Negotiating austerity and local traditions

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Introduction

Since the instigation of the Coalition Government's austerity policies in June 2010, English local government has faced a 'perfect storm' of radical spending cuts alongside rising demand for services (Lowndes & McCaughie, 2013). Yet whilst there are signs of financial stress within many councils (NAO, 2014 p.9; The Audit Commission, 2013 p.46) it is striking that, to date, there has been little outward sign of crisis. On the contrary, political protest has been muted, public satisfaction remains steady (Local Government Association, 2014 p.10) and no local authority has – as a result of reduced budgets - yet suffered a major service failure, been declared bankrupt or attempted to set an unbalanced budget.

This chapter addresses what we call the 'austerity puzzle'. How can we explain the apparent disconnect between the pressures on local government and its continuing capacity to act? Inspired by Bevir and Rhodes (2003, 2006), we argue that austerity policies are forcing a reconsideration of the 'traditions' that underpin contemporary local governance. We start by briefly reviewing research concerning austerity and local government in England. Next we develop a conceptual framework for analysing the austerity puzzle, proposing five traditions specific to local government: Civic, Collectivist, Professional, Enabling, and Communitarian traditions. We then employ our framework to analyse case study data on responses to austerity, focusing on the emergence of two hybrid reform narratives: municipal enterprise and community commissioning. We find that local actors are not only 'interpreting' austerity, but actively negotiating a path through its limitations, drawing on generic local government traditions and locality specific knowledge. New and productive governance narratives and practices are emerging, but negotiations are also contested and in some cases incomplete.

Austerity and local government

The 'emergency budget' of June 2010 and subsequent October spending review package signalled the beginning of a retrenchment in UK public expenditure without parallel since the end of Second World War (Taylor-Gooby, 2012 p.226), including a 27% cut to local government budgets. At the same time, growing demand for services (due to demographic changes, like the aging society, and the effects of recession) prompted the Local Government Association to warn of a £16.5 bn funding gap between income and expenditure on local services by 2020 (Local Government Association, 2012 p.2). Yet surprisingly, local authorities have appeared to cope with the cuts: reserves have been bolstered (The Audit Commission, 2012), budgets continue to be balanced, and public satisfaction levels have in general been maintained, prompting the BBC to ask "public service cuts: did we notice?" (Easton, 2013; Local Government Association, 2014).

The solidity of this apparent resilience has been the subject of ongoing academic debate. 'Optimistic' commentators argue that local government's apparent ability to absorb these supply and demand pressures reveals existing and ongoing opportunities for efficiency savings and cost cutting (Pickles, 2014), with efficiency measures amongst the most popular and valuable strategies for achieving savings (The Audit Commission, 2013 p.34-37). ‘Pessimistic’ analyses argue that scope for continued efficiencies is limited, with budget reductions set to wear away at capacity for universal service delivery, particularly in relatively deprived areas which have experienced higher reductions in funding (Hastings et al., 2013; The Audit Commission, 2013 p.4).

For others, the apparent ‘coping’ reflects local government’s underlying institutional stability. Peter John (2014) identifies the role of path dependence, whereby the strong administrative political and managerial core of local government enables it to continue in spite of the ebb and flow of service delivery responsibilities. Meanwhile Lowndes and McCaughie (2013, p.534) point to processes of institutional adaptation, focusing on the role of agency in designing creative responses, based upon processes of ‘institutional bricolage’.

The principle that ‘tough choices’ on services need to be made by local authorities themselves (HM Treasury, 2010 p.8) has also, to some extent, created ‘spaces of power’, in which local actors draw upon their own material and discursive resources in confronting the challenge of austerity (Newman, 2012). This has been complemented by an absence of central policy direction on structures or fresh forms of governance. Whilst the limitations of the Localism Act and measures to engender a ‘Big Society’ have been well rehearsed (Jones & Stewart, 2012; Levitas, 2012; Lowndes and Pratchett, 2012), reforms including the transfer of public health, the removal of performance targets, partial return of business rates income and a general power of competence, have gone some way to increasing local space for action and initiative.

In the space between the local drive for continuity and an absence of national prescription, change is therefore fragmented and locally specific, centred around the annual challenge of identifying sufficient savings to deliver a balanced budget. Finance is an ever-present constraint but, paradoxically, there appears to be surprising latitude for exploring local meanings and forging new practices, building on powers and responsibilities granted as part of the localism agenda, and capitalising on the absence of central direction.

