STRATEGIC BUSINESS MANAGEMENT

Final stage examination

7 June 2007

From 2.00pm to 5.00pm
plus ten minutes reading time from 1.50pm to 2.00pm

Instructions to candidates

*There are **five** questions on this question paper*

*Answer **four** questions in total*

Both** compulsory questions from Section **A
Two** of the three questions from Section **B

The questions in Section A carry, in total, 60 marks
The questions in Section B each carry a total of 20 marks

Where a question asks for a specific format or style, such as a letter, report or layout of accounts, marks will be awarded for presentation and written communication.

At the end of the examination, students should append their sheet of A4 notes to their exam script. Students failing to do this will automatically be deemed to have failed this assessment.

This paper is based upon the pre-seen material:

"Public Participation in Scottish Local Government: Strategic and Corporate Confusions" by Mark McAteer and Kevin Orr, Public Money and Management V26n2:131, Blackwell Publishing, April 2006

and

"Deserting in their droves" by Gerry Stoker, Public Finance, July 7-13 2006:26

AT THE HEART OF
YOUR CAREER

Article 1

Public Participation in Scottish Local Government: Strategic and Corporate Confusions, Mark McAteer and Kevin Orr

Improving the quality of public participation in council decision-making is a key part of local government 'modernization' across the UK. This article interrogates the extent to which public participation has developed in Scottish councils. The authors explore the challenges of building both 'consumer' and 'citizenship' consultation processes and the possible tensions between participative forms of governance and improved strategic and corporate management.

Mark McAteer is Senior Development Manager, Improvement Service, Broxburn, Scotland.

Kevin Orr is Senior Lecturer in the Business School, University of Hull.

The Prime Minister has argued that the public is demanding a more consumer-orientated approach to public service delivery and that consequently building consumer-focused services ought to be at the core of public service modernization (Blair, 2003).
    The Audit Commission (1999), ODPM (2002a and b), and Stoker *et al.* (2002) have all argued for a more participative approach to decision-making across public service delivery organizations. In Scotland, similar trends in policy have been evident, with the Scottish Executive (2002a), the Community Planning Task Force (2002a and b) and the Convention of Scottish Local Authorities (CoSLA, 2002) all pushing for more public participation in the Scottish public sector. More specifically, new legislative demands, such as the Local Government in Scotland Act (2003), which placed a statutory duty of Best Value on councils, as well as more discrete reforms to specific service areas, such as the Housing (Scotland) Act 2001, have demanded that local authorities strengthen citizen participation in decisions taken about service delivery. This article is based upon empirical research among a number of Scottish councils and considers the degree to which enhanced public participation within local government decision-making has impacted upon council management processes.

The Rationales of Participation
The main rationales underpinning developments in public participation have three common strands:

- Increased consumer participation in decision-making processes will lead to improvements in the quality of local services. In this way the local government modernization agenda aims to produce better focused, more responsive, and higher quality services within communities (for example Blair, 2003). The assumed pay-off of such participation is that it will enhance service delivery.
- Citizen involvement should be valued in its own right—this strand of thinking has emerged in both public policy and academic debates on local governance. Thus Stoker (1994, p. 10) argued that: 'Local government should not be defined by its task of service delivery, rather it should be valued as a site for political activity'. This view stresses the need for local councils to have low barriers to the expression of dissent and the need to include the poorly organized and resourced as part of a sustained process of public debate, review and questioning of the local authority and its policies.

In Scotland this view has found resonance in both the McIntosh (1999) and Kerley (2000) reviews of local councils. Furthermore, the Kerley group (2000) argued that a key challenge for local government, if it was to remain a vibrant arena of political activity, was to build more inclusive, deliberative and engaged relationships with the public.

- The third rationale has suggested that the extent to which councils achieve greater levels of participation is closely bound up with the future of local government itself. In other words, if councils fail to become more open and accessible the institution will be rendered irrelevant and outmoded. McNish (2002, p. 235) concluded: 'if the business processes of local government are to become truly fit for purpose for the 21st century they will require a deep-seated change in the behaviours among members and officers who run local authorities'.

While seeking greater levels of public participation, local authorities are also expected to demonstrate that their strategic and corporate management capabilities are coherent and robust (Joyce, 2000). For local authorities, the need for 'strategic management' goes beyond simply satisfying the expectations of central government and relates centrally to their capacity to achieve the democratic values and service objectives that these organizations claim for themselves. They are organizations that aim to achieve through a variety of policies and services a range of ambitious impacts and outcomes that will improve the quality of life for both individuals and local communities. They do so while confronting a mixture of constraints, demands and opportunities within their external environment. Hax and Majluf (1996, p. 419), although observing private sector organizations, have described the organizational requirements of such an approach in a manner that is relevant to public authorities: 'Strategic management is a way of conducting the firm that has an ultimate objective of the development of corporate values, managerial capabilities, organizational responsibilities, and administrative systems that link strategic and operational decision-making, at all hierarchical levels, and across all business and functional lines of authority in a firm'. Strategic management in these terms implies that organizations need a clear sense of what they are seeking to achieve, an organizational design that allows them to interact with and shape their environment to achieve their sense of purpose and an appropriate form of managerial philosophy and practice that supports such activities. For councils, given the interrelations between services required if they are to achieve their expressed purposes and objectives, corporate working is of critical importance (Bains Report, 1972; Patterson, 1973). Successful corporate working requires not only a shared sense of purpose across an organization, but the development and use of appropriate organizational processes to co-ordinate activities required to fulfil that sense of purpose (Hughes, 2003).

