Check for updates

Received: 8 February 2021 | Revised: 16 May 2022 | Accepted: 8 August 2022

DOI: 10.1111/faam.12344

RESEARCH ARTICLE

WILEY

Financial resilience! A comparative study of three lower tier authorities in England

Hilary Coyle[1] | **Laurence Ferry**[2,3]

[1]Derby Business School, University of Derby, Derby, UK

[2]Durham University Business School, Durham University, Durham, UK

[3]Rutgers Business School, Rutgers University, New Brunswick, New Jersey, USA

Correspondence
Hilary Coyle, Derby Business School, University of Derby, Kedleston Road, Derby DE22 1GB, UK.
Email: h.coyle@derby.ac.uk

Abstract

Austerity policies have affected local government for over a decade challenging their financial resilience to cope with further financial shocks. Using a financial resilience framework, this paper examines whether lower tier authorities behave in the same way as their higher tier counterparts when it comes to financial resilience to shocks. From a detailed field study of three lower tier (district) authorities in English local government, it is concluded that they do not have the capacity to '*Bounce Forwards*'. They can only '*Bounce Back*' in the short term and even that is becoming increasingly difficult.

KEYWORDS

austerity, England, financial resilience, local government, lower tier authorities

1 | INTRODUCTION

Following the financial crisis 2007–2008, many central governments introduced austerity policies that led to a consistent reduction of national funding for local government with no respite year on year (Lowndes & McCaughie, 2014). This resulted in it becoming progressively harder each financial year for local government to balance their budgets during the "Age of Austerity" (Ferry et al., 2017, p. 221), amidst concurrent and competing rationales and programs (Ahrens et al., 2020). The financial sustainability of local government was therefore a serious issue, which escalated longer term issues around local government audit and accountability arrangements (Ferry & Ahrens, 2022; Ferry et al., 2015) and importantly local government solvency (Ferry et al., 2015; Ferry & Murphy, 2015, 2018; Muldoon-Smith & Sandford, 2021; Murphy et al., 2019).

This is an open access article under the terms of the Creative Commons Attribution-NonCommercial-NoDerivs License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.
© 2022 The Authors. *Financial Accountability & Management* published by John Wiley & Sons Ltd.

A specific concern arose as local government had to consider new ways of working, asking staff to do more with less, and strengthen their financial resilience (Barbera et al., 2020). Barbera et al. (2017, pp. 670–671) offer several definitions of financial resilience. These include focusing on having slack in both finance and personnel, with "Governments' ability to anticipate, absorb and react to shocks affecting their finances over time." In contrast, there is also the viewpoint that resilience is about forecasting those shocks and preparing in advance (Barbera et al., 2020). The downside of the local authorities doing this and coping with the cuts may mean that further cuts will come as central government knows that local government can be creative and survive (Jameson & Hailstone, 2017). Yet if the shocks are so great and arrive without warning, local authorities are forced to adapt or disappear (Hastings et al., 2015). Also, many local authorities continued to employ accounting practices not designed for the purpose of reacting and adapting to financial shocks. For example, incremental budgets may lead to "salami slicing": essentially, organizations are using their accountants to monitor their finances and to justify the many cuts they are having to make across all budgets regardless of priorities (Barbera et al., 2020).

There have been several recent research articles looking at what the higher tier authorities in local government can do to become resilient (Ahrens & Ferry, 2015; Barbera et al., 2020; Ferry et al., 2017, 2019; Lowndes & McCaughie, 2014), but there is a gap in research for the lower tier authorities.

To address the gap, this paper will look at three lower tier authorities in English local government (known as district councils) to see how they are coping with austerity and whether they can be resilient to future shocks. Austerity has been around in English local government for over a decade with central government reducing their funding to local authorities by 49% between 2010 and 2018 (Eckersley & Ferry, 2020). Muldoon-Smith and Sandford (2021, p. 6) discuss the "sustained reduction in central transfer grants to English local authorities from 2010 onwards" and that local authorities cannot easily find replacement funding to fill the large gap. The arrival of the COVID-19 pandemic in 2020 alongside austerity, Brexit, and climate change has added significant pressures as central governments juggle their budgets to fill the gaps created by the national lockdowns (Ahrens & Ferry, 2020, 2021), accentuating local government challenges for their budgets that are already stretched by the decade of reduced funding under austerity (Muldoon-Smith & Sandford, 2021). It is unlikely that central government grants will return to the levels of pre-austerity anytime in the near future. The Local Government Association (LGA) predicted that one in five local authorities will be facing bankruptcy (Muldoon-Smith & Sandford, 2021) and two local authorities have already succumbed to the pressures of austerity. In 2018 Northamptonshire County Council issued a Section 114 notice (essentially a bankruptcy notice), and Croydon Council were unable to balance their budget 5 months after issuing their Section 114 notice in June 2020 (Mackintosh, 2020). Lowndes and McCaughie (2014, p. 533) discuss "life after the cuts," but it is not clear when this will happen and austerity may become the new normal for local government funding.

It will be shown in this paper that local governments are using their financial reserves to combat the shocks as well as partnering with other organizations, but as lower tier authorities (district councils) are smaller organizations with weaker balance sheets than those of the higher tier authorities (unitary, metropolitan, and county councils), they often have fewer assets and lower reserves to buffer against financial shocks. Also, although lower tier authorities do not have the service risks of areas like adult social care, they have fewer budgets to spread any "salami slicing" cuts across so there are fewer opportunities for funds to be vired across from one department to another as a form of cross-subsidization. In addition, housing that is a larger service area in lower tier authorities is ring-fenced in a separate budget. This means these resources cannot be used to cross-subsidize other services in the mainstream general revenue fund budget. Furthermore, local authorities are subject to strict controls over what they can and cannot do in relation to raising funding and spending on statutory services. This leaves the local authorities with very little control, as most of the control resides with the U.K. central government (Ferry et al., 2022; Ferry & Sandford, 2022; Muldoon-Smith & Sandford, 2021).

The next section reviews current literature around austerity and resilience, focusing in particular on the financial resilience framework (Barbera et al., 2017) and financial context of local government. Then the methodology is covered in terms of research case and methods. The findings around financial resilience for the cases studied are then

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

set out. The concluding discussion outlines the theoretical contribution alongside implications for policy, practice, and future research.