Negotiating austerity – a conceptual framework

We argue that there exist multiple processes of ‘negotiating austerity’ in which local traditions and forms of knowledge are being brought to bear in interpreting national policies and forging new governance practices. These negotiations are multi-level, involving sets of actors with different interests, and are inevitably contested. A variegated pattern of governance is emerging as the ‘shock’ of austerity destabilises dominant governing traditions and revitalises others. Inspired by Bevir and Rhodes (2003, 2006), we argue that local government actors face a ‘dilemma’, or more realistically a series of dilemmas, as they confront austerity. We show how a broad range of local government traditions (including dormant or latent elements) are providing discursive resources with which to address the dilemmas of austerity. As these traditions are mobilised, they are also being modified. We are seeing the construction of new hybrid governance narratives (and associated practices) as local government actors interpret, and negotiate, national austerity policies.

Our aim is to adapt and develop Bevir and Rhodes' framework for the purpose of analysing governance change at the local level. Bevir and Rhodes (2006, p.7) define tradition as 'a set of understandings someone receives during socialisation'. More specifically, 'a governmental tradition is a set of inherited beliefs about the institutions and history of government'. Such shared traditions do not determine individuals' beliefs or behaviour; rather, they provide a context within which individuals exercise reason and creative agency. Traditions are not unchanging monoliths: they are variegated and internally inconsistent, they change over time, and their relative influence on politics and governance waxes and wanes.

The four main traditions identified by Bevir and Rhodes (within an overall 'British political tradition') each take a distinctive position on the role of local government:

- The *Whig* tradition focuses on the formal institutions and procedures of government, valuing strong leadership and constitutional continuity. Local government is appreciated for its capacity to provide opportunities for political participation and the education of citizens.
- The *Tory* tradition stresses national unity, political consensus, and the role of the state in preserving order. Local government is valued for its capacity to express and reinforce historic local identities, and their associated status hierarchies.
- The *Liberal* tradition puts its faith in free markets, individual responsibility, seeking to curb state intervention and collectivism. Local government is valued as a potential counter to centralisation and bureaucratisation, able to facilitate local choice and efficiency in service provision.
- The *Socialist* tradition sees a role for the state in resolving (recurring) crises of capitalism and fostering collective action. Local government is valued for its potential role in delivering redistributive policies, through public service delivery and local economic development.

But local government is more than a plaything of the centre. It is our contention that there exist a series of governing traditions that are specific to local government and cannot simply be read off from national level traditions. If these are traditions *about* local government, we turn now to look at traditions *of* local government. Specifying these traditions is within the spirit of 'decentring' insisted upon by Bevir and Rhodes (2003, p.2); we need to 'highlight the diversity of an aggregate concept by unpacking the actual and contingent beliefs and practices' with which actors work. Traditions of local government bear a 'family resemblance' to broader political traditions rather than reflecting some 'single, essential idea' (2003, p. 25). Hence our study provides an important opportunity to utilise and develop Bevir and Rhodes' insights – to move 'back and forth' (as they put it) between aggregate concepts and the beliefs and practices in play at specific governance locations (2003, p. 2). In such a way we can gain important theoretical leverage in seeking to understand the austerity puzzle: how local authorities are negotiating the demands of national policy to construct (tentative and contested) new forms of governance.

We argue that it possible to identify five distinct local government traditions that have been of particular significance over the past century. The exclusive property neither left nor right, they constitute the most coherent and enduring ideational positions on governing at the local level. Our account is not intended to be exhaustive but rather to provide a route map of the most important traditions. To this extent it differs from Orr and Vince's (2009) earlier attempt, which lists no fewer than fourteen traditions (many of which are institutionalised ways of working rather than discursive and value-based 'inherited beliefs'). Our five traditions are not entirely separate from the national traditions identified by Bevir and Rhodes, but there is no one-to-one match. Each local governing tradition has links to one or more of the national traditions. We should not assume a top-down relationship, i.e. that the local traditions are derived from the national ones; instead we propose that they exist in an iterative and co-evolutionary relationship (which in turn depends upon how much 'play' is allowed by the state of central-local relations at any one time). Table 1 maps national and local governing traditions.

