

Understanding Local Political Leadership: Constitutions, Contexts and Capabilities

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Despite Labour's clear vision of a new form of local political leadership, the impact of the Local Government Act 2000 has been limited – but at the same time diverse. Local authorities have overwhelmingly selected the 'least change' option, but have elaborated the new models in a variety of ways. Drawing on case study data and a new institutionalist framework, the article looks beyond formal structures at the emerging practice of local political leadership. The government's structure-led approach has not delivered its 'ideal type' of local political leadership. The interaction of constitutions, contexts and capabilities is producing diverse experiences of political leadership and an uneven patterning of change and continuity. Future reform efforts should concentrate less upon the specification and imposition of formal structures and more upon facilitating local processes of institution-building.

The Local Government Act 2000 promised radical change. For 150 years the local political system was based upon a legal framework in which parties and leadership were invisible and informal. The Act required all English local authorities to replace the traditional committee system of decision-making through the adoption of one of four models: directly elected mayor with cabinet; leader and cabinet; directly elected mayor with council manager; and a modified committee system (for councils under 85,000 population).

The structural changes were intended to give expression to a new 'ideal type' of local political leadership. The vision was of a strong and individualised form of leadership, where the leader's responsibilities were more transparent than under the previous system, with an associated heightening of accountability. In relation to leadership tasks, there was to be a new emphasis on setting strategic policy direction and a corresponding retreat from policy implementation, where greater delegation to officers was encouraged. The vision implied a more outward-oriented 'community

leadership' role, involving leaders to a greater extent in external networking and partnerships and to a lesser extent in the management of internal council politics. The ideal type implies that party politics, in the traditional adversarial sense, would play a less prominent role, freeing leaders to seek the best interests of the authority (and the area) rather than narrow party-based interests, and reducing the need for a constant 'reference back' of decisions to party groups.

What has happened since the implementation of the 2000 Act? To what extent has the ideal type become a reality? The first point to note is that the most radical option has been the least popular. In their baseline survey, Stoker *et al.* (2003) establish that less than three per cent of English councils chose the directly elected mayor option – which represents the epitome of strong and individualised local political leadership. Just ten authorities have a mayor with cabinet, and one a mayor with council manager and, of these 11 authorities, three were forced by public petitions to hold a mayoral referendum. A further 14 per cent of councils took advantage of a concession introduced late in the passage of the legislation that allowed small councils to modify their committee system rather than establish a separate political executive. The remaining 83 per cent of councils adopted the leader and cabinet option.

The second point to consider is that local councils have been able to write their own constitutions setting out the powers of the leader, cabinet and full council (albeit within central government guidance). The extent to which strong and individualised local leadership can be exercised depends upon the particular powers assigned to the leader, not just the model adopted. In their survey, Stoker *et al.* (2003) examine the extent to which strong individual leadership was present within cabinet and leader arrangements. Using three indicators of decision-making freedom, they establish that 37.7 per cent of responding councils allowed leaders to exercise functions alone; 33.8 per cent of councils allowed leaders (as opposed to the full council) to decide cabinet membership; and 54.1 per cent allowed leaders (as opposed to the full council) to select cabinet portfolios. Across English local government as a whole, therefore, in practice the power of individual leaders remains heavily circumscribed by the principle of collective decision-making. It is also important to note that there is no simple pattern of strong and weak leaders. Stoker *et al.* (2003) aggregate responses for all three indicators and demonstrate a continuum in which about a third of councils provide their leaders with one of the three freedoms, and a quarter of councils provide them with two. In only 16 per cent of councils do leaders exercise all three decision-making freedoms.

How can we account for the limited yet diverse nature of the local government reaction to the 2000 Act? Local authorities have overwhelmingly

selected the ‘least change’ option, but at the same time elaborated this option in a variety of different ways. The impact of the legislation is neither dramatic nor uniform, despite the government’s bold intent and clear vision of its ideal type. Survey data go only so far in establishing the extent and dynamics of change in local political leadership post-2000. This article draws upon case study evidence to look beyond formal structures and the official allocation of powers. It examines the emerging *practice* of local political leadership under the new legislative arrangements. Drawing upon insights from new institutionalist theory, we explore how existing institutions of local political leadership have operated as a filter through which the government’s ‘ideal type’ of political leadership has been differentially interpreted, mediated and (in some cases) neutralised. We also show how, under the new arrangements, ‘rules in use’ often deviate considerably from ‘rules in form’. We conclude that the structure-led approach to political leadership has not proved wholly effective as a basis for introducing the ‘ideal type’ of leadership favoured by the government. The interaction of constitutions, contexts and capabilities is producing diverse experiences of political leadership and an uneven patterning of change and continuity. Any future reform efforts should concentrate less upon the specification and imposition of formal structures and more upon facilitating local processes of institution-building.