2 | FINANCIAL RESILIENCE IN AN AGE OF AUSTERITY FOR LOCAL GOVERNMENT

The paper will now cover literature on austerity and financial resilience, followed by the specific context of English local government.

2.1 | Austerity and financial resilience

The policy of austerity aimed to aggressively cut expenditure to balance the budget, but more broadly was also considered a political agenda to reduce the size of government. In particular, it has been recently employed as a rhetoric to reduce public debt. For example, many OECD countries have approached high rising levels of debt with policies of spending cuts and retrenchment (Di Mascio & Natalini, 2015; Hyndman & McKillop, 2019). However, as governments cut their spending budgets it is often argued the poorest in society lose out rather than the higher earners (Bracci et al., 2015). Austerity is therefore redefined as harsh economic conditions caused by the public sector reducing their spending. In this sense, governments use austerity as a threat and a solution to avoid central and local government insolvency (Bracci et al., 2015).

Austerity in the public sector has been around for over a decade, but since then there are also many more financial shocks that can have an impact on local government including Brexit, climate change, and COVID-19—these shocks are now starting to become routine (Ahrens & Ferry, 2020, 2021).

Governments are at the heart of the recovery as they are often the last ones standing as corporate entities fail to survive the shocks (Barbera et al., 2017), with resilience being the capacity to deal with shocks and uncertainty (Ahrens & Ferry, 2021). This leads to questions concerning are governments prepared to cope with the shocks and if so are they capable of guiding collective actions. Barbera et al. (2017) look at how local governments can return to where they were before the shock, which they term 'bouncing back'. This often involves cuts to services, maybe abolishing some services and increasing fees and charges. To move forward to new and better conditions is termed 'bouncing forward'. This involves changing the way they work and creating new services.

The financial resilience framework (Barbera et al., 2017) as shown in Figure 1 looks at the capacities that an organization such as a local authority has in terms of anticipating shocks, where they are vulnerable to shocks, and how the organization can cope with the shocks.

The anticipatory capacities concern the ability of a local authority to recognize potential shocks at an early stage and understand what the potential impacts can be. This is developed by sharing information with other organizations, monitoring the environment and the ability to think critically.

The perceived vulnerability is about the level of exposure that a local authority faces. In particular, the financial exposure. This includes the level of debt a local authority has, how much autonomy they have to raise any finance, and how substantial are their reserves.

The coping capacities discuss what resources the local authority has in order to respond to the shocks. For example, it questions whether they adapt and can they do it quickly. The framework considers if the local authority will be able to work internally and externally to respond positively to the shocks. Often these coping capacities are hidden during stable times and only surface when the need arises (Barbera et al., 2017).

The combination of perceived vulnerability, anticipatory capacities, and coping capacities enables Barbera et al. (2017) to identify patterns of resilience from Self Regulators and Pro-active Adapters (i.e., those organizations with low vulnerability and high anticipatory and coping skills) to Powerless Fatalists (i.e., those that are highly vulnerable and have a sense of powerlessness in the face of a crisis). The findings of their research have discovered that shocks

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

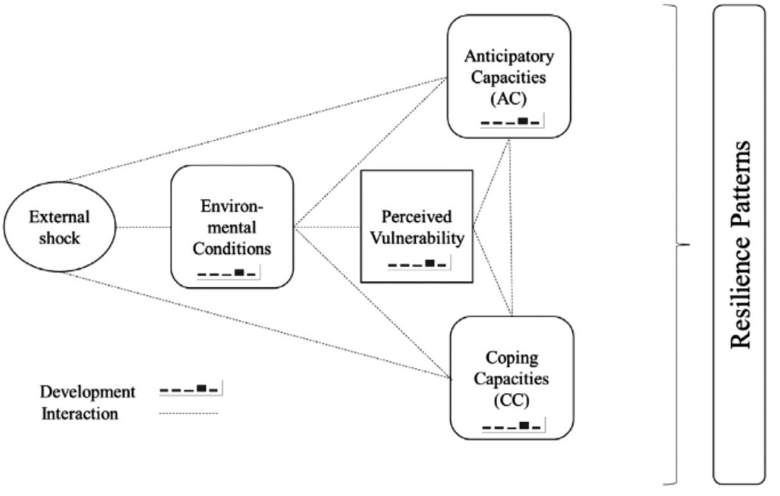

FIGURE 1 The financial resilience framework (Barbera et al., 2017, p. 675)

can produce both bouncing back and bouncing forward responses. The more financially vulnerable an organization, the more likely they are to constrict and focus on bouncing back. Anticipatory capacities are found to have impacts for bouncing forward but no links to bouncing back strategies.

Ultimately, there is no one way to create resilience in an organization. Experts can give advice but cannot say exactly how it should be done (Shaw, 2012).

Nevertheless, the financial resilience framework (Barbera et al., 2017) can help assess the overall financial resilience of a local authority to draw out themes employed in the vulnerability to shocks, anticipating shocks, and coping with shocks.

2.2 | Austerity and resilience in English local government

Local authorities that can survive the cuts from austerity are being described as "resilient" (Shaw, 2012, p. 281). For a local authority to be resilient, it means learning from experience and expecting the unexpected. To spot events coming up and to be ready for them. Not just staying the same and continuing to do the same things. Knowing when to change is key. "A resilient organisation is one that is still able to achieve its core objectives in the face of adversity" (Seville et al., 2006, cited in Shaw, 2012, p. 288).

In the U.K. context, Ministers from the Conservative central government initially argued austerity could be managed in English local government by "reducing senior staff pay, improved procurement, back-office shared services and removal of non-value added jobs" (Gordon Murray et al., 2012, p. 249). However, the United Kingdom has been following this policy for more than a decade and there are only so many cuts that can be made before a new creative strategy is required.

