement to accept directly-elected Mayors in return for devolution. At the same time, local authorities are being forced by budgetary pressures to withdraw from community-facing functions that support their ability to elicit and express 'citizen voice'. Possibilities for exercising community leadership as a symbolic act were limited by evidence that the City Council was increasingly dependent on influence rather than direct action, due to a continuing deterioration in their ability to wield 'hard' power. However it was unclear whether this effect was particularly acute in Nottingham's case and more research would be required to understand if this finding was evident on a wider basis across England.

In relation to P4 there is henceforth a need for clarification in the type of leadership being referenced in the proposition. Although it is possible to agree that local political representatives continued to exercise a strategic 'enabling' leadership role on behalf of the city, their ability to act as a conduit for 'citizen voice' appeared to be diminishing.

Proposition 5: The change processes instigated in response to austerity have so far been characterised by incremental change rather than 'punctuated equilibrium'

This proposition sought to understand the processes of change, as distinct from the outcomes or extent of change (which are examined further in proposition 6). It contrasted a 'punctuated equilibrium' concept of change whereby change occurs in earthquake like shifts (Jones et al., 2009), with more incremental adjustment (Mahoney & Thelen, 2010). In analysing the evidence, the argument looked first at the nature of national change processes, before considering the local manifestations in Nottingham's case. The research found that a strong argument could be made for viewing the emergency budget and Comprehensive Spending Review of 2010 as a financial policy punctuation, but that Nottingham City Council had been able to mitigate its effects so that they impacted as incremental change at the level of frontline services. However, it was unclear how long that mitigation could be sustained.

Utilising Pierson's (2004 p.143-153) ideas on institutional resilience, the research noted that the council's particular institutional context - including its longstanding political commitment to retaining services in-house; its economic power as a core city; and its extensive asset base - had provided a number of advantages in terms of maintaining resilience. Yet the basis of this resilience was also steadily being eroded, in terms of the council's ability to choose the extent and form of local co-ordination it offered (for instance around aspects of community leadership), its ability to mitigate central government decisions as a

result of continuing financial pressure, and its ability to maintain and defend its asset base.

This effect was being compounded at the level of individual agency. Analysis considering the roles of different types of change agent (Mahoney & Thelen, 2010) (see section 3.5 for more details) showed how strategies championed by 'insurrectionaries' and 'subversives' which were focussed on the defence and maintenance of institutions were increasingly being challenged by novel and revisionist proposals from 'symbionts' and 'opportunists'.

Therefore, although it was possible to agree with the P5 that change processes had so far been characterised by incremental adjustment, it seemed likely that the mitigating responses employed to date might be temporary in their effects. In Baumgartner and Jones's terms, the factors creating institutional friction (or 'stick') were being eroded, whilst the pressures promoting institutional 'slip' continued to build (Jones et al., 2009 p.864). Although change to date had been incremental, potentially the foundations were being laid for more radical instances of institutional change in the future.

Proposition 6: Austerity policies have so far been delivered with minimal (first order) change to local governance and systems

The final proposition attempts to make a cautious and interim judgement on how far institutional reform had progressed to date. Using Hall's (1993) concept of paradigmatic change in policy-making (see section 3.5 for further explanation), the research finds clear evidence for first order and some second order change in the 'settings' and 'instruments' of local governance in Nottingham. In regard to first order change or alterations to the 'settings on the instruments' of governance, it was demonstrated in section 6.4 that substantial budget and staffing reductions have occurred and service volumes had decreased, particularly in relation to community development, youth and play, and highways. First order changes were also occurring

through reductions in the contract value of commissioned services, such as early intervention projects to prevent homelessness.

Second order changes to policy instruments were at an earlier stage, and from some perspectives there appeared to be surprisingly little change to formal institutional arrangements for local government and other statutory agencies, (at least one partner felt that public sector integration could go much further) (Interview, 2014x). Local evidence for change was nonetheless discernible in shared service arrangements, shared management arrangements for neighbourhood working with the police, and the initiation of a Nottinghamshire combined authority, as well as nationally inspired initiatives such as the transfer of public health funding to the local authority in 2013. It was also apparent from analysis against proposition P4 that the local authority was starting to withdraw from elements of its community leadership function, allowing voluntary sector organisations to explore this role.

Regarding third order change to policy goals, the local context and theoretically informed assumption suggested that Nottingham should not have experienced this type of change, particularly given its history as a solid Labour authority with remarkably consistent leadership over the past 25 years. Nonetheless the evidence of chapter 6 for incremental change in the discursive institutions of the council, coupled with that in chapter 7, for a shift in the partnership traditions, suggested that financial pressure could be compromising the third order goals of the organisation, as it forced political compromise and narrowing expectations of what the local state could achieve. Linking back to P5, although this change *process* had been incremental rather than punctuated, the outcomes had the potential to be transformative in their longer-term effects.

Proposition P6 should therefore be rejected, as there is evidence for second and possibly third order change in local governance and

systems. Given that this analysis comes at a time when further austerity measures are expected in the forthcoming autumn 2015 Comprehensive Spending Review, it would be reasonable to expect that change to be extended and deepened in the next five years.

To summarise the relationship of these findings to the research question, it is possible to draw a number of conclusions in response to the research question 'how have local public services responded to austerity'. In Nottingham's case the local authority had maintained the range of services by deploying a wide range of creative mitigating actions and strategies, but it is important to underline that a high proportion of cuts in the period 2010-2015 had represented one-off savings, which could not be repeated. There was also evidence that service volumes and eligibility were being eroded, and the existing range of services appeared fragile. Although politicians and officers were continually exploring ideas and solutions from different governing traditions, these sometimes compromised local political principles and values.

Meanwhile the council was acting to mitigate service delivery issues arising from austerity through strategic level partnership activity, but smaller and less powerful partners in commissioning arrangements, particularly in the voluntary and community sector, were suffering under a more competitive, contract led environment. The local authority had also pursued emerging civic leadership opportunities as part of their community leadership role, but as sub-regional activity claimed increasing policy attention, links at a community and neighbourhood level were being eroded.

Whilst these responses combined to slow the rate of change from a rapid (punctuated) financial change to an incremental adjustment at the front-line, there was evidence that the institutional resilience of the local authority was steadily being diminished, and that surface-level stability belied significant changes to the local 'settings' and 'instruments' of

local governance. The findings suggest that a further five years of austerity could fundamentally revise both the local public service landscape and its central goals and objectives.

