The road not taken: why has national collective bargaining survived in English local government?

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The road not taken: Why has national collective bargaining survived in English local government?

by

Peter Frank Beszter

Doctoral thesis

Submitted in partial fulfilment of the requirements

For the award of

Doctor of Philosophy of Loughborough University

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ABSTRACT

Despite the dramatic decline of collective bargaining and trade union membership in the British private sector over the past thirty years, and much academic discussion of ‘marketisation’ in the public sector, national collective bargaining in English local government has remained remarkably robust - as demonstrated by the Workplace Employment Relations Surveys (Millward et al. 2000). Most academic research on employment relations in the public sector has focused on ‘change’. In this study I wish to examine the roots of ‘continuity’ and a surprising institutional survival. After three decades of reform, national bargaining still remains central to the local government employment relations architecture, and contrary to the ‘hollowing out’ thesis, national agreements are still the bulwark upon which both national and local government (and the related actors: trade unions, management, politicians) rely upon to engage in the process of joint regulation in the workplace.

The study has three main objectives: Firstly, to explore why the institutional actors support or do not support the national collective bargaining framework in English local government. Secondly, the extent to which national collective bargaining is supported and promoted applying an institutional theory analytical framework. Thirdly, what institutional processes explain the resilience of national collective bargaining in English local government?

A sectoral study is used to explore the political dynamics that underlie the survival of national collective bargaining in English local government. This follows a ‘firm in sector’ methodology (Smith et al., 1990), in which a benchmark authority is compared and contrasted with eight other local authorities. The authorities were chosen by taking account of factors such as: size (employing more than 2,000 workers); type (metropolitan (7) and shire (2)); geography (north (2), midlands (4), south west (1) and south east (2)); and status (are they part of the national collective bargaining framework or outside of it).

The ‘firm in sector’ methodology allows for the examination of issues at an organisational level, building on the Workplace Employment Relations Surveys, which have focused more at a macro level. The study will drill down in detail within the benchmark authority; however, the study is nevertheless dependent on understanding the wider sectoral landscape in which the benchmark authority is located and therefore considers how its experiences compare with local authorities who chose to belong or not belong to the national collective bargaining framework.

The thesis makes three contributions. Firstly, it raises the issue of continuity within English local government employment relations and why national collective bargaining has continued to survive and remain relevant. Secondly, it considers what makes English local government different from other parts of the public sector, and what we can learn from this difference. Thirdly, it highlights the value of a new institutional perspective, as a tool for employment relations analysis.

Keywords:

Collective bargaining, neo-institutional theory, employment relations, local government, sectoral study
Acknowledgements

I would like to thank:

My supervisors, Professor Peter Ackers and Dr Donald Hislop for their advice, guidance and encouragement.

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The participants in my study, namely: trade unions’ representatives, managers, and politicians across English local government who made my research possible.

Finally, to my parents for their understanding and unstinting support in helping me complete this work.
# Table of Contents

## Chapter One: Introduction

Introduction

## Chapter Two: The Public Sector

Introduction

The Context

Public Sector History since 1979

The Literatures

Public Management Literature

Employment Relations Literature

The ‘Model Employer’

The Hollowing Out Thesis

Work Experience

The Institutional Infrastructure and the Distinctiveness of the Public Sector

An Appreciation of the Literatures

Conclusion

## Chapter Three: English Local Government

Introduction

Local Government Employment – Facts and Figures

Changing numbers

The Composition of the Workforce

The Structure of Local Government in England

The Green Book – Local Government conditions of Service

Trade Unions in Local Government

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter One: Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chapter Two: The Public Sector</td>
<td>13</td>
</tr>
<tr>
<td>The Context</td>
<td>13</td>
</tr>
<tr>
<td>Public Sector History since 1979</td>
<td>16</td>
</tr>
<tr>
<td>The Literatures</td>
<td>17</td>
</tr>
<tr>
<td>Public Management Literature</td>
<td>17</td>
</tr>
<tr>
<td>Employment Relations Literature</td>
<td>19</td>
</tr>
<tr>
<td>The ‘Model Employer’</td>
<td>20</td>
</tr>
<tr>
<td>The Hollowing Out Thesis</td>
<td>22</td>
</tr>
<tr>
<td>Work Experience</td>
<td>25</td>
</tr>
<tr>
<td>The Institutional Infrastructure and the Distinctiveness of the Public Sector</td>
<td>27</td>
</tr>
<tr>
<td>An Appreciation of the Literatures</td>
<td>28</td>
</tr>
<tr>
<td>Conclusion</td>
<td>30</td>
</tr>
<tr>
<td>Chapter Three: English Local Government</td>
<td>31</td>
</tr>
<tr>
<td>Introduction</td>
<td>32</td>
</tr>
<tr>
<td>Local Government Employment – Facts and Figures</td>
<td>32</td>
</tr>
<tr>
<td>Changing numbers</td>
<td>32</td>
</tr>
<tr>
<td>The Composition of the Workforce</td>
<td>33</td>
</tr>
<tr>
<td>The Structure of Local Government in England</td>
<td>34</td>
</tr>
<tr>
<td>The Green Book – Local Government conditions of Service</td>
<td>37</td>
</tr>
<tr>
<td>Trade Unions in Local Government</td>
<td>39</td>
</tr>
</tbody>
</table>
The Local Government Association – A National Voice for Local Government

The Department for Transport, Local Government and the Regions

Government Offices for the Regions

Local Government in the English Political System

Central-Local Relations

Controls and Constraints on Local Government

The Public Nature of the State as Employer: The Impact of European Union Law

The Thatcher Years

Thatcherism and Local Government

Thatcherism – An Ideological Attack on Local Government

Thatcherism – A Pragmatic Approach to Local Government Reform

Thatcherism – The Ultra-Pragmatic Approach to Statecraft

Local Government Reform under Thatcher

The Impact of CCT on Management

From Competition to Collaboration – Labour and Best Value

Conclusion

Chapter Four: New Institutional Theory and Employment Relations

Introduction

Section One

Institutional Theory

Constructing an Analytical Framework – Scott’s Three Pillars of Institutions

Path Dependency

Varieties of Capitalism
Section Two
Path Dependency and Comparative Industrial Relations 88
Institutional Change, Continuity and Decoupling in the Industrial Relations System 96
Path Dependency Perspectives 100

Section Three
The Application of Institutional Theory to My Study 104
Conclusion 105

Chapter Five: Research Methods
Introduction 107
The Purpose of the Research 109
Theoretical Perspectives 110
Research Strategy – Inductive and Deductive Approaches 111
Methodological Traditions in Industrial Relations Research 112
Research Approach and Design: A Sectoral Study 117
Criticisms of the Sectoral Study Approach 118
The Research Process and Data Collection 118
Justification of the Selection of Organisations and Interview Participants 121
Research Instrument – The Interviews 127
Investigator as Instrument 128
Data Analysis 129
Problems Encountered 130
Conclusion 131
Chapter Six: The Benchmark Authority

Introduction 132
Historical Background 133
Political Leadership 134
The Trade Unions 138
UNISON 138
UNITE (Transport & General Workers Union) 141
General Management 150
Human Resource Management (HRM) 156
Elected Members 163
Analysis 168
Conclusion 175

Chapter Seven: Leader and Follower Authorities

Introduction 176
Leader and Follower Authorities 177
The Leader Authorities 178
Historical Background 178
Political Leadership 180
The Economic Context – De-Industrialisation and Regeneration 184
Local Government Reform under the Conservatives – 1979-1997 187
Compulsory Competitive Tendering 188
Local Government Reform under New Labour – 1997-2007 191
The Trade Unions 194
Chapter Eight: Deviant Authorities

Introduction 242
Deviant Authorities 242
Political Leadership 244
The Marketisation of the Deviant Authorities 245
The Move to Local Bargaining – The Historical Context 249
Trade Unions 253
Chapter Nine: Conclusions

Introduction

The Findings of the Research

All Change in the Public Sector – The Rhetoric and Reality of Reform

 Passive Consensus – The Continuity and Resilience of National Collective Bargaining in English Local Government

 The Management Anchor – National Collective Bargaining

 Local Government – A Unique Institutional Context

 Developing New Institutional Theory as a Tool of Employment Relations Analysis

 End of the Road – The Future of National Collective Bargaining in Local Government?

