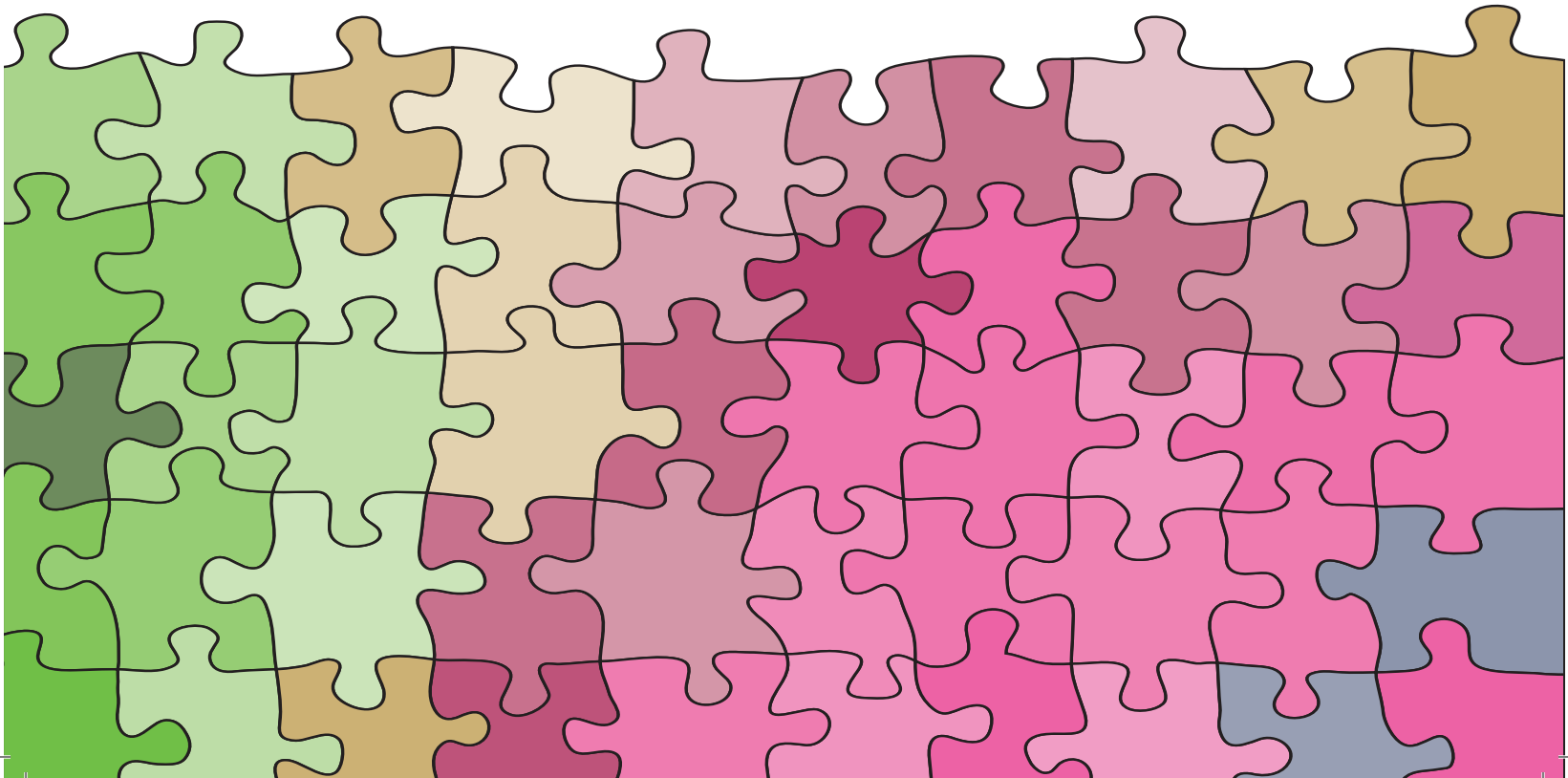


Governance, neighbourhoods and service delivery

A joint research initiative by APSE, CLES and INLOGOV





Association for Public Service Excellence (APSE)

APSE is a not for profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, housing and building maintenance.



Centre for Local Economic Strategies (CLES)

Established in 1986, the CLES is an independent think-doing organisation and network of subscribing organisations involved in regeneration activities, local economic development and local governance. CLES combines policy development, an information and briefing service, events and a consultancy arm. CLES is unique; our network of subscribing organisations, consultancy clients and our grounded experience of policy means we are well placed to represent practitioners and develop ideas and policy that work on the ground.