At the same time as expenditure pressures, the ability of English local government to increase its revenue base is also constrained. For example, taxes are collected within England at both national and local levels. A proportion of national funding is shared across all the local authorities in England during the annual funding round. If some local authorities are affluent with large incomes from business rates, some of this must be returned to national government to be dispersed across poorer areas. The national government issues grants to local authorities but they are moving away from grants and encouraging local authorities to generate their own funds. For example, lower tier authorities will receive funds based on how many new homes are built in their area, which is called the "new homes bonus." This

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

can be a good source of income in a growing area with a need for housing, but in rural areas of national beauty that are unable to build the houses then the funding pot is unattainable. Local authorities can raise council tax on residential properties, but the ability to do so due to central government rules and political reasons means it is limited. As a result, with the national government reducing grants and few opportunities to raise funds locally, the local authorities are in what Lowndes and Gardner (2016, p. 359) believe is "the grip of super-austerity." Muldoon-Smith and Sandford (2021) suggest that a few local authorities may be able to act in an entrepreneurial way and pursue innovative ways to generate funds, but the majority will not be able to do this and are at the mercy of central government grants. Indeed corporatization, which is defined by Andrews et al. (2020, p. 482) as "the creation of companies by local governments to provide public services," has been undertaken by many higher tier local authorities in English local government to generate revenue and continue to provide services, but the outcomes have been mixed and carry significant risks (Andrews et al., 2020, 2022; Ferry et al., 2018).

Within a local authority, under the Local Government Act 1972, a section 151 officer must be appointed as the Chief Financial Officer who "makes arrangements for the proper administration of their financial affairs" (Legislation.Gov, 2022, p. 4). They must be a qualified accountant and trained in accounting and finance and how to keep accurate and true records.

The Chief Financial Officer will assist their local authority to create a strategy to combat austerity with the use of the corporate plan and budget. However, the corporate plan and budget were often designed for incremental changes and not to deal with the shocks from austerity. For example, the traditional line-item budget or plan is employed in most local authorities and, although criticized for concentrating on input and not linking to any performance or outcomes, is still used to contain and control costs. Local authorities could use zero-based budgeting and/or performance budgeting and look at what needs their citizens have. This could be an alternative to salami slicing all budgets in the organization across the board, trying to cling onto all the services they provide (Steccolini et al., 2015). However, this process takes time and resources. Times of economic crisis and expenditure cuts may bring "radical innovations in public services to make them better and more effective" (Bunt et al., 2010 cited in Shaw, 2012, p. 290). For example, Shaw (2012, p. 291) quotes a CEO saying, "Sod this, we know what we want, let's just find a different way." Why should it take a crisis to "make simple decisions in a simple way?" (Lowndes & McCaughie, 2014, p. 538). Nevertheless, many local authorities are risk averse and maybe unwilling to dare to change the way they do things. Instead, they continue to operate in the same way, following policies of retrenchment.

Ferry et al. (2017), through fieldwork with 70 local authorities in England and Wales and building on previous studies of austerity management, found in line with their prevailing "belief system" of budgetary stewardship that local authorities are holding down input costs to deal with austerity, but that the scale of funding cuts means that this strategy is unlikely to be successful over the longer term. Instead, they highlighted the importance of organizational cultures to achieving strategic objectives and need for greater freedom to generate revenue, in order to facilitate innovation and develop more sustainable business practices and service models.

It is commonly agreed that a high level of reserves is important for resilience. Local authorities will determine a minimum level of reserves that allows them to fulfill their statutory budget requirement (an amount of funds in their general reserve account that they cannot fall below) but many will try to build these up to greater values to protect themselves from future shocks (Barbera et al., 2017). Nevertheless, reserves will eventually be depleted unless a balanced budget can be restored and reserves built back up to help cope with shocks.

To increase resilience and capacity to deliver projects in the community, local authorities are also partnering up with other agencies including the private and voluntary sector (Ahrens & Ferry, 2015; Murphy et al., 2017; Shaw, 2012). Taking this further into the community is the concept of co-production with the focus on aiming to engage the community and encourage them to participate in the decision-making process as well as providing manpower (Barbera et al., 2016). However, Lowndes and McCaughie's (2014, p. 537) research suggested that these partnerships are ending up as nothing more than talking shops. Multiple agencies are meeting and "being nice to each other" but they are not clear on what is needed or what the vision is.

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

Outsourcing, insourcing, and supplier selection are other areas that affect financial resilience. There is not a great deal of research available as to how much local authorities outsource (Eckersley & Ferry, 2020). Outsourcing is sold to the local politicians as being a way to cut costs and employ experts only when needed. Yet quite often outsourcing is seen to tie up large amounts of future budgets with the local authority having little control over variations to the total cost once they have entered into a contract. Indeed, Muldoon-Smith and Sandford (2021, p. 6) acknowledge that outsourcing has been around for a long time but no longer "provides transformational savings." Now, as some local authorities look for cost savings they are bringing outsourced services back in-house to become more flexible with their cost structure and reduce the amount of fixed costs they are tied into (Lowndes & Gardner, 2016). On the other hand, it is politically arguably much easier to not renew a contract than to cease providing a service that is in-house (Lowndes & McCaughie, 2014). There is also a lack of research into supplier selection in local authorities. Eckersley et al. (2021) have considered the relationship between austerity, political control, and supplier selection in the context of English local government. They argued that centrally imposed funding cuts and belief for-profit suppliers represent a cheaper option could in some cases override ideological preferences of politicians.

3 | METHODOLOGY

The paper will now set out the research case and methods.

3.1 | Research case

Local authorities have their own remit and democratic mandate with local politicians elected by the local population, but at the same time they have responsibilities to national government. In England, the basic structure consists of unitary and metropolitan councils in largely urban areas and two-tier authorities in more rural-based areas. The two-tier structure means the activities are divided across the tiers. The higher tier, called county council, is responsible for education, adult social care, children's services, highways, and so forth, whereas the lower tier, called a district council, is responsible for housing, building regulations, environmental health, waste collection, and street cleaning amongst other activities (Sandford, 2016). They are led by a team of elected councilors who are voted in by the general public just as members of parliament are voted in for national government. A team of officers carry out the day-to-day activities based on the guidance from the members/councilors (Wilson & Game, 2011).

This study will focus on the lower tier authorities, with three rural district councils in England chosen for the study. The corresponding author was the deputy leader of the local authority in Case study 1 during the time of data collection. The other two local authorities were chosen based on the corresponding author's contacts and geographical location. The data were collected between 2015 and 2017.

Table 1 shows the financial data for the general revenue funds of the three lower tier district authorities and some contextual data of the area where the local authorities are situated.

