THE GOVERNANCE AND MANAGEMENT OF PUBLIC SERVICES:
AN ANALYSIS OF THREE RATIONALITIES

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ABSTRACT

The search for enhanced rationality in the governance and management of UK public services is an enduring theme of reform programmes. Three modes of rationality had a significant impact during the period 1977-1997: the rationality of disengagement, which suggests that there are benefits to be derived from the governance of public services by boards of appointed individuals operating at arm's-length to the democratic process; the rationality of integration, which concerns the advantages to be gained from the development of interrelationships between agencies around particular public policy objectives; and the rationality of congruence, which stresses the need for local authorities' policies and service delivery processes to reflect the views and preferences of their communities. The origins and characteristics of these three themes are examined and their effect on public services assessed. Together, they have produced a significant transformation of the management and governance of UK public services. The analysis suggests that, at a macro level, the underlying problems of governance and management each rationality seeks to address recycles over a period of time. Reform strategies materialise through a 'garbage-can' model in which current problems are attached to the prevailing fashionable solutions. However, there is also a developmental process in operation. The intersection of the three rationalities offers an agenda for future research.
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CHAPTER 1: THE CHANGING GOVERNANCE AND MANAGEMENT OF PUBLIC SERVICES

The Search for Order in the Public Service

The governance and management of UK public services has undergone significant change during the past twenty years. The economic crisis of the mid 1970s and the intervention of the International Monetary Fund (IMF) presaged two decades of increasingly radical reform of the ways in which public services were structured, financed, controlled and accessed. The IMF’s conditions of fiscal constraint, however, were more a symbol than a cause of the end of the post-war settlement over the welfare state and the proper role of government. New ideas were also emerging from the left and right of the political spectrum, challenging in various ways the structures that had been erected in the previous three decades. The election of the Conservative government in 1979 gave a political impetus to the translation of these ideas into practice.

The momentum and scope of the reform agenda developed through the 1980s and into the 1990s as successive Conservative governments realised the possibilities for transformation and reshaped the ideological and political terrain (Flynn, 1997). Their work resulted in a radically changed public service environment which the post-May 1997 Labour administration is consolidating and adapting for its own ends. At the local government level, the ‘new left’ Labour local authorities of the 1980s started initiatives which at the time were regarded as radical but are now the currency of every local authority concerned to appear progressive. Quality, user involvement, economic development, decentralisation are all part of the agenda of local government in the late 1990s and owe their origins to the rise of the ‘municipal left’ (Lansley, et al 1989) in the mid 1980s.
The changes initiated during this period of reform are many and various. They include privatisation, the introduction of quasi-markets, managerialism, devolution of authority and the customer orientation (Pollitt 1993; Ferlie et al. 1996; Clarke and Newman 1997). As Hood (1991) has argued, the changing emphases and loose construction of the new public management make it something ‘for all seasons’. Its concerns and techniques are capable of adoption into a variety of political and reform agendas. Underlying this flexibility and adaptiveness, however, is a constant - the desire for rationality and order in the administration of public affairs. This search is an enduring feature of public sector reforms during the recent past as well as in earlier eras. In the nineteenth century, for example, Chadwick’s critique and redesign of the Elizabethan Poor Law system was predicated on the notion of efficient local administration, just as the Northcote-Trevelyan reforms of the civil service replaced a corrupt and patronage-ridden apparatus with bureaucratic and meritocratic structures. At the same time, rapid urbanisation highlighted the inadequacies of local government by magistrates and multifarious self-appointing boards. This resulted in a series of Acts of Parliament which created the basic form of today’s local authorities - orderly arrangements for the governance, management and financing of services over appropriately sized territories (Keith-Lucas and Richards 1978).

The search for order is shaped by particular rationalities which predominate at different moments. In the 1960s and 1970s it was corporate management, the unification and marshalling of organisational activity in pursuit of strategic objectives. This was reflected in the reports of the Fulton Committee (1968) on the civil service, Seebohm (1968) on social services and Bains (1972) on local government. In contrast, efficiency was a key factor in the work of the Local Government Review of the mid 1990, although there was also a strong party political motivation by the Conservative government of the day to remove certain ‘unpopular’ county councils created in Labour’s 1974 re-organisation (Leach 1997). Equity, consumerism, choice and marketisation
have also been important rationalities driving the public service reform agenda in recent decades. Several may be apparent at one point, for example marketisation and consumerism in the late 1980s and early 1990s.

**The Purpose of the Thesis**

This thesis examines the development and impact of three particular rationalities for public service reform during the past twenty years. Each has been significant at different times and in different ways. They are:

- **Disengagement** - The distancing of public bodies undertaking executive functions from the processes of representative democracy. This arm's-length structure is realised by the creation of boards of appointed individuals, rather than elected politicians, to govern particular public services or functions.

- **Integration** - The emergence of integrative mechanisms to link the policy development and programme delivery functions of semi-autonomous agencies. These formalised relationships developed both vertically between tiers of government and horizontally between public, private, community and voluntary bodies.