 Future Research

References

Table of Statutes

Table of Statutory Instruments

United Kingdom Case Law

Appendices

Appendix One – Interview Request Letter

Appendix Two – Biographical Profiles of Interviewees

Appendix Three – Interview Questions
Index of Tables

Table

2.1 UK Public Sector employment (selected years); Seasonally adjusted Headcount 15

3.1 Central Government Funding of English Local Government 1979-2007 57

4.1 Three Pillars of Institutions 82

5.1 Strength and Weaknesses of Qualitative and Quantitative Research 114

5.2 List of Participants Interviewed 119

5.3 Employment in Local Authorities’ Areas 123

6.1 TRADE UNIONS - Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority 149

6.2 GENERAL MANAGEMENT - Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority 155

6.3 HUMAN RESOURCE MANAGEMENT - Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority 162

6.4 ELECTED MEMBERS – Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority 167

7.1 Employment in Leader Authorities Areas 180

7.2 Unemployment Rates (percentage of working age residents) for Benchmark Authority and other Leader Authorities 1979-2007 Areas 185

7.3 TRADE UNIONS - Rationale and Strength of Support for National Collective Bargaining in the Leader Authorities 200

7.4 MANAGEMENT and HRM – Rationale and Strength of Support for National Collective Bargaining in the Leader Authorities 205

7.5 ELECTED MEMBERS – Rationale and Strength of Support for National Collective Bargaining in the Leader Authorities 207

7.6 Employment in the Follower Authorities Areas 209
## Index of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7</td>
<td>Unemployment Rates (percentage of working age residents) for Follower Authorities Areas 1979-2007</td>
<td>212</td>
</tr>
<tr>
<td>7.8</td>
<td>TRADE UNIONS - Rationale and Strength of Support for National Collective Bargaining in the Follower Authorities</td>
<td>223</td>
</tr>
<tr>
<td>7.9</td>
<td>MANAGEMENT and HRM - Rationale and Strength of Support for National Collective Bargaining in the Follower Authorities</td>
<td>227</td>
</tr>
<tr>
<td>7.10</td>
<td>ELECTED MEMBERS – Rationale and Strength of Support for National Collective Bargaining in the Follower Authorities</td>
<td>231</td>
</tr>
<tr>
<td>8.1</td>
<td>Employment in Deviant Authorities</td>
<td>245</td>
</tr>
<tr>
<td>8.2</td>
<td>Unemployment Rates (percentage of working age residents) for Deviant Authorities 1979-2007</td>
<td>247</td>
</tr>
<tr>
<td>8.3</td>
<td>Rationale and Strength of Support for National Collective Bargaining in the Deviant Authorities</td>
<td>261</td>
</tr>
<tr>
<td>9.1</td>
<td>Strength of Support for National Collective Bargaining Across the Local Authorities in the Sectoral Study</td>
<td>271</td>
</tr>
</tbody>
</table>
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;C</td>
<td>Administrative and Clerical</td>
</tr>
<tr>
<td>ACAS</td>
<td>Advisory, Conciliation, and Arbitration Service</td>
</tr>
<tr>
<td>ACC</td>
<td>Association of County Councils</td>
</tr>
<tr>
<td>ADC</td>
<td>Association of District Councils</td>
</tr>
<tr>
<td>ACTS</td>
<td>Administrative, Clerical, Technical, and Supervisory Staff Section of the TGWU</td>
</tr>
<tr>
<td>AGM</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>AMA</td>
<td>Association of Metropolitan Authorities</td>
</tr>
<tr>
<td>APT&amp;C</td>
<td>Administrative, Professional, Technical, and Clerical</td>
</tr>
<tr>
<td>BMA</td>
<td>British Medical Association</td>
</tr>
<tr>
<td>BV</td>
<td>Best Value</td>
</tr>
<tr>
<td>CAC</td>
<td>Central Arbitration Committee</td>
</tr>
<tr>
<td>CBI</td>
<td>Confederation of British Industry</td>
</tr>
<tr>
<td>CCT</td>
<td>Compulsory Competitive Tendering</td>
</tr>
<tr>
<td>CIPD</td>
<td>Chartered Institute of Personnel and Development</td>
</tr>
<tr>
<td>CLRAE</td>
<td>Congress of Local and Regional Authorities of Europe</td>
</tr>
<tr>
<td>COHSE</td>
<td>Confederation of Health Service Employees</td>
</tr>
<tr>
<td>CPSA</td>
<td>Civil and Public Services Association, later merged with PTC to form PCS</td>
</tr>
<tr>
<td>CSU</td>
<td>Civil Service Union, later became part of the PCS</td>
</tr>
<tr>
<td>DfES</td>
<td>Department for Education and Skills</td>
</tr>
<tr>
<td>DLO</td>
<td>Direct Labour Organisation</td>
</tr>
<tr>
<td>DoE</td>
<td>Department of Environment</td>
</tr>
<tr>
<td>DSO</td>
<td>Direct Services Organisation</td>
</tr>
</tbody>
</table>
Abbreviations