The data exclude the housing revenue accounts and capital budgets. This is because the housing revenue accounts are ring-fenced so cannot be used to cover general expenditure, so the paper is focusing on the general revenue fund only. Second, capital budgets are excluded for the purposes of this paper. This is because spending capital budgets on revenue expenditure is not considered a long-term solution to financial resilience. This makes the general revenue fund the key fund to examine when financial resilience is discussed.

During the time of the research, all three lower tier authorities were forecasting enough income to match their expenditure, but all forecasted a deficit by 2021 in their medium-term financial plans.

Case studies 1 (DC1) and 2 (DC2) are politically operated on a committee basis, which is an option for lower tier local authorities that do not want a mayor or a cabinet system. This means that all councilors are involved, and decisions are made by a committee and not a few cabinet members. There is a reduced need for overview and scrutiny for

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

TABLE 1 Contextual data for the three lower tier district authorities

All figures in £'s million	Case study 1	Case study 2	Case study 3
Financial data—Budget 2016–2017			
Revenue support grant	£1.2	£0.7	£2.5
Business rates retention	£3.5	£1.9	£3.0
Rural services delivery		£0.4	
New homes bonus	£2.8	£1.0	£1.3
Council tax income	£4.7	£5.5	£3.4
Use of reserves and S106 funding			£1.6
Total Income	£12.2	£9.5	£11.8
Projected spending	£11.1	£9.4	£11.4
Surplus	£1.1	£0.1	£0.4
Contextual data			
Number of residents	100,300	71,300	78,100
Number of businesses	3625	4640	4080
Micro businesses with one to nine staff	3,290	4,190	3,565
% Businesses micro	91%	90%	87%
Visitors per year	7.8 m[a]	5 m	2.4 m
Leadership	4th Option Committee	4th Option Committee	Executive & Cabinet
Executive	Conservative	Conservative	Labor
Area total KM^2	340	792	160
Ethnicity	95.6% White	97.8% White	99.1% White
Unemployment	2.70%	2.40%	4.10%

Note: Data from Nomisweb.co.uk.
[a]These are visitors to the National Forest that cross over into other council areas.

these decisions as all members can be involved and receive all the papers for the decisions. Case study 3 (DC3) is a cabinet system. There are two lower tier authorities with conservative party control and one with labor control. However, the CEO of DC3, an experienced CEO of both conservative and labor administrations, commented:

> "The color of the flag may change but the personalities within the castle very rarely are different that's the reality of it and … you don't find because you have a conservative administration that immediately they privatize everything."

In cross party meetings in DC1, the author has experienced all councilors working together for the benefit of the area. Different parties may approach the decisions in different ways, but objectives are often the same, for example, a vibrant economy, good quality housing, low unemployment to list a few objectives. Therefore, in this paper, the political differences are not to be a focus.

3.2 | Research methods

The research methods employed include meetings, observation, interviews, and documentation.

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

Both researchers have experience of local government. In particular in this study, the corresponding author, a qualified accountant, was a part of the senior leadership team in a political capacity for DC1 (as Deputy Leader of the controlling party and thus of the local authority). The corresponding author took part in leadership meetings, political meetings, and formal council meetings as well as observing officers at work. A consistent attendance at the local authority offices meant that issues, rumors, concerns, and ideas were identified.

Interviews were undertaken with the other two local authorities by the corresponding author. The interviews were semistructured and all lasted around an hour. All interviews were recorded and transcribed giving over 150,000 words of dialogue.

Official documentation that is readily available in the public domain was also reviewed for triangulation. Details of the meetings, observation, interviews, and documentation are listed below in Table 2.

The researchers analyzed the fieldwork data to the theory of the financial resilience framework both individually and together through several iterations, until a number of themes were agreed upon (Ahrens & Chapman, 2006). The main themes identified included reserves, income generation, partnership working, and ensuring capacity of staff to cope with the changing environment.

4 | FINDINGS

The findings of this paper are analyzed through the financial resilience framework (Barbera et al., 2017) and by a particular focus on bouncing back and bouncing forward actions and what these look like for the lower tier authorities.

All three of the lower tier authorities in this study are very much aware of the financial environment that local government is in at present:

> "The financial stranglehold that's getting tighter and tighter may force us to visit our priorities again" (CEO DC2).

Although the public is also aware of the lack of money, it does not sink in until a service that they need disappears:

> "The public see it through the news that we are facing cuts but don't actually put that into the realization that means some things we can't actually do now (will need to be cut)" (Officer DC2).

4.1 | Bouncing back

Bouncing back indicates actions that take a local authority back to where they previously were before the financial shock happened—that is, the idea of reverting to a similar service offering but often with a lower standard or reduced scope:

> "The public did generally receive a gold service, but I think now for financial reasons they are facing between a bronze and a silver" (Officer DC2).

All three lower tier authorities have anticipated that the future held little prospect of funding recovering to pre-austerity levels and all have completed some form of restructuring to protect themselves. DC1 has reduced the number of directors and the CEO has consistently asked staff to do more with less. DC1 CEO is experienced in coping with desperate funding situations as when he took over the role in 2000 the local authority had a £2.1 m unbalanced budget and was about to, in his words, go bust:

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

TABLE 2 Summary of data from meetings, observation, interviews, and documentation

Meetings between May 2015 and May 2017—DC1

- Weekly with CEO and leader (author was deputy leader) = 69
- Fortnightly with the senior leadership team—this is the CEO and all the directors plus leader, deputy leader and the committee chairs = 38
- Fortnightly political group meetings for councilors = 40
- Cross party workshops to develop the corporate plan = 6
- Strategic partnership quarterly meetings (Old LSP) = 8
- Area meetings = 6
- Premeeting political group—the political groups met separately before each formal council meeting = 24
- Formal council meetings of Finance and Management Committee, Housing and Community Services, Licensing and Appeals and Full Council. These meetings were every six weeks (Licensing and Appeals as and when necessary and not all members of the committee attended all meetings) = 28

Observations—DC1

- General observations and corridor conversations. Also, observations when attending for interviews.
- Staff focus groups that discussed the corporate plan.