- **Congruence** - The move to bring the strategies, policies and service delivery process of local authorities more closely into line with the priorities and preferences of their communities. This occurred through the creation of a strategic planning capacity as well as the development of public involvement and quality improvement initiatives.

These three rationalities are ones on which I have researched and published over the past twenty years. This thesis draws together key publications from this output in order to explore and develop understanding of each reform theme (figure 1).
Figure 1: Organisation of Themes Contained in the Thesis

<table>
<thead>
<tr>
<th>Mode of rationality</th>
<th>Focus of concern</th>
<th>Examples covered in thesis</th>
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</thead>
<tbody>
<tr>
<td>Disengagement (Ch. 2)</td>
<td>• Distancing the governance of public agencies from the democratic process through the creation of governing boards of appointed individuals operating at arm’s-length to centres of elected political power</td>
<td>• Comprehensive analysis of the appointed sector of British government (the ‘appointed state’), including examination of the origins of the appointed sector, its membership and governance, relationship to the political process, performance and reform (paper 1)</td>
</tr>
<tr>
<td>Integration (Ch. 3)</td>
<td>• Building and maintaining alliances between semi-autonomous organisations in order to achieve public goals • Creation of network organisations to formulate strategies that will guide the executive decisions of other agencies • Mechanisms to enable the indirect central government control and regulation of local government activity</td>
<td>• Analysis of modes of governance, using the case of cross-sectoral urban regeneration partnerships (paper 2) • Conceptualisation and assessment of organisational arrangements for regional strategic land-use and economic planning (paper 3) • Evaluation of policy planning systems linking central and local government (paper 4)</td>
</tr>
<tr>
<td>Congruence (Ch. 4)</td>
<td>• Structures and processes to establish the strategic direction of a multi-functional local authority • Capacity to redirect resources in line with changing priorities • Enabling communities to influence decision-making by public authorities</td>
<td>• Analysis of corporate strategic planning systems (paper 5) • Identification and explanation of resource allocation decisions following local government reorganisation (paper 6) • Development of frameworks for understanding community involvement and empowerment in local public services (paper 7)</td>
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</tbody>
</table>
The thesis has four chapters. This first chapter outlines the purpose and scope of the thesis and the research approaches that were employed to generate data. It reviews the criteria for selecting material for the thesis and the research methods used to generate data. It then summarises the material covered in the following three chapters and sets it in its academic context. Finally, conclusions and observations are provided. Each of the remaining chapters is devoted to one theme and contain the relevant published material.

Selection and Origins of Published Material

Much of my research has been undertaken with colleagues and consequently many of my publications are co-authored (appendix 1). For this thesis I have selected those papers which are either single-authored or, in the case of co-authorship, where I have had a major role in the research, writing and publication. Funded research projects are a major source of published papers, for example the Joseph Rowntree Foundation sponsored study of networks in urban regeneration (figure 2). However published output also arises from data gathered in the course of consultancy and management education for particular public agencies. The article on quality is an example here. This arose from visits to a number of organisations in order to provide workshops, courses and consultancy, and was written from reflection on the relationship between current literature and the empirical data gathered during this activity.
<table>
<thead>
<tr>
<th>Title of research project</th>
<th>Dates</th>
<th>Output arising directly from this study</th>
<th>Output arising from related work</th>
</tr>
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<tbody>
<tr>
<td>Community networks in urban regeneration</td>
<td>1994-96</td>
<td>1996a; 1997c,d</td>
<td>1997e; 1998b</td>
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<tr>
<td>Appointed bodies</td>
<td>on-going</td>
<td></td>
<td>1995d,e; 1997b; 1998a,c</td>
</tr>
<tr>
<td>• Characteristics and attitudes of members of local appointed bodies</td>
<td>1994-95</td>
<td>1995a; 1996b,c; 1997a; 1998b</td>
<td></td>
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<tr>
<td>• Patronage in appointment process</td>
<td>1995</td>
<td>1995c</td>
<td></td>
</tr>
<tr>
<td>• Appointed government of London</td>
<td>1993</td>
<td>1993b</td>
<td></td>
</tr>
<tr>
<td>• Review of research</td>
<td>1996</td>
<td>1997a</td>
<td></td>
</tr>
<tr>
<td>Quality and public services</td>
<td>on-going</td>
<td>1996d; 1995b,f; 1994; 1993a; 1992a,c,d; 1991a,b,c</td>
<td></td>
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<tr>
<td>Impact of metropolitan county council abolition</td>
<td>1984-89</td>
<td>1992b; 1991d; 1990a,b</td>
<td></td>
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<tr>
<td>Strategic management and planning in local government</td>
<td>1979-80; 1992-3</td>
<td>1979; 1980a; 1993c</td>
<td></td>
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<tr>
<td>Policy planning systems in central-local relations</td>
<td>1981-83</td>
<td>1986a; 1985a,b; 1983a,b</td>
<td></td>
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<tr>
<td>Development of institutional structures for regional planning process</td>
<td>1975-78</td>
<td>1978a; 1980b,c; 1982;</td>
<td></td>
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Research Methods