Institute of Local Government Studies (INLOGOV)

The Institute of Local Government Studies of the University of Birmingham is committed to enhancing democratic governance of local communities. It seeks to encourage and support working across organisational boundaries within the public sector and between it and the voluntary and private sectors. The department is a major centre for research and for postgraduate programmes, both taught and research based. It also runs a small number of undergraduate programmes. INLOGOV is a leading provider of many continuing professional and management development programmes for governance practitioners from both the UK and overseas and has numerous research collaborative links with other universities and national education and training centres globally.

ISBN: 978-0-9548349-3-7

Governance, neighbourhoods and service delivery¹

Meeting the challenges of neighbourhood governance

It is tempting to say that in the current policy climate the 'neighbourhood' has become somewhat of a 'solution' looking for a 'problem' to solve, be it economic deprivation, anti-social behaviour, community cohesion or substance misuse. But, of course, neighbourhood governance is not without its recognised policy challenges; not least how local authorities define what actually constitutes a 'neighbourhood', address the potential clash between representative and participatory democracy, meet strategic objectives whilst allowing local discretion, ensure the consistency and equity of service provision across neighbourhoods, and manage the pull towards economies of scale and the push towards local choice in service delivery (see Box 1).

Our initiative

Neighbourhood governance demands a number of trade-offs or political choices between participation and influence, access and competence, cohesion and pluralism, choice and equity.³ The current neighbourhood agenda itself

Box 1 Potential policy challenges of neighbourhood governance

- How far can representative local government act as the means of widening participatory community empowerment and neighbourhood governance?;
- How is local government to address both the national efficiency agenda and its push for economies of scale and the call for diversity and local choice across neighbourhoods?;
- How is local government to retain the strategic capacity of its departments to plan and deliver services whilst responding to local discretion across neighbourhoods?;
- How is local government to ensure the consistency of provision and address relative disadvantage across localities?;
- How is local government to resolve policy conflicts when neighbourhood demands are incompatible with strategic policy priorities?;
- How is local government to construct effective vertical and horizontal connections between neighbourhoods and other levels of governance and partners?;
- How is local government to ensure that narrow sectional groups do not come to dominate neighbourhoods and accentuate divisions across localities?;
- How is local government to avoid neighbourhood empowerment creating 'expert citizens'² who are unrepresentative of the wider community?;
- How is local government to build the capacity of the community and voluntary sectors whilst avoiding the 'burnout' of community leaders?;
- How is local government to manage the expectations of communities for local choice when committed to national performance targets and the demands of national regulatory regimes?

encapsulates such trade-offs with its articulation of both service improvement and civil renewal outcomes – arguably with a preference for service improvement. This joint research and policy development initiative investigates how local authorities might choose to make different ‘trade-offs’ in responding to the challenges of neighbourhood governance. In words, it analyses different institutional designs for neighbourhood governance, contributing to current debates over how we might re-design local authority institutions to deliver public value whilst empowering communities across neighbourhoods. Importantly, it seeks to identify the implications for local stakeholders of ‘designing in’ specific trade-offs to neighbourhoods, particularly the impacts of particular designs on our understanding of the role of the ward councillor.

The policy context

Neighbourhoods, in their various guises as sites for area-based decentralisation below local authorities, have been a permanent fixture in contemporary narratives of local governance.⁴ Entwined with the discourse of community and partnership, ‘neighbourhood’ has become part of the orthodoxy of public governance. 90% of local authorities surveyed by the LGA in 2007 had neighbourhood forums or meetings open to the public, with 30% have ward budgets for individual councillors⁵, whilst an earlier 2004 survey had indicated that over one quarter of local authorities had devolved some decision-making powers down to area committees.⁶ Indeed, 73 per cent of people would support more neighbourhood control over services and budgets, with 35 per cent favouring neighbourhood forums and 23

per cent a ‘new type of elected neighbourhood council’.⁷

For the New Labour government, neighbourhoods have become the privileged space for driving forward sustainable improvements to service delivery and for re-engaging citizens with the processes of government.⁸ It is through neighbourhoods that we increase community involvement in decision-making, enhance local partnership working, build capacity and generate social capital, and target effective services. The 2006 Local Government White Paper, *Strong and Prosperous Communities*, whilst making no explicit reference to area committees or neighbourhood forums, encouraged nonetheless the development across local authorities of neighbourhood management and local neighbourhood charters as well as community calls for action and local petitions.⁹ The 2007 Local Government and Public Involvement in Health Act subsequently gave local authorities the duty to provide information and consult and involve local people in service delivery and policy-making. The Action Plan for Community Empowerment, published in October 2007, foresees the further engagement of local people in the development of Local Area Agreements and planning processes, as well as increased recourse to participatory budgeting schemes, citizen juries and local petitions¹⁰; measures supported by the Green Paper, *The Governance of Britain*.¹¹