Interviews—All lower tier authorities

- February 2017–June 2017. 19 Interviews of 21 Staff/Councilors of 1 h each (Chief Executive Officer & their Leader, Chief Executive Officer × 2, Assistant Director × 2, Head of Service, Head of Department, Senior Managers × 3, Senior Officers × 2, Frontline Officers × 2, Frontline Supervisor, Accounting Officer × 2, two Frontline officers together, Councilor). DC1–2 interviews, DC2–10 interviews, DC3–7 interviews.
- From June 2017 to completion of writing up—ad hoc conversations and emails for clarification and understanding.

Documentation

- Committee minutes for all meetings in all three lower tier authorities including performance reports and key performance indicator reports. Available on websites of each local authority.
- Budget documents and medium-term financial plans for all three lower tier authorities.
- Corporate plans for all three lower tier authorities 2016–2020.
- Annual reports for all three lower tier authorities.

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

> "It needed a totally different approach than the previous senior management and chief executive. We achieved that, [but] we are in that sort of period [again] now" (CEO DC1).

However, once better funding came again the local authority grew their staff to the extent that more reorganizations were needed:

> "When I started here we had, I think we almost had, double the number of directors than we have got now" (Officer DC1).

DC1 also outsourced their back-office services such as Revenues and Benefits, Payroll, Customer Services, and so on to a third-party private contractor. This was initiated in 2010:

> "As far as I'm aware we're the only local authority (in this area) that really did something like that to that kind of level and it and it did what it needed to do. … but it ultimately made those 2.1 million pounds worth of savings and [there] have been 1.9 million pounds worth of investment in IT so that for me is something that's outside of the box and you're challenging yourself to do something differently" (Officer DC1).

At the time, savings needed to be made and the local authority did not have the funding for much needed IT infrastructure. However, this decision was reversed 7 years later when the cost of the contract became too large a proportion of the total costs to be fixed in this way. DC1 needed to control all these costs in order to have the flexibility to cut more costs in the future. Nevertheless, this was perceived positively as none of the lower quality staff had survived the 7 years, which meant that the staff who transferred back were all able to cope with the demands of the private sector and thereby deemed to be more efficient. Staff that were considered to be lower quality performers were allowed to remain in DC1, but the outsourcers did not have the same attitude. They appeared to be more business minded, and this came across clearly to the corresponding author when in contract negotiations with them. This case constitutes another example of bouncing back to try to continue to deliver the current range of services.

A similar story is told at lower tier authority 2 where they have also been through a period of reorganization:

> "When people leave, we don't always replace them. We are busy and I don't know if we could cope with any less staff, but they are always looking [to make cost savings]I think they want to save another 10% at least but I think how can we save more money?" (Officer DC2).

A centralization approach has been taken to ensure no roles are duplicated and all services have the same level of support, which the staff and members have described as a gold service being reduced to silver and bronze. The gold service implies that it is an excellent service with time and care taken with public satisfaction. The move to silver and bronze indicates a faster service with some corners cut. For example, with refuse collection a gold service would be a once-a-week collection. Moving to fortnightly collections indicates a silver service—it is okay but not really what the public wants but they are getting used to it. A bronze service is moving the collections to every 3 weeks, which is regarded as unacceptable. This is because it may lead to situations where if the bins are missed, then it is another 3 weeks before they are collected. This perception of being unacceptable is held by both the public, but also staff as most officers are striving to perform the best service they can. Any excess staff for support duties are being utilized elsewhere and departments are having to survive with fewer staff (Officer DC2).

DC3 decided on a more radical reorganization by combining the senior leadership team of two lower tier authorities and sharing upper-level management. This was more of a bouncing forward strategy at the time to ensure both lower tier authorities were able to fund their senior managers:

> "We have come a long, long, long, long way in terms of meeting that financial climate, I think in telling you that the two authorities pre 2011 had two chief executives, we had seven directors, 37 heads of service, and we're now running with one joint chief executive, two directors and 10 heads of service, and you're talking about 1.7 million pounds worth of top slice savings across the top" (CEO DC3).

This was perceived as innovative at the time, but it is difficult to repeat. Ultimately, they have cut their costs to continue with the same level of services so this is also a bouncing back mechanism. DC3 now have a streamlined structure and are asking what else they can do to ensure their continued survival. These two lower tier authorities have two separate chambers and two sets of elected members who are not of the same political party and only one senior management team, shared across the two districts. This is purely a cost-saving exercise and is one example of several arrangements like this in the Midlands area. Moreover, it is not a precursor to merging with the higher tier authority (county council) and should be regarded as quite the opposite as it allows the lower tier authorities (district councils) to save resources and preserve their functions so that they do not become part of a higher tier authority (with the county and district councils combining into a unitary council).

The initial reaction of all three lower tier authorities is that of bouncing back—that is, going back to what they know. The question then becomes how can the lower tier authorities continue to provide their services and what can they cut in order to keep going:

> "We have a local councilors' workshop this September to review the future priorities and direction of the council in the light of our ever-tightening financial position to current climate. The likelihood is there'll be fewer things in the corporate plan going forwards not additional things added" (Officer DC2).

This statement suggests that the immediate reaction is to shrink and keep to providing current services and not add anything to their portfolio. Similarly, in DC3, the possibility of reducing wages was considered:

> "This is where we sit if at some point the financial landscape demanded sizable savings efficiencies out of frontline services, (…) we've already closed the depots … I'll introduce a four-day working week across both councils" (Officer DC3).

If this were to happen, it is inevitable that the public would see a change in the level of service provided. This is something that all the lower tier authorities are trying to avoid. Trade unions may also challenge job losses or a 4-day week.

To keep services running in the short term, the lower tier authorities have been using their reserves to top up the shortcomings of central government grants:

> "We are in a better position than some councils and that we've got reserves and things where we have saved before" (Officer DC2).

All three lower tier authorities have planned to use their reserves to balance their budgets and medium-term financial plans. Although financial reserves do reduce their vulnerability to financial shocks, continuing austerity has made it hard for the lower tier authorities to continue to build these up. Instead, the lower tier authorities are now finding that they are having to use them and that these are forecast to run out within 5 years:

> "They have managed to paper over the cracks very well" (Officer DC1), and

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

> "This year we are ok but when we hit that year we've got this amount to find" (Officer DC2).

The lower tier authorities are aware that this state of affairs cannot continue indefinitely and the finance directors are waiting for the Government to "hopefully" offer a solution. They recognize that using the financial reserves, which were built up in more prosperous years, is just a short-term solution and that their depletion will make them more vulnerable to future shocks.