Attempts to foster such management approaches within local government in the past have proven challenging. Local authorities across the UK have adopted approaches to corporate management where, to varying degrees, organizational structures have altered in acknowledgement of the demands of a corporate approach but where management decision-making has been firmly routed in traditional departmental processes and cultures (Alexander, 1982; McAteer and Orr, 2003; Midwinter, 1978, 1982; Rhodes and Midwinter, 1979). This article focuses on the managerial dimensions of strategy, corporacy and of public involvement in local government while acknowledging the importance of organized political parties to the debate.

Thus it is against this background that two themes emerge:

- The need for councils to develop a 'strategic' approach to dealing with, and shaping, changing contextual demands.
- The need to ensure that the council, as a managed organization, behaves in a more integrated or 'corporate' manner.

Both themes—strategy and corporacy—are interlinked and both have implications for how councils might think about the role of, and their approach to, public participation. This article seeks to establish the extent to which current approaches to public involvement are strategic and corporate within Scottish councils. It also examines whether the full implementation of strategic and corporate management approaches requires new ways of thinking within councils at officer and political levels. Furthermore, it explores the extent to which two key aspects of local government modernization are compatible with one another, namely the drive to manage public services increasingly on a consumerist model of relations and the drive to build a more engaged and active set of citizenship relations between public bodies and the communities that they serve.

Research Methods

This article draws on the results of interviews, focus groups and surveys which ran from September to October 2002 (McAteer *et al.*, 2003). Detailed research was conducted in five councils where interviews and focus groups were held. The sample of authorities chosen for the research project was controlled for geographical location, size, the urban or rural nature of Scottish authorities and differences in political control within Scottish local government. A two-person team conducted each interview and each interviewer kept separate notes of the discussions. In total, 35 semi-structured interviews were conducted with both strategic level decision-makers and operational level actors; in addition, five focus groups with community activists from across each council area were conducted. At the political level within each of the five councils, interviews with the council leader and the leader of the opposition were conducted. Among council officials interviews were conducted with chief executives and service directors.

The survey involved 1,100 questionnaires being issued to elected councillors with a prepaid reply envelope; this produced a single wave response of 35%. The sample was checked against the actual profile of Scottish local government and was found to be representative on key factors such as geography, rurality, size and political representation. When broken down by party affiliation the survey sample was as shown in table 1.

The officers' survey was administered electronically via the Convention of Scottish Local Authorities' (CoSLA) lists of senior local authority managers. This generated returns from 31 of Scotland's 32 councils. There was a significant amount of duplication between lists—many people received the survey more than once—so it is difficult to determine a precise response rate. Moreover, given that there are only 32 councils in Scotland, the number of senior officers surveyed was relatively small. This meant that the response numbers were low because the target group for the survey was small to begin with. Survey returns broken down by management categories are given in table 2.

Public Participation: Citizens or Consumers?

Needham (2003) argued that the terms 'consumer' and 'citizen' implied different forms of relations:

- The consumer is a self-regarding individual who acts in an instrumental fashion and is involved in relations of economic exchange.
- The citizen is concerned with common social interests, the political good of the community and is involved in deliberative and participative political relations.

While the two concepts may not be as mutually exclusive as Needham implies, the differences in thinking that they represent was clearly evident among those who participated in the research project.

In the survey of elected councillors, some 70% of all respondents strongly agreed/agreed that over the past five years the level of public participation in decision-making has increased. Among officers, the equivalent figure was 92.8%. Many stated that local government could further improve its approach to public involvement. Sixty

per cent of councillors agreed with the statement 'participation works reasonably well but there is room for improvement' for their authority. A further 20% thought participation was poor and could be improved. Among officers, the equivalent figures were 81.8% and 17.3%. When officers were asked if 'Councils should consult more widely and more often with the public', some 58.7% agreed/strongly agreed that their council should continue to develop its processes of public consultation. Overall, the surveys and interviews confirmed a perception among both officers and elected politicians that the level of public participation in decision-making within councils had increased and that this was generally a good thing.

With respect to the purpose of participation in local government decision-making, a strong theme was evident among research participants regarding service improvement. The key purpose of public participation was fairly commonly understood to be one of improving the quality, standard or appropriateness of service delivery.

The notion of improving services through greater levels of public participation was also expressed with respect to management decision-making. When asked if 'Greater levels of public participation in decision-making lead to better decisions', some 73.9% of officers agreed/strongly agreed with the statement. Thus, the idea of 'consumerism' and the need to build more consumer response public organizations, as advocated by Tony Blair (2003), appears to be embedded in the public discourses of both officers and elected members in Scottish local authorities.

It was clear from the research interviews that a consumerist language was widely present in Scottish local government. A discourse of 'customers' and 'consumerism' was consistently used more frequently than one of 'citizens' and 'citizenship', among both officers and members.