Designing institutions for neighbourhood governance

Neighbourhood governance, as we argued above, demands a number of trade-offs or political choices. How we negotiate such trade-offs will be shaped by the institutional designs and principles that we put in place. Government itself has underlined the importance of the community leadership role of local authorities and the requirement in any move to neighbourhood governance to retain the strategic capacity of local authorities and partners to steer policy across neighbourhoods in a locality.¹² However, there has been no 'steer' from central government on institutional forms that neighbourhood governance might take, although it has made reference to overarching principles to guide neighbourhood working (see Box 2).¹³ Different rationales will inform different institutional arrangements for neighbourhood governance, structure different roles for politicians and officers, legitimise different forms of decision-making and privilege different outcomes.¹⁴ And, as Lowndes and Sullivan argue 'neighbourhoods can't do everything; we need to concentrate on what they are best placed to do – and on how to manage the inevitable trade-offs they throw up. We need to develop a conception of [...] "a good political life" at the neighbourhood level and then explore in detail the implications for citizens, representatives, leaders and public servants.'¹⁵

Deploying Mintzberg

Taking up the challenge of Lowndes and Sullivan, we deploy the work of Mintzberg as a 'way of seeing' the impact of different

Box 2 Five key principles for neighbourhood arrangements¹⁶

- 1) All councils, in partnership with other service providers, should provide opportunities and support for neighbourhood engagement through appropriate arrangements so that they can respond to the needs and priorities of neighbourhood communities.
- 2) Neighbourhood arrangements must be capable of making a real difference to the everyday lives of citizens.
- 3) The nature of neighbourhood arrangements must be appropriate to local circumstances, be flexible to changing circumstances over time and be responsive to the needs and diversity of the community and its organisations.
- 4) Neighbourhood arrangements must be consistent with local representative democracy which gives legitimacy to governmental institutions, and places elected councillors as the leading advocates for their communities, and with the requirements of local democratic accountability.
- 5) Neighbourhood arrangements must be balanced with the demands of efficiency and proportionality.

organisational designs on the workings of local authorities. Mintzberg isolates five components common to all organisations (although what we deem to be the 'organisation' might extend beyond the traditional organisational boundaries of a local authority).¹⁷

The strategic apex sits at the head of the organisation and is composed of its executives, directors and elected leaders. Its role is to develop the organisation's strategic goals and vision, determining how the organisation serves its mission and, in the public sector, meets the changing demands of external funders or regulators.

The middle-line hierarchy represents the chain of middle-line managers or business managers who connect the operating core up to the strategic apex of the organisation. The role of these individuals is to manage and delegate work to the operating core according to the direction set by the directors within the strategic apex.

The operating core sits at the base of the organisation. It includes all those employees who work directly to produce the goods and services delivered by the organisation.

Parallel to this line of organisation which runs from the strategic apex to the operating core sit the technostructure and the support staff. **The technostructure** consists of the organisations' analysts and specialists notably policy and performance departments who work to standardise and improve practices across organisations.

Finally, **the support staff** provides discrete sets of services that sustain the work of the rest of the organisation in the achievement of its core purpose. Support staff can include a range of employees involved in such activities as transport, public relations, accounting or human resources.

Using Mintzberg as a means of analysing the trade-offs of neighbourhood governance thus offers us a way of mapping different