Bouncing back is a way to revert one's actions back to the original plan in the same way that one may deal with an adverse budget variance. A key question to ask is whether lower tier authorities can continue to do what they have always done in terms of traditional tasks.

4.2 | Bouncing forwards

An alternative approach to bouncing back is bouncing forward to change the way that things are done. In this context, it refers to lower tier authorities doing things differently and changing with the intention of becoming more resilient.

Increasing income is more challenging in a lower tier authority as there is less scope to increase charges or local taxation. Furthermore, it is also a subject that local politicians will avoid if an election is due as council tax increases do not generate enough income to be considered worth the political risk of losing power as they are capped at a maximum of a 5% year on year increase. Beyond this, the range of chargeable services is limited and will not make much of a dent in the overall budget. For example, balancing the prospect of charging for parking in a local authority's market towns against the potential loss of customers to these towns. The economic prosperity of the town's shops and trade will often take precedence over parking fees. Other areas for charging, such as burials and leisure center fees, generate limited income but incur long debates in council chambers that once again pit fee income against political gains. Planning fees can generate substantial income for a lower tier authority but only if properties are built. In rural areas, this too becomes intensely political and is still unpredictable.

Another method of coping with the financial shocks and preparing for the future is partnering with other organizations. These can be other local authorities, agencies, charities, or private entities. All three lower tier authorities have examples of where they are attempting to do this.

DC1 has joined an internal audit partnership and a building control partnership that saves on the costs of supporting these teams of staff when there is not enough work for them. They can also try to obtain external contracts for work. Discussions are also ongoing for creating a grounds maintenance company, although the quality of the service and equipment cannot compete with the private sector, which means that until this has improved, there are limited opportunities to gain lucrative contracts to supplement the local authority's income.

DC1 also works with a charity to provide its tourist information office to encourage tourists to visit the area and improve the economic prosperity of the local towns. Economies of scale through the charity means that this can be provided at a cheaper cost than if the lower tier authority were to provide it in house.

DC2 have courted many partners to fund their sport and health development:

> "(…) our sport health Development Officer is a non-statutory post. Us investing core funds in that role enables all of those other things to happen. So that person is responsible for getting funding for seven people and then the scale of reach that you have with seven compared to one and the impact of that is far greater. So if they cut the one the seven doesn't happen, so it's about investing strategically to enable far broader things to happen" (Officer DC2).

DC2 fund one person who then generates funds for the rest of the team by working with partners and finding grant funding. They have found that a small investment has more impact if developed in this way and that these types of arrangements can be more informal and adapted quickly if required. The risk is that the funding and partners dry up

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

but if this were to occur, the lower tier authority would not be left with the commitment of a formal contract and is therefore better able to cope with the unexpected.

None of the three lower tier authorities examined thought that the business rates retention policy would solve their funding problems. DC3 developed a growth strategy alongside their corporate plan:

> "We're setting out our vision. This is what we're planning to do in the next sort of four years but the growth strategy was actually an add-on to this because we realized you know when you started talking about taking business rates out and how are we going to survive with no business rates and stuff like that as a district council that's why we did the growth strategy because we realized that financially we were becoming we could become unviable and therefore that sat at the side of this corporate plan for the first time in 2015" (DC3).

The main issue for DC3 was to relate the business-like approach to the traditional values of their councilors:

> "They get the commerciality, they do understand I think, they have some resistance to it because it doesn't reflect their values" (CEO DC3).

One of the authors sitting in the chamber of DC1 listened to many councilors commenting that we are a local authority and not a business. Their view was that a local authority should not have companies or invest anywhere other than in a bank. Although some local authorities have this view, other local authorities have been commercial in contemporary times and historically. The Localism Act 2011 introduced by the Conservative-led government has also significantly freed up many opportunities for local authorities to become more commercial. However, once the councilors do understand the need for change there is still concern on staff capacity to deliver:

> "I'm not too sure the officer corps have the skills to deliver it" (Officer DC3).

DC1 have undertaken another reorganization this time with the recognition that although cost cuts need to be made, the skills needed are changing:

> "We're in a place that has run its course and now needs to be refreshed both in management and the expertise of senior management and in our equipment and the way we apply our direct services to the benefit of our customers" (CEO DC1).

> "Never compromise on the skills that are needed for the future which are different than the ones we have" (CEO DC1).

Although this is a traditional bouncing back mechanism, it is also one that will help bounce the local authority forward. DC1 have recognized that the future will be different and more business-like so they need the staff that can adapt and change with them.

This section has considered bouncing back and bouncing forward. The evidence suggests that the lower tier authorities find it relatively easier to bounce back as there is little evidence that they have the capacity, and/or confidence in some cases, to change in order to bounce forward.

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

5 | CONCLUDING DISCUSSION

This paper has looked at the financial resilience framework (Barbera et al., 2017) and in particular, the bouncing back and bouncing forward mechanisms through the field study of three lower tier authorities in English local government. This fills a need to analyze the lower tier authorities (district councils) as previous studies have focused on the higher tier authorities (county, metropolitan, and unitary councils).

Austerity has clearly had a significant impact on the financial resilience of all three lower tier authorities. All three comment that their reserves have enabled them to retain balanced budgets for now yet all forecast that they will use all their reserves within the 5 years of their medium-term financial plans. Irrespective of what their reserve levels are, they are all expected to be fully utilized plus there are no prospects to create a surplus again whilst austerity continues. The lower tier authorities have section 151 officers, and all have little debt (with the exception of housing stock that is beyond the scope of this paper).

All three lower tier authorities participate in the District Councils Network (DCN) and CEOs and Officers meet with their counterparts to discuss and share ideas of how to cope with the shocks. However, as they are all in the same environment, new ideas may be constrained. As Muldoon-Smith and Sandford (2021) commented, there will be few local authorities who will find ways of creating new funding and this discussion is now becoming critical.

These lower tier authorities are managing to bounce back and are continuing to provide traditional services albeit often to a lower, but still acceptable, standard. However, this continues to get harder and all three lower tier authorities discussed here have restructured their organizations to remove any non-value-adding staff and activities. They are now asking themselves as to what more they can remove before they have to change the services they provide. Bouncing back becomes a shrinking exercise as central government funding reduces year on year.