10.4 Local findings and the wider research context

The strength of these findings lies in the nuanced and context-specific representation of local responses to austerity, which pays attention to traditions, institutional form, meaning and the scope for both organisational and individual agency. In taking this approach the study builds on arguments that the effects of austerity are unequally distributed and locally specific (Hastings et al., 2012; Peck, 2012), highlighting that responses to austerity are also contingent on responses specific to people and place. However the limitations of this research also lie in its relatively narrow scope, and for that reason this discussion now turns to the fit between these findings and other recently published studies.

Since 2012, when this research commenced, several significant studies have contributed to our understanding of austerity within English public service organisations. Intersections between the findings from Nottingham and this literature are summarised with reference to the **revised** propositions in Table 10.2 below.

In relation to Proposition P1, Fitzgerald & Lupton (2015) echoed findings in Nottingham, reporting that three London boroughs were managing to balance budgets without major losses of frontline services (p.590) though, as in Nottingham's case, it questioned their 'remaining capacity' to continue doing so (p.598). Whilst the examples of creativity noted by Lowndes & McCaughie (2013) and Lowndes & Squires (2012) (see section 2.4) were evident in the diverse responses developed by the Nottingham City Council and its partners to address austerity, the main body of measures used to absorb the spending cuts

in Nottingham showed consistency with those identified within the national comparative studies of the Audit Commission (2013) as well as findings from the Joseph Rowntree foundation (Hastings, Bailey, Bramley, et al., 2015; Hastings et al., 2013). These reports showed that the majority of savings made by councils to date have been achieved through 'back office' efficiencies including one-off staffing reductions. Both studies warn that such savings will be difficult to repeat.

With regard to service quality, the NAO (2014b p.33) notes a national reduction in the volumes of social care, echoing the observations made about reduced service volumes in Nottingham. However, the NAO's comparative study is unable to state at this point whether there has been an impact on service quality, making this area ripe for future research.

Proposition P2 constituted a relatively novel piece of analysis showing how austerity was leading to subtle changes in practice and contested narratives. Although this model of new institutional analysis has not, to this author's knowledge, been deployed in a similar area of enquiry, shifts in narrative are explored further in Gardner and Lowndes (2015), which considers how the mobilisation of different local government traditions is creating fresh discursive resources, leading to novel and hybrid responses to austerity.

Table 10.2 Revised propositions and findings from wider research

Revised propositions	Findings from wider research
P1) The range of services has been maintained – albeit in a fragile state – but it is too early to measure impacts on quality	Fitzgerald & Lupton (2015) found that London boroughs were managing to balance budgets without major losses of frontline services (p.590), but questioned 'remaining capacity' (p.598). The Audit Commission (2013) and (Hastings et al., 2013) both drew attention to short-term savings strategies and back office 'efficiencies'. NAO (2014b p.33) found that service volumes had dropped although they noted that judgements could not be made on service quality.
P2) Outward maintenance of institutional rules masks subtle changes in practices and contesting narratives	Gardner & Lowndes (2015) discuss changes in 'traditions' underpinning commercialisation and commissioning.

P3) Institutions of partnership work have been maintained at an elite level, but traditions of partnership work are changing.	Meegan, Kennett, Jones, & Croft, (2014 p.138-9) highlight knock-on effect of cuts on 'para state' VCS services. Clayton, Donovan, & Merchant (2015 p.26) report that public sector provision through 3rd sector is in 'survival mode'. Milbourne & Murray, (2014) argue that smaller VCS organisations are under greater stress. Fitzgerald & Lupton, (2015, p.596) note that pressure to drive down costs of procured services is also driving down wages. Newman (2013) sees local authorities as sites of conflicting discourse, or 'landscapes of antagonism'.
P4) Civic leadership has been maintained but community voice is diminishing	Fitzgerald & Lupton, (2015) find evidence for broader civic engagement (p.595). Donald, Glasmeier, Gray, & Lobao warn of 'giving away of democratic process' (2014 p.11). Hastings, Bailey, Gannon, et al., (2015 p.617) report a process of 'citizen responsibilisation'.
P5) Processes of change have been	Fitzgerald & Lupton, (2015) suggest that resilience may be a 'cloak of optimism' which

incremental rather than punctuated, but mitigation may be a temporary effect	underestimates impacts on users and remaining capacity.
P6) There is evidence of second and third order change in local governance and systems	Hastings, Bailey, Gannon, et al., (2015 p.614) report a 'rescaling' of the state Kennett et al. (2015) discuss the 'risk shift' to localities and populations

Meanwhile a broad and growing range of studies (e.g. Clayton et al., 2015; Meegan et al., 2014; Milbourne & Murray, 2014) concur with findings in proposition P3 that third-sector organisations are experiencing considerable financial stress as a result of austerity-related policies. Fitzgerald & Lupton, (2015, p.596) echo the suggestion emerging from research in Nottingham that sharper procurement practice was driving down wages in the sector. These findings also chime with Janet Newman's ideas that local authorities can act as sites of conflicting discourse, or 'landscapes of antagonism' as they implement the enabling and managerial instruments of a neo-liberal agenda (Newman, 2013).

Several findings in relation to proposition P4 are also supported by recent research, although this nuanced topic would benefit from further exploration. Fitzgerald & Lupton find evidence for a broader civic engagement in a search for new solutions and opportunities (2015 p.595), but Hastings, Bailey, Gannon, et al., (2015) also report a process of 'citizen responsibilisation', whereby communities and the voluntary sector are called upon to shoulder risks formerly borne by the state (see also Kennett et al., 2015). The suggestion that councils may be withdrawing from local communities also connects with Gerry Stoker's (2011) argument that community governance may not be a role that is sustainable for local government over the longer term. As austerity progresses, the 'hard power' possessed by councils is eroded, whilst 'soft power' may also be diminishing, if, as suggested in this study, councils start to withdraw from the convening functions which previously strengthened their connection with communities.

Issues of democratic engagement and legitimacy are also picked up by Donald, Glasmeier, Gray, & Lobao, who warn that austerity leads to a 'giving away of democratic process' (2014 p.11). Although councillors' status as elected representatives continues to confer a degree of political legitimacy, a trend towards declining party membership, (Mcguinness, 2012) (with the exception of Jeremy Corbyn's Labour leadership campaign) as well as low local election turnouts, continues

to undermine the representativeness of their role. Copus (2015) has recently noted that councillors require time, resources, advice and support to shape the local policy networks that are required to perform a community leadership function. Given the context of austerity, which contributes to increasingly straightened training budgets and reduction in resources wielded by capacity-building bodies such as the Local Government Association, it is far from clear that such infrastructure is available.

Proposition P5 speaks into the debate about the processes of change and resilience within local authorities, arguing that in Nottingham's case the council was able to mitigate a punctuated financial change into an incremental change to services, but that the sources of resilience underpinning that mitigation may be eroding. Fitzgerald & Lupton's (2015) study supports this latter point, suggesting that there are limits to resilience and the term may be a 'cloak of optimism' (p.583) which underestimates impacts on users and overstates remaining capacity to achieve savings.