The studies have employed a variety of social science research methods (figure 3). Sampling frames have been designed on the basis of a number of different criteria. Typically the purpose has been to gather data from a spectrum of different types of organisations, or organisations having different policy orientations. This was the case in the policy planning system research, where the sample was selected to include local authorities that demonstrated a range of supportive and oppositional stances towards the government of the day. In the Metropolitan County Council abolition research, where the population of metropolitan county councils was only six, there was an in-depth focus on two contrasting cases and more limited fieldwork on the other four authorities. The community networks in urban regeneration study adopted a rather different approach to sampling. The intention was to investigate and trace community-based networks from the grass-roots up into local authorities and other public bodies. Consequently a pragmatic strategy was adopted. The three areas chosen were ones where members of the research team already had reliable contacts with individuals well placed in respect of urban regeneration networks, and from whom the researchers could start a 'snowball' strategy to seek further informants.

Interviews have been employed in all cases, normally utilising a topic guide to provide a semi-structured format. In some studies, interviews have also included a request that respondents complete Likert scales in order to gather perceptual data. The process through which respondents verbally decide the appropriate point on the scale has often been valuable in generating additional qualitative data. However a number of other qualitative methods have also been employed, particularly on the community networks study. Diary keeping by informants at different structural positions in a locality's network provided data on events and the respondent's feelings and observations. This offers an insight into the micro-level dynamics of network
relationships. Although the diary format was designed to be as simple and easy to complete as possible, the quality of data gathered varied depending on the actual (as opposed to espoused!) commitment of respondents and the time available to them. Focus groups were employed as a means of gathering richer data from the interaction of participants. Workshops were run for members of the networks being researched. These were designed to enable initial conclusions to be validated but also to use these research findings as a means of enabling individuals to reflect on their own networks. To some extent, therefore, the method tended towards dissemination at an intermediate stage in the process and an element of action-research.

One of the pieces of research, the study of the characteristics and attitudes of members of local appointed bodies, used a quantitative method primarily, supplemented by a small number of semi-structured interviews. The population in this research was approximately 50,000 individuals spread across eight types of local appointed body throughout England. A large-scale postal questionnaire was designed to gather factual and attitudinal data. Each of the eight types of body was sampled, the sample size varying from 100% for those with few members to 25% for those with large numbers of board members. As there is no central register of members of local appointed bodies, questionnaires were sent to the chair of each organisation in the sample, with the request that s/he distribute them to all members on their board. Reply-paid envelopes were enclosed. This strategy introduced an additional filter into the process, namely the chair’s willingness to forward the questionnaires, but lack of membership data meant there was no alternative. The response rate overall was 37% (1,508 questionnaires), with a range from 66% (37 questionnaires) to 29% (528 questionnaires) across the eight types of body.
**Three Rationalities of Public Service Reform**

The three rationalities considered in the thesis are now discussed. In each case there is an introduction which sets the academic context, followed by an outline of the papers contained in that part of the thesis.

1. Disengagement: Public Governance by Arm's-Length Appointed Bodies

**Introduction**

One of the key influences on the management and governance of public services during the past decade has been what has come to be known as the new public management (NPM). NPM is derived from several sources, including the managerial excellence literature and the public choice school in economics. Its key characteristics include:

- separation of strategic policy functions from service delivery, at both a managerial and political level
- devolution of authority to lower levels in the organisational hierarchy
- emphasis on core values, mission statements and other devices to engender corporate loyalty
- use of market mechanisms
- emphasis on the value of professional management
- a strong consumer orientation
- preference for single-purpose bodies.

The dominance of the New Right in British politics during the 1980s provided the motivation necessary to introduce its prescriptions into all levels of the UK public service. Local authorities were a particular target for the Conservative government's NPM-inspired reform programmes. This was because many were of a different ideological persuasion and thus offered an alternative political agenda. One component of central government's strategy was to introduce new classes of single purpose local appointed bodies - agencies with executive power to determine public policy and spend public money yet which were appointed rather than elected. Some of these bodies were created through the relocation of local authority activity into the appointed sector, for example the incorporation of further education colleges. Others were new non-departmental public bodies, such as housing action trusts. And a third set, for example training and enterprise councils, were stimulated by government yet are effectively private companies delivering public programmes.

The growth of the local appointed sector proceeded with relatively little debate until the mid 1990s. At that point questions were raised about the scale of the change, the reduced opportunities for accountability in appointed compared with elected bodies, the absence of data on their membership and the extent to which such boards - due to their detachment from local political processes - treated governmental value choices as managerial and technical questions (Davis and Stewart 1993; Weir and Hall 1994). At the same time national and regional appointed bodies (for example, the Funding Agency for
Schools and the Welsh Development Agency) became subject to scrutiny due to deficiencies in their performance, accusations of appointments being made to gain party political advantage and the intersecting of member and officer roles that had traditionally been kept separate in local and central government (Doig 1995; Wilson 1995). Subsequently, the Committee on Standards in Public Life (the Nolan Committee) devoted part of its first report and the whole of its second report to the issues raised by such quangos.

