

Durham Research Online

Deposited in DRO:

21 February 2018

Version of attached file:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Ferry, L. and Ahrens, T. and Khalifa, R. (2019) 'Public value, institutional logics and practice variation during austerity localism at Newcastle City Council.', *Public management review.*, 21 (1). pp. 96-115.

Further information on publisher's website:

<https://doi.org/10.1080/14719037.2018.1462398>

Publisher's copyright statement:

This is an Accepted Manuscript of an article published by Taylor Francis in *Public Management Review* on 01 May 2018, available online: <http://www.tandfonline.com/10.1080/14719037.2018.1462398>.

Additional information:

Use policy

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a [link](#) is made to the metadata record in DRO
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Please consult the [full DRO policy](#) for further details.

Public value, institutional logics and practice variation during austerity localism at Newcastle City Council

This paper outlines how a local authority, Newcastle City Council (NCC), employed a public value strategy to address austerity localism. Borrowing from neo-institutional theory, it traces how organisational change constituted also a variation of democratic deliberation practices. Legitimation of budget decisions against central government cuts involved such practice variations as public consultations to change NCC's vision and mobilise support, building operational capacity beyond the organisation, and new accountings for measuring public value. Insofar as such organisation changes constituted instances of institutional entrepreneurship of local government as a key democratic institution our paper refines existing theorising of public value accounting.

Key Words: Public Value, Institutional Logics, Institutional Entrepreneurship, Local Government, Austerity

Authors

Thomas Ahrens
Department of Accounting
College of Business and Economics
United Arab Emirates University
Email: ahrens101@gmail.com

Laurence Ferry* (Corresponding Author)
Department of Accounting
Durham University Business School
Durham University, Mill Hill Lane Campus, Durham
DH1 3 LB, United Kingdom
Email: laurence.ferry@durham.ac.uk

Rihab Khalifa
Department of Accounting
College of Business and Economics
United Arab Emirates University
Email: r.khalifa@uaeu.ac.ae

1. Introduction

Austerity politics in the decade following the 2007 financial crisis have had significant implications for the institution of democracy in the field of local government as interest groups, businesses, clients and citizens among others have challenged the extent of cuts under austerity policies (Ahrens and Ferry 2015). In particular, central government has significantly reduced local government funding. Local government's reliance on central government grants has left authorities especially vulnerable to funding cuts during the current austerity programme, with central funding for English councils set to fall by 56% between 2010 and 2020 (Lowndes and Gardner 2016) despite rising demand for local public services (Hastings et al. 2015). This has affected in particular metropolitan councils and local authorities politically controlled by Labour majorities (Ahrens and Ferry 2016).

At the same time as austerity, central government introduced a policy of localism from 2011. It abolished the Audit Commission, dismantled centralised performance management frameworks and introduced legislation to give local authorities more power over their own decision making (Department for Communities and Local Government 2016). "Austerity-localism" (Lowndes and Pratchet, 2012) was the name given to this combination of austerity and localism in the ensuing scholarly debates. It is the context from which the tensions arose with which this paper deals.

Austerity arguably undermined localism for local authorities as funding was constrained, but nevertheless it gave more control over democratic deliberation, that is, debates that appeal to the common good rather than private interest (Andrews and Boyne 2010). For example, consultation practices could now be locally determined by local authorities themselves. This was a change from centralised performance management frameworks (Best Value, Comprehensive Performance Assessment and Comprehensive Area Agreements) that had prescribed local authorities governance by specifying particular consultation, budgeting and service delivery practices to underpin local authority assessment frameworks, comparisons and league table rankings. This is significant insofar as, in Moore and Hartley's terms, such debates can constitute instances of innovations in public sector governance that "[...] go to the heart of democratic government – the processes by which a community discovers its own interests [...]" (Moore and Hartley 2008, p. 18).

Whilst much has been written about how various organisations including local government have dealt with funding challenges from austerity (Jones, Saliterer and Steccolini 2017) less attention has been paid to how organisational change has sought to address specific challenges of austerity and the implications for the field of local government as a key democratic institution (Moore and Hartley 2008; Hartley et al. 2017). Based on a field study of NCC that draws on the public value debate as well as neo-institutional theory, this paper sets out how one local authority employed a public value strategy to address austerity localism.

This paper suggests that aspects of 'public value' (Moore 1995, 2003, 2014a, 2014b) have been employed as an organisational level response to austerity localism. This builds upon recent debates in this journal and public administration and management research more widely (Moore and Hartley, 2008; Shaw, 2013; Thompson and Rizova, 2015). It also shows that organisational change can occur through practice variation of democratic institutions, such as public deliberation. Specifically at NCC, this happened by changing the vision and mobilisation of support for the common good through enhanced consultation, building operational capability beyond the organisation to focus on outcomes and accounting and

accountability technologies that can measure value for money, determining “socially appropriate” uses of resources and authority, and strengthening democratic governance (Moore 2014a, 2014b). From a public value perspective these activities enhanced the legitimacy of local government because they enhanced democratic deliberation. Politically they were intended to add to the legitimacy of local government budget cuts by mobilising citizens and interest groups against the central government austerity policy. In addition, the organisation changes constituted instances of institutional entrepreneurship across the local government field insofar as those changes were adopted by the protests of interest groups and citizens against austerity policies across England, thus changing some of the institutions of local government democracy more widely.

We use the example of Newcastle City Council (NCC) to show the sorts of public value accounting practices that can be instrumental in pursuing these kinds of changes. NCC is a local authority that is both Labour and metropolitan. At NCC the austerity regime resulted in a projected cut of one third of the net revenue budget in the three years leading up to 2016. NCC is the local government authority for Newcastle upon Tyne, a city metropolitan borough in Tyne and Wear, North East England. It is politically controlled by the Labour party, like most of the Tyne and Wear region. The Tyne and Wear conurbation was c. 1.1 million population (Office for National Statistics 2013 estimate). NCC’s net revenue budget after direct grants and other obligatory disbursements for 2014/15 was £277 million out of an estimated gross revenue budget of £806 million, illustrating limited control over their resources (NCC Budget 5th March 2014). This funding was to deliver a wide range of local services including Children’s Services, Adult and Community Services, and Housing. NCC is a member of the English Core Cities Group. Internationally, NCC in partnership with neighbouring Gateshead Metropolitan Borough Council is a member of the Euro-cities network of European cities.

Section two will briefly review the literature on public value and how it can be linked with alternative practices and logics of democratic deliberation through which austerity localism can be addressed. It uses the notion of institutional entrepreneurship to connect organisational innovations with changes that occur across wider institutional fields. Section three will set out the methodology and present some background on the case organisation of NCC within the field context of central and local government relations in England, and how the fieldwork was conducted. Section four presents and discusses research findings regarding practicing a public value strategy under austerity localism at NCC. It shows how practice variation and change were made legitimate, achievable and valuable through consultation, accounting and accountability technologies. Section five provides a discussion and conclusions.

