

Developing ‘*place leadership*’ when hierarchical accountability is omnipresent: the case of English sub-national government

Structured abstract

Purpose: The relationship between central and sub-national (local) government is contentious around distribution of power and control. There is a specific concern when a (local) place has power devolved, but centralised hierarchical accountability pervades.

Design/methodology/approach: This paper addresses that concern by considering recent innovative developments around place-based accountability arrangements in England, through analysis of official reports and news media.

Findings: The article illustrates aspirations towards accountability to the local electorate clash with hierarchical accountability that remains an omnipresent mechanism of central control. It is suggested, accountability forums be developed to blend hierarchy and the place leadership role of directly elected mayors. This could enable local accountability to the electorate, whilst taking account of the context of specific regional level complexities.

Originality/value: This is one of the first papers to consider issues of place leadership and place based accountability within the framework of hierarchical accountability for central and local government relations.

Keywords: hierarchical accountability, place leadership, place based accountability, sub-national government, England

Introduction

An important issue in central and sub-national (local) government relations is the distribution of power and control, especially in terms of funding and performance management arrangements (Ferry *et al.*, 2015) that has affected hybridising of financial and service expertise (Ahrens *et al.*, 2018). This is a key dimension of local governance and service delivery practice at any time, but particularly now: recent challenges and crises such as austerity, Brexit, climate change and now disease in the form of COVID-19 may provoke reconsideration of the inter-relationships between accountability, democracy and place (Ahrens and Ferry, 2020, 2021).

A specific issue concerns the pervasiveness of centralised hierarchical accountability even when power is devolved to the level of a (local) place (Eckersley *et al.*, 2014; Ferry and Ahrens, 2017, 2021). Recent developments in the literature on place leadership exhibit a gap in exploring how place-based accountability can work. Aspirations to implement local electoral preferences via place leadership (Roberts, 2020) can run up against long-established structures and practices of hierarchical accountability. Often these are embedded in broader, culturally rooted central-local relationships (Copus *et al.*, 2017).

To address this gap in our understanding, this paper considers recent innovative developments around place-based accountability arrangements in England. It shows that hierarchical accountability remains an omnipresent mechanism of central control. However, this clashes with aspirations towards accountability to the local electorate (Murphy *et al.*, 2019). Effectively blending hierarchical accountability with the place leadership role of directly elected mayors

requires the development of accountability forums that enable local accountability to the electorate – in the context of specific regional level complexities such as overlapping geographical boundaries and central funding of public services (Davies, 2021).

First, this article considers the theorisation of accountability in the public sector, especially as a mechanism of hierarchical control within nominally decentralised polities. It will consider what is meant by place and place-based leadership for the local electorate. The paper then presents and analyses a series of recent developments from England, focussing in on the development of new pan-local authority bodies – ‘combined authorities’ - headed by directly-elected (metro) mayors in a number of localities. Finally, the article will consider discussion and conclusions including theoretical contributions and implications for policy, practice and future research.

Accountability in the public sector

Accountability has become ubiquitous in the analysis of modern governance, manifesting itself in many jurisdictions, policy discourses, practices and academic research (Almquist *et al.*, 2013; Bovens *et al.*, 2014; Murphy *et al.*, 2019). Traditionally, accountability was a requirement to provide information to a higher authority, often with an emphasis on (potentially unfavourable) scrutiny or sanctions. Although its meaning has since been extended in a number of different directions, giving it a chameleon quality (Sinclair, 1995), scholars agree on the importance of a principal-agent relationship where the principal holds the agent to account for their actions (Mayston, 1993). Ultimately, accountability is about power: its nature, balance, and constraint. As Brinkerhoff and Wetterberg (2016, p. 276) note, the concept “is predicated on an electoral system that communicates citizens’ needs and preferences to politicians and on a legislative process that responds to those needs / preferences through policy choices...”. Accountability within a democratic system therefore requires the ultimate principal to be the general public or electorate (Sinclair, 1995, p. 222).

Accountability in the public sector consists of “a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgment, and the actor may face consequences” (Bovens, 2007, p. 107). Accountability can be achieved via a variety of mechanisms, including audit, transparency, reporting, or public questioning (Bovens, Goodin, and Schillemans, 2014). It is justified both as a mechanism of democratic control and as a functional good that improves performance, guarantees the integrity of public governance, and increases the trust of citizens (Ferry *et al.*, 2015, 2017).

In a Weberian form of public administration, hierarchical management structures help senior decision-makers to control service delivery through bureaucratic systems (Ferry *et al.*, 2015). In practice, this leads the democratic chain of command to translate into a system of hierarchical accountability: in the UK context, this is visible in the traditional doctrine of holding Government ministers to account for policy and performance.