Appointed bodies, however, are not solely the outcome of NPM. They have a much longer history in the UK public service. Their roots are in pre-democratic administration, but more recently are associated with the development of public corporations in the early twentieth century and the immediate post-war period. Here, arm's-length status was argued to be preferable to control by elected politicians where the task was to manage a commercial enterprise (for example, the National Coal Board) or a major development project (for example, the new towns). Yet the same problems of limited accountability to centres of elected authority, patronage and questionable performance were apparent. In a society that regards itself as democratic, the justification for major areas of the public service to be only loosely connected with the political process remains problematic.

Paper 1: The Appointed State - Quasi-Government Organisations and Democracy

An overall assessment of the development, governance and performance of appointed bodies (quangos) is provided in the book that constitutes paper 1 - 'The Appointed State'. The book contains nine chapters. In the first chapter I explore various ways of defining the field and identify the scale of the appointed sector. I argue that it constitutes a major yet relatively unresearched sector within the British system of government. The second chapter considers the problem of the democratic deficit - the weaker accountability links and public rights which apply in the appointed sector.
However I consider this critique in the context of an assessment of the regulatory environment within which quangos operate, and consequently show that there are a number of checks and balances that do operate. Chapter three considers the historical development of the appointed sector and interprets its growth in terms of public choice, managerialist and regulation theory. This develops ideas originating in a recent paper with Teresa Payne (Payne and Skelcher 1997). Chapter four provides empirical data about the characteristics and attitudes of appointed members, drawing in part on my empirical research with Howard Davis (Skelcher and Davis 1995).

In chapter five I discuss the concept of patronage as it applies to the appointed sector. I distinguish between patronage as a process of appointment by an individual or small group and patronage as an intention or motive to place supporters in positions of power. I argue that there is considerable confusion in the use of this term, and that process patronage may not necessarily secure political advantage. Chapter six examines the governance of quangos, and considers processes of decision-making and corporate behaviour. It highlights the difference between an appointed board of individuals and elected bodies where there is an institutionalised opposition to call the majority group to account. The performance of three quangos is compared in chapter seven. I consider the problem of performance evaluation and discuss the validity of the existing data on appointed bodies. Chapter eight reviews the possibilities for the reform of quangos. In chapter nine I conclude that there is a danger in treating the question of quangos in isolation from other aspects of the governance of the UK and the management of public services. Issues of appointed bodies are therefore linked to wider questions about democratic reform.
2. Integration: Developing Policies and Delivering Programmes Through Networks and Partnerships

Introduction

During the development of the UK welfare state, local authorities emerged as the major providers of local services. This trend continued in the 1980s as Labour-controlled authorities pushed back the boundaries of what until then had been regarded as the limits of local government. Programmes and policies that are now widely accepted - economic development, equal opportunities and community involvement - were all relatively new innovations a decade and a half ago. Yet whatever the extent of local authorities' powers, they have always worked through and in collaboration with others. Grants to voluntary bodies, for example, are a means of enabling others to discharge socially desirable obligations. Joint ventures with private developers offer a means of realising public and commercial objectives. Partnerships with other local authorities and public bodies provide the opportunity to gain economies of scale by combining resources to achieve collective ends.

The same picture of inter-agency activity is true at other levels of government - and particularly at the regional scale. Here, despite arguments for devolution from Westminster and Whitehall and the notion of a Europe of regions, there has tended to be found a shifting array of central government outposts, infrastructure providers (such as the now privatised water authorities), confederations of local authorities and various ad hoc bodies. The recent creation of the Regional Offices of Government and allocation of ministers to particular regions, together with proposals for regional development agencies, has consolidated the regional level to some extent. But it still remains a somewhat residual category in the British system of government - sitting uneasily between centre and locality and also acting as an intermediary between the two. The regional level, therefore, is significant in facilitating the vertical linkages between centre and locality - a role
illustrated in the Single Regeneration Budget process as well as the earlier Urban Programme.

There have also been attempts, particularly in the period from the mid 1960s to the mid 1980s, to develop a regional dimension to the economic, physical and financial plans of government. The regional economic planning councils and joint planning teams of seconded civil servants and local authority officers both developed regional strategies in England. These were designed to set a context for local authority and central government decision-making in a way now being suggested for SRB and related competitive government funding programmes. Such regional strategic activity was located in a network of public agencies, and for its impact relied on their endorsement and commitment.

The papers in chapter 3 consider three aspects of this inter-agency environment for public planning and action. They explore, respectively, the design of planning mechanisms to build commitment to implementation between a range of semi-autonomous agencies, the specific problem of central government-local government relations mediated by formalised policy planning systems, and the creation of multi-organisations with executive power to develop and deliver programmes.