Finally, with regard to the outcomes of change for local governance systems (proposition P6) Hastings, Bailey, Gannon, et al. (2015 p.614) report a 'rescaling' of the state (consistent with Hall's (1993) concept of first and second order change), whilst Kennett et al. (2015) describe a 'great risk shift' to localities and populations which is arguably, in Hall's terms, a 'third-order' shift in the goals of the welfare state. Despite the outward stability of local government, there is henceforth some broader consensus that the pressures of austerity could be leading towards fundamental transformation.

More widely the argument developed throughout the thesis as a whole aligns with historical institutionalist arguments (Mahoney & Thelen, 2010; Streeck & Thelen, 2005b) that institutions can act to mitigate exogenous shock, but emphasises that although effects of that shock may be (at least temporarily) offset, the incremental changes occurring in its wake still have potential to be transformative over the longer term.

10.5 Policy implications

The unexpected outright victory of the Conservative party in the general election of May 2015 has set a trajectory for further radical public spending cuts and continued pressure on local government finances. In a general sense, the government's 'new fiscal mandate' to run a surplus on public sector net borrowing, and for public sector net debt to fall as a share of GDP in each year from 2015/16 to 2019/20, will ensure that the size of the state continues to reduce in the next five years (Osborne, 2015a). The Comprehensive Spending Review of November 2015 published an intention to reduce DCLG's central funding for local government by a further 56% (HM Treasury, 2015b p.78) although (predictably) there were multiple creative figures applied to calculations of local authorities' overall spending power, with the government claiming that - when local tax-raising powers were included - the reduction would amount to just 6.7%. In addition, budget pressures at a local level will continue to increase. The Chancellor's summer 2015 announcement of a reduction of 1 per cent in English social rents (Osborne, 2015a) transfers £2.5bn of income from social housing providers, including many local authorities, back to the exchequer via savings in Housing Benefit (Hood, 2015). The planned increase in the minimum wage to the 'national living wage' will also have a knock-on impact for councils, particularly regarding the costs of social care (Jameson, 2015). Higher paid public sector staff will continue to face increased pressures with pay rises limited to 1 per cent until 2019 (HM Treasury, 2015c).

Meanwhile, in the context of ever greater political differences between the nations of the United Kingdom, there are increasing calls for greater devolution to English Local Authorities. Greater Manchester is currently in the vanguard of an experiment dubbed the 'Northern Powerhouse', which provides for a sub-regional combined authority whereby a powerful 'metro mayor' will manage significant new income streams and

administer a higher proportion of public spending. The government has begun to extend the approach, initially to other cities, and more recently to other types of combined authority. What then are the policy implications of this research in relation to this challenging and rapidly changing environment?

From central government's perspective, this study adds to a growing body of evidence that the volume of cuts required by the government will be difficult to achieve within the current institutional landscape. Whilst the bulk of previous savings have been delivered through 'efficiencies', they are proving harder to find. Social care, in particular is beginning to resemble a source of 'anomaly' in relation to strains on the existing governance framework, where breakdown could quickly lead to rapid increase in policy attention. This has been acknowledged in the press (Brindle, 2015; Municipal Journal, 2015b) and is implicit in the commitment within the Comprehensive Spending Review of November 2015 to allow councils to add a 2% social care precept to council tax (HM Treasury, 2015b p.3).

One likely source of future savings, drawing on this research, is further 'second order change', involving mergers between councils, police and fire authorities, further education and the health service. Whilst this will release some 'efficiencies', the resulting patchwork of different governance solutions (which will also be subject to differentiation in the extent to which they have been affected by austerity) will prove increasingly difficult to steer from a national level.

In this context, from a central perspective, devolution provides a policy instrument with which to deal with the emerging complexity of the local public service landscape, obfuscate the extent of further public spending cuts (through cuts in complex devolved budgets) and to displace any political consequences occurring from retrenchment at the local level. Yet despite the discourse of a 'devolution revolution'

(Osborne, 2015b) the Conservative government appears reticent about pursuing further 'localism'.

The devolution currently being promoted is focussed at a sub-regional level, with an emphasis on economic development, which – at least in the short term – is unlikely to provide local relief to the pressures of austerity (Donald et al., 2014; Hastings, Bailey, Gannon, et al., 2015 p.616). Though there have been recent adjustments in local tax raising powers, including the aforementioned social care precept (HM Treasury, 2015b p.3) and a degree of control over business rates, announced in October 2015 (Osborne, 2015b), these are still tightly constrained within given limits. The government has also announced intentions to assume greater powers to intervene in local planning decisions (BBC News, 2015).

Central and local government policymakers therefore face something of a dilemma. There are clear advantages in devolution for both central and local government, but only under certain conditions. If central government makes a partial devolution settlement, but retains control over local finances, it risks being held accountable for local service failures in an increasingly complex service delivery environment. Conversely, if more devolution is granted to local authorities, then councils must deal with new levels of responsibility and risk: greater fiscal autonomy and the capacity to borrow has not protected councils in the United States from financial failure (Peck, 2012). Henceforth the devolution and responsibility settlement between central and local government is likely to need a great deal more negotiation and clarification. This would arguably be best achieved within the context of a new national constitutional settlement, a topic which has been promoted on a cross party basis in Parliament for some time (House of Commons Political and Constitutional Reform Committee, 2013).

Returning to the issue of financial pressure, these research findings show that it is likely to get harder for councils – especially those in

opposition to the government – to protect core political values and non-statutory services. This situation is particularly acute for unitary and county councils with social services responsibilities; districts, although smaller, are already focussed on discretionary services and can therefore retain some political choice albeit over shrinking resource and within a complex political environment of collaboration. Immense creativity has been deployed in sustaining services to date, and councils have developed many fresh sources of income generation, including commercialisation and applying to alternative funding bodies such as the National Lottery. However, whilst such income raising measures have been effective in the short term they are also more vulnerable to change than an established funding stream. If the current trajectory of spending cuts continues the capacity for local political choice will be further reduced and funding for local services will become more precarious.

Whilst opportunities for civic leadership remain, this research suggests that leadership may be increasingly influence-led rather than resource-based. A significant aspect of councillors' influence relates to the democratic mandate (Copus, 2015) and if local authorities wish to maintain this status (in the context of shrinking resources) attention will inevitably turn again to democratic renewal. This study showed that at a community level reduced funding for initiatives including neighbourhood regeneration, local partnership working, and community development were combining to draw the council away from its community and neighbourhood facing roles. At the same time the concentration of power in the political executive, likely to be exacerbated by plans for combined authorities and Whitehall-imposed directly elected mayors, is steadily focussing power and energy at a sub-regional level. New solutions are needed to address the long-standing issue of local democratic deficit. A policy debate in this respect could form part of a wider reappraisal of the role of local government in post-austerity England.