DTLR                Department of Transport, Local Government and the Regions
EAT                 Employment Appeals Tribunal
EC                  European Council
EHOs                Environmental Health Officers
EMU                 European Monetary Union
ET                  Employment Tribunal
EU                  European Union
FTE                 Full-Time Equivalent
GDP                 Gross Domestic Product
GGE                 General Government Expenditure
GLC                 Great London Council
GMB                 General, Municipal and Boilermakers’ Union
HCAs                Health Care Assistants
HR                  Human Resources
HRM                 Human Resource Management
IEA                 Institute of Economic Affairs
ILO                 International Labour Organization
IMF                 International Monetary Fund
IRS                 Industrial Relations Service
JCC                 Joint Consultative Committee
JNC                 Joint Negotiating Committee
LACSAB              Local Authorities’ Conditions of Service Advisory Board
LGIU                Local Government Information Unit
LGA                 Local Government Association
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGE</td>
<td>Local Government Employers</td>
</tr>
<tr>
<td>LGMB</td>
<td>Local Government Management Board</td>
</tr>
<tr>
<td>LRD</td>
<td>Labour Research Department</td>
</tr>
<tr>
<td>MEP</td>
<td>Member of the European Parliament</td>
</tr>
<tr>
<td>NALGO</td>
<td>National and Local Government Officers’ Association</td>
</tr>
<tr>
<td>NAO</td>
<td>National Audit Office</td>
</tr>
<tr>
<td>NCVO</td>
<td>National Council for Voluntary Organisations</td>
</tr>
<tr>
<td>NHS</td>
<td>National Health Service</td>
</tr>
<tr>
<td>NPM</td>
<td>New Public Management</td>
</tr>
<tr>
<td>NUPE</td>
<td>National Union of Public Employers</td>
</tr>
<tr>
<td>NUT</td>
<td>National Union of Teachers</td>
</tr>
<tr>
<td>ODPM</td>
<td>Office of the Deputy Prime Minister</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PCS</td>
<td>Public and Commercial Services Union</td>
</tr>
<tr>
<td>PFI</td>
<td>Private Finance Initiative</td>
</tr>
<tr>
<td>PIU</td>
<td>Performance and Innovation Unit</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnerships</td>
</tr>
<tr>
<td>PRP</td>
<td>Performance Related Pay</td>
</tr>
<tr>
<td>PS</td>
<td>Public Service</td>
</tr>
<tr>
<td>PSBR</td>
<td>Public-Sector Borrowing Requirement</td>
</tr>
<tr>
<td>PSO</td>
<td>Public Service Organisations</td>
</tr>
<tr>
<td>PSPRU</td>
<td>Public Services Privatization Research Unit</td>
</tr>
<tr>
<td>RCN</td>
<td>Royal College of Nursing</td>
</tr>
<tr>
<td>RCS</td>
<td>Royal College of Surgeons</td>
</tr>
</tbody>
</table>
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGU</td>
<td>Regional Co-Ordination Unit</td>
</tr>
<tr>
<td>RIPA</td>
<td>Royal Institute of Public Administration</td>
</tr>
<tr>
<td>RJC</td>
<td>Regional Joint Council</td>
</tr>
<tr>
<td>RSG</td>
<td>Rate Support Grant</td>
</tr>
<tr>
<td>TAs</td>
<td>Teaching Assistants</td>
</tr>
<tr>
<td>TGWU</td>
<td>Transport and General Workers’ Union, from 2007 UNITE</td>
</tr>
<tr>
<td>TUC</td>
<td>Trades Union Congress</td>
</tr>
<tr>
<td>TUPE</td>
<td>Transfer of Undertakings (Protection of Employment)</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>WERS</td>
<td>Workplace Employment Relations Survey</td>
</tr>
<tr>
<td>WIRS</td>
<td>Workplace Industrial Relations Survey</td>
</tr>
</tbody>
</table>
Chapter One

Introduction

This thesis explores the political dynamics that underlie the surprising survival of national collective bargaining in English local government and demonstrates that, despite the reforms that have taken place, national collective bargaining remains an integral part of the employment relations architecture. It fulfils the role of managing the political and managerial processes that are linked to central government and central-local relations and acts as a conduit between the institutional stakeholders in achieving the socio-economic outcomes that are required to deliver services to the public. The thesis highlights the neglected area of continuity and resilience in organisational frameworks linked to employment relations rather than the current emphasis within the public sector employment relations literature which highlights and focuses on change.

The subject of my thesis is interesting on two levels. Empirically, national collective bargaining in English local government has been accepted as a given, without any research to ask why it has remained intact, even though marketisation has affected other areas of employment relations in both local government and the wider public sector. Secondly, from a theoretical standpoint, institutional theory has not been applied to this subject area, and its application has given valuable insights in this research that complement the sectoral study, which has covered a range of local authorities, trade unions and the local government employers. As a subject, the continued survival of national collective bargaining, has a particular significance
within the study of employment relations in the public sector, and specific to local
government, it raises an intriguing question with the wider public sector, which has
seen a move to local collective bargaining with the introduction of agencies in the
Civil Service and trust status for hospitals in the National Health Services. The
survival of national collective bargaining in local government is counter-intuitive, on
initial observation, as local authorities are independent political organisations that
would appear to have the means to set their own terms and conditions of employment,
yet the majority do not, still relying on the national framework. The thesis will reveal
how national collective bargaining in English local government is far more than a
framework for setting an economic exchange between employer and worker, but is
integral to the political and social processes that shape the conduct of local
government governance, which the institutional actors are mutually dependent on to
promote and further their own individual organisational objectives.

The last thirty years have seen seismic changes in the UK’s employment relations
landscape. The social, economic, legal, and political contexts in which organisations
operate have seen the nature of employment regulation change in virtually all sectors
of employment, both public and private. The rapid decline of collective bargaining,
which historically had been the principal means of regulation in employment in the
UK, has seen the decline in the coverage of agreements, trade unions’ agreements,
and their capacity to influence employers diminish (Brown and Nash, 2008). Reflecting
on the changes in industrial relations with the first four Workplace
Industrial/Employment Relations Surveys (Millward et al. 2000: 234) assessment
was that collective industrial relations was no longer dominant in the British
workplace:
“The Conservative government that came to power in 1979 confronted a system of collective employment relations that was dominant, though not universal ... That system of collective relations, based on the shared values of the legitimacy of representation by independent trade unions and joint regulation, crumbled in the intervening eighteen years to such an extent that it no longer represents the dominant model.”

However, this decline is not universal. In the public sector, collective bargaining is still the dominant form of pay determination – it is present in around 83 per cent of public sector workplaces and covers around 82 per cent of public sector workers. In contrast only 14 per cent of private sector workplaces use collective bargaining, with around 26 per cent of private sector workers having their pay set through collective bargaining (2004 WERS: 181).

The thesis tries to understand the political dynamics that underlie the surprising survival of national collective bargaining in English local government and demonstrate that, despite the reforms that have taken place, national collective bargaining remains an integral part of the employment relations architecture. There is evidence of a shift to decentralised bargaining within some parts of the public services in the last twenty five years (Kessler and Purcell 1996). It has been argued that the ‘hollowing out’ process has made national collective bargaining frameworks within the public services no more than façades of what they had previously been (Bach and Della Rosa, 2000; Thornley et al. 2000; Pollitt and Bouckaert, 2000). However, despite the process of marketisation introduced in the last thirty years across the UK public sector, the national collective bargaining framework in English local government still remains resilient and is at the forefront of public sector employment
relations. In local government pay determination has always been more flexible than elsewhere in the public services. Individual authorities have the discretion to follow national agreements which cover a wide range of occupational groups, and most choose to remain within the national framework. There are thirty four local authorities (out of 346) in England who have opted out of the national agreements for non-manual employees (Local Government Association 2001). Most of the opt-outs date back to the late 1980s and reflect particular labour market pressures during that period. They reflect the then political control of these authorities by largely Conservative majorities and the wish to introduce performance-related pay (Bryson et al 1993). There have been no opt-outs since 1997 and some councils have re-joined the national negotiations. The major recent development in local government is the introduction of ‘Single Status’ in which the harmonisation of the two agreements for manual and non-manual employees into one agreement covering 1.5 million workers. The ‘Single Status’ agreement introduces a common pay spine and harmonisation of working hours and annual leave (White 1997).

The conventional wisdom is that neo-liberal ideas have radically reshaped public sector HRM (Bach and Kessler, 2012; Corby and Symon, 2011; Bach and Winchester, 2003; Ironside and Seifert, 2000). Accordingly, both Conservative and New Labour governments have adopted free market competition policies, rooted in neo-classical economic theory (Schumpeter, 1963). For Noam Chomsky (1999), ‘The basic rules, in brief, are: liberalize trade and finance, let markets set prices (“get prices right”), end inflation (“macroeconomic stability”), privatise. The government should “get out of the way”’. The practical manifestation was privatisation of public services, the introduction of market mechanisms within local government, the civil service and
the NHS; and financial cuts and organisational restructuring. The Conservatives, under Thatcher and Major, saw this as a way of introducing outside competition through the discipline of the economic marketplace; while New Labour viewed marketisation as a means of introducing innovation and improvement into the provision of local government services which mimic private sector models of efficiency (Parker and Hartley, 1997; Entwistle and Martin, 2005; Gamble, 2009). Though New Labour greatly increased public spending, to critics they still embraced the logic of economy, efficiency, and effectiveness through private/public sector partnership, which focused on service outcomes that were consumer rather than producer led. For some academic commentators, they merely continued the process of public service marketisation that began in English local government after 1979 (Smith and Morton, 2006).