Paper 2: Planning Context and Planning Methodology in Regional Planning

Regional strategies were prepared throughout the 1970s for most of England's standard planning regions. They were designed to set a context for physical, and latterly economic and social, planning at a local level and in some cases also sought to influence and guide national policy and expenditure decisions. In this paper I consider the problem of securing commitment in a multi-agency context where, unlike corporate strategic planning, resources and their control are distributed amongst a variety of
semi-autonomous bodies. The regional planning institution itself also lacks executive power to secure implementation. Thus although inter-agency planning can be perceived as a rational deliberative process intended to shape the future, and one to which various stakeholders contribute, implementation may not automatically follow. This became a more significant issue as the agenda of regional strategies' widened from physical planning into economic and social welfare issues, hence increasing the scope of the target audience of public and private bodies.

After reviewing the then dominant model for regional planning - tripartite commissioning, a seconded team of central and local government officials and an emphasis on visible products (the plan itself) - I explore an alternative. Its central emphasis is on invisible products (shared understanding, shared vision, shared priorities) amongst executive agencies in the region. This, it is suggested, may be more forthcoming where there is a permanent team engaged in a continuing process of regional exploration and monitoring, thus enabling the exercise of political influence by the team to take precedence over the technical task of plan production. Organisational design is central to this notion, and particularly the idea of the network organisation whose primary task is to secure commitment between agencies in the network. The paper considers patterns of inter-organisational relations and applies this to the regional planning field through an analysis of the West Midlands. This suggests that although the alternative planning method might enhance the propensity for securing inter-agency commitment, this will be constrained by executive agencies taking steps to protect their interests by managing disturbances in their environment. The conclusion of the paper thus points towards the need for the regional planning institution to secure power in the network by controlling desired resources (for example, information) in order to increase its effectiveness.
**Paper 3: Centre-Local Linkages - The Impact of Policy Planning Systems**

The formalised mechanisms linking local authorities and central government were developed in the mid 1970s with the introduction of policy planning systems in the housing, transport and inner cities sectors. These were annual processes through which local authorities submitted to central government their plans and expenditure programmes. After assessment, and in the light of the overall public expenditure planning totals, central government allocated a level of grant or borrowing approval to each local authority. In many respects, therefore, such policy planning systems were predicated on the same principles as the corporate strategic arrangements within local authorities are discussed in paper 5. They offer the prospect of rational decision-making within central government informed by the rational planning undertaken by local authorities on their appraisal of community needs.

This paper examines the dynamics of such policy planning systems, and in particular their capacity to control local actors. It starts from the identification of a gap in the inter-organisational literature: namely, that it seldom treats the formal mechanisms by which agencies are related as an independent variable when seeking to understand the distribution of power, discretion and control. Central government interest in local government is then conceptualised in two ways. The first is in terms of the process and content of local policy making and the extent to which this accords with the centre's intention. The second relates to the promotion and regulation roles of the centre in its dealings with the locality. The elements of the matrix formed from these two pairs of concepts is explored with reference to two policy planning systems - Transport Policies and Programmes and Inner City Partnerships and Programmes. The notion of rational decision-making presented in the initial case for these planning systems is contrasted with the realities of central government’s desire to manage the discretion available to semi-autonomous local authorities. The paper concludes that the relational
mechanism of a policy planning system is significant in explaining the capacity of the centre to promote and regulate local policy making. It provides a legitimate opportunity to scrutinise the intentions of each of the local authorities involved in the system and enables financial rewards and penalties to be applied to individual cases rather than the whole system. However policy planning systems, as with other mechanisms of central government control, are limited by the extent of policy commitment in each local authority. This is illustrated through case studies of a high spending and a low spending transportation authority.

**Paper 4: The Dynamics of Multi-Organisational Partnerships - An Analysis of Changing Modes of Governance**

The design of urban regeneration institutions during the past decade has involved considerable emphasis on inter-agency relationships. The structure and politics of these relationships are discussed in paper 4, which itself draws on an earlier research project (Skelcher et al 1996). The paper locates some of the data gathered from this research in the context of a discussion of different modes of governance which occur within partnership structures.

The argument in the paper is two fold. First, that there is a conceptual distinction between partnerships as organisational structures and networks as a pattern of social relationships that form around them. Second, that the failure to make this distinction limits the capacity to understand the dynamics of partnerships. The paper uses the empirical study of urban regeneration partnerships to demonstrate that such bodies may sometimes operate on the basis of reciprocal trust (network), and at other times competition around contracts (market) or formalised bureaucratic relationships (hierarchy). This distinction between organisational structure and mode of governance is used to develop a model of the dynamics of a time-limited partnership created for public purpose. The particular emphasis in the paper is to expose the
realities of political action within a partnership structure and to show how collaborative arrangements change over time.