<TABLE 1 HERE>

(a) The Civic tradition

As Martin Loughlin (1996, p.23) argues, local authorities have developed 'not simply as creatures of the central state, but as representations of historic communities within a structure of national laws to which the Crown and localities are bound'. The Municipal Corporations Act of 1835 imposed a general duty of 'the good rule and government of the borough', ushering in the tradition of multipurpose elected authorities responsible for the well-being and development of their area. The late 19th-century saw an expansion of local government that aimed to provide an adequate infrastructure for industrialisation and address its associated urban problems, as well as reflecting a burgeoning sense of civic pride (Stewart 2000, p.27). 'Municipalism' saw corporations in the big industrial cities (led by left and right alike) develop water and gas supplies, new road systems and city centres, recreational and educational facilities, health and sanitation arrangements. From these early origins emerged a Civic tradition that sees local government as a potential engine of economic development and a catalyst for collaborative city leadership engaging political, business and civil society elites. The Civic tradition has obvious links to the Tory celebration of local status hierarchies, historic identities and consensual leadership, but also to the Whiggish appreciation of strong leadership and the role of the city as a school for citizenship. The Civic tradition also resonates with the Socialist commitment to addressing the needs of the working class, and to collectivist as opposed to privatised solutions.

The enduring Civic tradition assumes an association between large-scale, multi-purpose local government and efficiency, economic development and citizen well-being (Sharpe 1970, p.166). The Civic tradition experienced a revival in the 1990s as Labour-led local authorities sought to respond to Thatcherism by strengthening more holistic forms of ‘community leadership’ or ‘community governance’ (Morphet, 2008). These ideas were to become an important part of the 1997 Labour manifesto, leading to policies requiring city-level ‘local strategic partnerships’, and promoting multi-sectoral approaches to urban regeneration and economic development (Glendinning et al, 2002). In promoting ‘localism’, and the idea of a ‘Northern Powerhouse’ (Osborne, 2014) to stimulate growth beyond London and the South East, the Coalition has also promoted entrepreneurial civic leadership, via ‘City Deals’, ‘Growth Hubs’ and ‘Local Economic Partnerships’.

(b) The Collectivist tradition

Describing the birth of ‘municipal socialism’ in the 19th-century, John Stewart (2000, p.33) notes that it went beyond the ‘dream of civic leadership and industrial progress’ to include the ‘transformation of society by municipal collective action’. For the collectivist tradition, local government is not just a provider of local services but also a prefigurative expression of socialism in action, representing the collective ownership of the means of production, communication and consumption. Confronting the inequality and social problems associated with industrial capitalism, local government could address the needs of the working class through comprehensive local services, facilities and utilities, but also through its own model employment practices. Herbert Morrison pioneered municipal socialism on a grand scale through his leadership of the London County Council from 1934.

Many aspects of the collectivist tradition influenced the post-war development of British local government, with its extensive ownership of local assets (like housing), expansion of services, and strong trades unions. However, when Thatcherism promoted local government cuts and marketisation in the 1980s, the Collectivist tradition was explicitly re-mobilised in the form of the ‘new urban left’, which sought to protect local government jobs and services (Gyford, 1985). In addition to the dramatic stand-offs between central government and ‘anti-rate capping’ authorities (like Liverpool), the practices of the new urban left were also leading to the modification of the Collectivist tradition, in favour of identity politics (vis-a-vis social class), a greater focus on the needs of users of public services vis-a-vis the providers, a critique of paternalism and centralised bureaucracy, and an openness to public/private joint ventures. By the mid-1990s, local authorities were pioneering the key elements of the ‘Third Way’ politics that would characterise the Blair governments (Stoker, 2004). But new forms of Collectivism did not go unchallenged in local government, with urban authorities (particularly in the North of England) retaining their close links with trades unions and arguing for traditional socialist responses to de-industrialisation, growing inequality and urban poverty (Newman, 2014). Indeed, the Collectivist tradition is being dusted down and re-fashioned once again in the context of austerity, with the development of new forms of ‘municipal enterprise’ in which local authority assets and spending power utilised to pump prime economic regeneration, raise income for local government in the face of budget cuts, and provide new services (like energy, recalling the municipal corporations of the 19th-century).

(c) The Professional tradition

As local government expanded in the 19th and 20th centuries, it became organised around departments dominated by particular professions, initially lawyers, accountants and engineers. The professional tradition became entrenched as local government took on the delivery of a new range of services controlled and largely funded on a national level, including education, personal social services, housing and environmental health. Indeed, with the exception of the NHS and social security, the great achievements of the British welfare state have been delivered by local government professionals (Stewart, 2000; Laffin, 1986). However, elected councillors themselves found themselves subject to the Professional principle (underscored as it was by statutory requirements and powerful bureaucracies), undertaking their work through professionally-led committees (linked to separate departments) and increasingly resembling pseudo-experts rather than lay representatives. Indeed, a ‘joint elite’ (John, 2014 p.5) model of councillor-officer relations remains the dominant model in British local governance, even after New Labour’s 2001 Local Government Act which set out to abolish the committee system in favour of stronger political leadership (via separate executives) and a scrutiny role for backbench councillors.