Moreover, most councils chose to focus on consultative, rather than deliberative, exercises when dealing with the public, as one council leader forcefully said: 'When it comes to engaging with the public it has to be a matter of consultation not negotiation'. In other words, information-gathering exercises are preferred over alternative ways of involving the public in more active or deliberative roles. This view was echoed in the survey of elected councillors where the notion of encouraging service users to comment on service delivery was widely accepted across the political spectrum.

However, the lack of a consistent narrative among interviewees regarding the 'citizenship' dimension to participation was notable and most comments came as a result of prompts by the research team. This should not, however, be taken as an indication of a closed set of attitudes or a closed organizational culture. Rather, it would appear to represent a culture that is more familiar and comfortable in regarding the public as 'customers' first and 'active citizens' second.

Organizational Strategy and Public Participation

In the officers' survey, some 77.8% of respondents agreed with the statement that 'Greater public participation in decision-making makes strategic choices about council services easier to make'. Despite this broad consensus, there was also widespread agreement as to the difficulties and challenges faced by councils in seeking to build a more participative form of decision-making. When asked if 'People's lives are too busy to allow them to fully participate in council decision-making', some 55.9% of officers agreed/strongly agreed with the assertion. Those who occupied corporate positions within authorities were stronger in their agreement with this assertion than were service managers—some 65.1% of corporate managers agreed/strongly agreed with the assertion, while only 50% of service managers did so. This difference in perspective was evident among corporate and service managers on the issue of the public being overburdened with consultation exercises. When asked if 'The public is fed up with and over burdened by consultation exercises' only 23.2% of corporate managers agreed/strongly agreed with the statement, while 42.7% of service managers did so. Many service managers reported that 'their' customers were easier to engage with on service-specific issues, rather than on broader issues of strategy or long-term policy.

The opinions of many service managers reflected the view that to engage service users on specific issues that may lead to service improvement is one thing, but to undertake consultation focused on broader issues is more challenging. In contrast, while corporate managers acknowledged the difficulty in engaging the public on broader strategic issues they were more eager to articulate the view that it was critically important that their council did so.

Of equal significance to the issue of public participation in local decision-making were the views articulated by many research participants regarding the appropriateness of involving the community in certain types of decision. Many commented that, on 'political' issues, it was not their role as senior managers to consult the public, rather it was their responsibility to carry out the decisions of the elected council. For example one director of education commented, with respect to a major public–private partnership (PPP), that his council had recently undertaken: 'It raises big issues on community leadership. Do we follow the mob or consult and take the right decision? On the PPP we did not undertake prior consultation in terms of "should we do it?", after all it is only a funding issue, it's about getting access to money. We will now consult on how the money will be spent'.

This example illustrates a general and fundamental issue with respect to both strategic management and public consultation within local government. With respect to strategic management, it raises the issue of where does the boundary lie between what is regarded as 'political' and what is regarded as 'managerial'. In reality, such major decisions will be heavily, although not exclusively, influenced by the views and assessments made by senior officers. This means that we have to acknowledge that, in strategic management terms, senior officers do play highly politicized roles within councils, and that in terms of public accountability this has to be recognized and be subjected to appropriate forms of scrutiny. Senior strategists cannot simply be left to hide behind the phrase 'we are only following orders'. Their full role in key strategic decisions within councils has to be acknowledged and accounted for. This means that the roles and responsibilities of elected councillors should also be examined. To what degree do senior councillors actually make key strategic decisions or to what degree are their choices structured for them in ways that allow senior officers to determine key outcomes in decision-making? This is not to argue that key strategic decision-making within councils is somehow flawed or is subject to inappropriate manipulation. It is simply seeking to clarify, in public accountability terms, where does the boundary between 'political' and 'managerial' lie? While the answer may well be 'it depends on the issue at hand', it means that if local government is to be more corporate and strategic in its actions those actions still have to be subjected to full public accountability and scrutiny. Therefore, the systems, values, ethics and management practices of local government will have to exhibit not just their strategic orientation but also their grounding in public accountability terms.

In terms of citizen involvement, to simply write off a major organizational decision such as the decision to undertake a PPP as a funding issue, is to deny the sometimes deeply-held reservations that many individuals and commentators have expressed about PPPs. To hold that they are not an issue for major public debate is either simply naive or, at worst, mendacious. Either way, such examples raise fundamental issues relating to public involvement in local authority decision-making:

• At what point in the process should the public be involved and what level of authority should their voice carry?
• To what degree are local authorities free to manage such issues within the constraints of national party politics and policies?

While officers and politicians were keen to point out that they did not exclude the public from major decisions, they found it difficult to provide examples of where they had done so. Repeatedly, both officers and members fell back on narratives of representative

democracy wherein major decisions are preserved for elected politicians who are then accountable to the public through the ballot box. This example further highlights a major tension at the core of modernization. How do councils balance the aspiration of building into decision-making processes public views and opinions, with notions of 'strategic leadership', which imply that they should take long term and sometimes 'tough' decisions which may not be popular with the local electorate? Our research suggests that Scottish local authorities have emphasised the latter at the expense of the former.