With regard to bouncing forward, there is very little evidence of this happening in these lower tier authorities. They do not have the same depth and breadth of resources that the higher tier authorities do and thus they are lacking the capacity and/or confidence to bounce forward.

All are trying to work with partners to make their money spread as far as it can, but this has challenges. The spotlight is on the non-statutory areas (such as leisure) and these are already being funded by external grants as much as possible. However, the partners are also at risk of a lack of funding and potential financial shocks, so the choice of partners becomes important. Even these partnerships need the seed money from the local authorities to help them generate more money, but as these are non-statutory areas this investment is at risk of disappearing. It is very challenging to find funding partners to support the statutory services such as refuse collection as many partners believe this should be funded wholly by the local authorities.

As a result, bouncing forward is very challenging for the smaller lower tier authorities as all they can do is hope to bounce back albeit with a smaller shrinking remit until their funding can be increased.

From a policy perspective, if central governments do not step in and provide adequate funding, the lower tier authorities are at risk of being subsumed into larger upper tier unitary authorities. Such a scenario would be likely to lead to strong resistance from local politicians as it will lead to a reduction in the number of elected councilors and therefore democratic representation. In addition, there will be significant questions as to whether larger authorities have sufficient local knowledge to continue to provide the services needed in geographic areas currently covered by lower tier authorities. Increased communication and technology may go some way toward addressing these concerns, but it may ultimately necessitate a review of the structure of local government. Such a scenario reflects the fact that the devolution agenda has been slow to gain traction and when it has, it has been mostly dominated by the higher tier authorities and is compounded by the lack of additional funding on offer to help the lower tier authorities balance their budgets.

The accountants legally need to ensure a balanced budget is set. No section 151 officer wants to issue a section 114 notice that their local authority is in financial difficulties, but this may be the case if future funding is not secured. The

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

size of the budgets and the scope of the services are not large enough in the lower tier authorities to salami slice off more savings, as they have already made substantial cuts.

Local citizens want their current services preserved without any increased taxation. The general apathy at the voting booths during a local election shows that citizens want the services to continue but are not overly worried whether they come from a lower tier authority (district council) or a higher tier authority (unitary authority).

At present, lower tier authorities are largely constrained to wait for the policymakers and central government to decide where the funding is coming from and how much will be made available in the future. If the funding does not increase, then it is likely that the lower tier authorities will struggle to find the financial resilience to continue to provide the services they are currently legally obliged to. It may be time for national government to review the funding structure of local government whilst supporting the desire to provide an equal standard of local services across the country. Local authorities are hoping that this will come during the Conservative Government "(Prime Minister) Johnson('s) levelling up agenda" (Muldoon-Smith & Sandford, 2021).

The study is limited in that it only covers three lower tier authorities in a specific area of English local government. Future field research could cover lower tier authorities in other parts of England or internationally. There could also be a greater element of quantitative analysis. In addition, future studies could more broadly consider the policy implications of the homogenization of local authorities, which has accompanied the demise of lower tier authorities.

ORCID

Hilary Coyle https://orcid.org/0000-0002-7735-8540
Laurence Ferry https://orcid.org/0000-0002-6686-4528

REFERENCES

Ahrens, T., & Chapman, C. S. (2006). Doing qualitative field research in management accounting: Positioning data to contribute to theory. *Accounting, Organizations and Society*, *31*(8), 819–841. https://doi.org/10.1016/j.aos.2006.03.007

Ahrens, T., & Ferry, L. (2015). Newcastle city council and the grassroots: Accountability and budgeting under austerity. *Accounting, Auditing and Accountability Journal*, *28*(6), 909–933. https://doi.org/10.1108/AAAJ-03-2014-1658

Ahrens, T., & Ferry, L. (2020). Financial resilience of English local government in the aftermath of COVID-19. *Journal of Public Budgeting, Accounting & Financial Management*, *32*(5), 813–823.

Ahrens, T., & Ferry, L. (2021). Accounting and accountability practices in times of crisis: A Foucauldian perspective on the UK government's response to COVID-19 for England. *Accounting, Auditing and Accountability Journal*, *34*(6), 1332–1344. https://doi.org/10.1108/AAAJ-07-2020-4659

Ahrens, T., Ferry, L., & Khalifa, R. (2020). Governmentality and counter-conduct: A field study of accounting amidst concurrent and competing rationales and programmes. *Management Accounting Research*, *48*, 100686. https://doi.org/10.1016/j.mar.2020.100686

Andrews, R., Clifton, J., & Ferry, L. (2022). Corporatization of public services. *Public Administration*, *100*(2), 179–192. https://doi.org/10.1111/padm.12848

Andrews, R., Ferry, L., Skelcher, C., & Wegorowski, P. (2020). Corporatization in the public sector: Explaining the growth of local government companies. *Public Administration Review*, *80*(3), 482–493. https://doi.org/10.1111/puar.13052

Barbera, C., Guarini, E., & Steccolini, I. (2020). How do governments cope with austerity? The roles of accounting in shaping governmental financial resilience. *Accounting, Auditing and Accountability Journal*, *33*(3), 529–558. https://doi.org/10.1108/AAAJ-11-2018-3739

Barbera, C., Jones, M., Korac, S., Saliterer, I., & Steccolini, I. (2017). Governmental financial resilience under austerity in Austria, England and Italy: How do local governments cope with financial shocks? *Public Administration*, *95*(3), 670–697. https://doi.org/10.1111/padm.12350

Barbera, C., Sicilia, M., & Steccolini, I. (2016). What Mr. Rossi wants in participatory budgeting: Two R's (responsiveness and representation) and two I's (inclusiveness and interaction). *International Journal of Public Administration*, *39*(13), 1088–1100. https://doi.org/10.1080/01900692.2016.1177839

Bracci, E., Humphrey, C., Moll, J., & Steccolini, I. (2015). Public sector accounting, accountability and austerity: More than balancing the books? *Accounting, Auditing and Accountability Journal*, *28*(6), 878–908. https://doi.org/10.1108/AAAJ-06-2015-2090

Di Mascio, F., & Natalini, A. (2015). Fiscal retrenchement in Southern Europe. *Public Management Review*, *17*(1), 129–148.