3. Congruence: Policy Making, Budget Allocation and Service Delivery - Relating Local Authority and Community

Introduction

The relationship between the local authority and the community is complex. This complexity arises partly from the different roles of the local authority. In some arenas it is the helpful and facilitating agency offering a free library service or working to reduce poverty and crime. But at other times it is a regulatory force, intervening in the behaviour of individuals and companies through its planning, environmental health, social services and other quasi-legal functions. The individual citizen, therefore, may experience both the friendly and firm faces of the Janus-like local authority.

The local authority is also the focus for a wide range of different interests. Some are contained within its structure. These include the different professional groupings, often formalised into departmental structures. At member level, differing interests emerge between and within political groups on the council. Finally, local authorities have traditionally had as an organising principal that each main department is aligned to a committee and that budgets are structured to reflect this. This has led the internal power structure of the local authority to be likened to a set of semi-autonomous empires whose relationships with each other are negotiated around the imperatives of resource control.

A number of consequences arise from these features of local authorities. The behaviour of local authorities towards their communities tended to be paternalistic. The credence given to professional training, the growth of the welfare state and public services in the 1950s and 1960s and the assumptions of consensus during this period resulted in the development of a
cultural norm on the part of local authorities that they were acting in the best
interests of the community. The critiques of the late 1960s and 1970s
presented a different picture, arguing that local authorities were either
unaware or deliberately obscured the differential impact of their decisions on
particular classes in the community. This was most vividly illustrated in the
case of housing redevelopment and other large-scale planning initiatives
(Cockburn 1977). The growth of urban protest movements organised around
issues of collective consumption and the disenchantment of some
professionals with the assumptions and actions of their colleagues was part
of a wider critique of the role of the local authority and its partial relationship
with the local community (Saunders 1980).

Local authorities themselves, however, faced difficulties in developing action
towards strategic corporate priorities. The committee-department nexus and
the structure of the budgetary environment placed constraints on the
redistribution of resources towards priorities that were not within the existing
mainstream programmes of the authority. Committees and departments were
motivated to retain - or at least minimise losses to - their budgets. Budgetary
allocation proceeded on the basis of incremental change utilising a series of
strategies well captured in Wildavsky’s classic The Politics of the Budgetary
Process (1984). Committees and departments had to be altruistic in order
that new programmes reflecting corporate priorities could be funded. This
was hard for them to do. The politics of the budgetary process ran deep and
were a central indicator of the virility and performance of senior members and
officers, and of committees and departments.

One consequence of the budgetary environment of the post-war period was
that local authorities tended to be oriented towards inputs rather than outputs
or outcomes. The key performance indicator was the relative level of
resources allocated. Only in the 1980s and 1990s, as local authorities
grappled with resource famine, pressure from their communities and the need
to restructure their activities, did other performance measures begin to gain
influence. These included customer satisfaction, speed of response, error rates and other levels of achievement. A series of innovations arose from the idea of the public service orientation (Stewart and Clarke 1987) - the notion that the local authority's role was to serve the community and that its activities were only of value if so judged by citizens and consumers. These initially drew local authorities' attention towards the process of service delivery - the organisation, relationships, procedures and criteria that determined the consumer's experience of receiving local government services. Later, the debate moved on towards questions of citizenship and the contribution of the community to the process of priority setting, policy formulation and service design (Pfeffer and Coote 1991).

The papers in chapter 4 reflect a number of these concerns about the developing relationship between local authority and community. They cover issues of policy making, budget allocation and service delivery.

**Paper 5: From Programme Budgeting to Policy Analysis: Corporate Approaches in Local Government**

This paper explores the way in which local authorities developed corporate strategic planning system during the latter part of the 1980s. In the paper I discuss the development of the corporate approach and the desire to link more closely local authority priorities and programmes with community needs and preferences. I examine the annual policy and budgetary cycle and, on the basis of the case material, identify four key developments. These are the process of priority setting, the introduction of greater selectivity in what tended to be a comprehensive process, the development of a medium-term planning horizon and the development of local and service delivery perspectives into strategic decision-making.

The paper concludes by arguing that three key issues need to be addressed. The first issue is principally a practitioner concern, namely the need to further
integrate policy with resource allocation and to treat the budget and financial programming as a consequence of more fundamental policy choices. The relationship between policy and financial choices is examined in more detail in paper 6. The second and third issues are of greater concern to the academic world. I argue that there is a case for systematic monitoring of the impact of local authority activity on the community as a means of overcoming the propensity for corporate planning systems to concentrate on inputs - especially finance. I also suggest that the form of the planning and decision process may influence the decisions that are reached and hence the eventual outcome. This is because the structure of the process opens-up and closes-off the possibility for certain interests to be voiced and choices to be considered. The nature of the relationship between planning methodology and decision-making is examined in paper 2.

**Paper 6: The Financial Impact of Abolition**

This paper investigates and explains budgetary allocations following the abolition of the six metropolitan county councils on 31st. March 1986. The functions of the metropolitan county councils were transferred either to the constituent metropolitan district councils, who in some cases established joint committees to manage a service collectively, or to joint boards with an independent corporate identity but composed of members nominated by the metropolitan district councils. The exception to this latter arrangement was in the case of the police and probation authorities, who also had other classes of member.