The Professional tradition stands at odds with the Civic tradition, as professional ‘silos’ are seen as undermining holistic city leadership, and with the Communitarian tradition, due to its top-down stance. As Sharpe (1970, p.174) explains, specialist services may come gradually to serve the interests of professionals rather than recipients or society at large. The Professional tradition has links to Toryism through the customary authority, status and paternalism of the professions, and to the Socialist tradition through the link between professional interests and local government trades unions. However, the continuity, loyalty and specialism embodied in the Professional tradition was pilloried under both Thatcherism and New Labour as representing a form of producer capture (Perri et al, 2002, p.43). The costs of devalorising the Professional tradition are becoming increasingly apparent in the context of local government scandals (particularly in children’s services) and performance shortfalls revealed through inspection regimes (‘failing councils’). Indeed, Coalition policies on ‘early intervention’, ‘behaviour change’ and ’troubled families’ draw (however quietly) on local government’s long-standing Professional tradition.

(d) The Enabling tradition

Our first three traditions have a top-down and largely pro-state character. In contrast, and associated with the Liberal political tradition, the Enabling tradition envisages a minimalist (but important) role for local government. Liberals like Hayek argue that local authorities are better placed than central government to provide those services that the market cannot, and can provide citizens with more choice (assuming they can move between jurisdictions) (Sharpe 1970, p.157). The main role of local government is to oversee and regulate an environment in which public services can be provided by the most efficient and/or effective provider. On behalf of individual taxpayers and voters, an elected local council acts as a collective purchaser for services within a mixed economy of provision. It is assumed that private enterprise will play a major role, and that public and not for profit bodies will operate on quasi-commercial basis, subject to contractual and market disciplines (Stoker 2004, p.13). The 'economisers' on 19th-century city corporations championed the Enabling tradition, which was rehabilitated in the 1980s (Stewart 2000). The term 'enabling authority' was coined by the Thatcherite politician Nicholas Ridley (1988) in the 1980s (inspired by practice in the London boroughs of Wandsworth and Westminster), envisaging elected councils acting as a 'board of directors' meeting on an annual basis to let and monitor contracts.

Sceptical about both Civic and Collectivist traditions, the Enabling tradition is overtly hostile to paternalism and 'big government' at the local level. Reflecting the precepts of the international movement known as 'new public management', the language changes over time – from 'contracting-out' to 'externalisation' and 'outsourcing' – but the basic message is the same. The much smaller local state envisaged by Coalition austerity policies calls for a new iteration of the Enabling tradition. The Civic and the Enabling traditions have played off against one another in the recent history of British local government, reflecting what Mark Bevir (2013, p.209) terms the competing reform narratives of collaboration and marketization. As surely as the Civic tradition leads to the accretion of responsibilities and the growth of local government, the Enabling tradition is mobilised in favour of breaking up of bureaucracies and separating functions. As the Civic tradition prioritises political consensus and multi-sector cooperation, the Enabling tradition promotes political competition and market discipline. In a rehabilitation of Civic ideals, 'joining-up' and 'partnership' are typically deployed in responding to the fragmentation and inequality associated with the Enabling tradition as it moves from remedial treatment to the new norm.

(e) The Communitarian tradition

Sharing the anti-statist assumptions of Enabling, the Communitarian tradition takes a bottom-up stance on the role and shape of local government. It takes issue, however with the radical individualism of the Enabling tradition, arguing for the value of community in governance. Unlike the Collectivist tradition, the emphasis tends to be on geographical communities rather than communities of interest (Tam, 1998); however, in contrast to the Civic tradition, the focus is on small neighbourhoods rather than the city or county scale. Faith communities, which may not have a geographical boundary, also play a significant role in Communitarian thinking and practice (Etzioni et al, 2004). There is a link here to the Tory tradition with its emphasis on communal bonds and traditional values and authority. But other strands within communitarianism are associated with Socialist traditions of community self-organising and shared resources (Barnes et al, 2007, p.20). The communitarian tradition underpins the concept of social capital (popular with both left and right, in different guises) which argues that community well-being is best served by the cultivation of social networks and associated norms of trust and reciprocity. Local government's role in this context is to provide a framework for community development, devolution to neighbourhoods (or parishes), and service provision via community self-help (e.g. mutuals and co-operatives) (Lowndes and Wilson, 2001).