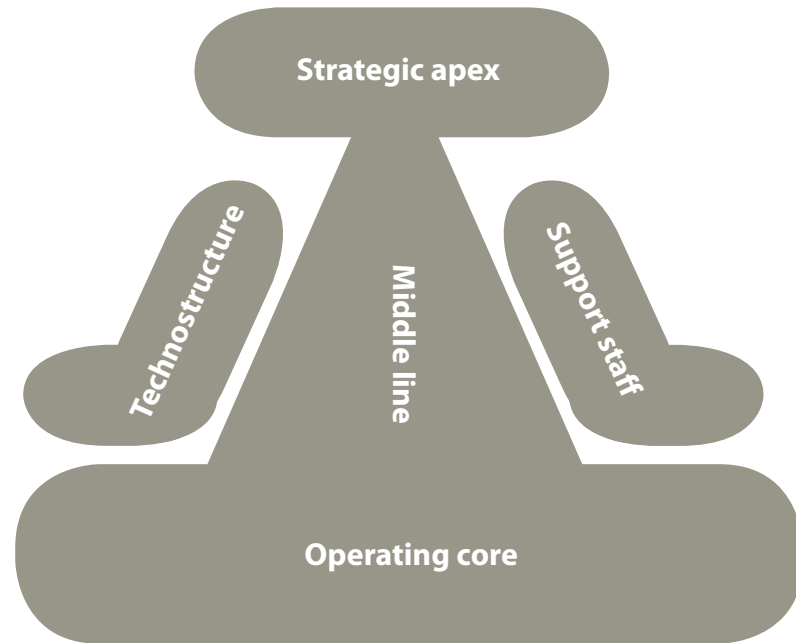
institutional designs. Each form of neighbourhood governance within a local authority will embed distinct roles for its strategic apex or operating core for example. Indeed, against the background of the work of Mintzberg, we can generate a number of questions to guide our research:

- What might the strategic apex look like in an authority designed for neighbourhood governance?
- And what might be the role and functions of the operating core? What about questions of line-management? Support and technostructure?
- Looking at the strategic apex, what governance mechanisms facilitate the strategic leadership and coordination of neighbourhoods to ensure the production of public value across a locality?
- And what mechanisms do so whilst enabling ward councillors to advocate residents' concerns, to influence strategic service delivery, and broker agreements between local neighbourhood partners?¹⁸

In fact, as we do below, we can begin to illustrate how different designs deal with the different trade-offs involved in designing neighbourhood governance. These applications of Mintzberg are designed themselves simply to aid debate about the policy implications of different organisational forms. They remain ideal types; in practice, neighbourhood institutions will borrow from different designs and be much more 'messy'.

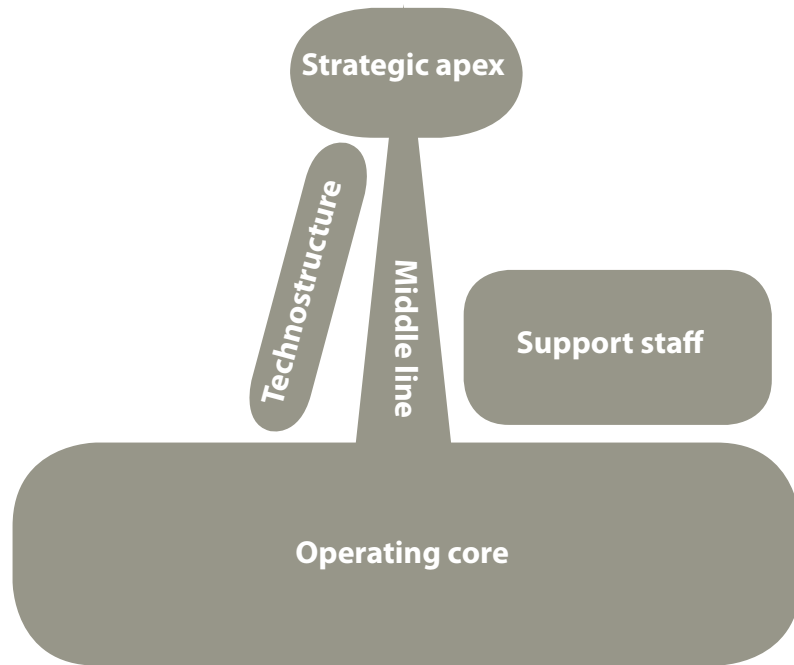
The Centralised Machine Authority

Centralised organisation which exhibits significant levels of specialisation such that individuals in the operating core are highly supervised and tightly controlled by rules and regulations. Co-ordination across the authority derives from rule-bound standardisation which produces a developed middle-line and technostructure within the organisation. However, the strategic apex retains considerable power and organisational strategy is very much driven from the top downwards. Neighbourhood working can in some instances be reduced to little more than a tool for informing and legitimising mainstream strategy development.