RESEARCH APPROACH¹

Nine local authorities in England and Wales were selected for investigation, representing a diverse range of political arrangements, political control and culture, and size and type of authority. Case study findings cannot be taken as ‘representative’ of local government in general; rather, they provide contrasting examples from which broader lessons can be drawn. The case studies provided rich and in-depth information on specific leadership experiences in specific contexts. They also allowed the researchers to test the opinion of a range of stakeholders. Two rounds of interviews (six months apart) were held with key leadership actors in each of the nine case study authorities: the political leader and chief executive, plus a selection of senior politicians, chief officers and external partners.

To broaden further our evidence base an additional seven local authorities were investigated as ‘mini case studies’. In-depth interviews with the leader and chief executive were carried out in each of these authorities, allowing the research team to reflect upon a wider range of leadership models and experiences. The inclusion of the additional authorities allowed for the testing-out in different contexts of the arguments emerging from the original case studies. This iterative approach to research design was also expressed through a series of workshops held with political leaders, some but not all of

whom were from the case study authorities. The workshops provided an opportunity to feed back interim findings, seek the views of practitioners on emerging themes and remaining gaps, and to fine-tune research instruments for the second round of interviews.

The research design did not lend itself to the systematic testing of hypotheses (which requires a large scale local authority survey – see Stoker et al., 2003), but was well suited to the investigation of conceptual variables and the refinement of theoretical propositions (see Yin, 1984: 107). It was particularly appropriate to our theoretical framework, which required the study of ‘rules in use’ as opposed to ‘rules in form’. To unearth the ‘real’ rules that shape political behaviour – informal as well as formal – it is necessary to ask people ‘how things are done around here’ and ‘why is X done, but not Y’. As Elinor Ostrom (1999: 53), pioneer in institutional studies, puts it: ‘obtaining information about rules-in-use requires spending time at a site and learning how to ask non-threatening, context-specific questions about rule configurations’.

THE INSTITUTION OF LOCAL POLITICAL LEADERSHIP

A new institutionalist framework enables us to explore the relationship between structure, context and agency in local political leadership. We do not seek to establish causal connections, but rather to provide what the anthropologist Clifford Geertz called a ‘thicker description’ – a more adequate explanation of the phenomenon and ‘a refinement of debate’ (cited in Bevir and Rhodes, 2003: 22). New institutionalism is best understood not as a causal theory but as a broad conceptual framework, whose value lies in provoking ‘questions that might not otherwise occur’ and in producing ‘new and fresh insights’ (Judge *et al.*, 1995: 3).

We can define political institutions as sets of ‘shared understandings ... that refer to enforced prescriptions about which actions are required, prohibited or permitted’ (Ostrom, 1999: 50). We are not thinking of institutions in the sense of organisations and buildings; but rather as the formal and informal ‘rules of the game’. Political institutions do not *determine* the behaviour of political actors, but provide the framework of understandings within which actors identify, compare and select courses of action. Institutions shape political behaviour by providing a relatively systematic and stable set of opportunities and constraints. To draw an analogy, while the institutions of the theatre do not determine the story-line of a play or the quality of a performance, they do exercise a powerful effect by specifying arrangements for direction and production, casting and staging. Some of these matters are formally specified in script notes, contracts or budgets, and are physically constrained by buildings and technology. Just as

important, however, are the taken-for-granted informal understandings – about how long a play can be, where it can be performed, what sort of issues it can deal with, and how actors and audience should relate. Such understandings vary over time and between places.

The *institution of local political leadership* is the target of government reform, not the behaviour of any particular leader or the policies of a particular council. Changing institutions is the most powerful weapon in the reformer's arsenal. To change political institutions is to alter actors' sense of what is possible and impossible, desirable and undesirable. But institutional change – as opposed to organisational restructuring – is hard to achieve. Institutional change causes values and identities to be reappraised; it destabilises existing patterns of power and disadvantage. Informal institutional elements are especially hard to dislodge, often persisting long after formal changes have been put in place.

There is a broad and eclectic literature on political institutions and institutional change, from which it is possible to distil three propositions to guide our investigation.

1. Local political institutions have both formal and informal dimensions: change is shaped by their complex interaction, and the tenacity of informal elements.