2. “Blending” Public Value and Institutional Logics

Public Value and Democratic Deliberation

For over two decades, Moore (1995, 2003, 2014a, 2014b) has developed a public value concept and strategy underpinned with accounting and accountability technologies. This aimed to provide an alternative to New Public Management by offering a variation on private management theories (Bennington and Moore 2010). Conceptually, public value is an equivalent of shareholder value in public management and can be defined as the value an organization contributes to society by acting as its agent. A central assertion is that government activity should create public value and therefore a central theme in public value research looked to address what government activity contributes to society. However, while the public value literature was initially primarily focused on government management the concept was actually

a broader term capable of embracing all organisations involved in establishing, commissioning, and delivering public services.

A public value strategy is based upon a strategic triangle formulated to direct attention of public service boards and managers to creating public value, building operational capability, and expanding legitimacy and support (Moore 2003).

The public value strategy can be underpinned with public value accounting that rests on three central philosophical claims (Moore 2013, 2014a). Firstly, on the cost side of a public value account, the collectively owned assets include not only government money but also use of state authority. Secondly, on the revenue side of a public value account, a normative philosophical framework for evaluating government performance relies on both utilitarian and deontological views. Thirdly, when collectively owned assets of government are being deployed, the appropriate arbiter of public value is the collectively defined values of a public called into existence and made articulate through imperfect processes of democratic governance (Moore 2013). Moore (2014a) suggests that, “Taken together, all of these ideas create a view of public value accounting that is more contingent and particular than might seem ideal.” From an accounting for public value perspective, government systems of management and control should not just be used for efficiency and effectiveness in the use of public money and authority, but also for legitimation with regards to meeting social benefit. It emphasises consultation with, and participation of, stakeholders – especially client groups and citizens (Moore 2014a, 2014b).

Public value thus offers an alternative to the privatization, contracting, and citizen-as-consumer models of the New Public Management era (Moore 1995; Bennington and Moore 2010; Bryson et al. 2014). As part of this shift various researchers have focused on seeking means and approaches to accomplish public value (Bennington and Moore 2010; O’Flynn 2007), methods for identifying and quantifying public value as a construct (Meynhardt 2009), and how to help managers focus on public value and measure it in different institutional settings (Bryson et al. 2015; Guthrie et al. 2014; Hartley et al. 2017; Jong et al. 2017).

However, the notion of public value has also been criticised. For example, a number of researchers suggest failings of the public value literature and confusion about the role and nature of this line of inquiry despite efforts to provide clarifying reviews of the field (Williams and Shearer 2011; Alford and O’Flynn 2009). Alford and O’Flynn (2009) question whether public value is an empirical theory or normative prescription, the scope of the public value concept itself, and the ways in which it advocates a political role for public managers. They have also highlighted that different meanings of public value have emerged, including as a paradigm, rhetoric, narrative and performance. Other researchers have asked whether or not a public value-promoting role in public administration is sufficiently democratic (Rhodes and Wanna 2007; Jacobs 2014) even though public value scholars identify pluralistic and democratic institutions as central to their conceptions of this new paradigm (Bryson et al. 2014; Alford and O’Flynn 2009; Moore 2014a, 2014b). Furthermore, there have been concerns raised around the applicability of public value to different institutional settings where organisations may not have the capacity, capability and culture to adopt and adapt certain practices. These may not be conducive to the institutions of democracy, new public management and public administration present in some countries (Guthrie et al. 2014).

There are also alternative uses and interpretations of the term. Our focus in this paper is Moore’s conceptualisation and framework for public value (Moore 1995, 2003, 2014a, 2014b).

Some researchers have prioritised the identification and measurement of public value over the democratic processes that generate them (Meynhardt 2015). Public value is also fundamentally different from the framework focussing on public values (plural) which refers to subjectively held norms or principles (Bozeman 2002; Jørgensen and Bozeman 2007). With regard to the public values framework, Bozeman (2007) suggests public values are manifestations of normative consensus about the rights, benefits and prerogatives to which citizens should (and should not) be entitled; obligations of citizens to society, state and one another; and principles on which government and policies should be based. Importantly, the public values approach differs from the public value approach with regards to meaning and definition of the term value, what is meant by public activity, a focus on inputs rather than outputs, and a unit of analysis at an individual level compared to the summative worth of government endeavours. Attempts have been made to unify the concepts of public value and public values but such unification attempts have been fraught with difficulties and are beyond the scope of this paper.

The focus of this paper remains exclusively on public value with regards to concept, strategy and accounting (Moore 1995, 2003, 2014a, 2014b). Building on Moore's (1995) concept of public value, Bennington and Moore (2010) suggest public value is created within a public sphere that is a democratic space. This includes the state within which citizens address their collective concerns in pursuit of collaborative innovations that include "all affected interests" (Geuijen et al. 2017, p. 621). Collective concerns are values, places, rules, organisations and knowledge. At the heart of public value lies a deliberative process because it is about what the public values and what adds value to the public sphere. In this sense it represents a shift from a producer approach to consumer led public service model. However effective demand is a product of trade-offs. Values are traded off, for example, against a willingness to incur possible opportunity costs, granting regulating powers to the state and disclosing private information, and specific capabilities to provide public value in terms of services, outcomes and trust. Instead of governance through hierarchies and governance through markets public value foregrounds networked community governance where people are governed by a mesh of the state, market and civil society and there is a shift from state and markets to civil society, from regulation by exit/voice to regulation by trust and loyalty, and from co-ordination by hierarchies and markets to co-ordination through networks (Moore and Hartley 2008). Government is seen to work with the private sector, voluntary sector, informal community organisations and individuals such as citizens and service users in political, economic and social activities.

Given the emphasis on democratic space and the deliberative process in public value (Bennington and Moore 2010), of particular interest for the purpose of this paper is democratic deliberation and how it is accounted for (Moore and Fung 2012; Moore 2013 2014a, 2014b). The challenge for public sector leaders and managers is to strengthen that process of deliberation and, in doing so, increase legitimacy and quality of choices (Moore 1995). Sandel (2007) maintains that citizen engagement in public affairs is desirable precisely because it challenges and changes underlying preferences as part of governance and controlling power. For Moore the significance of accounting for processes of democratic deliberation lie in their ability to help operationalise vague notions of public value for enhancing the common good. In effect, "each level of government and each associated polity facing each particular condition creates an occasion for both a public deliberation about what particular value they are trying to produce together and the creation of a particular accounting scheme that can express those values" (Moore 2014a, p. 475).

The specificity of the issues in question makes case based research highly relevant. Thus far, however, empirical public value research is still relatively undeveloped (Hartley et al. 2017). In particular, relatively little is still known about how public sector managers deal with issues of public value accounting schemes when they face the challenges of ‘austerity localism’, as exhibited by NCC. Major challenges arise in this context not least from the need to have third sector partners deliver some services, giving rise to new accounting schemes that extend in significant ways beyond the players familiar to public sector policy makers and managers (Ahrens, Ferry and Khalifa in press). In this paper we shed light on the nature of one such accounting scheme, emphasising some of the ways in which its overall impact resulted from the specific interplay between very different components.