As a result, the public sector employment relations literature focuses predominantly on local government reform, in the wider economic and political context of the public sector, and on how this impinges on HRM (Corby and White, 1999; Bach and Winchester, 2003; Bach, 2010; Corby and Symon, 2011; Bach and Kessler, 2012). Research has been directed at the organisational level, addressing mainly the impact of central government reform, with a strong emphasis on ‘change’. This stresses: the distinct approach of public sector employment relations (Freedman and Morris, 1989); its historical background (Pollitt, 1993); the blurring of the public/private sector divide (Roper et al. 2005); decentralisation (Kirkpatrick and Hoque, 2005); the growth of flexibility (Rubery et al. 2002); the erosion of collectivism (Pollert, 2005); and the decline of the public sector ethos (Hebson et al., 2003). Since 1997, critics have seen Labour extending these neo-liberal reforms (Pollitt and Boukaert, 2000),
though this analysis sits uneasily with the rise in public spending and employment from 1997 to 2010. The development of marketisation is linked to a growth of managerialism (Broadbent and Laughlin, 2002; Reed and Anthony, 2003; and Reed, 2004), crystallised in the phrase, new public management (Reed, 2004; Farrell and Morris, 2007; Entwhistle and Martin, 2005). This is related to the growth of public service ‘quasi markets’ and their employment impact (Kessler et al., 2000). Although some commentators blur the entire period since 1979, two distinct public policy concepts are apparent. Under the Conservatives, the use of markets promoted their political ideological agenda – greater involvement by the private sector in the delivery of public services and breaking down the perceived producer interests within the public sector, while driving down costs, in particular labour costs. The Conservatives espoused a minimalist role for the state and saw its role to remove impediments to the functioning marketplace. (Gamble, 2009). New Labour, embraced the Conservative industrial and economic reforms when they came to office in 1997: “Britain needed the industrial and economic reforms of the Thatcher period” (Blair, 2010: 99)

However, New Labour although accepting the values and assumptions of neoliberalism, sought to promote a consensual approach based on promoting a social market model which allowed private sector involvement while also protecting workers through statutory intervention (Bach and Givan, 2010).

Above all, the public sector HRM literature has neglected the dynamics of national collective bargaining frameworks. For this discussion, we must turn to the wider literature on collective bargaining. Korczynski (1997: 25) highlights the importance of the state and unions in the political process of establishing bargaining levels in the
Construction Industry in the UK. For Gospel and Druker (1998: 264) the survival of national bargaining in Electrical Contracting can be explained by sectoral and industrial characteristics, the existence of a centralised trade union and employer solidarity; while it has been sustained by institutions that seem to work and by a specific historical and ideological legacy. Both studies analyse why in these particular industries a national framework survives, when the wider private sector has decentralised. Similar research in the public sector has not been undertaken. Indeed, an over-schematic emphasis on ‘neo-liberalism’ and an obsession with ‘change’ may have obscured the complex political and HRM processes that continue to anchor the existing system. So the question is not why and how has local government HRM changed – which it is undoubtedly has – but why has it also stayed the same to a surprisingly degree?

Public sector HRM has emphasized the nature and rate of institutional change and, as a consequence, little attention has been given to the question of continuity and the resilience of structures like a national collective bargaining framework. Neo-Institutional and Path Dependency theories offer some potential explanations for why the national framework continues to survive in English local government. Neo-Institutional theory sees institutions as defined by and shaped by structured rules and shared meanings that have a regulative effect (Ackers and Wilkinson, 2008). These in turn create an environment where there is pressure to conform to institutional norms. These pressures have been categorised by DiMaggio and Powell (1983) as: coercive - brought about by dependency on valued resources; normative – brought about through the diffusion of ideas by professionals across organisations; and mimetic – brought about by uncertain conditions leading to mimicry of successful organisations. Not
conforming to these institutional pressures brings into question the legitimacy of an organisation, an attribute that is pivotal in establishing and maintaining institutions (Phillips et al. 2000). Alternative structures and practices are perceived as: ‘less appropriate, desirable, or viable’ (Dacin et al., 2002: 47).

In a similar vein, Path Dependency explains why organisations or systems continue to operate in their own particular way. The strong version recognises that some institutions are deeply embedded, which makes any radical departure from established patterns of behaviour difficult. The stakeholders invest so much in operating within the parameters created by their institution that they are unwilling to consider seriously any alternative pathway: they become locked into established ways of doing things (Ebbinghaus, 2005). There are inbuilt self-reinforcing mechanisms that foster institutional persistence and continuity (Hall and Taylor, 1996) and promote ‘internalisation’ on the part of the actors, who become very reluctant to deviate from path dependency rules (Greif and Lanitin, 2004). The soft version allows for change and recalibration (Crouch and Farrell, 2004). According to Teague (2009), ‘mindful action’ by actors can lead to endogenous path departure (Garud and Karnoe, 2001), or critical junctures and moments can also trigger the same process (Thelan, 2002). On the other hand, Grabher (1993) identifies three distinctive kinds of ‘institutional lock-in’: functional lock-in, which relates to the effectiveness of institutions in carrying out the tasks they were put in place to do; cognitive lock-in, that relates to the rules, conventions, and norms that become embedded in the actions of individuals; and political lock-in, the extent to which the various institutions of the state and other social forces are committed to preserving traditional institutional structures.
All these theories ask similar questions of change and continuity in employment systems. For my research I followed Scott’s (2001: 52-55) three pillars of legitimacy in the analysis of my empirical material on national bargaining in local government. These are: regulative, ‘rule-setting, monitoring, and sanctioning’; normative, ‘legitimate means’ and ‘value ends’; and cultural-cognitive, meaning systems, common beliefs and cultural frames. All varieties of Neo-Institutional theory suggest that the functioning of present day employment institutions will be influenced by their historical legacy; in the case of local government by the Whitley and Good Employer models. Events that have shaped their past will in turn influence organisational choices and responses to both internal and external environmental pressures (Pierson, 2000). Given that national collective bargaining only survives with the support (active or passive) of key stakeholders (trade unions, general management, HRM practitioners and councillors), Scott’s framework allows us to ask why they continue to support national bargaining and how strongly they do so. In this way we can both assess the reasons for and weight of their support for the status quo and hypothesise the circumstances in which they might abandon it.

A sectoral study was chosen to explore the central research question of why national, centralised collective bargaining, continues to survive as the dominant means of employment regulation in local government. This follows a ‘firm in sector’ methodology (Smith et al., 1990), in which a benchmark authority was studied in the context of English local authorities, and was compared and contrasted with a number of other local authorities that fall into three categories: leaders, followers, and deviants. The thesis examined the period from 1979 until 2007. The research relied on interviews with the principal stakeholders – trade union representatives, managers,
and politicians – at an authority, regional and national level across a number of local authorities both within and outside the national framework.

These individuals could be described as elite policy actors: experienced operators in their respective areas who brought their wealth of experience to the organisational roles they performed. The application of an institutional theory framework to my research has allowed me to examine important questions around the themes of: examining similarities and differences between local authorities; the relationship of institutional actors with regard to structure and behavior in the context of: authority, regional and national level; the relationship between ideas and interest of actors; and the tensions that arise between actors as they seek to fulfil their respective objectives. Institutional theory has allowed me to analyse a rich combination of historical and comparative research which in the case of my research has been invaluable in providing a means of exploring the individual actors within local government and the processes that shape and define collective bargaining. It also offers explanations for why national, centralised bargaining continues to survive in local government.