The paper offers a service by service analysis of pre- and post-abolition spending across the six metropolitan counties. It illustrates that there was a reduction in estimated rate and grant-borne expenditure on services transferred to metropolitan district councils and an increase in that by precepting authorities - principally the police, fire and passenger transport joint boards. Overall, expenditure on former metropolitan county council
services increased by 4% while that on all services increased by 9% between 1984/5 and 1987/8. Within service areas, however, there are some considerable variations in the level and distribution of expenditure. Having considered five possible explanations, I conclude that this is primarily a result of abolition enabling local political choice to be exercised in different ways by the successor authorities.

In developing their budgets for the year following metropolitan county council abolition, the successor authorities effectively made decisions between services on the basis of whether they were or were not transferred, with the latter gaining preference. This reflects the power of established committee-department priorities and budgets, discussed in paper 5, in comparison to the 'new' services to be transferred to them. However this strategy was tempered by the salience of particular services to individual authorities, and thus in some cases transferred activities gained significant budget increases. One example is highway maintenance expenditure. Here, increases in the revenue budget and the capitalisation of repairs can be directly attributed to high levels of citizen dissatisfaction with this service. Survey work commissioned as part of the research project revealed that over 50% of respondents were dissatisfied with the state of the roads in the metropolitan counties (Leach et al/1992). The paper illustrates the extent to which local political factors, influenced by the saliency of issues and the strategic opportunities available, shape the policy and hence budgetary strategy of individual local authorities. This suggests that strategic opportunities arise during which the allocation of resources can be re-aligned to meet key policy goals.

**Paper 7: Involvement and Empowerment in Local Public Services**

A policy theme that became particularly important from the mid-1980s was quality. This led local authorities to give greater priority to the form of services, the nature of service delivery and their relationships with their
communities. This developing interest in quality was reflective of a wider change in management thinking affecting both public and private sectors and arising from notions of organisational excellence (Osborne and Gaebler 1992), service management (Zeithaml, Berry and Parasuraman 1990) and managerialism (Clarke and Newman 1997). In the public sector, however, local authorities were at the forefront in terms of applying the principles of quality and adopting an innovative approach in comparison with their previous practice.

In paper 7, I consider the developing trend towards consumer and citizen participation in local authority decision-making. In particular, I examine the concept of ‘empowerment’ - a term widely used but lacking clarity of definition. The paper draws attention to the levels of consumer involvement, adapting the ‘ladder of citizen participation’ first proposed by Arnstein (1969). It also identifies three forms of agency power:

1. service power - determining how, when and in what form services are delivered
2. strategic power - determining the service policies, levels of resourcing and degree of consumer choice
3. structural power - determining who has access to decision-making, at what points and on what issues.

I suggest that these questions of power are occluded by the assumptions of benign pluralism prevalent in local government. In other words, that local government presents its role as a neutral arbiter working in the local public interest yet in reality legitimates some interests and rejects others. This contradiction imposes a structural constraint on involvement and empowerment strategies. I then discuss the concept of empowerment, drawing on Meade and Carter’s (1990) definition - that it involves individuals or groups increasing their ability to take effective action on their own behalf - and suggest that it is also helpful to consider the processes that disempower. I argue that disempowerment arises from the individual/group’s position in
society as well as from the relationships and encounters that they have with local government. Offering empowerment, therefore, requires more than just attending to the surface phenomena of the consumer-local authority relationship. It requires addressing deeper structural issues about the distribution of power in society and the oppression of particular groups. Quality and equality, therefore, are intimately connected. I conclude the paper by reviewing strategies which local authorities may take to reduce disempowerment and facilitate empowerment.

**Conclusion**

The papers in this thesis examine and critically assess the motivations behind and impacts of three rationalities for the reform of UK public management during the last two decades. Each theme - disengagement, integration and congruence - has been apparent throughout this time period, despite the major changes that have occurred in the political, economic and social landscape of British society. Elements from one era are overlain by new ideologies and practices. The language may change, but the debates recycle and are replayed in new forms and contexts. In discussing the appointed state, for example, I illustrate how the application of the arm's-length model developed in the early years of the century and how the problems of democratic control of such bodies has been on and off the agenda ever since. Resolutions are reached to varying degrees at different moments, but the underlying issues are constant and deeply rooted in the nature of governance. These are the problems of the proper relationship between institutions created for public purpose and the citizens of the state (Stewart and Ranson 1994). They are issues of accountability, representation, power and control - and concern the mechanisms by which public purpose is articulated and defined in a complex modern society.
The three themes covered in the thesis reflect some of the strategies by which government and public agencies have sought to introduce a degree of order into their operation, policy making and service delivery, and by implication their relationship with citizens and other stakeholders. These rationalities give direction and purpose to public managers and politicians and justify the reforms they seek to introduce. Yet the historical dimension provided by the thesis suggests that in practice the rationalities overlay a 'garbage can' model in which particular solutions achieve currency independently of their efficacy at particular times. Thus appointed bodies became a standard solution favoured in the development of public corporations and - in different variants - were in vogue as a means to deliver the managerialisation of public services in the latter 1980s and early 1990s. Partnerships were a feature much favoured in the late 1970s and early 1980s period of urban policy; they re-emerge as the standard solution a decade later. Corporate management structures emerge in the early 1970s, are subject to criticism in the 1980s and reappear as strategic management in the 1990s.