The Communitarian tradition is hostile to the bureaucratisation and paternalism it detects in both the Civic and Professional local government traditions, seeking to empower community voices vis-a-vis those of public service professionals and/or elected politicians. Both Conservative and Labour policies on local government have, at different times, reflected communitarian principles, although the former tends to see community provision as a replacement for, rather than addition to, conventional public services (Lowndes and Pratchett, 2012). Labour promoted 'Community Development Projects' in disadvantaged areas from the 1970s; tenant management co-operatives and parent-led school governing bodies formed part of Thatcher's programme from the 1980s; New Labour's community-led urban regeneration dominated from the 2000s; and now the Coalition's 'Big Society' agenda seeks again to mine the Communitarian tradition.

So, we have set out the traditions that local government actors have to draw upon and are able to modify in responding to austerity. Local government traditions have links to one or more of Bevir and Rhodes' national traditions, which are themselves changed through their interaction with local traditions. But in negotiating the shock of austerity on the ground, there is one more level to this 'game', as local government actors bring to their dilemmas *locality specific knowledge*, which may cause one particular tradition, or mix of traditions, to resonate most powerfully in their context. Local knowledge relates to 'how things are done around here' and may be specific to the local council (like a tradition of strong leadership, or distinctive neighbourhood identities) or characteristic of the wider locality (as in social and cultural norms linked to particular types of employment, or associated with class or ethnic factors). Actors in different local authorities around the country will confront austerity dilemmas with a distinctive discursive repertoire, which is both influenced by higher level traditions and underpinned by locality specific knowledge. In Bevir's (2013, p. 6) terms, they exercise 'situated agency' and 'local reasoning'. In all cases, what is included in the repertoire, and the relative significance of different elements, is likely to be contested by different actors. As Orr and Vince note (2009, p.655), in the pre-austerity context, 'local government is not a unified homogeneous organizational entity, but rather a melange of voices, interests and assumptions about how to organize, prioritize and mobilize action.'

Austerity, traditions and local knowledge - a case study

Case study research allows us to unearth locality specific knowledge, and analyse its interaction with national and local government traditions in the construction of tentative (and variegated) austerity settlements. A single case study enabled immersion in specifically local sensibilities, so that mechanisms of meaning-making and practice formation could be understood as well as described. The significance of the case lies not in its 'representativeness' but in its unique local-ness. As part of the wider case, two examples are presented, focussing on 'municipal enterprise' and 'community commissioning'. Data was collected through a combination of interviews, participant observation, and 'appreciative enquiry' workshops. We sought to develop a collaborative approach which could identify strengths and positive factors to assist the organisation, as well as illuminate challenges faced by individuals (Ludema & Fry, 2008). This approach had the benefit of increasing trust and access with respondents who were working in challenging circumstances, with limited opportunity for reflection. Research findings were checked back with informants on an ongoing basis, to establish whether they constituted 'resonant stories' (Bevir and Rhodes, 2006, p. 174).

Our case study is an English unitary city council, which has responsibility for the full range of local authority services, including planning, transportation and highways; waste management; social services; leisure and libraries; strategic housing; public health and education. It is also a significant local land and property owner. The boundaries of the local authority are drawn tightly, having a resident population of just over 300,000, which excludes wealthier suburbs. Despite increased prosperity over the past decade, the area has relatively high levels of poverty and deprivation, being amongst the top 20 most deprived local authority areas in the country, with particular challenges around education, public health, and employment. Nonetheless resident satisfaction is consistent with the national average and rising, and the authority is noted for strong performance on cleansing and waste, transport, energy and regeneration. The local area also has a proud identity, with an industrial heritage and connections with some potent English legends and episodes of history.

Politically the council has been governed by a solid Labour majority since the 1980s. It has a reputation for strong political leadership and stability, with the Leader and Deputy Leader having occupied those positions for most of the past decade. In line with its (old) Labour values, the Council has a longstanding policy of keeping services 'in house' or in public sector partnerships, placing an emphasis on its social value as a local employer. For example it continues to hold a majority stake in a successful local bus company, despite 'privatisation' in 1986.

In terms of our conceptual framework, the Council expresses most strongly the Civic and Collectivist traditions of local government. Civic ambition is manifest in extensive physical regeneration, as well as aspirations around local ownership of utilities. The example of Joseph Chamberlain was specifically referenced by a senior politician, who upheld Chamberlain's holistic approach to municipal leadership as a model for the future (Interview, 2014a). Collectivist policies include raising local taxes for improved transport; concern for maintaining the scope and influence of the council as an employer and service provider, as well as a commitment to universal service provision and a paternalistic concern for the poor. Professional traditions are weaker, partly due to extremely strong and stable political leadership. Enabling and Communitarian traditions are historically less-well developed, although these areas are being explored as part of the response to austerity (as discussed below).