The aim of the research was to explore a number of key questions:

- Why the institutional actors supported or did not support the national collective bargaining framework in English local government
- The extent to which national collective bargaining was supported and promoted applying an institutional theory (Three Pillars of Institutions) analytical framework
- What institutional processes explain the resilience of national collective bargaining in English local government
The thesis is organised so that the first three chapters give a context to the study and examine: The changing landscape of UK employment relations; Public Sector employment relations; and Local Government Employment Relations. Chapter four examines institutional theory and how this was applied to the sectoral study undertaken, while the methodology chapter discusses why a sectoral study was chosen and the process of how the research was conducted. The empirical section of the thesis consists of three chapters: The benchmark authority; the leader and follower authorities; and the deviant authorities. Each chapter within the empirical section starts with an outline defining the type of organisations examined and in turn examines: Historical background and their political leadership; the impact of the Conservative governments’ (1979-1997) and the New Labour government’s (1997-2007) reforms; and the role of the actors – trade unions, management and politicians within these organisations. Each of these chapters has an analysis section that applies the Three Pillars framework to each of the actors, which illustrate the degree of strength and support they show towards the national collective bargaining framework. Each chapter in the empirical section of the thesis concludes with a discussion that highlights the key issues that have been illuminated by the fieldwork and how this contributes to the wider discussion and issues that are linked to the chapters in the empirical section.

The thesis will show that the institutional stakeholders, whether at an authority, regional or national level have been bound to different degrees by the national collective bargaining framework, which they have seen as the foundation stone of joint regulation in local government. The application of institutional theory has allowed me to identify the processes that shape and define collective bargaining and
offers explanations why national, centralised bargaining continues to survive in English local government. The nature of local government being a political instrument of the local electorate has seen it develop an employment relations architecture which is pluralistic by nature. Local government management has historically been based on political accountability, rather than through the economic marketplace and links between management practice and public policy were considered legitimately compatible with good organisational governance. All of these factors have been inextricably linked to the national framework and therefore it has a powerful hold on all the stakeholders within local government. This supports the contention that it is mutually expedient for the stakeholders within local government employment relations to continue to support and promote national centralised collective bargaining in local government, so long as it provides the forum for providing bargaining outcomes that are acceptable to the parties involved.
Chapter Two

The UK Public Sector

Introduction

This chapter traces the development of the UK public sector over the period from 1979 until 2007. During this time the public sector has undergone large scale structural reform, firstly, under the Conservative’s marketisation programme, and secondly, under Labour’s modernisation project (1997-2007). The chapter traces and assesses the impact of these reforms focusing on how they shaped employment relations.

The chapter begins with examining the context of the public sector - how it is made up and locating its position within the UK economy. The history of the public sector is explored by looking at the institutional arrangements that developed from the end of the First World War, through the post 1945-1979 period and how public sector employment relations, despite the reforms that it has undergone, is still cast by the historical legacy of the Whitley system. An examination of the public management and employment relations literatures shows how they have helped to contribute to the debate and our understanding of the reform process and the distinctive nature of the public sector.

The Context

In the last thirty years the UK’s labour market and industrial sectors within it, have been subject to major economic structural reforms that have sought to boost efficiency and effectiveness. Public sector reform over this period has been a high priority issue
amongst policy makers in most OECD countries (Eliassen and Sitter, 2008). Demand for public services grew with demographic changes that saw raised consumer expectations combined with changing economic conditions and the need to control public expenditure. These pressures created a situation where policy makers had to examine the way in which public services were delivered.

Public services are shaped by multiple stakeholders who have diverse interests. In the case of employment: trade unions, employers, management, occupational groups and politicians, have differing positions on what they believe makes for efficient and effective public services. It is within this context that UK governments over the last thirty years have entered into a process of public sector reform that has focused on how the workforce is organised, resourced and managed. The size of the public sector workforce and its reduction has been a preoccupation of Conservative governments wishing for a smaller state. However, the political rhetoric has not matched the actuality. For example, despite the decline of the public sector workforce in the 1980s, total public sector employment over a twenty year period (1991-2010) remained fairly constant at 6 million (Hicks and Lindsey, 2005; and Bach and Kessler, 2012). (see Table 2.1). The resilience of public sector numbers has been attributed to the nature of the services that are provided. Many services take the form of unmediated interaction between worker and service user, as in, the patient, pupil, or prisoner. Any reduction in public workforce numbers therefore has a demonstrable impact on service delivery, which in turn, has broader social, economic and political consequences (Bach and Kessler, 2012). Since 1997, when a Labour government came to power, it has seen policy makers’ focus on questions around work organisation, employee engagement
and patterns of working rather than crude workforce reductions (Bach and Kessler, 2007).

Over the last thirty years both Conservative and Labour governments have undertaken public sector reform with their own models of reform, which they have rarely been satisfied with the results. The social and political consensus that existed from 1945 until the mid-seventies was shattered by the Conservatives coming to power in 1979 and their eighteen years in office, where they sought to ‘roll back the frontiers of the state’. After 1997, the Labour governments re-focused on a modernisation programme (Newman, 2001).

### Table 2.1 UK Public Sector employment (selected years); Seasonally adjusted

**Headcount (Thousands)**

<table>
<thead>
<tr>
<th></th>
<th>Central government (incl. NHS)</th>
<th>Local government</th>
<th>Civil Service</th>
<th>Total public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>2,306</td>
<td>3,072</td>
<td>589</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>2,274</td>
<td>2,788</td>
<td>598</td>
<td>5,593</td>
</tr>
<tr>
<td>1995</td>
<td>2,156</td>
<td>2,758</td>
<td>552</td>
<td>5,368</td>
</tr>
<tr>
<td>1997</td>
<td>2,079</td>
<td>2,728</td>
<td>513</td>
<td>5,175</td>
</tr>
<tr>
<td>1999</td>
<td>2,115</td>
<td>2,735</td>
<td>504</td>
<td>5,202</td>
</tr>
<tr>
<td>2001</td>
<td>2,232</td>
<td>2,771</td>
<td>522</td>
<td>5,376</td>
</tr>
<tr>
<td>2003</td>
<td>2,434</td>
<td>2,832</td>
<td>560</td>
<td>5,639</td>
</tr>
<tr>
<td>2005</td>
<td>2,564</td>
<td>2,923</td>
<td>570</td>
<td>5,854</td>
</tr>
<tr>
<td>2007</td>
<td>2,505</td>
<td>2,941</td>
<td>539</td>
<td>5,785</td>
</tr>
<tr>
<td>2009</td>
<td>2,594</td>
<td>2,926</td>
<td>533</td>
<td>6,091</td>
</tr>
<tr>
<td>2010</td>
<td>2,572</td>
<td>2,885</td>
<td>515</td>
<td>6,014</td>
</tr>
</tbody>
</table>

*Source: Hicks and Lindsey 2005; ONS 2008; 2010.*
Public Sector History since 1979

1979 saw the Conservative government under Margaret Thatcher introduce a programme of public sector reform that was focused on reducing public expenditure and shrinking the state. At the heart of the Conservative reform process was to shrink the size and scope of the public sector and open it up to private sector competition through marketisation (Bach, 2010; Bach and Wincheter, 2003; Corby and White, 1999; Corby and Symon 2011; and Bach and Kessler, 2012). The Conservative governments over an eighteen year period: privatised former nationalised industries and public services, ‘contracted out’ services within the NHS and local government, and established NHS trusts and Civil Service agencies. These changes were ideologically driven by the Conservatives’ belief that private sector intervention and the introduction of market forces would promote competition and increase the efficiency of service provision while curtailing public spending, which it believed the public sector had gone out of control. The Conservatives were critical of public sector trade unions for promoting their members interests over the interests of the services that their members provided, while equally being critical of public sector managers for being inefficient and not providing ‘value for money’. The interests of ‘producers’ had prevailed over those of the ‘consumers’ of public services (Le Grand, 2003).