However, New Public Management (NPM) reforms, particularly agencification, privatization, outsourcing and corporatization, have challenged the traditional notion of ministerial accountability (Andrews *et al.*, 2020). In principle, Ministers have at times treated poor administrative performance as the responsibility of officials, whilst theoretically remaining accountable to Parliament for overall policy (Ferry *et al.*, 2015; Murphy *et al.*, 2019). Indeed,

NPM reforms have led some to argue that accountability is exercised increasingly via public authorities' relationships with suppliers (Dubnick and Frederickson, 2010, p. 1151).

In the UK, accountability in local government has historically reflected central practice: transparency, reporting requirements, audit and performance management. These are accompanied by democratic structures such as overview and scrutiny committees. For services controlled by local authorities, this is the principal-agent relationship writ small. Nevertheless, where many locally delivered public services are administered by central agencies or operate independently, or where agencification, privatization, outsourcing or corporatization have occurred at any scale, the accountability relationship is less clear.

In recent years, the concept of place leadership has sought to overcome this type of fragmentation. It is a popular concept in recent studies of governance institutions, networks, and economic interventions (Roberts, 2020; Sotarauta and Beer, 2018). A place may be a town, city, or region, often fuzzily defined. An elected mayor or other official will normally function as a place leader, but that individual may equally be first among equals, pooling expertise and capacity with local elites to drive policy initiatives. A critical skill is "facilitative leadership" (Ayres, 2014; Hambleton, 2015), spanning boundaries: Hambleton (2015, p. 12) defines this as "shaping emotions and behaviours to achieve common goals". This can be viewed as a response to the power differentials and competing objectives that inevitably characterise policy networks (Eckersley, 2017, p. 79).

Place leadership seeks to square the circle of ambitious sub-national authorities that must work with local branch offices of central government public bodies in order to deliver on their policy aims. It is characterised by three main techniques. One is interdisciplinary working between policy teams within public bodies, plus the use of resources and expertise from other organisations, increasing capacity (Eckersley, 2017). This approach echoes calls for joined-up government in order to manage incoherence (Peters and Savoie, 1996). Second, place leadership extends that imperative beyond the public sector. Place leaders are not necessarily elected representatives or even public officials. They may come from community groups, the private sector or other organisations, and will work informally through networks to deliver policy (Ayres, 2014; Sorensen and Torfing, 2018). Third, place leaders seek to engage with communities: involving members of the public, civil society, and stakeholders, in policy development (Ayres, 2014). This is a participatory approach, moving beyond traditional electoral democracy and beyond one-off paper consultations towards a dynamic form of governance, building trust between communities and local elites (Sorensen and Torfing, 2018; Hambleton, 2015).

Nevertheless, in principle, place leadership sits awkwardly with traditional concepts of hierarchical accountability in the public sector, with its clearly identified principals and agents, and its clear link between the democratic chain of command and public decision-making. Place leadership is identified with driving local change (Hambleton, 2015), making accountability particularly critical. Where elected local leaders must make decisions that are reliant on networks for their effectiveness, voters may struggle to determine who has in fact taken a policy decision (Eckersley, 2017). At the same time, central governments may retain hierarchical accountability requirements, even where decision-making power is nominally devolved, in the name of good governance, financial accountability, or the democratic chain of command (Copus *et al.*, 2017). Where this happens, the principal-agent relationship operates, in effect, with a different principal. Accountability may be directed upwards (to a higher authority),

downwards (to citizens or a community), or operate consensually (as part of a contract or relationship that has been agreed for mutual benefit).

Local public bodies are likely to prioritise their hierarchical accountability to central government above any forum for accountability to the local electorate (Sandford, 2020; Davies, 2021). Central governments may also demand hierarchical accountability from local leaders, particularly if substantial transfer grants pass from the former to the latter. These challenges have gone largely unaddressed in the literature on place leadership, which can treat accountability as a fixed resource supplied by the presence of elected officials.

Research approach

The UK's highly centralised system of government and hierarchical accountability appeared to be under challenge from 2014, as the UK Government established a number of new pan-local authority bodies in England – 'combined authorities' - headed by directly-elected (metro) mayors (Ayres, Flinders and Sandford, 2018). These bodies operate alongside centrally controlled and funded public bodies in the locality. They differ from English local governments in that they hold thin legal powers but have strategic roles covering far broader areas of public policy. In their case, the electoral chain of command is expected to apply to matters outside their direct control: in other words, the agent does not control the matters for which the principal (the public) is expected to hold it 'accountable' (Sandford, 2020). English local authorities experience a less acute mismatch between powers and responsibilities, facilitating traditional accountability mechanisms – particularly given the recent increase in the proportion of funding raised locally (Muldoon-Smith and Sandford, 2021). However, overlaps exist within local authorities too, in areas such as public health, flooding, housing and transport, and thus the findings here will be of interest to areas without metro-mayors.