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

Eckersley, P., & Ferry, L. (2020). Public service outsourcing: The implications of 'known unknowns' and 'unknown unknowns' for accountability and policy-making. *Public Money and Management*, *40*(1), 72–80. https://doi.org/10.1080/09540962.2019.1660096

Eckersley, P., Flynn, A., Ferry, L., & Lakoma, K. (2021). Austerity, political control and supplier selection in English local government: Implications for autonomy in multi-level systems. *Public Management Review*, *00*(00), 1–21. https://doi.org/10.1080/14719037.2021.1930122

Ferry, L., & Ahrens, T. (2022). The future of the regulatory space in local government audit: A comparative study of the four countries of the United Kingdom. *Financial Accountability and Management*, *38*(3), 376–393. https://doi.org/10.1111/faam.12291

Ferry, L., Ahrens, T., & Khalifa, R. (2019). Public value, institutional logics and practice variation during austerity localism at Newcastle City Council. *Public Management Review*, *21*(1), 96–115. https://doi.org/10.1080/14719037.2018.1462398

Ferry, L., Andrews, R., Skelcher, C., & Wegorowski, P. (2018). New development: Corporatization of local authorities in England in the wake of austerity 2010–2016. *Public Money and Management*, *38*(6), 477–480. https://doi.org/10.1080/09540962.2018.1486629

Ferry, L., Coombs, H., & Eckersley, P. (2017). Budgetary stewardship, innovation and working culture: Identifying the missing ingredient in english and welsh local authorities' recipes for austerity management. *Financial Accountability and Management*, *33*(2), 220–243. https://doi.org/10.1111/faam.12117

Ferry, L., Eckersley, P., & Zakaria, Z. (2015). Accountability and transparency in English local government: Moving from "matching parts" to "awkward couple"? *Financial Accountability and Management*, *31*(3), 345–361. https://doi.org/10.1111/faam.12060

Ferry, L., Midgley, H., Murphie, A., & Sandford, M. (2022). Auditing governable space—A study of place-based accountability in England. *Financial Accountability and Management*, https://doi.org/10.1111/faam.12321

Ferry, L., & Murphy, P. (2015). *Financial sustainability, accountability and transparency across local public service bodies in England under austerity*. National Audit Office (NAO).

Ferry, L., & Murphy, P. (2018). What about financial sustainability of local government!—A critical review of accountability, transparency, and public assurance arrangements in England during austerity. *International Journal of Public Administration*, *41*(8), 619–629. https://doi.org/10.1080/01900692.2017.1292285

Ferry, L., & Sandford, M. (2022). Developing "place leadership" when hierarchical accountability is omnipresent: The case of English sub-national government. *Journal of Public Budgeting, Accounting & Financial Management*, *34*(4), 557–565.

Gordon Murray, J., Erridge, A., & Rimmer, N. (2012). International lessons on austerity strategy. *International Journal of Public Sector Management*, *25*(4), 248–259. https://doi.org/10.1108/09513551211244089

Hastings, A., Bailey, N., Gannon, M., Besemer, K., & Bramley, G. (2015). Coping with the cuts? The management of the worst financial settlement in living memory. *Local Government Studies*, *41*(4), 601–621. https://doi.org/10.1080/03003930.2015.1036987

Hyndman, N., & McKillop, D. (2019). Accounting for the public sector at a time of crisis. *Abacus*, *55*(3), 437–451. https://doi.org/10.1111/abac.12170

Jameson, H., & Hailstone, J. (2017). Frugal authorities may be left exposed to more cuts. *The Municipal Journal (The MJ)*, 2.

Legislation.Gov. (2022). Annex 2 - Roles and duties of Statutory Officers. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914651/Annex_2_-_Statutory_officers.pdf

Lowndes, V., & Gardner, A. (2016). Local governance under the conservatives: Super-austerity, devolution and the 'smarter state'. *Local Government Studies*, *42*(3), 357–375. https://doi.org/10.1080/03003930.2016.1150837

Lowndes, V., & McCaughie, K. (2014). Weathering the perfect storm? Austerity and institutional resilience in local government. *Rethinking Policy and Politics: Reflections on Contemporary Debates in Policy Studies*, *41*(4), 95–115. https://doi.org/10.1332/policypress/9781447319467.003.0005

Mackintosh, T. (2020). *Croydon Council bans new spending under section 114 notice*. https://www.bbc.co.uk/news/uk-england-london-54897296

Muldoon-Smith, K., & Sandford, M. (2021). Grasping the nettle: The central–local constraints on local government funding in England. *Territory, Politics, Governance*, https://doi.org/10.1080/21622671.2021.1924249

Murphy, P., Ferry, L., Glennon, R., & Greenhalgh, K. (2019). *Public service accountability: Rekindling a debate*. Palgrave Macmillan.

Murphy, P., Eckersley, P., & Ferry, L. (2017). Accountability and transparency: Police forces in England and Wales. *Public Policy and Administration*, *32*(3), 197–213.

Sandford, M. (2016). *Local government in England: Structures*. http://researchbriefings.files.parliament.uk/documents/SN07104/SN07104.pdf

Shaw, K. (2012). The rise of the resilient local authority? *Local Government Studies*, *38*(3), 281–300.

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License

Steccolini, I., Barbera, C., & Jones, M. (2015). Governmental financial resilience under austerity: The case of English local authorities. *CIMA Executive Summary Report*, *11*(3), 1–13. http://www.cimaglobal.com/Documents/Thought_leadership_docs/NHS-public-sector/Governmental-financial-resilience-austerity.pdf

Wilson, D., & Game, C. (2011). *Local government in the United Kingdom* (5th ed.). Palgrave Macmillan.

How to cite this article: Coyle, H., & Ferry, L. (2022). Financial resilience! A comparative study of three lower tier authorities in England. *Financial Accountability & Management*, *38*, 686–702. https://doi.org/10.1111/faam.12344

14680408, 2022, 4, Downloaded from https://onlinelibrary.wiley.com/doi/10.1111/faam.12344 by Test, Wiley Online Library on [31/03/2023]. See the Terms and Conditions (https://onlinelibrary.wiley.com/terms-and-conditions) on Wiley Online Library for rules of use; OA articles are governed by the applicable Creative Commons License