Given the scale of the problems caused by austerity budget cuts in English local government, our case study also speaks to the debate around using public value approaches to develop innovative solutions to complex problems, such as the aforementioned enrolment of third sector organisations in the delivery of public services (Crosby et al. 2017). While the problems caused by public sector austerity are of global relevance, the scale of cutbacks in England is such that the reader can discover particularly radical public management responses (Lowndes and Gardner 2016). Conceptually, we “borrow” institutional logics from neo-institutional theory and “blend” this with public value (Jacobs 2012) to help describe the situation at NCC and outline specific organisational changes and the larger practice variations to which it gave rise (Lounsbury 2008). Here “borrow” refers to the adoption of concepts from a body of theory whereas “blending” refers to the joint use of concepts from different theories.

Institutional Logics and Practice Variation through Democratic Deliberation

Organisational sociology conceives of “institutions” as social structures with high levels of resilience (Scott 1995), which provide “frames of meaning” to govern the behaviour of individuals within a given community through law, procedures, norms, symbolic systems, cognitive scripts, and moral templates (Campbell 1998).

A key assumption of neo-institutional theory has been institutional determinism supported by stable organising principles and frames of meaning. This (perceived) resilience of institutions has often led neo-institutional theory to be criticised for its failure to address matters of agency, practice variation and change. For example, in the context of central and local government relations it would emphasise how higher tiers of government unilaterally shape behaviour of lower levels without paying attention to ways in which rules may be resisted, transformed and re-directed to serve those regulated (Covaleski et al. 2013). In this paper, we use this notion of practice variation to highlight the creation of new notions of public value in the otherwise highly institutionalised field of English local government.

A number of scholars have sought to explain ways in which institutions can engender change towards new principles and frames of meaning, overcoming in the process what Seo and Creed (2002) labelled the “paradox of embedded agency”. This paradox refers to the capability to change the norms of an institution that is defined by, and whose members are captured by, those same norms.

Seo and Creed (2002) suggested that institutional contradictions and praxis can help explain this paradox. An important source of institutional contradictions are misaligned interests. This means existing social arrangements do not serve particularly well interests of concerned actors, who can be individuals or organisations, such as NCC. This causes dissatisfaction to build up,

eventually giving rise to institutional change through processes of extracting and reinserting (Greenwood and Hinings 1996).

Alternatively, contradictions can arise between different institutional logics, giving rise to practice variation and institutional change (Reay and Hinings 2005). For example, Lounsbury (2008) highlights how an understanding of isomorphism in neo-institutional theory needs reconsideration in light of organizational heterogeneity where the focus on stability and a rational imitation of practices has shifted to concerns with change and institutional rationality. He suggests that given the shift by institutionalists to consider actors and practice diversity, an opportunity exists for a more comprehensive approach to studying practice that attends to both institutional and micro-processual dynamics. In this spirit, Lounsbury (2011) compared competing logics in the mutual fund industry focusing on how organizational and practice variations are institutionally shaped. His attention on competing logics moved away from isomorphism and segregating institutional and technical forces. Instead, the focus rested on how multiple rational forms enable an ongoing struggle and change in organizational fields. With regard to ongoing struggles and change, Battilana et al (2009) looked at the process of institutional entrepreneurship considering different phases from emergence of institutional entrepreneurs to implementation of change. In this process they highlighted the importance of visions of change and rallying allies for legitimation and support of the change. With regards to the technologies of accounting and accountability discussed in our paper, their insights help establish the significance of changes that did not end at NCC's organisational boundaries but, rather, rippled through the wider institutional fields.

The notions of contradictions and praxis taken together support the view that social structures do not normally function as suppressants of practice variation but are, instead, part of a cultural repertoire on which members of institutions may or may not draw, depending on circumstances (Swidler 1986). In other words whereas traditionally central government would be seen as exogenous with authoritative rules coercing compliance, a culture view of politics in action traces emerging variations in the interpretations of regulation at the local authority level (Suchman and Edelman 1996) and shows how meanings and force of regulation can be influenced by the local authorities (Edelman, Uggen and Erlanger 1999).

While it is important to understand the preconditions of practice variation and organisational change, this paper is interested in what actually brings about practice variation and organisational change. Our particular interest is directed towards the logics of democratic institutions, such as public deliberation. Institutional fields are structured by "institutional logics" that are "a set of material practices and symbolic constructions which constitute [the institution's] organizing principles" (Friedland and Alford 1987). These principles underpin the identities and interactions of their members and therefore guide human action (Greenwood and Suddaby 2006). By determining what counts as problems and solutions, institutional logics constitute agendas of economic and political control as well as organisational rewards (Friedland and Alford 1987). In England democracy is partly engendered through specific sets of central-local government relations. They regulate their respective decision making powers and allocate resources. How, therefore, democratic deliberation takes place in local authorities constitutes an important element of the institutional logic of the field of local government. Key in this respect are broader issues of centralism and localism in power relations and concerns around funding controls.

At the organisation level institutional logics can be subject to change, hybridisation and/or practice variation. Historically in English local government democratic deliberation has largely

been through elected councillors, whereas appointed full-time officers administer the work (Andrew and Goldsmith 1998). However in more recent years there has also been a broader involvement of officers, interest groups and citizens in the democratic deliberative process, especially around budgeting (Cochrane 2016). Indeed since the New Public Management and neo-liberalism of the 1980's until 2010 greater centralism has sought to initiate performance management frameworks that included prescriptions of consultation with interest groups and citizens for local authorities (Andrews et al. 2005). After 2010, the localism agenda paved the way for making democratic deliberation again more self-determined by local authorities (Lowndes and Pratchett 2012). Moreover, austerity budget cuts put a premium on projecting fairness and legitimacy, and building operational capability beyond the traditional organisation of the council with interest groups and citizens. In this context, the question of how to measure value to the public has risen to new prominence.

NCC's response to austerity provides a case of a public value strategy being operationalised through variation to practices of democratic deliberation. The centrality of those practices to local government meant that we observed also changes to the institutional logic of local government. In order to meet the challenge of continuing the delivery of statutory services with shrinking budgets, NCC adopted public value consultation, and certain accounting and accountability technologies, which we trace with a "blend" of public value and institutional logics theory. We seek to contribute to public management studies that are broadly concerned with "better public services" (Andrews and Boyne 2010) by combining our theoretical reflections on local government with empirical illustrations of "what works".

3. Research Context, Approach and Methods

Following the worldwide financial crisis of 2007 and 2008 and subsequent recession, by 2010 the UK current budget deficit had skyrocketed to £103billion from £50billion the year before and only £20billion in 2005. This current budget deficit represented about 6.9% of Gross Domestic Product in 2010 compared to less than 2% in 2005 (UK Public Spending 2017).

The Conservative-Liberal Democrat Coalition government in the United Kingdom proposed severe austerity cuts to bring this perceived problem back under control, and for English Local Government between 2010 and 2015 they pursued a policy termed "austerity-localism" (Lowndes and Pratchett, 2012). In this context, local authorities were granted more power in making their own decisions through the Localism Act 2011, but austerity meant this was against a backdrop of significant budget cuts alongside existing constraints on raising funding themselves. Key to our argument is the manner in which those cuts were executed, and their size. For those cuts were not only especially harsh. The English local government funding cuts resulted in a 37% real-term reduction in core central government grants equating to a 25% reduction in income/spending power (including council tax) between 2010/11 and 2015/16. The cuts also called into question the rhetoric of localism and democratic self-determination of local authorities (Raine and Staite 2012). If the central government was serious about local power, how could it deprive local government of the means to pay for policies? Not only did it cut funding extensively but central government policy also created over 160 new burdens on local government, with an estimated value of £11.5 billion, many of them unfunded (Jones 2017). Austerity localism meant that the democratically elected central government stymied the functioning of democratically elected local governments.

