**Editorial**

**Public Administration in an era of austerity**

**Joyce Liddle and Pete Murphy**

The bulk of the papers for this special edition were originally submitted to the JUC Public Administration Committee conference held in Nottingham in September 2010. At that time the new Coalition Government had been in power for just over 100 days and the conference was an early opportunity to reflect on the huge changes and challenge to come.

In May the Chief Secretary to the Treasury announced the first departmental spending targets and what (erroneously), became known as the "bonfire of the quangos" (HMT 2010). In July the Chancellor delivered his emergency budget (HMT 2010a) and the Prime Minister outlined his vision for the Big Society (Cabinet Office 2010). This was quickly echoed by Eric Pickles at the Local Government Associations annual conference where he announced the government's intention to replace "big government with the Big Society". (DCLG 2010). All of these speeches re-emphasized the need for leadership, fiscal austerity and new roles for the public, private and third sectors in the UK. It was therefore hardly surprising that these three themes dominated the PAC conference and are reflected in the contributions to this special edition.

Over a year later, our authors have had the opportunity to reflect on their original papers. It is a credit to their collective foresight that the central thrust of their arguments and the continuing interest in the subject matter remains as valid today, in the midst of the Euro-crisis and the continuing recession.

**Howard Elcock** and **John Fenwick** are perhaps the most ambitious in attempting to provide an assessment matrix for our political leaders. As they say, "political leadership is crucial for the work of everyone employed in the public sector, since they are all accountable, however indirectly, to political leaders in the form of Ministers, mayors, councils or Parliament". They point out that the nature and the practice of local political leadership is still undergoing rapid change, not least in the coalition government's continuing drive to create more elected mayors and introduce elected police commissioners. In addition calls for new forms and types of national and local leadership to meet the challenges of localism, austerity and the future public sector are also emerging (Boardman 2011). Elcock and Fenwick argue that the literature on leadership is still influenced by private sector notions of leadership. The editors' view is that, political biographies aside, and not withstanding some honourable exceptions (Hartley, 2011) recent public sector literature has tended to focus on managerial leadership rather than the special characteristics of political leadership...

Elcock and Fenwick's' paper draws from their extensive long term research in the UK, Europe and the US, to develop a nine cell matrix for the analysis of both local and national political leadership. This matrix can be used to analyse the relationships between the attributes that political leaders possess (or need to possess) and the roles they are expected to play. It facilitates comparative analysis of national and local leaders in different locations or countries and can be used for assessing success and failures of leadership. It identifies the issues that need to be addressed in considering how changes in political management

arrangements might impact on local and national government systems. It could be particularly useful where reorganisation or reconfiguration of responsibilities and/or services are being proposed or implemented.

**James Hunter** also tackles the issue of local leadership suggesting that one key feature of the previous and current UK model of local governance is their emphasis on the importance of good local leadership and strategic vision. He takes us back to the "Total Place" initiative to show that, for the previous government, the quality of leadership was central to success. In future all public leaders would need to take a broader view of the leadership task in public services. "Future leaders will not only be people who can work across organisations on behalf of their places, but people who engage effectively with peers, communities, the third sector and with local democratic representatives" (HM Treasury/DCLG, 2010:59). But, he asks, did local leadership in England actually result in place-making that made a difference in terms of the outcomes experienced by local citizens?

He suggests that little empirical evidence actually exists on spatial variations in place-making outcomes, or the role that local leadership plays in creating communities characterised by a strong sense of identity and/or belonging. His intention is to provide an empirical test of the impact of local leadership on place-shaping across local authorities in England.

One of the issues that continually frustrated the previous government and local politicians of all political persuasions during the Comprehensive Performance Assessments (CPA)/ Comprehensive Area Assessments (CAA) period was the lack of a direct relationship between improvements in the performance of local authority services (as measured by these assessment regimes) and the "satisfaction" ratings of local councils from local communities as reported by opinion pollsters. This paper helps us to understand this paradox as it provides little support for the belief that local leadership matters when it comes to shaping places and transforming satisfaction, belonging and participation amongst local residents.

The centralisation of UK local politics is also reflected in the next paper as **Dave Mckenna** focuses on another recent growth area, namely the development of participatory innovations in public consultation and engagement. Both the previous government and the coalition have regarded these as a means of achieving democratic renewal and enhancing the representative structures of local government. The aim was to improve deliberative capacity, legitimacy, responsiveness and representativeness. He questions why local politicians have had noticeably mixed attitudes towards the wide range of innovations that they themselves sponsored. Quoting Copus he points out that "on the one hand the recent proliferation of participatory initiatives would not have been possible without the support of local politicians. On the other, local councillors have maintained a traditional approach to policy making, ensuring that initiatives are essentially advisory and that councillors retain the final say (Copus 2007)". He suggests that the role of local politicians is both pivotal and under theorised, pointing out that they not only allocate resources for participatory initiatives but are the gatekeepers of the local policy process; making public decisions but also deciding what can and cannot be considered.