The contrasting perspectives outlined above illustrate that while direct user or consumer relations are well embedded in council service management processes, building a more engaged and deliberative set of relations between communities and councils is a more challenging concept and one that causes councils and council managers greater difficulties. If, however, councils are to display a robust approach to strategic management (Joyce, 2000), then it will be necessary for them to overcome this problem. This requires action on a number of fronts. Organizational systems and processes will have to be rebuilt to support a more strategic approach to engagement. If councils are to go beyond relating to individuals simply as consumers, and give greater recognition to the importance of citizenship, then they have to identify the requirements necessary to engage on those terms. This requires more than identifying techniques for engagement it requires councils to put at the heart of organizational activities the clear purpose of building, supporting and encouraging dialogue and debate with communities, wherein engagement is seen to produce action and make a difference to communities.

Corporacy and Public Participation

The difficulties experienced by councils with respect to building broader and more engaged dialogues with communities is reflective of a deeper issue—the weakness of corporate management within Scottish local authorities, and the continuing fragmented approach to community consultation and engagement. This finding is in keeping with previous research, such as that carried out by Midwinter (1978, 1982) and Alexander (1982). While all of the councils that were interviewed were trying to engage the public in a range of ways, for the most part initiatives were conducted on a service-by-service basis with very little corporate co-ordination of activities. As one senior manager commented: 'Many services do their own consultation. The council is now looking at developing a more corporate approach. Currently we have no corporate policy or corporate co-ordination of consultation exercises. There are only two officers within the council undertaking corporate approaches to consultation. We remain a very departmentally based organization in this respect'.

Given that a common concern among officers and members was consultation fatigue on the part of the public, this failure to co-ordinate the activities of key departments was perhaps surprising. A potential hazard that it generates is that different council services will duplicate their efforts at consultation in ways that drain the resources of an authority and overburden or confuse prospective participants.

Among the five case study councils no individual authority argued that it had a joined-up approach to public participation in decision-making. All, however, recognized there was a need to address this issue. The survey of officers also found that only 35% of officers felt that public participation was a well co-ordinated activity of the corporate centre of their council.

The lack of a corporate approach to participation has several disadvantages for councils:

• Community activists (who bear the weight of much participation/consultation activity) may become overloaded.
• Services largely do not share in a structured and systematic fashion the information, data and analysis generated by consultation exercises.

Only one of the case study councils had issued corporate guidance to all managers

regarding community consultation exercises. The corporate approach comprised a toolkit of approaches and methods to use, as well as a short consultation strategy that acted as a checklist for managers to refer to before and after consulting the public. This was intended to maximize the benefit to the whole of the council of the exercise by helping to eliminate duplication and share the outcomes by putting the data into a 'corporate consultation database'. While such an approach is laudable, no one interviewed from within this specific council, including the chief executive, felt that managers were fully engaged with the strategy and were sharing information across the council. While the council had a corporate policy with regards to consultation, it did not have a fully developed corporate management process to manage all of the community consultation that was undertaken in the council's name. As one senior director from within the council commented: 'The council's corporate consultation strategy is not working yet. This has been recognized but it has not been dealt with'.

In all of the authorities that were visited, there were reservations on the part of chief officers about the extent to which corporate strategies were being implemented successfully. It appeared that the corporate centre of councils were, in many cases, under empowered in this respect. The lack of co-ordination may also serve to deny councils important information about local community views, which, though held by individual departments of the organization, is not disseminated more widely in ways which could inform the development of thinking about corporate or council-wide issues. This is particularly likely to be the case where information is required to evaluate current service, or council wide, performance or help in the redesign of existing services and the development of new services. Consultation was typically highly demarcated in terms of the particular groups of people that it targeted. It also tended to proceed in ways that were isolated from other council services. It looked predominantly at the delivery of a particular aspect of one service rather than redesigning services in ways that cut across existing departmental or service structures, or ways that raise issues about the role of the service within the community.

Decentralization and Corporate Management

The research also uncovered a tension between decentralization and corporacy within councils. Recent years have seen councils being encouraged to decentralize both political and management decision-making (Pollitt *et al.*, 1998), particularly in rural authorities, where attempts have been made to decentralize decision-making towards area committees. However, in the case study councils the autonomy of such committees was deliberately circumscribed, in order to protect the integrity of the council and its corporate policy process. Many of the interviewees at both officer and member levels noted the tension between decentralization of decisions (with the aim of responding to local differences and preferences) and the need to preserve equity or uniform standards across certain activities and services. It was broadly felt that the scope for very localized choices existed only at the margins of council business.

To some extent this is a mirror image of the tension that exists between centres of power and authority in government generally, as reflected in central-local government relations, in relations between Holyrood and Westminster, Westminster and Europe and so on. The conflict is, in part, between the need to pursue policies based upon some conception of the 'greater good' which may not always be perceived as such by all the localities involved. There are good reasons for this. Any government, local or central, has an obligation to govern for the whole of its area. But, equally, policy can have effects which impact differently on different communities—whether communities of interest (parents, students, tenants) or geographical communities (whose park will be developed, whose school will be closed, the site of a proposed waste management facility).