The political institutions that really matter are invisible (Ostrom, 1999: 37). It is true that formal statements set out the basic parameters for action, specifying who can be involved in decision-making, playing what roles and affecting which issues. This is why constitution-making is regarded as such an important political task, and why so much significance is accorded to the composition of lower level rules – mission statements, visions, charters, strategic plans. But, 'rules in use' may vary considerably from 'rules in form'. Effective political institutions are those that are 'lived' by political actors: their strength does not rely upon pieces of paper or other physical artefacts. Institutions are expressed informally as well as formally – through the conventions that govern 'appropriate' behaviour (March and Olsen, 1989: 38). These informal elements are more than personal habits: they are shared among actors and can be articulated by them. Political institutions are hard to change because they have powerful informal elements, which may or may not reinforce formal rules. New rules and structures may be effectively incorporated into 'the old ways', leaving customary patterns of political behaviour intact and neutering or subverting the intended changes in values or power relationships (Lowndes, 1999: 34; Newman, 2001: 28). Change programmes tend to focus upon establishing new rules and norms, paying less attention to the 'de-institutionalisation' of traditional expectations and assumptions (see Lowndes, 2004).

Traditionally, local political leadership has been shaped by the formal rules and informal conventions associated with the party group and the committee system – expressed in the cycle of meetings; their terms of reference and standing orders; the roles of chair, leader, opposition and whip; and in the ingrained ‘committee habit’ that John Stewart identifies (2000: 43). The Local Government Act 2000 demanded change in the formal rules, delineating alternative institutional arrangements in the form of the directly elected mayor, the leader with cabinet, the council manager. The model constitution and associated guidance issued by the Office for the Deputy Prime Minister (and augmented by advice from bodies like the Local Government Association and the Improvement and Development Agency) sought to shape the day-to-day rules that would govern the behaviour of leaders and associated actors (portfolio holders, scrutiny committees, area bodies). But the vital informal aspect of new institutions cannot be legislated for, or even set out in best practice guides: informal rules develop over time and within particular local and temporal contexts, as we shall see below.

2. Local political institutions are embedded in wider institutional frameworks: change is shaped by institutional constraints in the external political environment and within specific local contexts.

The rules of the local political leadership game are not free-floating. They are ‘nested’ or embedded within wider institutional frameworks. Local political leadership is shaped by institutions operating at different spatial and conceptual levels. Spatially, local politics is influenced by the rules and conventions that characterise regional, national, European and even global governance arrangements. Conceptually, it is helpful to distinguish between operational (day-to-day) rules, collective (legal) rules, and constitutional rules (the rules that govern the rules) (Kiser and Ostrom, 1982). So, arrangements within individual local authorities are designed within the formal parameters set down by the new legislation, which is itself shaped by wider constitutional understandings (concerning central–local relations, the supremacy of parliament, the respective roles of local and regional tiers of government, etc.). The idea of nested institutional levels calls to mind the analogy of the Russian doll. However, in practice there is unlikely to be any clear functionalist fit between levels. The varied development of local political institutions in general is testament to the creative (and often conflictual) ways in which institutional influences at different levels and scales are negotiated.

The wider institutional environment does not simply exert a top-down influence upon local politics. Locally specific cultures and conventions (‘how things are done around here’) provide constraints upon and opportunities for local political actors – ‘to do not only different things but also the same things

differently' (Clegg, 1990: 151). The rules and conventions of local political leadership are influenced by political and non-political elements of the local institutional milieu – the organisation of civil society, the structure of the local economy, traditions of political campaigning and party organisation. John Stewart (2000: 43) has commented upon how such institutional resources provide both a force for continuity in particular places, but also for diversity across local government as a whole. Top-down and bottom-up institutional influences interact in important ways to shape arrangements for local political leadership. The extent of local distinctiveness relates to the degree of autonomy and diversity that higher levels of government will tolerate. At the same time, the impact of higher-level regulation or influence is mediated by the strength of local institutional commitments (which vary across time and space).

3. Local political institutions have meaning and effect only through the actions of individuals: change is a creative, negotiated and contested process.

Political institutions do not exist independently of the individuals whom they influence. Political institutions acquire their meaning and effect only through the interpretation and behaviour of political actors – whether politicians (leaders and followers), professionals or citizens. Institutions have a 'double life': they are both human products and social forces in their own right (Grafstein, 1988: 577–8). Rules are crafted 'through pen and paper' when constitutions, legislation and policy are formulated; but they also evolve through the 'artisanship' and *bricolage* of institutional actors (Ostrom, 1980; Lanzara, 1998: 27). Rules are made and remade on a daily basis, as political actors seek to apply them in unique and diverse political settings, and to 'fit' them to new and ever-changing circumstances (March and Olsen, 1989: 34). It is unique political actors, with their own preferences and capabilities, who make the important choices about following, bending or breaking institutional rules.