At the level of civil society, this study offers a reminder that the effects of spending cuts stretch well beyond councils, with negative impacts for the wider economy, including smaller suppliers and voluntary and community sector organisations. In a context of commissioning, the fate of the public, private and voluntary sector is increasingly intertwined, and central and local government policymakers will need to balance requirements and mechanisms for spending cuts with the health and diversity of local small businesses and voluntary services.

Finally this study supports the contention that communities and individuals will increasingly find they bear responsibility for providing their own solutions to problems the state previously sought to solve (Hastings, Bailey, Gannon, et al., 2015). For some of the people interviewed in this study this was perceived as a timely rebalancing (Interview, 2014y; Workshop, 2014b), for others a policy likely to lead to rising inequalities (Interview, 2014b). Policy-makers of the future will need to take account of where this approach has succeeded, and where it has failed.

10.6 Theoretical, empirical and methodological contributions

This thesis employed a theoretical framework which drew strongly on new institutionalism for its understanding of stability and change in local governance, particularly Lowndes and Robert's (2013) concept of institutionalism as the interplay of 'rules, practices and narratives', and Hall's idea of policy paradigms as a means of analysing the extent of change. New Institutionalist theories provided a means to identify the subtle changes occurring at a material and discursive level within institutions of local governance. The original theoretical contribution of the thesis was to combine the insights which this theory offered in uncovering the process and extent of structural change, with interpretive theories which were essential in understanding the local

meanings (and related ideational and discursive contests) of austerity. This position resonates with Gains' call for a 'constructivist modern empiricism', which recognises that actors interpret meaning within structural contexts (Gains, 2011) and brings a fresh perspective by arguing that the significance of institutional change can only be fully recognised within the context of local traditions and actors interpretations of meaning. Interpretivist theory, particularly Bevir and Rhodes's concepts of government traditions, provided additional insights into the historical and political aspects of austerity, assisting in explaining why certain courses of action appeared 'right' or 'wrong' to different actors, and surfacing beliefs and narratives about what (and who) the local state was for. Meanwhile the actor-centric theories of Mahoney and Thelen (2010) added further dimensions to the analysis, by exploring who could exercise agency and in what circumstances. This combinative approach has been vital in understanding the local significance of outwardly-subtle institutional shifts.

The application of this novel theoretical approach to an empirical case also represents an important element of my empirical contribution. The findings broadly bear out historical institutionalist theories of change, showing that a significant exogenous change can be moderated by institutions, although in this case it was uncertain whether such moderation could persist over the longer term. However it was also clear that incremental change still had the potential to be transformative, a point illustrated through examples of conflicting discourses, shifting traditions, and alterations to the institutional landscape categorised by reference to Hall's concepts of first, second and third-order change (Hall, 1993).

From a practice perspective, this research makes a further empirical contribution through creating a more holistic understanding of how responses to austerity are affecting the local governance framework, considering not just the service delivery function of councils but also their responsibilities as convenors of partnerships for service delivery,

and their community leadership role. This is an important extension of studies undertaken to date, as these governance roles are viewed as core to local authorities role and purpose, yet have received relatively little attention in literature examining the effects of the spending cuts. The case study underlines that in a context where local authorities are acting as commissioners, financial strain on a local authority can lead to changes in practice which have broader negative effects on local service suppliers, particularly the voluntary sector. Equally, within this case study it appears that austerity was starting to impact upon the council's ability to perform certain interpretations of the local community leadership role, particularly at the neighbourhood level. These findings provide us with a fuller picture of the composite effects of austerity than service-focussed analyses.

From a methodological point of view, this research was innovative in experimenting with the idea of using asset based theories, particularly appreciative inquiry, to try and prevent the process of research impacting negatively on organisations that were already under considerable stress. This distinctive methodological stance was formulated within a collaborative, action research approach, which aimed to deliver beneficial outputs to participating research partners as well rigorous academic findings.

In practice there were both opportunities and challenges in this approach. On the positive side, the collaborative approach was extremely helpful in opening access to the council, and identifying and agreeing the core research question. This was achieved by embedding the researcher with the council's policy team, and spending a day a week for several months in participant observation and informal consultation. Appreciative enquiry also provided a useful way of building trust with individual interviewees, and of eliciting positive stories of creativity and hope. Such examples were well-received as part of an initial fieldwork report, offering an assessment of

organisational 'strengths' in the context of austerity, which could potentially assist the council in balancing the challenges it faced.

However, whilst this tool proved a useful counterweight to this researcher's preconceptions about the (likely) negative effects of austerity, it felt insensitive and critically naïve to pursue a pure and relentless focus on positivity in the context of a political enquiry about austerity. A decision was therefore taken to moderate the application of appreciative techniques with some more critical questions, diluting the ethos of the approach. In one sense this was a compromise, reflecting a problematic tension between method and context, which might have been anticipated. Yet despite these problems there would be benefits in experimenting further with the combination of academic enquiry and asset-based methodologies in the future, particularly given that sensitivity to the balance of power and ratio of benefit between researcher and researched is core to the principals of action research.

From a more negative perspective, there were undoubtedly challenges in using action research for a PhD thesis. For the researcher it was an uncomfortable position, being neither fully independent and objective, or a local government colleague who could claim 'we are all in it together'. There was a tension between the relatively short term needs and pressures of the council, and much longer timescales of academic research, which meant that there were periods when both the council's representatives and the researcher were unclear on their obligations to each-other. The reductions in council personnel impacted in a very practical way when three of the project's most senior sponsors left the organisation before the project was complete, resulting in a renewed need to justify the contribution of the research to senior stakeholders. Although fieldwork summaries were widely shared and discussed with all interviewees, the time pressure on council staff has meant that there has been less collaboration in producing more theoretically-informed academic outputs.

These experiences have resulted in learning on both sides, which will continue as the findings from this research are shared and built upon in the future. Nonetheless, to re-iterate the point made above, although action research can be uncomfortable, it would be counter-intuitive to create studies of the local effects of austerity which were not in some sense in dialogue with the experiences of local actors and practitioners, and thus there is merit in persevering with the approach. Once a research relationship is created, there is an obligation on the part of the researcher towards investing in and sustaining that relationship, even if the only contribution you have to offer is an unwelcome opinion. Through such dialogue, a better understanding is eventually attained by all participants, and in a context of austerity, where research resources are limited, all perspectives are valuable in building a richer picture of the policy environment. The original methodological contribution was therefore to experiment with asset-based research methodologies that balanced the organisational needs of the researched organisation with the academic requirements of doctoral study. Whilst the chosen solution was imperfect, this quest merits further attention.