In all councillor categories there was a near two-thirds majority that supported the statement that public participation exercises based on the whole council area often resulted in councillors being 'torn between what is good for his or her ward and what is good of the council as a whole'. When officers were asked the same question, 66%

strongly agreed/agreed with the statement while only 12% strongly disagreed/disagreed with it. A major tension this presents for decision-makers is the question of the legitimate weighting that should be given to different sides in a debate. Should the needs of a single area or minority group determine a council's policy or should it require support from across the whole council area? Managing these inherent tensions is a key problem for all councils. They have to balance the needs of the whole community within the council area, as well as the needs of specific geographical communities, or communities with interests on issues that transcend geography. This said, when elected members were asked if 'greater levels of public participation in decision-making lead to better decisions' some 55% of members strongly agreed/agreed with the statement, while 24% strongly disagreed/disagreed with it. Therefore, despite the tensions that greater levels of participation in decision-making make apparent within councils, most councillors still favour participation by the public.

Conclusions

A major advocate of participatory democracy, C. B. Macpherson (1983, p. 578), argued:

the main problem about participatory democracy is not how to run it but how to reach it. For it seems likely that if we can reach it, or any substantial instalment of it, our way along the road to reaching it will have made us capable of running it, or at least less incapable than we now are.

In this sense, despite the difficulties faced by councils in seeking to build improved public participation, the journey that they are currently on will at least help them reach a greater understanding of the issues that require attention. Councils may not immediately resolve all the difficulties with which they are confronted but this study suggests that in their ongoing attempts to strengthen the role of public participation in decision-making processes, councils are succeeding in closing the gap between the pessimism implied by Macpherson and the expectations presented by their environment.

The tensions inherent in the modernization project have yet to be resolved by Scottish councils. Councils engage with their 'customers' to varying degrees of success, but are less effective in doing so on political or citizenship issues. They still have some considerable way to go with respect to engaging the community as citizens and not just customers. While there are practical barriers to broader citizen engagement, a major issue confronting local government is the embedded nature of 'managerialist' and 'consumerist' cultures within local government services. This is not an argument against councils taking a positive approach to customer relations and management but, rather, a recognition that the predominance of such an approach raises critical issues with respect to how councils relate to their communities on broader issues of citizenship. The tendency for services to seek out opinion from 'their' customers about service delivery matters is encouraging on the one hand but has some negative consequences on the other. It results in establishing single customer focused systems and structures within councils and building a 'customer' not 'citizen' culture. By fragmenting approaches to engagement along 'customer' lines this may make it more difficult to build 'citizen' relations between councils and communities.

This means that in seeking to build a more robust corporate and strategic approach to public participation based around ideas of the active citizen and not just the customer the organizational cultures of local authorities will be a major area requiring consideration. Successful strategic management requires more than simply integrating management systems; it requires the values and ideals of strategic and corporate thinking to be embedded within an organization. Perhaps, therefore, more corporate actions within councils will be required to stimulate more corporate thinking among managers, councillors and political parties alike.

Acknowledgements

References

Alexander, A. (1982), *Local Government in Britain Since Reorganization* (Allen and Unwin, London).

Audit Commission (1999), *Listen Up: Effective Community Consultation* (Stationery Office, London).

Bains Report (1972), *The New Local Authorities: Management and Structure* (HMSO, London).

Blair, T. (2003), Progress and justice in the 21st century (Fabian Society, London).

Brown, A. (1998), *Organizational Culture* (Pitman, London).

Community Planning Task Force (2002a), *Community Planning Good Practice: Final Report* (Edinburgh).

Community Planning Task Force (2002b), *Models of Community Engagement* (Edinburgh).

CoSLA (2002), *Focusing On Citizens: A Guide to Approaches and Methods* (Edinburgh).

DTLR (1998), *Guidance on Enhancing Public Participation in Local Government* (Stationery Office, London).

Hax, A. and Majluf, N. S. (1996), *The Strategy Concept and Process: A Pragmatic Approach*, (Prentice Hall, NJ).

Hughes, O. E. (2003), *Public Management and Administration* (Palgrave, Basingstoke).

Joyce, P. (2000), *Strategy in The Public Sector* (John Wiley, Chichester).

Kerley, R. (2000), *Report of the Renewing Local Democracy Working Group* (Tactica Solutions, Edinburgh).

Macpherson, C. B. (1983), Participatory democracy. In Held, D. *et al.* (Eds), *States and Societies* (Basil Blackwell, Oxford).

Macpherson, C. B. (1997), *The Life and Times of Liberal Democracy* (Oxford University Press).

McAteer, M., Orr, K. and Bennett, M. (2003), *The Impact of Increased Public Participation on Scottish Local Authorities* (Local Government Committee 3rd Report, Report on Inquiry into Renewing Local Democracy, Scottish Parliament, Edinburgh).

McAteer, M. and Orr, K. (2003), The 'modernization' of political management arrangements in post devolution Scottish local government. *Public Policy and Administration*, *18*, Spring, pp. 63–83.

McIntosh, N. (1999), *Report of the Commission on Local Government and the Scottish Parliament* (Stationery Office, London).

McNish, A. (2001), *Report of the Leadership Advisory Panel* (Stationery Office, London).

Midwinter, A. (1978), The implementation of the Patterson Report in Scottish local government, 1975–77. *Local Government Studies*, *4*, 1, pp. 23–28.

Midwinter, A. (1982), *Management Reform in Scottish Local Government* (University of Strathclyde, Glasgow).