There are also distinctive elements of 'local knowledge' that shape the council's responses. First, independence and confidence – there is a repeated refrain in interviews with staff and politicians that 'we do things our way,' drawing on the continuing influence of the council as a sizeable employer and actor, and its status as a local landowner:

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

Second, staff and partners recognised the primacy of political, rather than professional leadership, which meant decisions on priorities were guided by popular and political concerns, as well as financial and statutory considerations:

> ‘We are so overtly politically led, we do things in a slightly different way. We are almost intolerant of master plans and strategies’ (Interview, 2014g)

There was a common perception amongst interviewees that austerity policies were a challenge to local values, which should be resisted or at the least mitigated: ‘we’re not taking it lying down’ (Interview, 2014h). However, there was also tacit acceptance of the need to manage within constraints in order to preserve independence and avoid central interference:

> ‘[This council] has never felt it wants to go to the barricades. It always works a different way. We are very rarely in the courts’ (Interview, 2014i).

Emerging (hybrid) narratives and practices

How then have such traditions and local knowledge shaped the process of negotiating austerity?

The recession and subsequent public spending cuts have presented a number of acute economic, social and financial challenges for the Council. The recession hit harder than in comparable urban areas because of the locality’s relatively high dependence on service and public sector employers. With relatively high levels of deprivation it also suffered a higher comparative loss in grant funding than councils in less deprived localities (The Audit Commission, 2013) as well as the cumulative effect of social security reform, with one study estimating that the local economy was losing up to £120m per year in benefit payments. (Fothergill & Beatty, 2013) There were also rising pressures on services, both from a recent increase in the birth rate, and from factors connected to the spending cuts, such as a 26% increase in homelessness and high levels of household debt.

In contrast to some local authorities which opted for more radical service reductions, our case study authority opted to pursue an incremental approach to dealing with spending pressures, preferring to ‘go about it carefully, recognising our role as an employer’ (Interview, 2014d). Policy priorities and areas for protection were determined at an early stage, reflecting a negotiation ‘bottom-line’, including commitments both to maintain core elements of universal provision and prioritise the vulnerable. In practice this has meant that some areas, such as welfare advice, were relatively sheltered from cuts. In other areas, including community development and youth work, a significant proportion of the service was withdrawn. Meanwhile all managers were challenged by members to consider ‘before you cut, can you re-organise?’ (Interview, 2014a). In response, a broad and creative mix of approaches was being developed to address the budget gap, ranging from strategies to capitalise on the council’s considerable financial and investment portfolio, to initiatives for ‘service transformation’, and novel approaches to managing the workforce. Shared services (with other public sector bodies) and revised commissioning arrangements were also contributing towards achieving the required savings as well as a wealth of smaller ‘efficiencies’ within specific departments.

However, this ‘austerity mix’ was not without controversy or compromise, as the local authority sought to maintain its Civic and Collectivist traditions, whilst also acknowledging the new ‘reality’ of a cash terms reduction in spending power of nearly 22% over 5 years. In the following two examples we examine how some ‘negotiations’ developed in ways that reflect (and are sustained by) distinctive local knowledge and traditions (commercialisation interpreted as ‘municipal enterprise’), whereas others conflicted with the Council’s ethos (market-led ‘community commissioning’), representing a compromise position in longer-term austerity negotiations.

(a) Municipal enterprise

In common with many other local authorities, our case study locality introduced a policy of ‘commercialisation’ from 2011 onwards, but with a distinctively ‘Civic’ and ‘Collectivist emphasis. Services were required to seek efficiencies and consider how they might generate income, whilst trading operations were encouraged to expand, enter new markets and make profits. Examples included competing for vehicle maintenance contracts from other public sector bodies, doubling the size of the commercial waste service, increasing income from parking and developing innovative plans for a local energy company. A leading member referred to this policy as “municipal enterprise” explaining that it “allows you to cross-subsidise valuable services” (Interview, 2014a). A senior director described it as ‘a commercial approach with public sector values’, and spoke of feeling

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

For this individual, commercialism presented a means to achieve a less fragmented local state, and maintain and extend the council’s influence as a responsible employer, grounded in sustainable business practice. He admitted that the commercial strategy of seeking contracts from other public sector bodies could seem ‘quite predatory’ but later defended the hybrid reform narrative, citing implementation of the ‘living wage’, as evidence of social objectives (Interview, 2014g). Interviewees also noted the motivational value of developing a distinctive approach to commercialisation in a period of continual cut-backs; a senior politician commented that it ‘gives staff something positive to aim for’ (Interview, 2014a) Commercialism also played an important role in reducing reliance on central grant funding:

‘our long term strategy is being free from government grant’ (Interview, 2014g). Another director described how, in her view, retrenchment was not sustainable over the long term, and that councils had to increase their appetite for commercial and capital risk as a necessary survival strategy (Interview, 2014d).