10.7 Future research

There is a rich agenda for future research which can build on the modest contribution made by this study. In particular there is an urgent need for research which can chart the longer-term impacts of austerity across a wider geographical and institutional canvas, as the new Conservative government enacts a further £12 billion of planned spending cuts, many of which will impact on local government and its governance partners at a local level.

One way of fulfilling this goal would be to undertake broader comparative studies to test the revised propositions outlined above, drawing upon a sample of local authorities representing differing local historical economic and political contexts. The findings of this research

suggest a focus on three distinct areas: the institutional changes occurring within local governance as a result of continued austerity; links between institutional change and the experience / impacts for service users; and the way in which austerity is influencing the values and traditions underpinning local governance and civil society.

In relation to the institutional changes occurring to local governance, the current point in time, at the beginning of a new five year Comprehensive Spending Review period, provides an ideal moment to start monitoring whether existing governance institutions can continue to function in their current form throughout a further five years of spending cuts, or whether there are indeed 'limits to resilience', (Fitzgerald & Lupton, 2015) which will force institutional change. In particular, it would be helpful to draw comparisons between localities from rural and urban areas, to look at the differing experiences of single tier and two-tier local authorities, and to examine how austerity is affecting areas at the core and periphery of local economic growth. Much work on austerity to date has understandably focussed on the experience in cities, but if (as some commentators suggest) this is a pivotal moment for English local government (Bailey et al., 2015 p.579), a broader range of settings must be examined. In designing such a study some of the depth of this research would need to be sacrificed. Nonetheless, by utilising learning from previous studies, and maintaining a strong focus on surfacing 'rules, practices and narratives' through document review and interviews in order to detect subtle instances of change, useful inferences about the nature, scale and pace of change could be drawn for the sector as a whole.

It is also essential that researchers find new ways of understanding how service quality has been affected by changes to governance institutions, and the related impacts on users. Definitive evidence on this issue has so-far proved elusive, not just for this study but also for national-level organisations such as the National Audit Office. However, comparative quantitative performance data (for those

services still publishing audited data, such as social services) will become more readily available in the next five years. There will also be rich possibilities for working alongside practitioners and service advocates in a continuation of an action-research approach, possibly combining survey approaches with focus groups and interviews to understand how service redesign has impacted in practice, and how lives have been affected by that change.

This research also raises important questions about how austerity may be influencing the values and traditions underpinning local governance and its wider implications for the voluntary and community sector and civil society. The interesting finding that some voluntary organisations were beginning to step into local convening roles, as the local authority withdrew from community-level services, suggests questions exploring how the voluntary and community sector is attempting to compensate for the withdrawal of the state, and examining the power dynamics created by adopting such roles. If voluntary sector bodies act as convenors, what does this mean for their relationship with statutory bodies and other funders? In this case, a comparative qualitative and interpretive analysis could examine how spending cuts in different types of locality (varied for example according to geography, urban or rural setting, political control, and level of deprivation) are affecting the relationship between the local state and civil society, including evidence for the responsibilisation of citizens (Hastings, Bailey, Gannon, et al., 2015) a critical analysis of which organisations are losing (or gaining) power and influence; and exploring the implications for social action, community leadership and democratic engagement. Again such research might be co-produced working alongside existing voluntary sector infrastructure organisations, as well as local authorities interested in understanding the broader effects of spending cuts.

In all these studies there would also be merit, from a methodological perspective, in exploring further the potential for using asset-based methodologies to capture some of the new approaches emerging from

austerity. Whilst there is much in existing policy towards local governance institutions that could (and should) be challenged, it seems certain that actors at a local level will continue to exploit every available opportunity to enact change. Research outputs need to be accessible and widely disseminated, and the academy should continue to engage with those affected by the spending cuts, as well as activists and media, to ensure that discourses on austerity are not controlled by those with a clear interest in minimising the reporting of adverse effects. At the same time researchers need to be alive to the power of local ingenuity as a rich source of creativity and ideas. It is vital that future research, in addition to protesting what has been lost, retains space and an open mind to celebrate fresh possibilities and opportunities for future development, working alongside practitioners, partners and service users as co-researchers.

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Interview. (2014c). *NCC Director 040314.*

Interview. (2014d). *NCC Director 060614.*

Interview. (2014e). *NCC Director 290414.*

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Interview. (2014i). *NCC Former Directors 280214.*

Interview. (2014j). *NCC Middle Manager 070314.*

Interview. (2014k). *NCC Middle Manager 300114.*

Interview. (2014l). *NCC Officer 060214.*

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Interview. (2014s). *NCC Partner 010414.*

Interview. (2014t). *NCC Partner Board Member 290114.*

Interview. (2014u). *NCC Partner Staff Member 250214.*

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Appendices

Appendix 1: How are local public services responding to austerity? Information for interview participants

Background

These interviews are part of a doctoral research study looking at how public services in Nottingham have responded to budget cuts introduced by the Coalition Government since 2010.

The aims of this research include:

- Challenging a national-level narrative that suggests cuts to public service expenditure have made little or no difference on the ground;
- Understanding more about the factors that have helped to maintain local services during the past 4 years;
- Exploring the opportunities for local service providers to exercise community leadership, despite regulatory and financial constraints.

Approach to the interviews

Interviews will be conducted in private at a time convenient to the interviewee. Notes will be taken and interviews will be recorded to assist the researcher with accurate recall of the details, but any information provided will be used anonymously in the final research report unless the interviewee has given express permission to use attributable quotations.

Issues that will be covered include:

- Changes for you and your organisation during the past 4 years
- Your contributions to, and expectations from, partnership working in Nottingham
- The local impacts of austerity policies
- The role and functions of strategic partnerships
- Opportunities for the future

Important information for participants

Participation in the study is voluntary and you can withdraw at any time through writing to the researcher, Alison Gardner at the email address below or by contacting the School of Politics and International Relations at the University of Nottingham.

Results from the research will be summarised in a report which will be shared with participants and Nottingham City Council managers (NCC have been collaborative partners in designing the research). However, care will be taken to ensure that any comments made are non-attributable in all research outputs.

Results from the research will also be used in my PhD thesis and may be drawn upon in contributing to the wider academic and policy debate on the effects of austerity.

If you would like more information, please contact:
Alison Gardner
PhD Research Candidate Tel: 07910 983818
Email: NCC: alison.gardner@nottinghamcity.gov.uk University: ldxag9@nottingham.ac.uk

Appendix 2: Consent to participate in research on responses to austerity in Nottingham

The University of Nottingham attaches a high priority to the ethical conduct of research. Please complete and sign this form to confirm that you are happy to participate in the study.