Needham, C. (2003), *Citizen-Consumers: New Labour's Marketplace Democracy* (Catalyst Forum, London).

ODPM (2002a), *Connecting With Communities: Improving Communications in Local Government* (London).

ODPM (2002b), *Public Participation in Local Government: A Survey of Local Authorities* (London).

Patterson, I. V. (1973), *The New Scottish Local Authorities: Organization and Management Structures* (Scottish Development Department, Edinburgh).

Pollitt, C., Birchall, J. and Putman, J. (1998), *Decentralizing Public Service Management* (Macmillan, Basingstoke).

Rhodes, R. A. W. and Midwinter, A. (1979), *Corporate Management. The New Conventional Wisdom in British Local Government* (University of Strathclyde, Glasgow).

Scottish Executive (2002a), *Customer and Citizen Focused Public Service Provision* (Edinburgh).

Scottish Executive (2002b), *Local Government in Scotland Bill, Policy Memorandum*

(Edinburgh).

Scottish Executive (2002c), *Renewing Local Democracy: Next Steps* (Edinburgh).

Stoker, G., John, P., Gains, F., Rao, N. and Harding, A. (2002), *Report of Evaluating Local Governance, Survey Findings for ODPM Advisory Group* (Department of Government, Manchester University).

Stoker, G. (1994), *The Role and Purpose of Local Government* (Commission for Local Democracy, London).

Article 2

Deserting in their droves, by Gerry Stoker

There is a crisis in democracy, as more and more citizens lose interest in politics. The reasons are complex and varied – but globalisation and professionalisation are prime culprits. It's time to return control to the individual, argues Gerry Stoker

Michael Wills, Swindon North MP and ally of Gordon Brown, claimed in June that at the 2005 national election 'every single Labour MP on the doorstep reported profound disillusionment and disengagement'. His fear is that such discontent will lose Labour the next election, even under Brown's leadership.

In contrast, Conservative leader David Cameron hopes that the discontent will propel him to power. My fear is that the dissatisfaction with politics is so profound that democracy itself is being brought into disrepute. Moreover, it is not just a local difficulty. These troubling issues are present in many mature democracies. Politics in democracies is failing.

The facts speak for themselves. Turnout in local elections among young people in England is little more than 10%. In the 2005 UK general election, only four out of ten 18–25-year-olds voted. With some variation, turnout rates for all social groups have generally been falling across western democracies. Disengagement is also reflected in the collapse in membership of political parties, a major trend in the mature democracies.

In 1964, 9% of all registered electors in the UK were party members but by 1992 it was barely 2%. The Labour Party's membership recovery in the 1990s has evaporated again, with membership now down to 200,000. Opinion poll evidence points to a decline in deference, but what has emerged is not citizens who are confident or assertive about politics but those who are more alienated, confused and, in the end, cynical.

Single-issue politics has taken up some of the political vacuum but it rests on only a thin form of engagement. There are lots of ways in any 12-month period that people are trying to make their voices heard. However, much of that activity is individually focused (based around an act such as boycotting a good or service or contacting an official) rather than collectively organised. Most citizens' engagement has a sporadic and mundane character. There is nothing wrong with such expressions of citizenship; they are just rather limited. Much engagement is directed towards something that brings personal benefit or perhaps provides an expressive statement about a person's sense of themselves and their identity.

Wearing the wristband or shirt is as much a lifestyle statement as a political act. These atomised forms of citizenship mean that people often have only a surface engagement with political issues and complexities. There is hope in the range and diversity of engagement in democracies, but there are concerns because of its uneven spread and shallow quality.

Most of the real politics is done in a space where we are spectators. It is the sphere of professionals and we are the amateurs. The cohesion brought by parties, the advocacy of special interests by the lobby and the challenge and dissent offered through various forms of protest provide vital links in the democratic chain between governors and governed. But all are failing to engage citizens-at-large in politics. Activists are odd people, very much in a minority in our society. They do a lot of the work of politics for us but the way their organisations work is in part responsible for people's sense of alienation from politics.

As parties have lost membership, they have become reliant on professional campaigners and organisers and treat citizens as passive political observers who just need to be mobilised at election times to back the party. Citizen lobby organisations – such as Friends of the Earth – have large-scale passive memberships and they, too, rely on professional organisers and experts.

Members fund but the professional politicos in the lobby organisations decide what to campaign on. Even more radical protest organisations tend to be professionalised in their style of behaviour and use of the media. The occasional engagement by a wider group of citizens in a protest 'event' or rally is a relatively vacuous form of political expression.

Globalisation has not ended the capacity for politics but has pushed it into arenas and modes of operating beyond the everyday capacities of citizens. Government at local and national levels can influence global trends but they do so out of sight of most of their citizens. Technological and scientific development also create impacts that politics is only able to contain by moving decision-making on to remote and expert terrains. An effective dialogue between science and democracy has not been easy to create as rows over genetically modified food, global warming and cloning indicate.

As the deference that dominated democratic politics in advanced industrial societies has declined, it appears to have been replaced by a culture of cynicism, not just towards politics but also towards many other institutions. The media would appear to be implicated in the spread of cynicism. There has been a 'dumbing down' in mainstream news coverage, which means that people are less likely to understand underlying issues or complexities. Politics can often be seen to fail when what it is delivering is judged in a simplistic framework.
Second, the fusing of news reporting and comment, another characteristic of mainstream media coverage of politics, feeds a culture where fact, opinion and speculation merge into one another. This lends itself to a cynical take on political life.