The Labour governments under Tony Blair accepted the Conservative public sector reforms which they had inherited but pursued a programme for ‘modernising government’ (Cabinet Office, 1999), designed to emphasize service quality and service standards rather than cost minimization. Labour rather than relying on market style reforms looked to promote co-operation between the public and private sectors, and between different parts of the public services, and introduced a performance
management framework to oversee the process (Bach and Winchester, 2003). The ten year period from 1997 until 2007 saw Labour governments commit to large scale investment in the public sector which was integral to its modernisation programme. This modernisation programme saw major structural and compositional changes in the workforce and the means by which they were managed. This was linked to Labour’s wish to ensure that there was a maximum return on their investment in the sector.

The Literatures
It is useful to examine the literatures that have shaped and informed the debate on public sector reform over the last thirty years and how they can be used to make sense of these reforms that have shaped employment relations in the public sector. The two literatures of most interest are public management and employment relations.

Public Management Literature
Public management literature distinguishes three models of public service delivery based on hierarchy, markets and networks. The relationship between these models has been debated and contested over the years and have underpinned the discussion that has occurred. One model of public administration centres on a bureaucratic model characterised by a rational system based on explicit rules and a system of hierarchical authority underpinned by functional specialisation. The bureaucratic model limits discretion through prescriptive, strictly regulated procedures that creates administrative adherence rather than managerial action. This was the dominant model that was prevalent in public sector organisations before 1979. After 1979 the perceived stranglehold of the bureaucratic model, which had become the dominant model for public administration since 1945, was challenged as more ‘dynamic’ and
‘flexible’ public services were demanded and public management, in particular New Public Management, came to the fore:

“The public management movement of the 1980s and 1990s was a reaction against those in public law and public administration who put the focus on constitutional and institutional design of the machinery of government. It stressed production engineering and managerial leadership, rather than rule bound bureaucracy as the essence of executive government.” (Hood, 2005: 14).

*New Public Management* has many strands to its makeup – part theoretical, part ideological, and part solution driven – and this has led to three definitions:

- NPM is a shorthand for the ideological tradition of ‘managerialism’ and ‘neo-Taylorism’ (Pollitt, 1993)
- NPM is used synonymously with business-centred management practices imported from the private sector (Hood, 1990)
- NPM is an umbrella term covering the transformation of bureaucratic, paternalistic and democratically passive public services into efficient, responsive and consumer-oriented ones (Ranson and Stewart, 1994)

Attempts at unpacking the notion of NPM have led to it being seen: as a way of implanting private sector initiatives into the public services; highlighting competition amongst service providers through a contractual/commercial framework; enhancing managerial prerogative; and promoting centralised performance management (Newman, 2001; Power, 2001).

Within the UK public sector context, the literature has focused on policy outcomes connected with the introduction of NPM. Three areas have been highlighted. Firstly, the shift in authority from professions to general managers as a result of a switch in focus from inputs to outputs of services, emphasising management having direct operational control while being accountable to a central auditing framework (Power,
Secondly, the disaggregation and the fragmentation of the public sector, with the growth of semi-autonomous agencies, and NPM’s use as a process to bring coherence to the new fragmented landscape of the public sector, emphasising management by contract rather than by hierarchy (Bach and Kessler, 2012). Thirdly, the use of incentives and targets to regulate managerial and workforce behaviour (Le Grand, 2003). The public sector literature has shown that with the move from management by hierarchy to management by contract there has been a fracturing of public service functions which has resulted in the proliferation of outsourcing and the creation of executive agencies, resulting in the hollowing out of the state (Rhodes, 2007).

**Employment Relations Literature**

Public sector employment relations literature has focused on the institutions - trade unions, employers and the state. Particular interest has always been given to the trade unions (Beaumont 1992; Ironside and Seifert, 2000; Symon, 2011). While detailed studies of manager and worker behaviour has examined the formal and informal rules which govern the workplace, and the external influences beyond, which shape it (Batestone et al. 1984; Kirkpatrick and Hoque, 2005; Cunningham, 2011). The relationship between the institutional actors and the means by which the employment relationship is regulated and controlled, while balancing the collective and individual interests has been a recurring focus for UK public sector employment relations (Bach and Winchester, 2003; Bach and Kessler, 2012; Corby and White, 1999; Corby and Symon, 2011). Gospel (1992) identifies three analytical domains to examine the relationship between the actors:
• *Industrial Relations* – examining the collective side of the employment relationship, focusing on trade unions, employers, and collective bargaining

• *Employment Relations* – examining the employment relationship between employer and individual worker, focusing on recruitment, reward, working patterns, equalities and performance appraisal

• *Work Relations* – relates to worker tasks and responsibilities, and how they are structured and organised, focusing on the shape and nature of work, as well as how work routines are designed to control worker attitudes and behaviours

These analytical domains have underpinned the study of employment relations for the last sixty years and they have been invaluable in evaluating the changing contours of the UK public sector employment relations landscape. Through these domains three narrative themes have underpinned the study of public sector employment relations: the model employer; work experience; and institutions and actors.

**The ‘Model Employer’**

The ‘model employer’ borne out of the Whitley Committee of 1917, saw in the inter-war years, the formation of joint regulation of employment relations in the public sector. Whitley saw a public policy commitment to trade union membership as a means of promoting industrial citizenship, and collective bargaining as a means of determining pay and conditions of employment. Its consolidation post 1945 saw governments recognise their responsibility as an employer to promote ‘best practice’ in managing the public sector workforce and be an exemplar to other employers in the wider economy. Trade unions were integral to the development of joint regulation and
were promoted by governments which saw trade union membership grow between 1945 and 1979:

“The post-1945 public sector employment relations model was characterised by strong centralised and complex bargaining structures at a national level; a diversity of bargaining groups and bargaining agents along sectoral and occupational lines; a commitment by both sides to conciliation and arbitration to avoid industrial conflict; and for many public servants, a continuing emphasis upon pay comparability with the private sector.” (Corby and White, 1999: 6).

The Whitley system from which the ‘model employer’ developed produced a set of institutional arrangements which were bureaucratic and pluralistic in nature. Collective bargaining was within a national framework that was jointly determined and strove to ensure transparency and standardisation of conditions of employment. As a consequence it was seen to produce a narrow employment relations agenda as the national framework gave little opportunity for local or workplace employment relations to develop. From 1945 up until the mid-seventies much of the public sector employment relations literature was limited to fairly prosaic descriptions of the national bargaining machinery (Levinson, 1972). The ‘downside’ of the model employer was the capacity for the national framework to become a lightning conductor for public sector industrial conflict when governments from the 1960s onwards started to apply income policies to public sector workers that tested and eventually broke the consensus that had come out of the Whitley system (Winchester, 1983; Ironside and Seifert, 2000). These conflicts, however, right up until the departure of the Callaghan administration in 1979, were still played out at the national level, and did not question the viability of the national framework as being central to employment regulation in the public sector.
From 1979 onwards the Whitley system was undermined by successive Conservative governments. The Conservatives no longer subscribed to the model employer, as they did not support trade union membership proactively and wanted to restrict and curtail collective bargaining. In particular, the Conservatives saw national systems of pay bargaining and representation as being incompatible with their wish to introduce marketisation to public services. For instance, over the course of eighteen years, the Conservative governments sought devolution in collective bargaining, and achieved varying degrees of success. Illustrative of this is within the Civil Service where they successfully abolished national bargaining with the creation of semi-autonomous executive agencies across the Civil Service functions that fragmented bargaining units (Kessler et al. 2006). Similarly, the introduction of an internal market and the creation of hospital trusts as a consequence of the National Health Service and Community Care Act 1990, within the NHS undermined national collective bargaining (Corby, 1992). The 1980s and 1990s saw Conservative governments introduce employment relations reforms that were drawn from what it perceived to be as ‘best practice’ from the private sector. They were particularly attracted to HR practices that favoured focusing on the individual worker rather than on collective interests.