Name:

Position:

Organisation:

By signing this form I confirm that:

- I have been provided with information about this research project and have been given the opportunity to ask any questions needed for clarification.
- I have voluntarily agreed to participate and understand that I can withdraw from the project at any time through a written request to Alison Gardner or the School of Politics and International Relations at the University of Nottingham.
- I understand that interviews will be recorded, but that any information provided will be anonymised in the final research report unless I have provided express permission to use attributable quotations.

- Alison has outlined how the research will be used and disseminated.

Signature:

Appendix 3: Responding to austerity: a summary of fieldwork findings

During the spring and summer of 2014 a piece of research was carried out to explore how local public services were responding to the Coalition government's austerity policies. The research focussed principally on Nottingham City Council, examining how a range of stakeholders, including elected members, staff, and partner organisations, perceived the effects of austerity on the Council's services, partnership work, and its wider 'community leadership' role.

The work was funded through a collaborative studentship placement provided by the University of Nottingham, with a contribution from Nottingham City Council.

Summary

- Nottingham's funding reductions were relatively severe and compounded by social and economic factors

- The Council has evolved a wide variety of creative strategies to meet the annual budget gap, and had been able to partially mitigate the impact of austerity-related cuts.

- Over the past four years the Council has lost a lower percentage of posts than cities in similar circumstances

- At the same time, levels of citizen satisfaction have increased, both with the Council and the City as a place to live.

- Whilst partnerships were generally surviving the cuts, a number of interviewees expressed concerns about the longer-term implications of new commissioning arrangements, particularly for the voluntary and community sector.

- Most interviewees continued to see a strong civic leadership role for the council, but there was debate about how far communities could or should 'step up' as the Council gradually withdraws from a range of community-based roles.

Local authority responses to austerity

The council has taken a conscious approach of seeking to 'manage within the cuts' but has attempted to mitigate the effects, for example by working

closely with the advice sector. Some interviewees praised the Council's determination to shape the way cuts were applied, and respondents described examples of increased efficiency and new ways of working, including the adoption of a more commercial approach to service provision and the promotion of 'municipal enterprise'.

There were, however, a range of opinions on how radical the council and its partners should be in adapting their organisations to the changed financial climate, with some respondents believing local public services should explore more fundamental models of change and rationalisation.

Concerns included the long-term effects of some short-term savings measures, (such as cuts to 'floating support' services intended to prevent homelessness), pressures on staff in a context of continuous change; and a perceived increase in the requirement for targets and monitoring information, particularly at the front line.

Partnership responses to austerity

Despite severe funding pressures, relationships between the Council and key partners have been resilient. There is a shared commitment to the Nottingham plan, and respondents identified examples of productive joint working.

There was also a recognition that partnerships could struggle without adequate time, co-ordinating infrastructure and resource. One Nottingham board members were keen to find new ways to add value through the partnership.

Many interviewees expressed concerns for the long term health and diversity of the local voluntary and community sector, including perceptions that smaller local organisations were finding it difficult to survive and maintain their core mission in the context of new 'commissioning' arrangements than larger, better resourced organisations. This finding has also been observed by wider comparative studies in other parts of the country.

Community Leadership responses to austerity

The research showed that the Council can still exercise some autonomy in civic leadership; for instance in adopting the workplace parking levy as a means to fund major infrastructure projects. Nonetheless, austerity measures are to some extent re-shaping local practice, with the council increasingly focussed on mitigation, working through influencing as opposed

to direct provision, and gradually withdrawing from community development activities.

There were a range of opinions on the degree to which communities were able to fill emerging gaps as frontline services are withdrawn. Faith representatives, in particular expressed positive views about the potential for re-balancing of state and community initiative. For others there was 'so much that can't be done by volunteers', particularly in frontline services where the safety of both volunteers and clients could be a concern.

Conclusions and Next steps

There were three key policy dilemmas and a number of process points which the Council may wish to consider as they face a further round of spending cuts. These included dilemmas about the pace and extent of organisational change; future approaches to commissioning; and the balance between retrenchment and support for community initiatives. Process issues focussed on risk assessment for the implications of cuts, reviewing performance management processes, and considering how board members can 'add value' to the work of One Nottingham.

A full report on research findings has been shared with the City Council, contact Helen Hill for further information helen.hill@nottinghamcity.gov.uk.

The research data will form the basis of a PhD thesis, scheduled for completion in Autumn / Winter 2015. For further information contact Alison Gardner, University of Nottingham ldxag9@nottingham.ac.uk.

Appendix 4: Propositions, case level questions, sources of evidence, and detailed questions				
Propositions	**Case level questions**	**Sources of evidence**	**Questions to explore through sources**	**Rules / Practices / Narratives?**
The range and quality of services available to the public in the locality has been maintained, despite cuts in local government funding since 2010.	How have funding levels changed?	Exec board papers	What mechanisms were presented to distribute spending cuts How far have cuts been offset by de-ringfencing and new areas of responsibility?	Rules Practices
	What processes were put in place to address spending cuts?	Exec board papers Budget consultation docs	What were the guiding principles for delivering the cuts? What processes were created? How did they change over time?	Rules Practices

		Interviews – Senior Managers / Members	Which strategies are perceived as more or less successful?	Narratives
	How has organisation structure / staffing changed?	HR Structure charts Interview HR senior manager	What changes have there been in terms of "boots on the ground"?	Practices Narratives
	How have systems evolved? E.g. HR processes, ASC entitlements	Exec board papers Interviews Senior managers / members	What changes to entitlements and other systems have been approved? Would these changes have been considered without austerity as a driver?	Rules Practices Narratives
	What examples are there of innovation?	Transformation Board papers Interviews Senior managers / members	What innovations have been employed to help deal with cuts? What role does commercialisation play?	Practices Narratives

	Has staff satisfaction been affected?	Staff survey results Interviews with staff	How did staff cope with change? What support systems were established (formal and informal)	Processes
			Do staff members see change as rapid or incremental?	Narratives
	Has customer satisfaction changed?	Citizen first survey data National survey data	What is the trend on satisfaction? How does this compare with national trend data?	Practices
		Budget consultation reports to exec board	What do the budget consultations tell us about citizen priorities and the extent to which they are protected?	
	Is there any evidence of changes in performance?	Nottingham Plan Council Plan (check revision which occurred post 2011)	How is performance data used and monitored Has this changed compared to 2010?	Practices