However, there were also some internal contradictions in the way that members and staff members perceived commercialisation interacting with the Collectivist tradition of the council. One director described commercialisation as a ‘Trojan horse’ to encourage councillors ‘into the right territory for a sensible discussion’. In this case the officer perceived a clash between the ideology of councillors and necessary reforms, which the commercial agenda had partially bridged. She described how she had been ‘rounded on’ for describing the authority as a ‘business’ in her first year, but now this type of language had become mainstream (Interview, 2014d). Implicitly, this officer appeared to draw on the Enabling tradition (within local government more broadly) in her view of commercialism’s objectives and value. She perceived a disjuncture between dominant (Civic and Collectivist) traditions and the demands of austerity, at the same time opening up opportunities to modify or combine existing traditions in response to this dilemma.

Therefore ‘municipal enterprise’ appeared to be a hybrid tradition. At face value it embodied the language and tools of marketization associated with the Enabling tradition. Yet these tools had simultaneously been adapted in the local context to support Collectivist aspirations to protect services and exercise social influence. Furthermore they complemented the Civic agenda of building pride in the local area and driving economic development through exercise of the council’s power as an employer. Crucially this hybridity would not be possible but for the local policy of protecting in-house services, and a consistent leadership message supporting independence and self-reliance. It represents a fresh twist on the old model of the ‘corporation’. This distinctive cocktail of civic leadership and social entrepreneurism provokes the tantalising question as to whether a new type of municipal socialism might yet emerge in the teeth of austerity, reawakening dormant traditions, albeit in modified forms.

(b) Community commissioning

Our second mini case study focusses on a hybrid narrative that draws on the Enabling tradition combined with elements of Communitarianism. A market-based approach was being applied to the ‘commissioning’ of community-based services, such as housing support and welfare advice, from the voluntary and community sector.

Early budget cuts impacted on the local voluntary and community sector in several important ways. Central Government made substantial cuts to some major funding streams administered via the local strategic partnership, such as the Working Neighbourhoods Fund, and Supporting People. There were reductions in the number of frontline Council posts focussing on functions such as community development, local partnerships, youth work and play. In addition, the Council undertook a rationalisation of the Council’s voluntary sector grant funding, marking a switch from a ‘gift relationship’ where the Council made grants, to a ‘transactional relationship’ where the local authority commissioned services, often in blocks, from competing consortia of voluntary organisations (Interview, 2014j). The Council made efforts to stabilise overall funding for the sector and protected some areas such as welfare advice. Councillors also held regular consultation meetings during the transition period. However as a senior officer put it, the changes were ‘not without controversy’ (Interview, 2014d). This was not comfortable ground for the local authority, sitting at odds with dominant local traditions and ways of working. It involved a recognition of the increasing limitations of organisational capacity as budgets shrank and was a tacit admission that in some areas it was no longer possible for the council to ‘do what we want’.

While not expressed overtly, elements of the Communitarian tradition appeared to be embedded in new ‘community commissioning’ narratives. The first, widely shared, element was that communities should be called upon to contribute more. Staff spoke of a ‘shift in balance’ with people being left ‘to sort themselves out’ (Interview, 2014f). Another mentioned the need to tackle ‘dependency culture’ (Interview, 2014c) whilst a senior member talked of the ‘unrealistic expectations’ of some communities. As one director put it:

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

Leaders of faith based organisations, in particular, highlighted that the post 1945 welfare state had ‘squeezed out’ community initiative, and saw the re-opening of opportunities for community involvement (and a revalorisation of the Communitarian tradition) as a timely re-balancing (Interview, 2014p).

The second element of the narrative was that the voluntary and faith based organisations would ‘step up’ to meet emerging gaps in provision, (Interview, 2014k) recognising that ‘people with a mission have a moral imperative’ (Interview, 2014n). A faith representative spoke of the need to get the faith sector seen as more than a ‘sticking plaster’, reflecting the wide variety of work it now undertook (Interview, 2014m). The Council was starting to adopt a more facilitative role, whereby residents were encouraged to assume community responsibilities and support each other. This was apparent in a council-initiated social enterprise whereby residents were encouraged to share skills and offer mutual support with simple tasks (like housing repairs), and in the emerging role of volunteers in areas like litter collection and food banks.