Recent developments in England provide a useful example to highlight how tensions between an omnipresent hierarchical accountability and place play out in practice. The research presented here is based on ongoing monitoring of UK Government documents and media reports regarding metro-mayors and combined authorities during 2018-20. The authors have selected a small number of examples of central government policies that (re-)impose hierarchical accountability on an ostensibly devolved system of decision-making. This issue does not affect all metro-mayoral decision-making, but it appears to emerge more readily around high-profile or high-salience policies.

Findings

The tensions between hierarchical accountability and place especially concern directly elected mayors and financial arrangements. Metro-mayors are directly elected. The 2019 Queen's Speech (the UK's programme of government) asserted, "Increased powers and funding will mean more local democratic responsibility and accountability". As a result, metro-mayors are subject to standard English structures of local authority accountability, financial transparency, audit, and overview and scrutiny functions. The narrative of accountability to the local electorate is mitigated by financial arrangements for the mayors. They have very limited revenue-raising powers, local revenue accounting for 1-5% of their total income. However, the Government has also stated that its aim is to "devolve powers and budgets to an area in return for changes in local governance and local political accountability" (MHCLG, 2019a, p. 2). This recalls the suggestion of Ayres *et al.* (2016) that English devolution could, in time, transform traditional central-local relationships within England.

The bulk of metro-mayors' income comes from fixed-term central transfer grants. Although they have considerable spending discretion, managing grant funds in the hundreds of millions of pounds per year, their funds are subject to extensive provisions in the National Local Growth Assurance Framework (MHCLG, 2019b). This obliges local authorities to use central government methodologies to develop a local assurance framework. If significant divergence takes place after sign-off of the local assurance framework, "adjustments may need to be agreed by the Accounting Officer for the Department, in consultation with relevant Accounting Officers across Government" (MHCLG, 2019b, p.15). These requirements build on broader, pre-existing structural constraints on local government funding and conventions of financial accountability in England (Muldoon-Smith and Sandford, 2021).

The strength of these hierarchical accountability requirements reduces the strength of accountability provided by the democratic chain of command at the local level. That assessment is backed up by events. In February 2019, the Government withdrew a £68 million housing funding package for the Greater Manchester Combined Authority. This funding had been made available on the basis that Greater Manchester would plan to deliver 227,000 new homes over 20 years. A revision to the Greater Manchester spatial strategy in January 2019 – based on a mayoral manifesto commitment to refocus the funding package - intended to reduce this figure to 200,800. Alternatives such as renegotiating or reducing the funding package were not explored. In a further example, the Government made available a £1.6 billion rescue package for Transport for London (TfL - the Mayor of London's independent transport agency) in June 2020, in response to the coronavirus pandemic. However, its terms included a full review of TfL's finances, increases in certain fares (again overriding the Mayor's manifesto commitments), and the appointment of two special representatives to its board. In the first case, the Government deemed hierarchical accountability for the terms of its financial deal to outweigh local preference expressed at the ballot box. In the second, the Government has reasserted hierarchical accountability by requiring policy change in exchange for providing emergency funding.

This mismatch between accountabilities is as much conceptual as political. In a further example, the Government exercised reserve powers to direct alterations to the Mayor of London's strategic housing policy in March 2020 (MHCLG, 2020). The letter issuing the directions demanded "a new standard for transparency and accountability for delivery at the local level": but this consisted of regular meetings between Government and mayoral officials and a series of quarterly reporting requirements.

Mayors' accountability for matters such as transport services and public health was impacted by Government decision-making during the Covid-19 pandemic. The UK Government did not involve mayors in designing support schemes for individuals affected by the 'Tier 3' restrictions in autumn 2020 (Kenny and Kelsey, 2020). Grant-funded support was imposed at a centrally determined level, briefly withdrawn and then recommitted. Mayors had insufficient financial or influencing power to design local schemes and be held accountable for their functioning. In this case, centralised decision-making damaged the practice of local accountability (whilst also contributing to a rise in support for mayoralities, in Greater Manchester in particular).