Partnership working between local government and other statutory agencies, business and voluntary sectors has been maintained since 2010.	How has strategic engagement with partnerships changed since 2010?	Partnership register Nottingham Plan Interviews with ON board Mini case studies of TNT / framework	What proportion of the City Council's objectives involve partnership working? What were the practical consequences of austerity for strategic partnership activity? Examples? What factors helped to keep partnerships working? What was different for those that have been closed?	Rules Practices Practices / Narratives Practices Narratives
	What are the challenges and opportunities for partnership work at a strategic level?	Interviews with ON board Interviews with members and senior officers Mini Case Studies	Has austerity created new opportunities or approaches to partnership work? Has austerity changed the way that partnership work is conducted (e.g. is there evidence for a more commercial / contract-led approach?)	Practices / Narratives Practices

		with TNT and framework		
	How has **local** partnership working developed since 2010?	Collaborative events with three neighbourhood action teams	What were the practical consequences of austerity for **local** partnership activity. Examples? What factors helped to keep partnerships working?	Practices / narratives
	What are the challenges and opportunities for partnership work at a local (neighbourhood) level?	Collaborative events with three neighbourhood action	Has austerity created new demands at local level? If yes, how does the partnership work together on those demands? Has austerity created new opportunities or approaches for partnership work at **local** level?	Practices Narratives
Local political representatives continue to	Has austerity changed the influence of the council in relation to	Interviews with local elected members at exec	Do councillors perceive that they have more or less autonomy than they did under the Labour Government?	Rules / practices

exercise community leadership and "place shaping" roles.	national government and / or regional / local partners?	and backbench level	How influential do they perceive the council to be, locally, regionally, nationally. Has this changed in the last five years? What has been the local effect of abolition of national performance management frameworks and the CPA regime? (oversight, partnership, comparison, demonstrating strengths)	Narratives
	Has austerity required political representatives to question or change any of their principles or approaches to political leadership in the city?	Interviews with local elected members at exec and backbench level	Has delivering the cuts changed their perceptions of the necessary shape / functions of local councils? If someone had come to them 10 years ago, and shown them the organisation as it is today, how do they think they would have reacted? Has the council's approach to partnership	Rules / Narratives Narratives

			changed in the last 5 years? Has commercialisation / commissioning become more mainstream because of austerity?	
	How does austerity affect ward relationships and the role of ward councillors?	Interviews with local elected members at exec and backbench level	Are there any examples of specific actions members would have liked to take which have been prevented (or facilitated) by austerity?	Narratives
The change instigated by austerity represents incremental change rather than a moment of "punctuated evolution" for local	What does the evidence gathered above tell us about the pace of change	Full range of evidence (above)	How rapid does change appear (in terms of functions and programmes, systems, governance, innovation) What hasn't changed? Where does the impetus for change come from – internal or external?	

government.				
			Is austerity a driver for policy change, or do other priorities take precedence?	

Appendix 5a: Topic guide, interview with senior staff

Introduction

Introduce self

Explain aims of research:

- Understanding how local services have responded to public spending cuts associated with austerity

- Examining factors underpinning continuity, including the scope of local authorities and their partners to exercise local autonomy despite spending cuts.

Explain that all quotations will be non-attributable unless they give specific permission for identification

Request that interviewee reviews and signs consent form

Ask if they are happy to be recorded

1) You and the organisation

- In your view, what have been the main influences on the organisation in the past 4 years (probe: beneficial and non-beneficial)

2) Specific Issue 1 Budget Setting

- Can you describe how the process works from your perspective? (prompts – who decides the budget envelope or level of savings required; how are efficiencies / strategic choices formulated; how much negotiation is there?)

- How do commissioning reviews, big tickets and commercialisation join up in theory? And in practice?

3) Specific issue 2 Services

- Would you say service redesign in the last 4 years has been incremental or radical? Can you explain a bit more about why you think that? And for the next 5 years?

- Do you think councils are taking more risks? (any local examples?)

- Have parts of the back office been moved to the frontline?

- Have internal accountability frameworks and techniques changed to take account of fewer monitoring staff?

- Has austerity changed your perceptions of the necessary shape or functions of councils?

4) Specific Issue 3 Partnership responses to austerity

- Do you think councils are able to fulfil a community leadership role? In what way?

- Has the civic leadership role changed as a result of having less financial power (e.g. more negotiation?)

- Are some service providers struggling more than others to adapt (VCS?) Can the council do anything about that?

- Is there gaming between agencies to shift costs? Examples?

- Have expectations on the role played by citizens / communities changed? If so, what support is there for a new role?

5) Innovations

- What areas would you highlight as examples of innovation? (Prompt: commercialisation, asset management, co-production, workforce, customers.)

- What principles or boundaries are there around innovation? What are the no-go areas? (e.g. in commercialism)

- Are there any principles/ boundaries that you've had to revise as a result of austerity?

6) Autonomy and external accountability

- Would you say that local government's level of autonomy is greater or lower than 4 years ago? In what ways?

- To what extent would you agree that this organisation has been able to pursue its own agenda despite austerity?

- Has the organisation resisted the effects of austerity policies? In what ways?

7) Opportunities for the future

- In some areas the council's scope has increased – Health, Economic Development, Energy. Is this just about taking advantage of opportunities as they arise, or does it form part of a wider vision for you around role / future LG?
- Does the focus on balancing the budget detract from the ability to pursue a vision?
- How does Core Cities work inform your thinking?
- What would enable your vision to happen? (is stability of leadership important?)
- What do you see as the main constraints?

Appendix 5b: Topic guide, interview with members

> **Introduction**
>
> Introduce self
>
> Explain aims of research:
>
> - Understanding how local services have responded to public spending cuts associated with austerity
> - Examining factors underpinning continuity, including the scope of local authorities and their partners to exercise local autonomy despite spending cuts.
>
> Explain that all quotations will be non-attributable unless they give specific permission for identification
>
> Request that interviewee reviews and signs consent form
>
> Ask if they are happy to be recorded

8) You and the organisation

- What have been the main factors influencing your leadership of this organisation over the past 4 years?
- What other factors would you identify as having had a significant impact?

9) Specific Issue 1 Budget Setting

- How do politicians steer the budget process? Can you describe how the process works from your perspective? (prompts – who decides the budget envelope or level of savings required; how are efficiencies / strategic choices formulated; how much negotiation is there?)
- Have there been any differences of opinion in Labour group about how far cuts should go?
- What were the key features of the approach agreed? (lens of affordability prompt)

10)Specific Issue 2 Setting Policy Priorities / redesigning services

- Do you see any tensions between values formerly protected by the council and the ethos behind commissioning / commercialisation? How do you balance them?

- Where are your red lines (places you don't go?) Have they moved?