Any understanding of why participative initiatives succeed or fail must be partially dependent on understanding the attitudes of councillors towards these initiatives. Like Elcock and Fenwick he too provides a framework (albeit a "single parsimonious" one) to explain why local politicians have such attitudes towards participatory innovations and why some forms of participatory innovations are more attractive than others. He places the local political elite at

the centre of his analysis, emphasising the role of local statecraft and highlighting the way that they gain autonomy. He suggests that the structure of UK local democracy, together with the centralisation of local politics creates a situation in which those who have the most effective electoral strategies and are able to deal most competently with governing problems will survive and prosper. He concludes that policy makers who advocate participatory innovations to enhance local democracy should focus their attention on consultative and co-governance innovations unless radical changes are made to the local democratic system. For the designers of participatory innovations the lesson to be drawn is they need to "work with the grain of local politics and recognise where and why innovations will be opposed or supported".

**Don Harradine** tackles the emerging issue of commissioning services from the third sector and the role played by accounting in the era of austerity and the Big Society. He points out that whilst recent theoretical perspectives have influenced the accounting paradigm, greatly enhancing understanding of the nature of accounting and accounting research, this work has largely been undertaken in the public and the private sectors. In particular the third sector has received little attention from accounting scholars in terms of its relationship with funders.

His paper accepts that there are persuasive reasons for using the third sector in delivering public services, but also admits to problems with engagement of this sector. Many of these problems relate to accounting issues which can compromise working relationships. He explores inter-organisational relationship issues through the prism of the role of accounting in a case study of a DWP *LinkAge Plus* pilot project in an English local authority. This provides insights into the issues that public sector organisations face in dealing with third sector organisations, particularly the fragility of relationships. His study emphasises the importance of understanding the nature and development of boundaries, and the fundamental need to establish the basis of costs as this will ultimately protect all parties to the contract...

Genuflecting to Wildvasky (1964), **Laurence Ferry** and **Peter Eckersley** explore the politics of the budgetary process, through the metaphor of a three act drama. Act 1 is the Comprehensive Spending Review; Act 2 is the annual budget setting and Act 3 post implementation audit and review. Their paper focuses on Act 2 of this drama and considers the annual budget process, more specifically the March 2011 budget within the current spending review to 2014/15.They argue that the budget provides a functional context within which rules, objectives and understandings can be adapted from the spending review plan as well as reconciled to emerging situations. Whilst the previous government had introduced and developed Comprehensive Spending Reviews as a tool to direct and control the growth of public services, the coalition government's Spending Review 2010 is using it as a key part of its deficit reduction strategy.

The authors argue that "far from the annularity of the budget being constrained by the spending review" it actually helps determine the rules, objectives and affectivity of what it makes sense to do; shares "know-how" about how to do it, and has functionality through situated accounting mechanisms. As a result the budget enables or facilitates change whilst maintaining the perceived stability of the spending review. In their view the annual budget process is an enabler of the spending review, as well as being constrained by it.

From the editors' perspective, in assessing local leadership and service delivery under the coalition government, it is surprising just how much of the infrastructure that enabled management scholars and the general public to scrutinise the performance of local government has been dismantled. The Audit Commission, the Standards Board, and the

Improvement Agencies have either gone, or are going. Local Area Agreements (LAAs) ,CPA, CAA and Corporate Governance Inspections are disappearing, and there are on-going reductions in the number and use of national standards, benchmarks and indicators for quality assurance and comparability between organisations. This illustrates the increasing importance of understanding the nature of public leadership, which is why Elcock and Fenwick's contribution is particularly welcome at this time.

James Hunter's provides insights about the design and use of performance indicators and other measures. When the National Indicator Set and LAAs were being developed there was considerable debate about the merits of objective versus subjective indicators, about absolute versus relative benchmarks and the acceptability and reliability of "proxy" indicators. Senior Civil Servants preferred objective indicators based on absolute standards, whilst their political masters insisted on including "satisfaction" ratings. It is votes that mattered to politicians and they wanted to know whether the public appreciated their efforts. Similarly it is not hard to see how politicians would be greatly interested in McKenna's insights on consultation and participation techniques. In a period of reducing resources and service reconfiguration how and why the public are consulted and engaged is ever more critical. The editors' own work with emergency services such as the Police, Fire and Rescue and Ambulance Services illustrates that they are all facing significant financial reductions leading to reconfigurations of services, whilst at the same time being expected to engage the public.

One year on, the idea of the Big Society and the panacea of third sector commissioning as a way of improving public services look less and less convincing. Harradine's work serves to remind us just how under-developed in theory and practice this sector is, and how little it has been supported by the UK government. If the organisational and sectoral support infrastructure for local authorities and other local public service delivery organisations is being dismantled or abandoned, it is certainly not being replaced by commensurate support for the third sector. This has led some commentators to view the greater use of third sector organisations, such as social enterprises in the NHS as merely a facilitating step towards privatisation rather than the supposed creation of beneficial supply side diversity. Harradine's discussion also serves to remind us that if Third Sector organisations are to play a much greater role in the future, then the audit, accounting and reporting regime they adopt must be based on the more open, transparent and accountable regime of the public sector rather than the standards and norms of the private sector. Therein lies some interesting tensions to debate and resolve.

Finally by examining the coalition government's retention of Gordon Brown's Comprehensive Spending Review system, **Ferry** and **Eckersley** indirectly reveal that significant parts of its central government delivery infrastructure, such as Public Service Agreements, Departmental Service Targets and Capability Reviews have also been abandoned. Even to sympathetic commentators (Deloitte 2011) it hardly convinces as a coherent joined up approach, and it all begins to look a bit disjointed – surely they can't just be making it up as they go along?

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