To return to our theatrical analogy, the play is nothing without the actors – however important the theatre, the set, the direction and production. The actors are constrained and enabled by these institutional elements, but the quality and style of their performance depends upon their own capabilities and their interpretation of the 'rules' (including the extent to which they challenge and adapt these parameters). It is also rare for a single actor to 'make the play'; the interactions within the cast, and between cast, director and audience are all-important. The behaviour of local political leaders is shaped by their rivalries and alliances with other politicians (in their own and other parties), and also by their relationships with professional staff, pressure groups and citizens. These interactions take place, however, within an

institutional framework that embodies and sustains specific power relationships – by privileging certain courses of action over others and by including (or favouring) certain actors and excluding others (Knight, 1992: 9). Institutions represent a congealing of patterns of distributional advantage, which is why attempts at institutional change evoke both political passion and stubborn resistance.

EXPLORING THE CASE STUDY EVIDENCE

The theoretical propositions can be operationalised through a focus upon the interaction of constitutions, contexts and capabilities. *Constitutions* are the formal statements of institutional rules for local political leadership (and associated roles). *Contexts* are the external institutional environments within which these rules are created, interpreted and embedded (or not). *Capabilities* are the skills and capacities drawn upon by political actors in designing and implementing rules within specific contexts that provide both constraints and opportunities.

Constitutions

Many complain that the Local Government Act 2000 amounted to a constitutional straitjacket, given the specification of four models of executive leadership. The detailed guidance that followed, including a model constitution, added to the sense of centrally imposed and directed reform. There is a distinct similarity in the format of most local authority constitutions, although there is variation in the detail and in the implementation. Indeed, many local authority leaders have come to recognise that, far from being a straitjacket, the 2000 Act and the local constitutions which reflect it offer considerable scope for local choice (Leach *et al.*, 2003). Anna Randle (2003: 13) makes the point in relation to the directly elected mayor model: ‘The constitutions of mayoral authorities vary widely in the freedom and authority they actually give to the mayor, usually in relation to whether the council was more or less supportive of the idea.’ One local authority leader (not one of our case studies) reassured his group, before the introduction of their cabinet and leader model – ‘you will not notice the difference’, having designed a system which indeed minimised change.

In one of our case study authorities (a Northern metropolitan council), the leader and chief executive realised that the model constitution was inappropriate as the basis for an expression of the authority’s preferred interpretation of its selected option (cabinet and leader): ‘so we tore up the model constitution and started from scratch’ (chief executive). This authority’s experience revealed the importance of timing in steering an active process of institution-building. As the chief executive explained: ‘We

wrote the constitution and got it through council within six months ... it wouldn't have been possible before, because the group weren't ready for it ... and it would have caused problems if it had been done later.' Accommodations to local political traditions also helped to secure the new constitution's acceptance. A decision was taken to maximise the power of the full council over policy-making, and to retain the link between the group meeting (on the evening before council) and the council meeting.

In direct contrast, in another of the cases (a Conservative-controlled county council in the South-East) the constitution was designed and implemented to build on a local tradition of strong individualised leadership. As in all counties, the elected mayor option was not felt to be appropriate but the authority used its scope for choice to strengthen the position of the leader in such a way that he was described by more than one of his colleagues as 'a directly elected mayor without the inconvenience of an election'. In another county council, with no overall control, the leader realised there was nothing in the legislation to prevent the appointment of assistants to the portfolio holders in his all-party cabinet – councillors who would operate as policy advisors to the portfolio holders and represent them on certain occasions (e.g. appearance at scrutiny committees). This device had the twin advantages of taking some of the pressure off the four portfolio holders whilst at the same time effectively widening the involvement of the biggest party group on the executive.