Moreover, austerity localism was open to challenges of party politics. Central government targeted especially those local authorities for cuts that were controlled by Labour, the opposition party in the national parliament. The cuts to local government funding fell disproportionately on the Labour politically controlled, urban, metropolitan councils such as NCC rather than the ‘leafy’ shire, wealthier, rural Conservative politically controlled councils (Ahrens and Ferry 2015, 2016). As a result, the cuts led to challenges concerning the institution of democracy (Bennington and Moore 2010) itself. They were seen as a targeted campaign against traditional Labour strongholds (Ahrens and Ferry 2016). Using central government powers for party politics was regarded as a challenge to democratic values. Over the following years there have been various high level protests against the cuts from local government, business lobby groups, and citizens, including those that called for a more radical politics (Ahrens and Ferry 2015).

Our study took place at the organisational level of NCC and focused on the effects of the austerity regime. The study of NCC involved interviews, observation and documentation review. Fifty interviews were undertaken with staff from governance, finance, performance measurement and functional areas that discussed questions concerning governance, strategy and the role of accounting particularly on the politics of the planning, budgeting and reporting processes. Interviews took up to one hour and were recorded and transcribed, with notes taken during shorter follow up meetings. Informal conversations continued with local authority staff during the study and up to submitting this paper. Throughout the study observations of political, governance, finance, performance and general office practices were undertaken by one of the researchers who is a qualified accountant with former senior level local government and civil service experience. This included personal attendance at formal public meetings of politicians and officers including Policy Cabinet, Business Cabinet, City Council, Ward Committee and Audit Committee. It also involved informal meetings and conversations in the council offices where everyday practices were observed such as making telephone calls, writing emails and staff interactions. In addition, large demonstrations and formal and informal meetings of various campaign groups who were lobbying against cuts in budget allocations were attended to understand the perspectives of different stakeholders. For triangulation of data a comprehensive review was made of current and historical documentation relating to governance, finance and performance. This was supplemented with meeting agendas, papers and streamed on-line local authority meetings, and local government content from both the local and national media. Table 1 provides an overview of the interviews, observation and documentation.

INSERT TABLE 1 HERE

We use a case research approach designed to refine prior theorising of public value accounting, using as an illustration NCC’s public value strategy to address austerity localism. While the main theoretical focus of the paper lies on public value accounting it also “borrows” ideas from neo-institutional theory and “blends” (Jacobs 2012, 2016) them with public value to capture in greater detail how NCC practiced change at an organisational level and how such changes were connected with wider institutional change. In particular, the “blending” helps to describe the previous situation and antecedents of change, detail the change, and outline what the situation now had become in terms of whether it is made legitimate, achievable and valuable for the wider institutional context of democratic deliberation. While we specifically focussed on the institutional logic that informed democratic deliberation at the organisation level of NCC, the blending also enabled us to move beyond the organisational level to address developments in

practices of democratic deliberation in the broader field of local government. As such we are concerned with the institution of democracy in England and some of the ways in which it was challenged by the austerity cuts.

In this way procedures of data analysis were introduced in our case-based inquiry that considered how the concepts at issue being public value and institutional logic of democratic deliberation, and similarly the associated constructs and categories, are used as an ordering scheme for organizing the steps of data analysis and interpretation. This helps us to move from state '1' to state '2' through an organisational change to deal with austerity localism that is part of both field and institution level changes concerning democracy.

The following sections present and discuss our research findings.

4. Public Value Strategy and Organisational Change at NCC

In this section the paper will outline the institutional context followed by the changes pursued by NCC, the divergent vision and what the emerging new institutional logic becomes. This will be in descriptive terms of what happens at NCC and by showing what has changed at NCC that has had some impact on the field of local government. We also address some of the implications for the democratic institution of public deliberation.

Democratic deliberation before and after Austerity Localism

During the 20th century central government and local government relations in England had been subject to growing centralism, but were to change fundamentally with localism (Heseltine 2012). Under centralism the power to make decisions at a local level was constrained through statutory rules and funding mechanisms. Since the 1980's under the Conservative government, and particularly under the New Labour government from 1997 to 2010, funding was increasingly monitored against an array of performance assessment frameworks (Ferry, Eckersley and Zakaria 2015). The early frameworks such as Compulsory Competitive Tendering under the Conservative government involved little public consultation, but the Citizens Charter and published KPIs began to shift the focus of democratic deliberation. Under New Labour there was a plethora of prescribed performance assessment frameworks that embraced facets of consultation for local government with interest groups and citizens. However with the abolition of the Audit Commission and scrapping of centralised performance management frameworks in the wake of localism this prescription ceased. The Coalition government from 2010 to 2015 gave power to a local authority level to make their own decisions. Unfortunately, the power to make such decisions was curtailed by a policy of austerity that essentially meant less funding and significant budget cuts. Most notably, local government remained highly dependent on the centre for funding: indeed, this has been the case since the late 1980s and early 1990s (Ferry, Eckersley and van Dooren 2015).

However, local authorities were able to have practice variation around their belief systems (Ferry, Coombs and Eckersley 2017) and especially when it came to practices of democratic deliberation. Following localism they could self-determine their consultation processes with interest groups and citizens around the governance, service delivery and funding of local public services. Herein lay a key change that has not received much discussion in the local government literature. It was a change that NCC sought to exploit in its campaign against funding cuts.

Table 2 summarises the power, funding and democratic deliberation practices in central government and local government relations before and after 2010.

INSERT TABLE 2 HERE

Within the context of austerity localism the paper will now set out the organisational change through practice variation of democratic deliberation that took place at NCC in terms of legitimation and support, building operating capacity beyond the organisation and measuring value. By expanding in this way upon the strategic triangle of public value we aim to show the conceptual significance of our observations, especially how legitimation, capacity building and public value measurements depend upon one another and how changes in the strategic triangle can give rise to changes beyond the organisation, affecting wider institutional domains.

Organisational Change through Practice Variation of Democratic Deliberation

- Is change legitimate and supported

Under austerity localism, at an organisation level, NCC looked to establish a new vision for change that harnessed some of the new powers given to local government under the localism legislation. “We’re trying to develop a new framework for the city to replace the Local Area Agreement... on a more local accountability basis, looking at what outcomes we want in a city without any central government interference” (Head of Local Services). The new vision for change was to be created together with diverse interest groups. A key move was to establish a Fairness Commission and the Let’s Talk consultation process to give interest groups and citizens a voice in not only deciding on various options but constructing them in the first place. Citizens and interest groups could thereby get involved more profoundly in the governance, delivery and funding of services. Essentially there was an effort for a broad mobilisation of support of interest groups and citizens that also gave legitimation to the process and formed an authorising environment.