Ordinary members of the public are excluded from politics and often have quite naïve attitudes towards it. I think that a substantial part of this discontent is because the discourse and practice of collective decision-making sits very uncomfortably alongside our daily experience of individual choice, self-expression and market-based fulfilment of needs and wants. As a result, too many citizens fail to appreciate the inherent characteristics of the political process in democratic settings: its complexities and messiness. Politics involves listening carefully to the opinions of others and their expressions of their interests and maintaining resilience when things do not go right the first time. It is a hard slog rather than a quick fix. Doing politics in our large complex societies is bound to create some frustration.

A cycle of disaffection with democracy ultimately runs the risk of undermining public support for it. But we can rethink the way that we do politics to address the challenges that we face. In our reassessment, we need to recognise that, for most people, politics is not their first choice of activity. There are trade-offs between the time spent on politics and the joys of private life. Moreover, advocates of engagement tend to over-prescribe particular solutions as well as misjudge the extent and nature of the involvement that people want.

Politics is therefore a place for amateurs and we need to design institutions, structure processes and develop support systems to make it easier for people to engage in it. My solution to the problem of disenchantment with politics is deceptively simple. It is to expand the opportunities for citizens to have a say about the issues they care about.

Reforms should be premised on the idea of an ergonomic approach to politics. We need ways of getting people more directly involved in policy making and implementation without expecting them to give up their lives and become professional politicians.

We need measures that will enable people to re-engage with representative politics. The divide between professional politicians and amateur voters is too great and the reforms must give amateurs greater confidence in systems of representation and their capacity to exercise influence through them. I would focus attention on three issues: how to make elected politicians more socially representative; how to ensure that the highest ethical standards are observed by our elected representatives; and how to make elections more competitive. I would also focus attention on slightly more unconventional ideas for reform.

We could use more new technology to improve communication between citizens and their representatives not only over individual constituency matters but also over legislative and policy concerns.

We need to ensure that more representatives' time is spent effectively looking outwards towards citizens rather than inwards towards the demands of parties and parliamentary procedures.

Thirdly, we need to challenge citizen and lobby groups to demonstrate more effectively their claims to represent interests.

In addition, we should develop the architecture of representation to cope with the twin challenges of localism and globalisation. Local devolved institutions need to build around an often complex and layered sense of identity about where we live. We need local government systems that not only enable us to act in our neighbourhoods and communities but also have the strategic capacity to frame our local response to larger-scale issues.

Engagement at the global level is a harder challenge. We need to encourage more effective and co-ordinated international organisations and to develop the capacity to act more effectively and globally. At the same time, we need rules to give all stakeholders a locked-in part in decision-making processes. This large-scale reform agenda could be joined by a range of more pragmatic reforms aimed at making the prospects for democratic governance on the global scale more than just a daydream.

The first change should be to improve public education, as citizens are largely ignorant of what the institutional framework and pressure points are at the global level. Second – and connected to this – there could be more transparency in the way that these organisations work, through the provision of clear and accessible information. National parliaments and assemblies could debate and scrutinise the actions of global institutions more thoroughly and effectively than they do.

More support could be given to civil society organisations, so that they can speak more effectively and fairly for a full range of global interests.
We also need ways to engage in politics that are not too time-consuming. There are plenty of examples from around the world of imaginative ways to get people involved, including budget debates and e-democracy.

In short, we need to address the underlying societal trends that drive disenchantment with politics. That means reconciling individualisation with politics by developing representative and direct politics in new ways. We should break the stranglehold of specialised practitioners over politics and provide opportunities for citizens to engage rather than remain cynically on the sidelines. We need to grapple with the demands of complexity and globalisation.

Achieving mass democracy was the great triumph of the twentieth century. Learning to live with it will be the great achievement of the twenty-first century.

Gerry Stoker is professor of politics at the University of Manchester and an ESRC professorial fellow. His book, Why Politics Matters: Making Democracy Work, *is published by Palgrave Macmillan on July 7*
07-07-2006

SECTION A (Compulsory – answer both questions)

1

- **Requirement for question 1**

One challenge for the modernisation agenda is the question of balancing the aspiration of building public views and opinions into strategic decision making with notions of strategic leadership. With reference to examples where appropriate, explore the conflict between the participative and leadership approaches to strategic decision making, discuss the dangers with each, and outline any ways in which the two can be reconciled.

(30)

2

- **Requirement for question 2**

McAteer and Orr state that 'the key purpose of public participation was commonly understood to be one of improving the quality, standard, or appropriateness of service delivery'. Discuss how participation delivers this purpose at a service delivery level, the drawbacks of participation, and how these can be overcome. Use examples to support your submission.

(30)

3

'Co-production' is the latest big idea buzzing round Whitehall, with the aim of involving citizens more in the design and delivery of local public services. But, as Vivienne Russell discovered, there are plenty of local communities who are already doing it for themselves

The quiet village of Ash in south Somerset seems like an unlikely birthplace for a revolution. Nestling on a B road a few miles north of Yeovil and with a population of just 616, one wouldn't expect the hamlet to be at the cutting edge of public service reform. But that's just where residents found themselves four years ago when they decided to take a local problem into their own hands – literally.