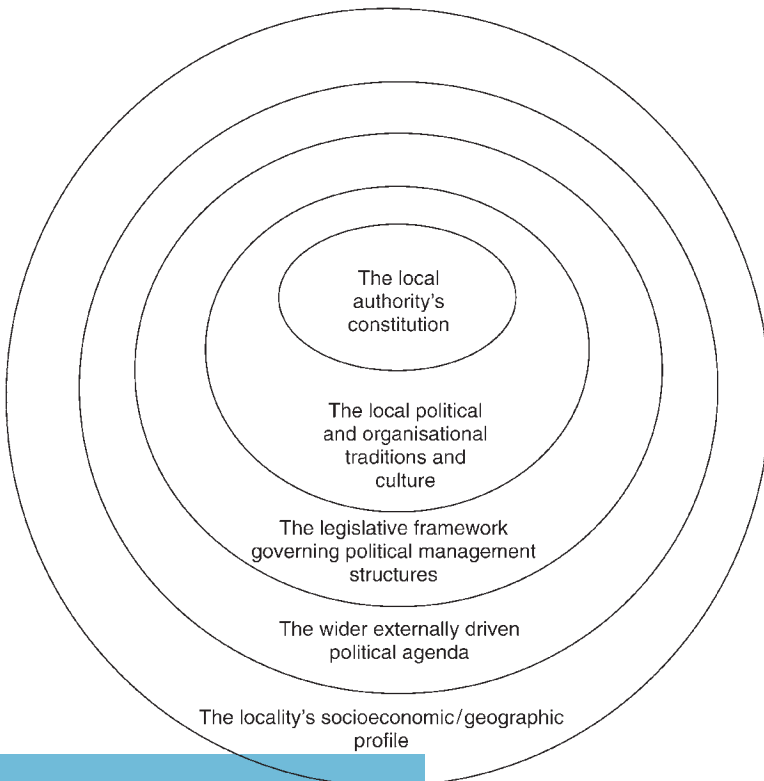
The 'nesting' of local authority constitutions within higher level institutional rules delimits the choices available in designing the operational rules for local political leadership. However, the Russian dolls do not fit as tightly together as might be expected. Space for interpretation and creativity in institutional design remains, although this may be as much through informal as formal means. In the case study examples, the leadership recognised an opportunity for moving the authority in a direction they felt would be advantageous (and acceptable to a majority of the council). They looked for opportunities within the legislative framework rather than regarding it solely as a constraint. The institutional designs that emerged reflected both the specific *context* within which the local authority operated (local and national) and the particular *capabilities* of political actors – to interpret contextual variables and to mobilise political support. They also reflected the interplay of formal and informal institutional elements. Formal constitutions may look strikingly alike across local government but, when their invisible and informal aspects are taken into account, the similarities are far less. In our case studies, the scope for choice in constitutional design was exploited to produce quite different outcomes. In some cases the impact of change was limited through the intentional protection of traditional, informal institutional elements (specifically the power of the group). In other cases,

more radical change was secured through grafting on to a relatively conservative formal structure (leader with cabinet) a set of informal conventions that enabled strong, individualised leadership.

Local Contexts

The context of local political leadership can be represented by a series of concentric circles, at the centre of which is the local authority's constitution (see Figure 1). Context constitutes a series of externally driven pressures – some common to all authorities (e.g. central government legislation) and some varying between them (e.g. socio-economic status, local political conventions). The most significant element of context for this article is the 'local political and organisational traditions and culture': it is in this milieu that local political institutions impact directly and most influentially on the

FIGURE 1
A FRAMEWORK FOR ANALYSING CONTEXT



leadership's agenda. It also provides a lens through which other contextual elements are interpreted, from demographic changes to new legislation.

Our case study research revealed the extent to which each local authority's 'organisational biography' (Lowndes, 1999: 30) influenced the form and style of new leadership arrangements. Long held organisational traditions (e.g. concerning member-officer relationships or public participation) and the continuing influence of pivotal past events (e.g. a budget crisis or a political scandal) affected local authorities' susceptibility to, and interpretation of, institutional change. Organisational biography seriously constrained some leaders' scope for action. As Randle (2003: 13) has observed in relation to mayoral authorities: 'problem areas ... can be seen as including cultural resistance to the idea, feeding into the model in practice, sometimes formalized through the constitution, or finding other means of expression through behaviour'.

Organisational biography can afford opportunities for the development of new institutional arrangements for political leadership. There were, for example, a variety of political traditions regarding the legitimacy of strong personalised leadership, which facilitated a quasi-elected mayor role in at least two case study authorities – one Labour- and one Conservative-controlled. Such an approach would, however, have been viewed as highly inappropriate in other cases, again of different political control. There were important rule- and tradition-based differences between the parties but also considerable variation within them. In one of our Liberal Democrat case studies, a new leader was keen to emphasise his decision to 'lead from the front' in a far more pronounced way than his predecessor. Among the Labour-controlled councils, there were some for whom maintaining the ultimate authority of the party group was all-important, while in others this theme played a chiefly rhetorical role.