The Fairness Commission was launched by the Leader of NCC in July 2011 to provide guidance on fairness as a vision for change. “For communities to thrive people must feel they are being treated fairly... and have equal chances (...) Faced with the challenges of making hard decisions with shrinking resources, the leadership of the local authority has sought advice from a Fairness Commission. The approach has been to define some principles to improve decision-making, and provide guidance” (Chris Brink, Vice Chancellor of Newcastle University and Chair of the Fairness Commission). On its own the Fairness Commission was limited in the legitimation it gave NCC for its new vision.

To create public value NCC engaged widely with local interest groups and citizens. New practices of consultation were an important element in negotiations on how to deploy NCC’s shrinking resources through budgetary decision-making arrangements and became “the appropriate arbiter of public value” (Moore 2013). For example, NCC held a special cabinet meeting in January 2012 to debate the principles of fairness that was attended by around one hundred citizens and some Fairness Commission members ensuring a wide input to the process.

To further engage citizens, NCC also devised ‘Let’s-talk’ as “a new conversation with our city” (NCC Leader) for defining outcomes, priorities and funding allocations. This involved four types of activities. ‘Talkabout’ was a series of conversations with stakeholders about what they think the future priorities should be. ‘Walkabout’ consisted of politicians’ and senior officials’

visits to local authority wards and local services in order to get to know local issues. 'Thinkabout' sought information and advice from people about NCC's strategic issues. 'Decideabout' gave local people the opportunity to be involved in decision-making, for example, through ward committees, and public meetings. 'Let's-talk Newcastle' online also provided a web based community engagement tool. Additionally, stakeholders could get involved online through email, Twitter, Facebook, and by telephone, in writing, and in person. Stakeholders became more engaged with the process. For example, in its first year, Let's-talk involved over eight thousand citizens in debates about the future of the city, which thereby helped to define outcomes and determine interventions.

- *Is change achievable*

Austerity had led to funding cuts and reduced staff levels and so the new vision and mobilisation of support had to be with interest groups and citizens but also with staff if operational capability was to be bolstered.

To address operational capability, NCC devolved responsibility to departments for performance and employed a technology of outcome based accountability. This was a conceptual approach to planning services and assessing their performance that focuses attention primarily on results – or outcomes – that services are intended to achieve rather than merely process and efficiency (Friedman 2005). The focus on outcomes, rather than merely efficiency, links back to public value insofar as it seeks legitimacy with regards to meeting social benefit. The outcome based accountability approach focusses on what it refers to as 'turning the curve'. This involves describing an outcome in need of improvement, and considering what may happen over time if nothing changes. This projected trend data provides a baseline to measure progress against and to turn the curve away from it. Turning the curve processes can be applied to both population accountability and service performance accountability through performance management categories that aim to distinguish between quantity and quality, and between inputs, outputs and outcomes or results. The process for population accountability asks who are the population and for performance accountability asks who are the service users. Both processes consider results, experience, indicators, baselines, story behind the baselines, needs assessment, partners, action needed to succeed, evidence concerning effective approaches, criteria and action plan, specificity and budget.

NCC employed outcomes based accountability as part of their approach to performance management, which was specifically reflected in the Children and Young People's Plan. Population accountability was about the wellbeing of whole populations, e.g., all children in Newcastle, whilst performance accountability was about the wellbeing of client populations such as for projects and services, e.g., those children whose parents attend a parenting programme. The approach differentiated between outcomes, indicators and performance measures. The outcome was a statement of well-being, e.g., Newcastle being described as a good place to bring up children, and parents feeling confident and supported in their parenting. The indicator was a measure which helped quantify the achievement of an outcome, e.g., number/% of parents accessing a given service. The performance measure was used to evaluate how well a programme, agency or system worked, e.g., number of parents reporting improved wellbeing, and % of children improving school attendance following intervention. To appreciate performance there was a focus on quantity, quality and results. Outcomes and indicators reflected population accountability and were generally about the ends, whilst performance measures reflected performance accountability and were about the chosen means to achieve those ends.

Outcome based accountability allowed service directorates to plan, measure and report indicators that helped them manage performance and risks in their local task environment. Local service managers were therefore able to judge for themselves how to target resources and deliver public value, instead of having to respond to how the corporate centre interpreted central government frameworks. However, this was within the constraints of a balanced revenue budget that remained a statutory requirement for local authorities.

Notably, officers felt the outcome based accountability approach was more responsive to public concerns than previous target-based regimes. Indeed, “Outcome based accountability, it’s much more about trying to get away from just setting a whole lot of numerical targets and focusing on those, and instead actually having a conversation with your key partners and stakeholders and trying to be more inclusive. In that sense, you know, you’re getting people together talking about the issues, trying to come up with solutions - find out what’s actually the best way of directing your resources” (Performance Manager to a Service Directorate).

In addition to outcome based accountability, to foster a broader operational capability, NCC encouraged interest groups and citizens to act for the common good by providing voluntary support for local facilities that were threatened with closure. For example, “Service users were co-opted onto the board of adult respite care to help with governance, in libraries to help with service delivery, and arts and culture to help raise funding” (Accountant). This was a challenge. A number of services closed down. Volunteer recruitment varied across geographic and socio-economic areas of the city because poverty and deprivation frequently meant that specific publics had less time, funding and skills to contribute to operational capability.

- *Is change valuable*

Apart from legitimisation for action and building operational capability, an important new accounting technology was employed by NCC in the form of an online public value account, referred to as ‘impact assessment templates’. These aimed to spell out in detail why a change was deemed valuable relative to other options. For each proposal the impact assessment templates set out the title, date of original assessment, officer responsible, assessment team, and review date. In detail they firstly outline the proposal/function with a description of the current service, description of the proposed service, costs and benefits in financial and headcount terms, and the ward/geographical impact. Secondly the evidence and research identifying the need for change is then set out. This includes each information source and a summary of their message. Thirdly engagement is detailed. This includes date of engagement, details of who was engaged, number of people invited and attending and the main issues raised. Fourthly there is an assessing of the impact. This includes staff, service users and any other specific groups that may have an impact from the proposal, details of the impact in social, economic and environment terms, and how to address or mitigate any disadvantages. Finally there is a review with date, officer, impact details, actions identified, who is responsible, when the action will be complete and an update. The appendices to the proposal include consultation feedback, comments and responses.

The impact assessment templates primarily considered budget changes and were employed in public deliberation as part of asking the question if a service was valuable and expanding support and authorisation through the subsequent open reporting and transparency. With regard to budget changes the impact assessment templates specifically recorded the financial cost of a budget proposal and the department that spent the money. They also recorded the efficiency

and effectiveness of performance measures and how the proposals linked back to the Fairness Commission principles to assess the benefit to certain client groups or broader community. Within the context of cost-benefit analysis, all processes of public deliberation relating to the proposals were recorded as part of the democratic governance arrangements.