The Hollowing Out Thesis

The ‘hollowing out’ thesis came to the fore in the early 1990s when it was highlighted by the political theorist, R.A.W. Rhodes (1994). Rhodes argued in the British political context, that the hollowing out of the state had begun in 1979 when institutions of the state, during the 1980s and 1990s, had undergone dramatic changes as a consequence of the public sector reform process and the introduction of the privatisation and marketisation agenda. He argued that government was no longer a
wholly unified and autonomous institution which was equated with the constitutional sovereignty of parliament and a centralised executive (Rhodes, 2000).

Rhodes’ hollowing out thesis has two main elements. Firstly, that it holds that centralised political institutions are breaking up. Fragmentation reaches into the very heart of the state, where executive segmentation is now the most striking feature. He defines the core executive as:

“all those organisations and structures which primarily serve to pull together and integrate central government policies, or act as final arbiters within the executive of conflicts between different elements of the government machine” (Dunleavy and Rhodes, 1990).

Secondly, the centre is losing its grip on the rest of the state. The functional policy networks that the core networks seek to police are resistant to direction and control. Putting the two elements together, Rhodes (1994) contends that:

“the state becomes a collection of inter-organizational networks made up of governmental and societal actors with no sovereign actor able to steer or regulate.”

This fragmentation of the British state has created a situation in which multiple power centres possess the means of entering into bargaining processes within and between policy networks. Rhodes’ core argument is that the ‘Westminster model’ of political governance, characterised by the executive supremacy of central government and parliamentary sovereignty, has in effect been diminished. Central governments since 1979 have in effect delegated executive and political responsibility away from themselves to subsidiary bodies, with functional and institutional specialization, that operate both within and outside the formal boundaries of the state. In essence the British state has become less reliant on centralised bureaucratic hierarchies and moved away from being a large, dominant, bureaucratic entity to one of many public
sector agencies engaged in the policy development process. This dilution of centralised state power has been described as ‘hollowing out’.

Rhodes’ ‘hollowing out’ thesis infers a political shift concerning the transition from government to governance. The hollowing-out trends at the heart of government during the 1980s served to multiply the number of self-administered interorganisational networks within the state, especially in the delivery of services (Rhodes, 1995; Rhodes 1996). This has resulted in a new form of governance without government, a trend, according to Rhodes that:

“...has important implications for the theory and practice of British government” (Rhodes, 1995: 18)

This government-to-governance narrative by the beginning of the millennium had become accepted by political thinkers (Smith, 1998; Loader, 2000; Richards and Smith, 2002). However, despite the hollowing out thesis becoming pre-eminent in political thinking, there were dissenting voices within the political literature. Holliday argues that real political events during the 1980s conspired to give the hollowing out thesis a sheen of plausibility:

“It would seem that the rather eccentric politics of a passing era in British politics have been confused with a real structural change” (Holliday, 2000: 175)

Holliday rejects the hollowing out of the state thesis, as he argues the evidence to show that the centralised structures within the state are breaking up is difficult to substantiate. He prefers to emphasize that although the state is finding itself operating in a more complex and difficult environment, dealing with a larger number of institutional actors that are shaping public policy, the state nevertheless, has a core that is still substantial and is the key driver of public policy in Britain.
The undermining of national collective bargaining in the public sector in the 1980s and mid-1990s, led to commentators questioning its sustainability and ability to remain relevant to employment relations in the sector. As we have seen, the ‘hollowing out’ thesis (Rhodes, 1994) raised the issue of the dramatic changes and consequences of public sector reform. The promotion of privatisation and agencification were leading to a ‘diminished central capacity.’ It has been argued that marketisation of the public sector and the de-centralisation of the management of employment relations across the sector has hollowed out and eroded the primacy of national collective bargaining arrangements (Bach and Della Rosa, 2000; Thornley et al. 2000; Pollitt and Boukaert, 2000). The hollowing out thesis has become an academic orthodoxy within the British public sector industrial relations literature with the widespread de-centralisation of employment relations.

**Work Experience**

Within the public sector, historically, a high emphasis has been placed on the intrinsic worth of occupations, particularly amongst white collar, professional occupational groups. As a consequence a rich narrative has developed revolving around the questions of enrichment and degradation (Bach and Kesler, 2012). Enrichment and degradation have become a key narrative in exploring the changing landscape of public sector employment relations. The employer model, as already discussed encapsulated transparency and fairness within employment relations practices that promoted: open competition in recruitment and selection procedures, high levels of job security, career opportunities through internal career ladders, and guaranteed pay increases based on service and comparability with the private sector (Bach and Della
Rocca, 2000). However, it must also be acknowledged that during the period when the employer model was widely accepted within the public sector there were inequalities in the treatment of female and manual workers which illustrated occupational segregation in the public services (Winchester, 1983).

From 1979 onwards through successive Conservative and Labour governments, professions within the public sector have faced challenges to their autonomy and discretion as managerial controls have tightened. The Conservatives, with NPM shaping their public policy, saw public sector professionals as a major constraint on the reform process seeing them as part of the ‘problem’ rather than the ‘solution’ in defending ‘producer’ rather than ‘consumer’ interests. This erosion of discretion and autonomy has been examined through applying labour process theory and showing how tightening management systems that focus control and performance monitoring have de-skilled professional occupations within the public services (Harris, 1998; Ironside and Seifert, 1995).

However, it must also be recognised that while many traditional professions have suffered under the reform process there has been the rise of new professions. Under Labour and their modernisation programme, a new cadre of professional has come to the fore in the public sector – the assistant. Assistant roles like, teaching and health care assistants, have been promoted and recognised by government (Blair, 2002; Cabinet Office, 2008) for their contribution in helping to improve the delivery of public services. While the role of assistants has offered opportunities for women, who are predominantly employed in these roles improved pay and career prospects (Bach, 2011), it is arguable that the promotion of assistants by government has been a way of
employing cheaper and less unionised workforce, reducing public service reliance on
the established professions, whose role has been questioned (Broadbent and Laughlin,
2002). Ultimately, despite the challenge to public professions by governments over
the last thirty years, they have remained resilient, and their authority within the
workplace has remained deeply engrained, while they have shown themselves to be
adaptable to the political and organisational environment they find themselves in.