Specific local conventions regarding inter-party relationships were also important in facilitating or hampering leadership action. In one of the county case studies with no overall control, the long-standing co-operative relationship between the Labour and Conservative groups allowed the Labour leader much greater scope for action than the electoral arithmetic implied. Interviewees from all three parties, and from senior management, saw this as shaped by a tradition of consensual and pragmatic decision-making in the county. On the other hand, several elected mayors whom we interviewed had encountered stiff resistance from one or more party groups on the council, which was clearly shaped by adversarial traditions of inter-party relations in those authorities. Council resistance to the mayor's budget proposals formed the most important expression of this conflict.

The character of the relationships between political leader and professional chief executive was important in shaping leadership behaviour and strategy.

In two of our case studies, the chief executive played an important but fraught role as a broker between the elected mayor and the council. In a number of other cases, a well-established working relationship between leader and chief executive was a key informal element in the new arrangements. In one city authority, however, there were criticisms that the relationship was too close, limiting the different perspectives and agendas.

Crucially, local authorities varied in the extent to which the move to executive government (mayoral or cabinet and leader) was viewed as a potential threat to valued, traditional local government institutions, in particular the key roles of the full council, the politically proportionate decision-making committee, and the party group. In case study authorities where these elements were proving particularly tenacious, the scope for individual leadership was closely circumscribed. Interestingly, this had not necessarily prevented the leaders of these authorities from carving out a viable leadership role, reflecting a sensitivity to these enduring values and practices. In other authorities, there was less friction between the new arrangements and local political cultures and conventions, although some early enthusiasts were experiencing unexpected challenges in bedding down the new systems. In one Labour-controlled city council, it was not until the new structures were technically up and running that implicit assumptions about the role and culture of the majority group were surfaced. Institutional change challenges values, identities and power relationships. Establishing new institutions for local political leadership requires adjustment in informal norms and conventions and not just the imposition of new formal structures.

The case study research underlined the extent to which local authorities are not free-floating entities but are rather grounded in specific localities, which have distinctive 'objective' characteristics (socio-economic status, geography and demography) and 'subjective' elements (including the cultures of different communities and overarching civic traditions). In discussing their leadership agenda, leaders spontaneously mentioned the shaping role of such factors: in one authority it was the multi-ethnic composition of the local population, in another it was the presence of a large gay and lesbian community, while a third emphasised the large number of asylum-seekers in the area. Knowledge of such characteristics did not determine the nature of leadership response but was taken into account and acted upon in particular ways. In one case study the impact of high population growth was spelt out in detail, for example the high costs to social services of supporting young families without extended family support and the challenge of building 'community capacity' among the transitory population.

Several leaders argued that there should be a response to the growing assertiveness of the local population. This was an example of a social factor

that could not be identified from census data; rather it was sensed by leaders on the basis of local knowledge or from specific examples of that assertiveness. The nature of the leadership response varied. In one district authority in the South of England, the emphasis was upon ensuring that the composition of the Local Strategic Partnership reflected the full range of voluntary and community sector interests. In a contrasting case – a county council in the Midlands – there was little organised community or voluntary-sector activity at the county level and partnership activity focused chiefly on bringing together service delivery agencies. In this case the leadership had recognised the socio-economic diversity of the area by introducing a system of area committees (based on the district council boundaries) to reflect the specific characteristics of the five localities.

National Contexts

We have seen how locally specific institutional elements may either reinforce or undermine the institutional templates for political leadership that have been promulgated by the government. The translation of legislative rules into operational rules is mediated within individual local authorities by organisational politics and biography and by the objective and subjective characteristics of different localities. The situation is complicated further, however, by the influence of top-down pressures other than those specifically concerned with remodelling local political leadership. We were surprised at the extent to which local leadership institutions were being shaped by the incentives and constraints embodied in other elements of the government's modernisation agenda (and its wider legislative and policy programme). The implications of these developments for local political leadership were not necessarily compatible with the objectives of the Local Government Act 2000. Indeed, they often pulled in precisely the opposite direction. Three examples illustrate the point.

First, the development of the regional government agenda in the Northern, North-Western and Yorkshire and Humberside regions of England had posed leadership challenges in relation to the very survival of county councils and the possible amalgamation of district councils. In Kiser and Ostrom's (1982) terms, we can see how choices about operational rules were nested within higher and more fundamental meta-level rules (concerning constitutional arrangements for the country as a whole). Second, the revised basis of central government's grant distribution had shifted resources away from more rural shires into the urban conurbations (and from the South of England to the North), posing major problems for the loser authorities. In several Conservative-controlled counties, council tax increases approaching 18 per cent were introduced in 2003 simply to maintain existing service standards. Leaders in these and other counties were involved in seeking to persuade

central government to amend the new formula and to manage the budgetary consequences of a failure to do so.