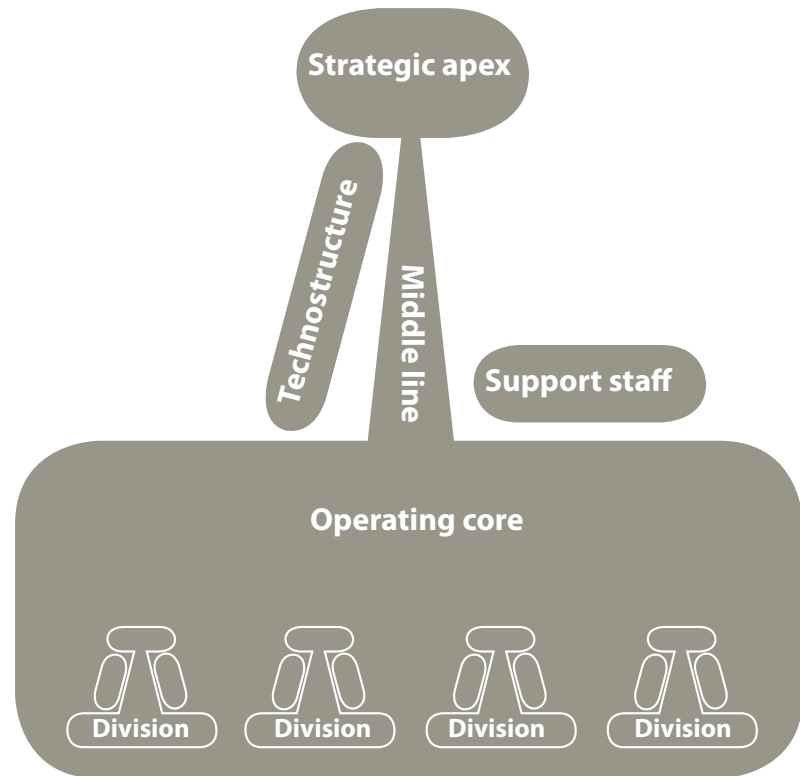
The Decentralised Professional Authority

Highly decentralised organisation where individuals in the operating core benefit from high levels of autonomy over their own work and indeed work closely with partners and communities in neighbourhoods. As a result there is a large support staff but an undeveloped middle-line, technostructure and strategic apex. Coordination across the authority derives from the shared expertise and standards of those within the operating core and strategy becomes the cumulative effect of the initiatives and professional strategies of those within the operating core.



The Decentralised Divisional Authority

Constrained decentralisation where semi-autonomous divisions which are brought together under a central administration are given control over service delivery across neighbourhoods. Unlike the decentralised professional authority, control is not decentralised down to individuals in the operating core; rather, there is limited delegation from managers in the central administration to the managers of each division with each division itself potentially highly centralised. Coordination across the authority derives primarily from performance control and monitoring systems which focus not on processes but on outputs. Individual divisions formulate the strategies for the neighbourhoods within which they work, but 'headquarters' retains control over the strategic portfolio, overall financial resources, designs the performance control system and provides certain support services common to all divisions.



Further research

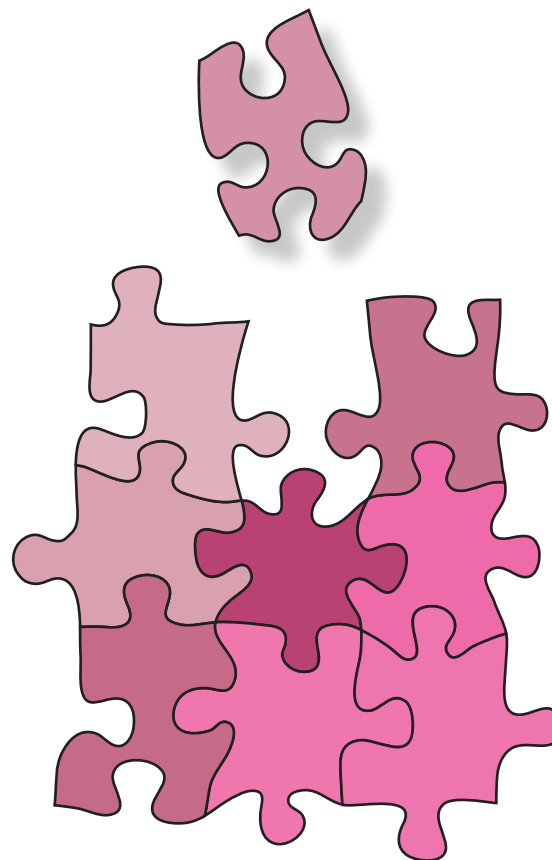
This paper forms part of a wider research project into the governance of neighbourhoods and service delivery. The next stage of this research is to undertake case study examinations of service-delivery networks across neighbourhoods in order to investigate emerging patterns of democratic governance and service delivery.