In similar terms, the UK Government has announced a number of large-scale bid-based grants in 2020 and 2021. Some, such as the Levelling Up Fund and the Towns Fund, are available to all parts of the UK, whilst City-Region Sustainable Transport Settlements have been made

available to combined authorities only. Fund prospectuses encourage innovative bids for projects to invest in infrastructure ('levelling up' between areas as a response to austerity) and for decarbonisation of transport. However, the prospectuses also emphasise the need for conformity with the Green Book (the UK Government's spending control manual), conformity with national targets, requirements around Government monitoring and transparency, and detailed project outlines within bids (Department for Transport, 2021). The prospectuses highlight multiple methods of hierarchical accountability – in essence, aspects of contract management – to run alongside local electoral accountability. The scale of these funds, compared with mayoral budgets, will inevitably colour mayoral priorities. Local electorates will be, in effect, required to hold mayors accountable for decisions framed by national priorities, funded by central government largesse.

Thus, the pressures of central hierarchical accountability are set to overshadow the Government's aim of increasing accountability to the local electorate. Alternative conceptions of accountability are working against one another. This is a consequence of introducing a system of multi-level governance, where competing electoral mandates exist at different geographical scales, whilst maintaining a reflex attachment to traditional models of hierarchical accountability (Eckersley, 2017). The UK Government has sought to advance accountability to the local electorate but practised hierarchical accountability, muddying the new structures' effectiveness.

This kind of paradox will inevitably emerge unless conscious steps are taken to revamp expectations for how accountability functions. Hierarchical accountability is omnipresent and necessary, but it challenges accountability to the local electorate. A place-based form of accountability would seek to mitigate the dominance of hierarchical accountability to the centre, balancing it with place-based electoral preferences. Local accountability systems in England – and most literature on place leadership – has so far taken little account of this balance and its importance to a functioning system of place-based governance.

This is not to say that hierarchical accountability is inappropriate or sinister: it forms part of the balance. For example, the new English mayors adhere to patterns identified in the international literature in that they are not the only, or even dominant, political actors in their locality. They use convening and envisioning functions to extend their influence beyond their legal and financial constraints. Current place leadership approaches therefore often feature processes of consensus between multiple elites and publics, reflecting competing electoral mandates (Roberts, 2020; Sotarauta and Beer, 2018). This approach bypasses, and provides an alternative to, hierarchical influence from central governments: indeed Sorensen and Torfing (2018) argue that, as an approach, it strengthens and extends democratic accountability. However, it also blurs the distinction between principal and agent, obscuring a clear route for accountability to the local electorate. Ayres (2020) warns of the threat to political legitimacy that can arise where policies depend on stakeholder consensus to provide accountability, regardless of the policies' quality and efficiency.

Any place-based accountability system must therefore balance the sanctions and rewards of hierarchical accountability and the functional efficiency sought through place-based leadership. A forum for a place could help overcome this challenge. For example, the Centre for Public Scrutiny (2018) suggests a Local Public Accounts Committee, "to hold to account the delivery of public services by organisations working together across a locality, and to investigate the value for money of those services" (2018, p. 5). Possible powers could include enter and view, rights of access to papers and documents, rights to require people to attend and

answer questions, a power to require a specified response to recommendations, and a specific audit function concerning to review and share outcomes of audit exercises. Such a forum would act as a resource for, and broker of, accountability mechanisms such as audit, transparency, reporting and public questioning. The power to enforce these would counteract the pull of hierarchical accountability. As such, these forums could also benefit areas without metro-mayors and combined authorities, as they too face accountability challenges due to the presence of centrally administered agencies in local public service provision.

Discussion and Conclusions

The English experience highlights the risk of central hierarchical accountability damaging the effectiveness of accountability to the local electorate. That situation, on the one hand, could be viewed as legitimately using hierarchical accountability to enforce accountability to central government – because the activities of regional mayoralities in England are mostly paid for by national funds. On the other hand, this erodes place-based accountability to the local electorate.

This mismatch between the policy aims of devolving power and accountability practices highlights the importance of designing institutions in a multi-level polity. Governance structures should ideally capture the benefits of place leadership whilst also ensuring that local and regional leaders face electoral accountability, without hierarchical accountability predominating. This is a complex balance, but two principles can be identified. First, central governments must be willing to scale back central hierarchical accountability. It cannot and need not disappear, but local leaders must exercise clearly defined local functions, with funds available, enabling electors to cast their votes on that basis. Second, a well-resourced accountability forum for each place would assist accountability to the local electorate by publicising information, audit findings, and analysis based on the activity of the local leadership. This forum could also have rights of access and analysis over local public bodies not under local control, thus holding national governments and other actors to account for the local outcomes of their policies. Together, these changes would reassert and strengthen the place leadership claims of local leaders by permitting accountability to focus on the local place.

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