The examples provide evidence of what Elinor Ostrom calls the 'configural' character of political institutions. Ostrom (1999: 39) notes that 'the impact on incentives and behavior of one type of rule is not independent of the configuration of other rules'. New rules about local political leadership do not impact upon actual political behaviour in a void. The decisions and actions of local political leaders are simultaneously shaped by other sets of rules (e.g. regarding reorganisation or finance), in complementary, contradictory or simply confusing ways. This is demonstrated amply by our third example, which concerns the introduction of the Comprehensive Performance Assessment (CPA).

In December 2002, as our interviewing programme was under way, the CPA categories for all London Boroughs, Metropolitan Districts, Shire Counties and Unitary Authorities were announced. Because of the benefits attached to an 'excellent' or 'good' assessment and the penalties involved in a 'fair' or 'poor' assessment, local authorities took this process extremely seriously. Leaders had been involved in the development of strategies of preparation for the CPA inspection, and occasionally in deputations to the Audit Commission to persuade it that an erroneous assessment had been made. But a particular challenge for leaders in some of the case studies was dealing with the consequences of a weak or poor CPA. For one elected mayor, who could not himself be held responsible for the authority's poor CPA assessment in November 2002 (he had been in post for only six months), the agreement and operationalisation of a recovery plan came to dominate his mayoral agenda, pushing into the background his desire to establish a stronger presence in the partnership arena. The threat of imposition by central government of a 'management board' if satisfactory arrangements for recovery were not put in place 'concentrated the minds' of both the elected mayor and chief executive, to the exclusion of much else.

In another case study (an urban unitary council), the CPA designation of the authority as 'weak' led to a difference of views between the political leadership and the chief executive over the justification for this decision, and the case for an appeal (the political leadership felt the categorisation was realistic and opposed the suggestion of an appeal). The subsequent resignation of the chief executive and the process of appointing his replacement became a major concern for the political leadership. In another case study (an urban borough council), although the CPA assessment was not due until December 2003, earlier 'peer review' and Audit Commission reports convinced the elected mayor that the authority should deal with fundamental service and management weaknesses before the CPA inspection.

That challenge dominated the leadership agenda during the first year of the mayoralty.

It was clear that responding to an externally imposed government agenda could act as a distraction from other leadership tasks, given the specific sets of sanctions and incentives implied. The new institutional frameworks implied by different aspects of the modernisation agenda are not always compatible, and local political actors are left to negotiate a way through tangled webs of rules, regulations and rewards. The case study evidence suggested that it was important for leaders to acknowledge these competing demands explicitly and to select and prioritise their own roles, including the sharing of leadership responsibilities within the leadership group. The capabilities of individual leaders were vital in meeting this challenge. Leaders did not react passively to the external context but rather interpreted the significance of different influences in the light of their own political and organisational values and experiences.

Capabilities

One of the crucial capabilities of leaders is their ability to 'read' (or interpret) the context and adapt their leadership behaviour accordingly. In one of our case studies (a fourth option council) the Labour leader made an assessment in the run-up to the 2003 election of the options if Labour lost its majority. He concluded that as long as Labour remained the largest party, the possibility of any other two parties forming a coalition administration was remote, in which case Labour could form a minority administration (i.e. one in which they held all the chairs) in the knowledge there was no viable alternative. Labour was successful in achieving this outcome, but largely because the leader had made an insightful reading of the political context and acted upon it.

In another case, the Conservative leader of a county council in the South-East recognised that he was in a position to influence and to some extent negotiate with central government ministers and civil servants, in ways which would not have been plausible for the vast majority of local authority leaders. His judgement was informed by the size and strategic significance of the county, coupled with his own status as the kind of local authority leader the Labour government was trying to encourage (high-profile, visible and personally responsible). He went on to develop and articulate this opportunity, based on a perceptive reading of the central–local context, to considerable advantage.

For one of the elected mayors we interviewed, his constitutional status coupled with limited personal support within the council led him to emphasise the role of the partnership mechanism to pursue the community leadership role. He did not become the chair of the Local Strategic Partnership, preferring to exert influence in a more subtle way – for example

through informal meetings with the chair – thereby retaining the independence of his elected mayor status, and his ability to advocate on behalf of the wider public which elected him.