Report Authors

Steve Griggs and Mike Smith (INLOGOV)
Institute of Local Government Studies,
University of Birmingham

For further information on this research, please contact:

Mark Bramah
Assistant Chief Executive, APSE
mbramah@apse.org.uk
0161 7721810



Notes

- ¹ This initiative is part of a collaborative research programme designed to examine key contemporary issues in the delivery of public services. It sits alongside work led by CLES on the economic footprint of local government and earlier collaborative work by APSE, CLES and INLOGOV on the value of public employment. The first report, *Towards a Future for Public Employment*, was published in 2007.
- ² See H. Bang (2005) 'Among Everyday Makers and Expert Citizens', in J. Newman (ed) *Remaking Governance. Peoples, Politics and the Public Sphere*, Bristol: Policy Press, pp. 159-178.
- ³ H. Churchill (2007) *Devolving to Neighbourhoods. A Review of the Evidence*, Manchester: Centre for Local Governance, pp.17-18.
- ⁴ For a discussion of the changing narratives of neighbourhoods and local governance, see E. Lepine and H. Sullivan (2007) 'More Local than local government: the relationship between local government and the neighbourhood agenda', in I. Smith, E. Lepine, and M. Taylor (eds) *Disadvantaged by where you live? Neighbourhood governance in contemporary urban policy*, Bristol: Policy Press, pp. 83-104.
- ⁵ Cited in CLG (2007) *An Action Plan for Community Empowerment: Building on Success*, London: CLG, p. 19.
- ⁶ LGA (2004) *Making Decisions Locally: A Survey of Local Authorities on Area Committees and Area Forums*, LGA Research Report 15/04, London: LGA.
- ⁷ 2006 YouGov poll for LGiU, See E. Cox (2006) *Empowering Neighbourhoods. Going Beyond the Double Devolution Deal*, London: LGiU.
- ⁸ ODPM (2005) *Citizen Engagement and Public Services: Why Neighbourhoods Matter*, London: ODPM, p.7.
- ⁹ INLOGOV (2007) *Strong and Prosperous Communities: A Contribution to the Debate*, Birmingham: School of Public Policy.
- ¹⁰ CLG (2007) *An Action Plan for Community Empowerment: Building on Success*, London: CLG.
- ¹¹ Secretary of State for Justice and Lord Chancellor (2007) *The Governance of Britain*, Green Paper. Cm 7170, London: HMSO.
- ¹² ODPM (2005) *Citizen Engagement and Public Services: Why Neighbourhoods Matter*, London: ODPM, p.10.
- ¹³ See E. Lepine, I. Smith and M. Taylor (2007) 'The Future of Neighbourhoods in Urban Policy' in I. Smith, E. Lepine, and M. Taylor (eds) *Disadvantaged by where you live? Neighbourhood governance in contemporary urban policy*, Bristol: Policy Press, pp. 205-220.
- ¹⁴ V. Lowndes and H. Sullivan (2008) 'How Low Can You Go? Rationales and Challenges for Neighbourhood Governance', *Public Administration*, Vol. 86, No. 1, pp. 1-22.
- ¹⁵ V. Lowndes and H. Sullivan (2008) 'How Low Can You Go? Rationales and Challenges for Neighbourhood Governance', *Public Administration*, Vol. 86, No. 1, p. 20.
- ¹⁶ ODPM (2005) *Citizen Engagement and Public Services: Why Neighbourhoods Matter*, London: ODPM, p.13.
- ¹⁷ H. Mintzberg (1983), *Structures in Fives: Designing Effective Organizations*, Eaglewood Cliffs, NJ: Prentice Hall; H. Mintzberg (1979) *The Structure of Organizations*, Eaglewood Cliffs, NJ: Prentice-Hall; T. Schmidt (2006) *A Review of Structure in Fives: Designing Effective Organisations*, available at http://thesis.msc-cse.com/pdf/article_mintzberg.pdf
- ¹⁸ J. Foot and I. Newman (2006) *The Neighbourhood Agenda and the Role of the Elected Member*, London: IDeA.



**LOCAL SERVICES
LOCAL SOLUTIONS**

www.apse.org.uk

Association for Public Service Excellence
2nd floor Washbrook House
Talbot Road, Manchester M32 0FP

telephone: 0161 772 1810
fax: 0161 772 1811