- How far will policy aims change to meet pressures (e.g.change in family housing policy because of bedroom tax?)

- Has austerity changed your perceptions of the necessary shape or functions of councils?

11)Specific Issue 3 Partnership responses to austerity

- Do you think councils are still able to fulfil a community or civic leadership role? In what way? To the same extent as previously?

- Has the civic leadership role changed as a result of having less financial power (e.g. more negotiation?)

- Do shared services impact on local political accountability?

- Some service providers seem to be struggling more than others to adapt (VCS?) Can the council do anything about that?

- Is there gaming between agencies to shift costs? (examples?)

- Have expectations on the role played by citizens / communities changed? If so, what support is there for a new role?

12)Autonomy and external accountability

- Would you say that local government's level of autonomy is greater or lower than 4 years ago? In what ways?

- To what extent would you agree that the council has been able to pursue its own agenda despite austerity? (Prompt: Core Cities, economic agenda)

- Has the organisation resisted the effects of austerity policies? In what ways?

13) Opportunities for the future

- In some areas the council's scope has increased – Health, Economic Development, Energy. Is this just about taking advantage of opportunities as they arise, or does it form part of a wider vision for you around role / future LG?

- Does the focus on balancing the budget detract from the ability to pursue a vision?

- How does Core Cities work inform your thinking?

- How do you want the role of councillors to develop in the future?

- What would enable that to happen?

- What do you see as the main constraints?

Appendix 5c: Topic guide, interview with partner organisations

> **Introduction**
>
> Introduce self
>
> Explain aims of research
>
> - Understanding how local services have responded to public spending cuts associated with austerity
>
> - Examining factors underpinning continuity, including the scope of local authorities and their partners to exercise local autonomy despite spending cuts.
>
> Explain that all quotations will be non-attributable unless they give specific permission for identification
>
> Request that interviewee reviews and signs consent form
>
> Ask if they are happy to be recorded

14) You and your organisation

- What role does your organisation play in relation to public services in Nottingham?

- What does your own role entail?

- What are the main changes for Nottingham and its citizens since 2010 (probe: beneficial and non-beneficial)

- What are the main changes you would identify for **your organisation** over the past 4 years (probe: positive effects as well as negative effects)

- Do you think these changes would have happened without the financial pressure of austerity?

- Have any other recent reforms had a significant impact on your organisation?

15) Partnership working in the City

- What are your organisation's main partnership links? (define: statutory, co-ordinative, advisory, contractual)

- How long has it been engaged in these?

- Why is it important to be part of these partnerships - what are the benefits to your organisation? What do you contribute?

- Are there any other important links you would not describe as a "partnership"?

16) Partnership responses to austerity

- What (if any) consequences have spending cuts had for the partnerships you engage in?

- Has the way partners work together changed in the last 4 years? How? (e.g.types of relationships, formalisation of contracts etc.)

- What factors helped to keep partnerships working? Have these factors changed since 2008? If applicable, what was different for those that closed?

- Have new opportunities or approaches developed? If so, what were the main stimuli? (prompt: Lottery Funding)

17) Specific question for One Nottingham partners (comment that in many local authority areas large multi-agency partnerships have folded)

- What do you see as the purpose of a (Strategic) Partnership in times of austerity? (prompt: advisory, coordinative, challenge?)

- To what extent would you agree that One Nottingham has been able to fulfil that purpose? If not fully, how could it work better?

- Is the partnership fully independent of the city council, or steered by the City Council?

- Has the partnership resisted the effects of austerity policies? In what ways? (prompt: media campaigns, equalities).

18) Opportunities for the future

- What do you see as the key achievements of your partnership activity during the past (4) years?

- In what areas have you not achieved your aspirations? Why was that?

- How would you like to see your organisation's partnership activity developing in the future?

- What would enable that to happen?

- What do you see as the main constraints?

## *Appendix 6: Neighbourhood Action Team workshops*

10 mins: Introductions Alison and Vivien (plenary)

- who we are
- purpose of the research
- what we are going to do today
- principles of appreciative inquiry

10 mins: "Tell us your happiest memory about working in this area" (plenary)

15 mins: (10 minutes discussion, 5 mins feedback.)

- What's been your biggest challenge in the last 3 years? (Write on post-its).
- Map the challenges in terms of things you can control, things you can influence, and issues of concern. Any things would you would like to move? (draw arrows)
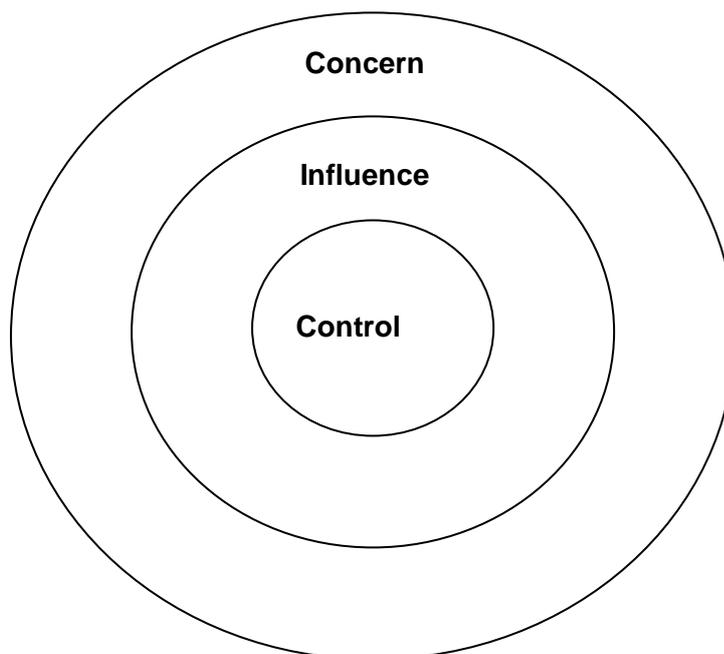
30 mins in pairs/ 3s – appreciative interviewing

1. What do you believe is the single most important thing that positively influences this area?

2. Tell a story of how you involved others in bringing about real and sustainable change. When was it? What were the practical actions? What qualities helped you to respond?

(record results on flip chart paper)

Pairs present results and facilitator marks key events / factors on a pre-prepared map / timeline. Q – are there any other key events / factors in the life of the **neighbourhood** and the **NAT team** which need to be recorded?

20 mins – pairs / 3s

- Have look back at the challenges we identified at the beginning, and the strengths and qualities of local partnerships which have been identified by the group.

- Imagine your friends, your family, your colleagues and the wider community telling stories in the future about how you have worked together as equal partners. What would these stories be? (give us a plot outline, flow chart or story-board)

5 minutes - thanks, what happens next and wrap up.