Leaders are not, however, simply responsive to context. In some circumstances leaders can change the context, particularly local political conventions. The most striking example of this process identified in our research was the ability of an independent elected mayor to transform the political climate in which he operated from one of initial hostility (by a substantial section of the Labour group) to one of widespread support, not just for his own leadership, but for the value of the mayoral institution itself. A less dramatic but no less significant example was provided by a county council in the Midlands where the council leader (and leader of the Conservative group) succeeded in transforming the political culture from one of adversarial party politics to one of inter-party collaboration, in which all parties were represented on his cabinet.

Any challenge to existing institutional settlements is likely to be met by resistance. Because institutions embody power relationships, there will be losers as well as winners. It takes a skilled institutional architect, and more so a skilled institutional actor, to secure change not just in formal rules and structures but also in the cultures and conventions that subtly, but effectively, shape political behaviour.

CONCLUSION

The 2000 Act has not produced any convergence in the practice of local political leadership. On the contrary, diversity prevails within both the mayoral and non-mayoral models. The government's 'ideal type' of strong, individualised, outward-looking local political leadership, less encumbered by the traditional expectations of party group behaviour, has been realised only sporadically and partially.

Our research showed that the introduction of local executive leadership – whether mayoral or non-mayoral – was not generating any move to a more uniform pattern of political leadership. The directly elected mayors approached their leadership role in diverse ways: some were committed to a long-term strategy, while others operated with a handful of disconnected priorities; some prioritised external networking, while for others this had become marginalised in the face of other contextual challenges (notably CPA). Of the six mayors interviewed in our research, only three could be described as strong leaders in behavioural terms (of which one was a singularly ineffective operator of this style, because of an inability to build a coalition of support). The other three preferred to operate in a much more consultative style, involving cabinet colleagues (and party groups) in ways

that went well beyond the requirements of the written constitution. Among cabinet and leader councils, practice ranged from de facto mayoral interpretations to a form of leadership that could be described as only nominal.

Possession of a wider range of formal powers (as in the mayoral option) did not necessarily produce the proactive individualistic exploitation of those powers (leaders with a strong power base did not necessarily behave as strong leaders). Indeed, strong leadership in the behavioural sense could develop without a strong power base, even without the advantage of a formal leadership position as in one of our case studies. Although the scope for reinterpreting leadership which is inherent in the 2000 Act had been exploited creatively in some cases, in others there had been little change associated with the introduction of new formal structures.

The degree of diversity in the role interpretations and task priorities of both mayoral and non-mayoral leaders indicated that the new structures and associated formal powers were by no means a decisive influence on local political leadership. Context and capabilities had proved equally influential. Indeed, it is in the interaction between constitutions, contexts and capabilities that explanations for particular leadership outcomes can be found. New institutions for local political leadership are emerging, but 'rules-in-use' tend to be creative, if pragmatic, combinations of diverse institutional elements – old and new, formal and informal.

Where does this leave New Labour's efforts to reform local political leadership? Because institutional change is a contested and context-dependent process, it is peculiarly hard for its instigators to control. As March and Olsen (1989: 65) note, institutional redesign 'rarely satisfies the prior intentions of those who initiate it'. New institutions in local governance are likely to be resisted or 'hijacked' by those who benefit from existing arrangements or see new rules as hostile to their interests. At the same time, their development will be shaped by interactions with existing, 'embedded', institutional frameworks – within the local authority itself, the wider locality and in the external political environment. Goodin (1996: 24) argues that institutional change actually proceeds through a combination of accident, evolution and intention.

This recognition need not leave reformers impotent, but it may cause them to reflect upon their strategy for institutional design. Changing formal structures is important, but it is not sufficient to secure meaningful or consistent changes in political behaviour. Imagine creating a new animal but, having provided the skeleton, neglecting the soft tissue. Worse still, imagine giving this same skeleton to a range of animals of different shapes and sizes, living in radically different habitats. John Dryzek argues that the success of institutional design depends as much upon the 'institutional software' of

persuasive arguments and convincing discourses, as upon the 'hardware' of formal rules and structures (1996: 204). Successful institutional design depends also upon diversity, in the sense of allowing for the development of design variants that suit different circumstances and are adaptable over time, in the context of 'learning by doing'. New institutional designs should be sufficiently flexible to exploit, rather than frustrate, the creative efforts of institutional *bricoleurs* on the ground).

By recognising the importance of contexts and capabilities, as well as of constitutions, it is possible to turn these factors into resources for, rather than obstacles to, institutional change. Experimentation and learning were hallmarks of New Labour's original strategy for modernising local government. The limited and sometimes perverse effects of the 2000 Act upon local political leadership are testimony to the costs involved in moving towards a more prescriptive and top-down approach.

NOTE

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