This may suggest a rather mechanistic approach to the resolution of the problems of governance - identify the 'solution of the day' and implement it. This process is supported by the internal market in ideas about good public management - consultants need to be seen as market leaders in offering solutions, public authorities want to be identified as leaders in good practice and academics and other commentators gain credit by subjecting today's practice to evaluation. Through this process models emerge, are implemented, lose favour, are rejected and - some time later - are resurrected. However this dynamic contains a developmental edge. As the studies of appointed bodies (paper 1), regional planning (paper 2) and strategic corporate planning (paper 5) all illustrate, old structures are adapted and new forms emerge. This is also apparent in developments subsequent to the paper on involvement and empowerment (paper 7). Here, models are being designed to facilitate public debate and discourse in ways that enable a
wider appreciation of interests and negotiation of decisions - citizens juries, consultative forums, deliberative polling and other initiatives that have been labelled 'innovations in democratic practice'.

It is the relationship between the three rationalities explored in this thesis that offers a future research agenda. The conclusion to The Appointed State (paper 1) begins to examine these issues, commenting on the problems of guiding public activity in an organisational environment characterised by single-purpose public bodies operating at arm's-length to centres of elected political authority. The phrase 'the congested state' is employed to describe the way in which multiple linkages are created between the plethora of appointed, elected and other agencies, including the temporary partnership structures created to facilitate collaborative ventures. This theme is developed in the paper on the governance of multi-organisational partnerships (paper 4). Here, perhaps, is the limit to a strategy of disengagement and the point at which it necessarily intersects with the rationality of integration. In other words, mechanisms need to be designed to enable public purpose to be delivered due to the deficiencies inherent in the managerial independence of appointed arm’s-length bodies. Both strands also engage with the rationality of coherence - the building of a relationship between public agency and community - due to the problems of accountability and legitimacy inherent in appointed and partnership bodies, especially through their imposition onto local communities. This research agenda has both theoretical and applied aspects. The former involves the re-assessment of the notion of the hollowed-out state, since the evidence presented in this thesis (especially papers 1 and 5) suggests that a rather different formulation is required. At the applied level, there are prospects for an examination of the dynamics of the temporary relationships and structures created to deliver public purpose in the congested state and their management and governance in relationship to the more permanent local authorities, government departments, executive agencies and others.
References


APPENDIX 1: Authored Work

Books


1992b Steve Leach, Howard Davis, Chris Game and Chris Skelcher *After Abolition*, Birmingham: INLOGOV

Short Books


1996a Chris Skelcher, Angus McCabe and Vivien Lowndes *Community Networks in Urban Regeneration*, Bristol: The Policy Press

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1996c Chris Skelcher and Howard Davis "Understanding the New Magistracy: A Study of Characteristics" *Quangos and Local Government*, London: Frank Cass


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Articles

1998b Vivien Lowndes and Chris Skelcher “The Dynamics of Multi-organisational Partnerships: An Analysis of Changing Modes of Governance” Public Administration 76(2)

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1996b Chris Skelcher and Howard Davis “Understanding the New Magistracy: A Study of Characteristics” Local Government Studies 22(2) (special issue on local government and quangos, ed. Howard Davis)

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1995c  Chris Skelcher, Howard Davis, John Stewart *et al* Briefing Papers for the Nolan Committee on Standards in Public Life, Birmingham: INLOGOV, The University of Birmingham

1995d  Chris Skelcher and Howard Davis "When democracy gets boarded-up" *Local Government Chronicle*, 16th June
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CHAPTER 2. DISENGAGEMENT

Public Governance by Arm’s-Length Appointed Bodies

THE APPOINTED STATE

Quasi-Governmental Organisations and Democracy

Chris Skelcher

Open University Press
1998
Paper 1


The full text of this paper is not available in the digital version of this thesis.
CHAPTER 3. INTEGRATION

Developing Policies and Delivering Programmes Through Networks and Partnerships

*Paper 2: Planning Context and Planning Methodology in Regional Planning (1982)*


Paper 2


Paper 3


Paper 4


The full text of these papers is not available in the digital version of this thesis.
CHAPTER 4. CONGRUENCE

Relating Local Authority and Community


Paper 7: Involvement and Empowerment in Local Public Services (1993)
Paper 5
1980a  Chris Skelcher “From Programme Budgeting to Policy Analysis” Public Administration 59(2)

Paper 6
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Paper 7
1993a  Chris Skelcher “Involvement and Empowerment in Local Public Services” Public Money and Management (13)3

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