Third, voluntary organisations were increasingly expected to be self-sufficient, now that the council was no longer the ‘‘cash cow’’ (Interview, 2014b). One voluntary sector board member commented that, after council funding was withdrawn, his organisation had been forced to broaden its funding base and had become more ‘agile and resilient’ as a result. It had even rebuilt a working relationship with the Council (Interview, 2014k).

Whilst these examples show that narratives drawing on the Communitarian tradition were being realised on the ground, there were also tensions. There was widespread concern amongst voluntary sector organisations regarding the longer term effects of market-style commissioning. These included a perceived clash of the approach with the value-driven ethos of the sector; the “toxic” effect of competition on voluntary sector partnerships (Interview, 2014o); and the effects of financial pressure driving a ‘race to the bottom’ in salaries and operating costs (Interview, 2014l). One Councillor commented that council staff engaged in commissioning ‘spoke a different language’ from the expressed values of council politicians (Interview, 2014b), capturing the sense in which the new hybrid narrative of community commissioning sat at odds with dominant (and still enduring) collectivist traditions.

The Communitarian tradition also sat at odds with the local narrative of strong political control. There seemed to be some measure of tacit political withdrawal from the neighbourhood level (where the austerity puzzle was experienced most sharply), leaving managers and frontline workers to forge new practices. Workshops with frontline staff provided examples of areas where councillors and staff were struggling to stimulate community engagement; in a deprived outer estate it was argued that people did not take initiative to help themselves:

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

In the absence of hoped-for community initiative at a local level, the Professional tradition was being rehabilitated as frontline workers sought to fill the gaps opened up by the new hybrid reform narrative, in the context of diminishing resources. This sometimes resulted in a subtle change of emphasis. Looking at issues of anti-social behaviour, one director observed that there was a swing away from community development to law enforcement, and to sanctions rather than education (Interview, 2014i).

In summary, we found some evidence of a new hybrid governance narrative that saw the state drawing back, whilst relying on a combination of Enabling and Communitarian traditions to re-populate the space. However, this emerging narrative was in many instances contested by frontline actors who were confronting the ground-level reality. The current settlement appeared fluid, reflecting the widespread discomfort both with letting go of the council’s Collectivist ambitions, and with the introduction of market-inspired practices. In contrast to the municipal enterprise narrative (more visible, operating at the city level), the community commissioning narrative (more quietly spoken, operating at the neighbourhood level) remains unstable and contested, its future trajectory unclear.

Conclusion

We have attempted to unpick the puzzle of how local authorities are negotiating a path through the dilemmas of austerity. Conceptually we have drawn on Bevir and Rhodes' framework of national governing traditions to propose five new categories specific to local government: Civic, Collectivist, Enabling, Professional and Communitarian traditions. Our case study examples of municipal enterprise and community commissioning have shown how hybrid and novel settlements are being developed under conditions of austerity, drawing on elements of these traditions, underpinned by locality-specific knowledge. Where strategies were seen as less compatible with historic approaches, they remained contested and relatively unstable. Further case study will allow us to test whether the traditions identified here resonate more widely, and whether other localities draw upon different traditions in negotiating their austerity settlements. We may need to add to the five traditions distinguished in this paper, and we are certain to uncover a range of additional, locally bespoke hybrid narratives and practices.

Our argument is distinctive vis a vis existing comment and academic analysis on the state of British local government in a number of important ways. First, we focus on *local agency*, which we see as inherently creative in making sense of national and local traditions, at the ground level. Second, we highlight the role of *local resources,* which contribute to the formation of new ideas and fresh approaches. In this regard local government has assets as well as deficits, in the form of traditions and forms of knowledge that underpin responses to national policy directives. We have shown that discourse has material effects, with narratives (like municipal enterprise) having the capacity to mobilise new resources in the context of austerity. National political traditions are themselves being modified in the context of local government interpretations, negotiations, and resistance. Third, our argument is based on an assumption of *local difference*. In unpicking the austerity puzzle we cannot expect a single solution. As our interviewees were keen to emphasise, local government is not just 'done to' by central government, there is a clear role for local knowledge in interpreting and negotiating austerity policies, which has been facilitated, paradoxically, by space opened up by the Coalition's version of localism. Local government 'as a whole' has traditions to draw upon that are not defined by central government, and austerity negotiations are also filtered through locality-specific forms of knowledge and practices of reasoning. Fourth, we highlight *local contestation* regarding the outcomes of austerity, between frontline and strategic actors in the locality, and between local and central government leaders. Negotiating austerity is also about negotiating power settlements.

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Table 1 – Local governing traditions

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