Cars speeding through the village were worrying local people and having a detrimental effect on their quality of life. 'There has been a lot of bother with speed,' says Ash resident David Young. 'Many drivers see the road as a racetrack and try to go as fast as they can down the hill. It is quite dangerous because of the concealed entrances as well as the school nearby and elderly people.'

But, as ever, resources were tight and Avon and Somerset Constabulary was unable to investigate every speeding complaint. So the situation persisted until one local officer remembered there was a speed detection device gathering dust back at the station and suggested it be given to the locals to use. Thus Community Speed Watch was born.

Working in pairs, Community Speed Watch volunteers stand by the roadside armed with the speed detection device and pencil and paper, noting down the time, date, place, speed and registration number of offending vehicles. This information is fed back to the local beat manager, who sends a letter to the drivers warning that they've been seen speeding. Should any driver commit a second speeding offence, a more robust letter will be sent threatening police action.

'We take the view that it's helping us to address the issue of speeding,' explains Avon and Somerset traffic management sergeant Steve Wright. 'Helping us, not actually doing it,' he stresses.

'What it's doing is getting information for us and saying there is a speeding problem. If we identify a repeat problem by one particular car, we go out there and intervene. We know he's coming through, we've got his registration number, he gets a ticket.'

The project has been recognised as an official police activity – volunteers are covered by police insurance – and the idea has snowballed. There are now approximately 120 watches throughout Avon and Somerset, involving several hundred people, and similar schemes are successfully running in Essex, Surrey, East Sussex and other areas. What started as an improvised solution to a local problem has been hailed as a sterling example of the latest big idea: co-production.

According to Audit Commission chief executive Steve Bundred, a declared fan of Community Speed Watch: 'Co-production takes the notion of user engagement a step further [than choice]. It involves users directly in the design and delivery of services – harnessing ideas from the public, saving money and ultimately leading to higher levels of satisfaction.'

An example of 'double devolution' in practice, co-production is being touted as the key to unlocking the potential in public services. Neil Bentley, director of public services policy at the CBI business organisation, expects the forthcoming local government white paper to promote co-production as a concept, although he is doubtful about how much clarity the paper will provide when it comes to defining exactly what it means.

Jumping the gun, by Vivienne Russell (Public Finance 01/09/06)

- **Requirement for question 3**

(a)   Co-production is one of the many ways public services can collaborate with potential competitors or between buyers and sellers (Johnson and Scholes, 2002).

   (i)   Outline, with examples from a public service organisation in which you are familiar, how co-production can help in the design and delivery of services, and;

   (ii)   Where co-production is applied as a means of service design and delivery, identify potential problems that could arise and how these problems could be overcome.   *10*

(b)   '…..double devolution and place shaping, (are) the central themes of this autumn's local government white paper. As Sir Michael Lyons candidly admits, there are also significant cost savings to be made from do-it-yourself services.'

   Quick-fix time   **letterstoeditor@publicfinance.co.uk** (*01-09-2006*)

   Using an example from a public service organisation in which you are familiar, outline the principles of 'double-devolution', and discuss the strategic relationship issues (between the centre, business units and service users) that would have to be resolved if double-devolution is to prove successful.   *10*

   (20)

4

'Understanding the strategic position *(of an organisation)* is concerned with the impact on strategy of the external environment, internal resources and competences, and the expectations and influences of stakeholders. The sorts of questions this raises are central to future strategy' (Johnson and Scholes, 2002).

- **Requirement for question 4**

Discuss the importance of, and the problems associated with, establishing the strategic position of a public service organisation.

(20)

5

Innovation in Whitehall is seriously lagging behind that in the private sector, the National Audit Office warned this week.

A report produced for the NAO by researchers at the London School of Economics found that, although efforts were being made to overcome the 'deep-rooted culture of risk aversion' across central government, more innovative and progressive approaches were needed.

The researchers asked 85 government bodies for their best examples of innovation. Most of the projects submitted involved improvements to performance management and technological changes.

Many projects were criticised as being too small scale and conservative. The average cost was under £1m and delivery time 28 months.

Examples of effective innovation included a correspondence system at the Department of Health which improved turnaround times, and the Office of Government Commerce's Gateway Review process, generating estimated savings of £730m.

Auditor general Sir John Bourn said: 'Harnessing a new culture isn't easy. We have found many examples of new and worthwhile changes but strong barriers to innovation remain.'

Whitehall still slow to embrace innovation (Public Finance 28-07-2006)

- **Requirement for question 5**

(a) Discuss the importance of innovation as an aspect of a public service organisation's strategic devleopment, and outline how ideas are generated and selected.   *10*

(b) Strategic success through innovation in the public service is often linked to how technological advances are exploited ('harnessing a new culture is not easy' – see article above), for example, new pharmaceuticals (NHS), implementing IT systems (e-governement) and applying academic research (universities).

    Identify the barriers for public service organisations when seeking to exploit technological advances, and how strategic development (formulation) processes could be used to overcome these barriers.   *10*

(20)