The impact assessment templates were monitored and an audit trail showing how decisions evolved through democratic deliberation was made available on-line for public scrutiny. “The impact assessment templates provide a much more comprehensive picture of a budget proposal than just the financial costs. They include performance measures, how it meets stakeholder needs, and a full record of the consultations that underpin the proposals. In essence it attempts to capture value to the public and not just a target or financial result. It is not an easy thing to capture, but it is a step in the right direction to maintain support and manage expectations of the public especially during austerity” (Accountant).

Field and Institutional Change in Democratic Deliberation

NCC had changed their way of working as an organisation through practice variation to the democratic institution of public deliberation. This had involved pursuing legitimation and support through the Fairness Commission and Let’s Talk initiative, building operating capability through outcome based accountability and enrolling citizens in service governance, delivery and funding, and by having an online public value account to address with citizens and interest groups the relative public value of different services.

Such organisational changes were also reflective of broader field level changes across English local government, which we want to briefly present here. For example, other local authorities also established fairness commissions or similar arrangements based on localism ideas. From mid-2010 to mid-2013 there were twelve fairness commissions established that included members from councils in core cities of Newcastle, Liverpool, Sheffield and Bristol. There were also similar developments in other areas such as the establishment of a poverty commission for Greater Manchester and a social inclusion consultation process in Birmingham (Sillett and O’Donnell 2013). Many areas have replicated such processes since. For example, Greenwich announced at the end of 2016 it would establish a fairness commission headed by Sir Bob Kerslake, a former head of the civil service and local authority chief executive.

We can therefore say that NCC’s creation of detailed consultations and impact assessment templates, discussed in our case description above, sparked field level changes across English local government during the period of this research study. For example, Liverpool, Sheffield and Birmingham began to varying degrees to use similar accounting and accountability technologies. Subsequently other councils have followed this process. Manchester, for example, began detailed public consultations in 2016 and embraced 3-year budgets, that facilitate austerity planning over the medium term, for 2017-2020; something that NCC established already in 2013 (Ahrens and Ferry 2016). Such field level changes left their mark on the institution of democracy. This is perhaps best expressed through the significant protests by local government, interest groups and citizens against the central government’s austerity policy throughout England, questioning its democratic mandate to govern in such a way (Ahrens and Ferry 2015, 2016).

5. Discussion and Conclusions

This case study described how a local authority, NCC, employed a public value strategy to address austerity localism, and through borrowing from neo-institutional theory shed light on how variation of organisational practices also constituted changes to the democratic institution of public deliberation (Bennington and Moore 2010). This involved enhanced consultation processes and accounting and accountability technologies to enrol citizen and interest group support against central government austerity cutbacks. NCC appealed to conceptions of the common good rather than the ideals of individualism, markets and competition familiar from New Public Management debates. NCC's novel organisational uses of consultation, accounting and accountability constituted instances of institutional entrepreneurship as they emerged across the field of local government. In the context of nationwide debates of, and protests against ongoing austerity policies, these innovations also affected democracy more broadly.

From this the paper makes a theoretical contribution to public value concerning the organisational uses of consultation, accounting and accountability technologies and how they could bring about not only public value, but also organisation level change. Here public value strategy was employed to take on the external shocks of austerity as well as to use the political powers afforded by the localism legislation institutionally; new forms of public deliberation constituted a practice variation on previous centralised or centrally prescribed consultation processes. This practice variation was self-prescribed local consultation practices that now integrated interest groups and citizens more in local authority governance, service delivery and funding, thereby determining public value differently and using the momentum of such determinations politically against central government. We used practices of democratic deliberation as an example of the deontological values that, following Moore (2014), characterise the field of public management practices, whilst at the same time also underpinning the institutional logic of democratic governance.

The theoretical contribution was further extended by “borrowing” from and “blending” with (Jacobs 2012) the institutional logics literature in a way that helped clarify how organisational change was part of a new vision for change that required mobilisation of support (Battilana et al. 2009) through practice variation (Lounsbury 2008). Here, the institutional logics literature helped locate organisation level changes in the wider field of English local government and in particular practices of democratic deliberation. Ultimately, the institution of democracy was subject to institutional change as local government, interest groups and citizens became vocal not only locally but also nationally against austerity cuts to funding. The implications beyond organisational changes to field and institutional level changes mark the NCC case as an example of institutional entrepreneurship.

As an empirical contribution this paper provides an inductive case study of public value with rich descriptions of how some of the accounting and accountability works. Beyond this, and in the spirit of Jacobs (2012), this paper also affords an example of how one theory can be extended by “borrowing” from and “blending” with another – in this case public value theory borrowing from and blending with institutional logics – as a way of broadening case study findings to societal insights. Even though the analysis in this paper is primarily directed at NCC rather than English local government, the borrowing and blending means the case allows us to look at elements of institutional logics of democracy more broadly.

Furthermore, the paper provides insights for policy, practice and future research. From a policy perspective it is suggested that public value strategy offers a framework to consider potential responses to both austerity and localism that move beyond simply New Public Management based answers of contracting out, competition and privatisation. Instead of emphasising

individualism it focuses on the common good by considering broader social as well as economic responses to austerity. With regards to practice the case clearly highlights for practitioners how a public value strategy embracing legitimation, operational capability building and accounting can be operationalised, and illuminates how this can be part of a process of organisational, field and even institutional change. Indeed, the public value strategy has remained in place at NCC. Stakeholder engagement is still employed in the budget preparation and formulation as part of let's talk consultation processes. In terms of future research it would be useful to have further cases that outline how public value strategy works in different contexts and conditions, and also illuminate the functioning of both stability and change by borrowing from and blending with other literatures, including institutional logics.

References

Ahrens, T., and L. Ferry. 2015. "NCC and the Grassroots: Accountability and Budgeting under Austerity." *Accounting, Auditing and Accountability Journal* 28 (6): 909-933.

Ahrens, T., and L. Ferry. 2016. "Institutional entrepreneurship, practice memory, and cultural memory: Choice and creativity in the pursuit of endogenous change of local authority budgeting." *Management Accounting Research*, <http://dx.doi.org/10.1016/j.mar.2016.11.001>

Ahrens, T., L. Ferry and R. Khalifa. in press. "The hybridising of financial and service expertise in English local authority budget control: A practice perspective." *Qualitative Research in Accounting and Management*

Alford, J. and J. O'Flynn. 2009. "Making sense of public value: Concepts, critiques and emergent meanings." *International Journal of Public Administration* 32 (3-4): 171-191.

Andrew, C., and M. Goldsmith. 1998. "From Local Government to Local Governance: And Beyond?" *International Political Science Review / Revue Internationale de Science Politique* 19 (2): 101-17.

Andrews, R., and G. Boyne. 2010. "Better Public Services." *Public Management Review* 12 (3): 307-21.

Andrews, R., G. A. Boyne, J. Law, and R. M. Walker. 2005. "External Constraints on Local Service Standards: The Case of Comprehensive Performance Assessment in English Local Government." *Public Administration* 83 (3): 639-656.

Battilana, J., Leca, B. and F. Boxenbaum. 2009. "How Actors Change Institutions: Towards a Theory of Institutional Entrepreneurship." *The Academy of Management Annals* 3 (1): 65-107.

Bryson J. M., Crosby B. C. and L. Bloomberg (Eds.). 2015. *Public Value and Public Administration*. Washington D.C.: Georgetown University Press.

Bennington, J. and M. H. Moore (Eds.). 2010. *Public value: Theory and practice*. London: Palgrave Macmillan.

Bryson, J. M., Crosby, B. C. and L. Bloomberg. 2014. "Public Value Governance: Moving Beyond Traditional Public Administration and the New Public Management." *Public Administration Review* 74 (4): 445-456.

Bozeman, B. 2002. "Public value failure: When efficient markets may not do." *Public Administration Review* 62 (2): 145-161.

Bozeman, B. 2007. *Public values and public interest: Counterbalancing economic individualism*. Washington D.C.: Georgetown University Press.

Campbell, J. L. 1998. "Institutional Analysis and the Role of Ideas in Political Economy." *Theory and Society* 27 (3): 377-409.

Cochrane, A. 2016. "Thinking about the 'Local' of Local Government: A Brief History of Invention and Reinvention." *Local Government Studies* 42 (6): 907-15.

Covaleski, M. A., Dirsmith, M. W. and J. M. Weiss. 2013. "The social construction, challenge and transformation of a budgetary regime: The endogenization of welfare regulation by institutional entrepreneurs." *Accounting, Organizations and Society* 38 (5): 333-364.

Crosby, B. C., P. 't Hart, and J. Torfing. 2017. "Public Value Creation through Collaborative Innovation." *Public Management Review* 19 (5): 655-69.

Department for Communities and Local Government. 2016. *Secretary of State's Annual Report on Devolution 2015-16*. London.

Edelman, L. B., Uggen, C. and H. S. Erlanger. 1999. "The Endogeneity of Legal Regulation: Grievance Procedures as Rational Myth." *American Journal of Sociology* 105 (2): 406-454.

Ferry, L., Coombs, H. and P. Eckersley. 2017. "Budgetary stewardship, innovation and local authority working cultures: Identifying the missing ingredient in English and Welsh local authorities' responses to austerity?." *Financial Accountability and Management* 37 (2): 220-243.

Ferry, L., Eckersley, P. and W. van Dooren. 2015. "Local Taxation and Spending as a Share of GDP in Large Western European Countries." *Environment and Planning A* 47 (9): 1779-1780.

Ferry, L., Eckersley, P. and Z. Zakaria. 2015. "Accountability and Transparency in English Local Government: Moving from "Matching Parts" to "Awkward Couple"?" *Financial Accountability and Management* 31 (3): 345-361.

Friedland, R., and R. Alford. 1987. Bringing society back in: Symbols, practices, and institutional contradictions. In *Max Weber, Rationality and Modernity*, edited by S. Lash, and S. Whimster, 232-263. London: Allen and Unwin.

Friedman, M. 2005. *Trying Hard is not Good Enough: how to produce measurable improvements for customers and communities*. Victoria B.C.: Trafford Publishing.

- Geuijen, K., M. Moore, A. Cederquist, R. Ronning, and M. van Twist. 2017. "Creating Public Value in Global Wicked Problems." *Public Management Review* 19 (5): 621–39.
- Greenwood, R., and C. R. Hinings. 1996. "Understanding radical organizational change: Bringing together the old and new institutionalism." *Academy of Management Journal* 21 (4): 1022–1054.
- Greenwood, R., and R. Suddaby. 2006. "Institutional entrepreneurship in mature fields: The big five accounting firms." *Academy of Management Journal* 49 (1): 27-48.
- Guthrie, J., Marcon, G., Russo, S. and F. Farneti (Eds.). 2014. *Public value management, measurement and reporting*, Vol. 3. Bingley, UK: Emerald Group Publishing.
- Hartley, J., J. Alford, E. Knies, and S. Douglas. 2017. "Towards an Empirical Research Agenda for Public Value Theory." *Public Management Review* 19 (5): 670–685.
- Hastings, A., Bailey, N., Gannon, M., Besemer, K. and G. Bramley. 2015. "Coping with the cuts? The management of the worst financial settlement in living memory." *Local Government Studies* 41 (4): 601–621.
- Heseltine, M. (2012), *In pursuit of growth: No stone unturned*. Department for Business, Innovation and Skills, London. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-unturned-in-pursuit-of-growth.pdf
- Jacobs, K. 2012. "Making Sense of Social Practice: Theoretical Pluralism in Public Sector Accounting Research." *Financial Accountability and Management* 28 (1): 1–25.
- Jacobs, K. 2016. "Theorising Interdisciplinary Public Sector Accounting Research." *Financial Accountability and Management* 32 (4): 469 – 488.
- Jacobs, L. R. 2014. "The Contested Politics of Public Value." *Public Administration Review* 74 (4): 480-494.
- Jones, M. 2017. English Resilience in the Face of Austerity. In *Governmental Financial Resilience: International Perspectives on How Local Governments Face Austerity*, edited by I. Saliterer, M. Jones and I. Steccolini, 73-91. Bingley, UK: Emerald Publishing Limited.
- Jong, J. de, S. Douglas, M. Sicilia, Z. Radnor, M. Noordegraaf, and P. Debus. 2017. "Instruments of Value: Using the Analytic Tools of Public Value Theory in Teaching and Practice." *Public Management Review* 19 (5): 605–20.
- Jørgensen, T. B. and B. Bozeman. 2007. "Public Values: An Inventory." *Administration and Society* 39 (3): 354-381.
- Lounsbury, M. 2008. "Institutional rationality and practice variation: New directions in the institutional analysis of practice." *Accounting, Organizations and Society* 33 (4): 349-361.
- Lounsbury, M. 2011. "A Tale of Two Cities: Competing Logics and Practice Variation In the Professionalizing of Mutual Funds." *Academy of Management Journal* 50 (2): 289-307.

- Lowndes, V. and L. Pratchett. 2012. "Local governance under the coalition government: Austerity, localism and the 'Big Society'." *Local Government Studies*, 38 (1): 21–40.
- Lowndes, V. and A. Gardner. 2016. "Local governance under the Conservatives: super-austerity, devolution and the "smarter state."" *Local Government Studies* 42 (3): 357–375.
- Meynhardt, T. 2009. "Public value inside: What is public value creation?" *International Journal of Public Administration* 32 (3-4): 192-219.
- Meynhardt, T. 2015, "Public value: turning a conceptual framework into a scorecard", in Bryson, J.M., Crosby, B.C. and Bloomberg, L. (Eds.), *Public Value and Public Administration*, Georgetown University Press, Washington, D.C., pp. 147–169.
- Moore, M. H. 1995. *Creating Public Value: Strategic Management in Government*. Cambridge, MA: Harvard University Press.
- Moore, M. H. 2003. *The Public Value Scorecard: A Rejoinder and an Alternative to 'Strategic Performance Measurement and Management in Non-Profit Organizations' by Robert Kaplan*. Hauser Center for Nonprofit Organizations Working Paper No. 18. (Online) Available from: <http://ssrn.com/abstract=402880> (Accessed: 12th January 2015).
- Moore, M. H. 2013. *Recognizing Public Value*. Cambridge, MA: Harvard University Press.
- Moore, M. H. 2014a. "Public Value Accounting: Establishing the Philosophical Basis." *Public Administration Review* 74 (4): 465–477.
- Moore, M. H. 2014b. Accountability, Legitimacy, and the Court of Public Opinion. In *The Oxford Handbook of Public Accountability*, edited by M. Bovens, R. E. Goodin, and T. Schillemans, 632-648. Oxford: Oxford University Press.
- Moore, M. H. and A. Fung. 2012. Calling Publics into Existence: The Political Arts of Public Management. In *Ports in a Storm: Public Management in a Turbulent World*, edited by J. C. Donahue, and M. H. Moore, 180–97. Washington, D.C.: Brookings Institution Press.
- Moore, M. and J. Hartley. 2008. "Innovations in Governance." *Public Management Review* 10 (1): 3-20.
- O'Flynn, J. 2007. "From New Public Management to public value: Paradigmatic change and managerial implications." *Australian Journal of Public Administration* 66 (3): 353-366.
- Raine, J., and C. Staite, eds. 2012. "The World Will Be Your Oyster? Reflections on the Localism Act 2011." University of Birmingham, Institute of Local Government Studies. <http://www.birmingham.ac.uk/Documents/college-social-sciences/government-society/inlogov/news-events/reflections-localism-act.pdf>
- Reay, T. and C. R. Hinings. 2005. "The recomposition of an organizational field: Health care in Alberta." *Organization Studies* 26 (3): 351–384.

Rhodes, R. A. and J. Wanna. 2007. "The limits to public value, or rescuing responsible government from the platonic guardians." *Australian Journal of Public Administration* 66 (4): 406-421.

Sandel, M. J. 2007. *Justice: A Reader*. New York: Oxford University Press.

Scott, W. R. 1995. *Institutions and organizations*. Thousand Oaks, CA: Sage.

Seo, M. G. and W. E. Creed. 2002. "Institutional contradictions, praxis and institutional change: A dialectical perspective." *Academy of Management Review* 27 (2): 222–247.

Shaw, R. 2013. "Another Size Fits all? Public Value Management and Challenges for Institutional Design." *Public Management Review* 15 (4): 477-500.

Sillett, J. and C. O'Donnell. 2013. *Fairness Commissions*. Local Government Information Unit (LGIU) Policy Briefing.

Saliterer, I., Jones, M. and I. Steccolini. 2017. Introduction: Governments and Crises. In *Governmental Financial Resilience: International Perspectives on How Local Governments Face Austerity*, edited by I. Saliterer, M. Jones and I. Steccolini, 1-16. Bingley, UK: Emerald Publishing Limited.

Suchman, M. C. and L. B. Edelman. 1996. "Legal rational myths: The new institutionalism and the law and society tradition." *Law and Social Inquiry* 21 (4): 903–941.

Swidler, A. 1986. "Culture in action: Symbols and strategies." *American Sociological Review* 51 (2): 273-286.

Thompson, F. and P. Rizova. 2015. "Understanding and Creating Public Value: Business is the engine, government the flywheel (and also the regulator)." *Public Management Review* 17 (4): 565-586.

Tyne and Wear Research and Information. 2011. Tyne and Wear: Key facts. (Online) Available from: http://www.twri.org.uk/sites/default/files/twri/twri_KeyFacts_Tyne_Wear_Feb11.pdf (Accessed: 30th April 2015).

UK Public Spending. 2017. National Deficit Data. Weblink: <http://www.ukpublicspending.co.uk/uk-national-deficit-analysis> (Accessed on 27th August 2017)

Williams, I. and H. Shearer. 2011. "Appraising public value: Past, present and futures." *Public Administration* 89 (4): 1367-1384.

Table 1 – A Summary of Data from Interviews, Observation and Documentation

<p>Interviews</p> <ul style="list-style-type: none">• 2010/11 (11/10-03/11) and 2011/12 (04/11-03/12) = 30 Interviews (18 interviews with accountants / managers with initial meeting of 1 hour + follow up (Head of finance x 2, Chief accountant x 2, Accountant x 2, Functional area manager – Adult services x 2, Functional area manager - Local services x 2, Functional area manager – Corporate support services x 2, Functional area manager – Policy x 2, Centralised performance manager x 2, Functional area performance manager x 2) + 12 interviews up to 1 hour with representatives from governance).• 2012/13 (04/12-03/13) = 8 interviews (up to 1 hour as quarterly updates with 2 representatives from governance and accountancy).• 2013/14 (04/13-03/14) = 8 interviews (up to 1 hour as quarterly updates with 2 representatives from governance and accountancy).• 2014/15 (Pre Budget – 03/14 and Post Budget – 04/14) = 4 interviews (up to 1 hour as an update before and after the budget with 2 representatives from governance and accountancy).• (Total = 50) <p>Note: From April 2012 to end of study (and during writing up of papers): brief ad hoc discussions and informal interviews continued for clarification of points and sense making with various staff, councillors and citizens.</p>
<p>Observations</p> <p>Throughout the study informal observation included of:</p> <ul style="list-style-type: none">• Office practices - with staff from accountancy and functional areas during visits to NCC for interviews and attendance at meetings.• Formal budget and performance management review meetings - including Council, Cabinet, and Audit Committees.• Protests and responses - both in person and through media sources.
<p>Documentation</p> <ul style="list-style-type: none">• Committee Meetings - Access was available to the detailed documentation for all committee meetings including the city council meeting, cabinet meeting, audit meeting, ward committees and overview and scrutiny committees. The detailed documentation for all of these meetings is too vast to replicate.• Budget Documents - Budget 2013-2016 and Past Budgets 2013-14, 2012-2013, 2011-2012, 2010-2011, 2009-2010, 2008-2009, 2007-2008, 2006-2007, 2005-2006, 2004-2005.• Annual Report and Accounts - Full Annual Report and Accounts for 2013-2014 and Past Annual Reports - 2012-2013, 2011-2012, 2010-2011, 2009-2010, 2008-2009, 2007-2008, 2006-2007, 2005-2006, 2004-2005.

- **Performance** - New quarterly performance monitoring framework and documents against four council priorities e.g. January-March 2014, October-December 2013, July–September 2013
- **Council Plans** - Council Plan 2013-2014 and Past Council Plans - 2010-2013, 2009-2010, Portfolio Plans 2009-2010, 2008-2009, 2007-2008, 2006-2007
- **Other** - NCC’s Outcome Based Accountability (OBA) framework, Local performance indicators, Statutory returns, Non-statutory returns and Past Audit Commission evaluations.

Please note: Documentation after this period continued to be reviewed as the paper was prepared and submitted.

Table 2 Power, Funding and Democratic Deliberation in Central Government and Local Government Relations

	Pre Coalition Government (Before 2010)	Coalition Government (2010-2015)
Power to make decisions in central government and local government relations	Centralism – Power constrained to make decisions at local level	Localism – Power to make own decisions at local authority level
Funding	Funding monitored against performance assessment frameworks	Austerity – Significant budget cuts
Democratic deliberation	Prescribed frameworks from central government from performance assessment frameworks on consultation for local government	Self-determined consultation process by local government