The Institutional Infrastructure and the Distinctiveness of the Public Sector
A great deal of attention has been given within the employment relations literature to
the institutional underpinnings that support and promote the employment relationship.
Dunlop (1958) showed how systems theory provided the analytical and theoretical
basis to make industrial relations an academic discipline in its own right. Dunlop’s
system focuses on the three principal actors – the employer, the unions and the state –
and how they interact through the bargaining machinery that is in place to produce
substantive and procedural rules that shape the employment relationship between
them. Within the public sector context it has been recognised that it is distinctive
because:

“unlike the private sector, the fabric of public service employee relations is shot
through with the important dimension of political power.” (Corby and White, 1999: 3)

and the public sector employers and management’s dilemma that they:

“derive … from the inherently political nature of the values and objectives which
must inescapably govern the direction taken’ (Storey, 1992: 55)

Thus the state as an employer enters into an employment relationship shaped by
political contingency (Ferner, 1988). The public sector has to adapt and be responsive
to its political masters who are ideologically driven by their political agendas that are
dependent on electoral support. Consequently, employment relations in the public sector operates in an uncertain, cyclical, and values-based dynamic not present in the private sector (Kessler, Heron and Dopson, 2008). Political contingency casts the relationship between the actors in the public sector and as a result employment relations are founded on the twin pillars of transparency and accountability. A distinctive feature that runs through the public sector to different degrees is the dual nature of the employer as an actor. Firstly, the employer acts as a - politician, accountable to the electorate. Secondly, the employer has the role of – management, who act and deliver the wishes of their political masters. Between them they have to balance the political aspirations and the reality of delivering services to the public. A criticism of the public sector employment relations literature is that it has focused primarily on the three principal actors – state, trade unions, and employers to the exclusion of other interest groups who might have a legitimate role in regulating the public services employment relationship (Bach and Kessler, 2011). This has been highlighted in the last decade with the expansion and growth of the third/voluntary sector in the provision of public services (Cunningham, 2011).

**An Appreciation of the Literatures**

By studying both the public management and employment relations literatures we can see that there are similar areas of interest which complement each other. The public management literature has illuminated the management and political processes that underlie the reforms that have been introduced in the last thirty years. In an employment context, it has examined human resource management, focusing on how reforms have affected workers as individuals. While the employment relations
literature has focused on institutional actors that represent collective interests, and how these interests have been affected by the reform process.

Bach and Kessler (2012) highlight that there are important differences between the two literature perspectives. Firstly, the public management literature has focused on upstream consequences of public service delivery mechanisms, concentrating on the organisational and management context and the nature of employer policy. In contrast, the employment relations literature has not been defined by a managerially driven agenda, but instead, has sought to understand worker interests through the trade unions as an institutional actor within the public sector employment relations rubric (Fairbrother, 1996; Ironside and Seifert, 2000; Tailby and Winchester, 2005). Secondly, the public management literature has tracked the application and assimilation of private sector management practices within the public sector highlighting their differences (Flynn, 2007; Martin, 2005).

The employment relations literature while acknowledging the influence of private sector employment practices on the public management, takes a more guarded approach, viewing the assimilation of private sector employment practices as being variable between public sector organisations (Duncan, 2001; Kirkpatrick and Hoque, 2005). Within the employment relations literature there is still a prevailing view that despite the impact of reforms, UK public sector employment relations continues to be rooted in the broader, political, economic and social environment that gives it its distinctiveness as an employment sector (Storey, 1992; Corby and White, 1999; Bach and Winchester, 2003; Bach, 2010; Corby and Symon, 2011; Bach and Kessler, 2012).
Conclusion

This chapter has explored the continuous process of reforms within UK public sector employment relations over the last thirty years. It has looked at how political ideology has shaped the reform process and how this in turn has affected the employment relationship between state, trade unions and employers. The structural reforms within the public sector have seen far reaching changes in the organization and management of public services, with an emphasis on ‘user’ rather than ‘producer’ interests. While equally, over the last thirty years the boundaries between the private and public sector have changed, with the private sector providing more public services, and in the last ten years the emergence of the voluntary sector as a service provider. There has been a degree of assimilation of private sector employment relations practice within public sector employment relations, but it still remains that the diversity of institutional arrangements and employment practices within both sectors seems more notable than the similarities.
Chapter Three

English Local Government

Introduction

This chapter provides an overview of the historical development of local government focusing on the post 1979 period which saw a major transformation through a reforming process initially implemented by the Thatcher governments of the 1980s and followed through by the Labour government under Tony Blair since 1997. The chapter assesses the nature of these changes and how the Conservative and Labour administrations shaped them for their own political objectives. The chapter provides a foundation for understanding the local government employment relations landscape and how this was shaped by the reforms that permeated every level of local government.

The chapter begins with examining local government in the political system which looks at the historical relationship between local and central government. It goes on to explore the tensions between central and local government and how this has militated often into divisive political confrontation. The Thatcher years are assessed through defining Thatcherism from three interpretative standpoints and this in turn leads on to an evaluation of the impact of local government reforms under the Conservatives and how this has impacted on employment relations. Finally the chapter ends by looking at the Labour government under Tony Blair and the Labour project for local government reform through the introduction of Best Value and the impact of new public management.
Local Government Employment – Facts and Figures

Local authorities are major employers within their local areas and as an employment institution within the national labour market a significant employer. Local authorities’ services are labour intensive and up to half their expenditure goes on employment costs (Wilson and Game, 2002). Birmingham City Council as the largest local authority in the country employs 52,000 workers or the equivalent of 30,000 full time equivalents (B.C.C., 2007). The contemporary UK workforce of 30 million, (Machin, 2007), is made up of almost two and a half million that work in local government with a pay bill that amounts to some £35 billion (Local Government Association, 2007).

Changing numbers

The major growth in local authority employment took place in the 1960s and the early part of the 1970s. From 1979 to the late 1980s, despite the efforts of the Conservative government to reduce the size of the public sector, numbers remained fairly static at around 3 million – the steady reduction of manual workers during this period being largely cancelled out by the increase of non-manual workers (Local Government Employment Digest, 1997). The biggest losses came about during this period from the abolition of the metropolitan councils in 1986, the change of status of bus and municipal airport staff in 1986/87, and the transfer of polytechnics and higher education institutions out of local education authority control in 1989. In 1993 the compulsory outsourcing of the waste disposal function in all local authorities combined with the loss of control of further education institutions saw local government employment in England fall by a fifth by the mid-nineties although in certain services like social services and planning numbers increased. By the end of
Blair’s tenure the downward turn had been stabilised to a workforce of two and a half million.

**The Composition of the Workforce**

Since the Second World War the composition of the local government workforce has changed dramatically. The last thirty years have seen women become the dominant gender engaged principally in part time white collar work. Full-time male workers, who had constituted over half of the local government workforce in 1954, were by 2000 down to 23 per cent and easily outnumbered by full-time (29%) and particularly part-time (42%) women workers (Wilson and Game, 2002). Local government in the last thirty years has at an authority and national level promoted an equalities agenda that has sought to address the issue of representation in the workplace. A number of initiatives have been taken to recruit and retain workers who are perceived to be disadvantaged in the local government workplace. These groups being: women, ethnic minorities and people with disabilities. In the last ten years this has been extended to look and tackle workplace discrimination against: age, religion, and sexual orientation. Family friendly policies have been in place in local government for the last thirty years which have sought to tackle issues around balancing work and family responsibilities. This has become more of a priority as women have become a central component in the local government workforce and have become the predominant gender in many of the professional occupational groups like: Environmental Health, Social Work and Human Resource Management.

Employment policies in local government have adapted to reflect the changing composition of its workforce. Equity in pay and conditions of employment has been
achieved between full and part-time workers and this can be seen in the superannuation and holiday and sick pay entitlements that were harmonised in 1993/1994 (White, 1997). The process of Single Status which began in 1997 and was formally implemented in 2007 has seen a harmonisation of terms and conditions of employment between manual and non-manual workers. This has been achieved through a comprehensive job evaluation programme throughout all the English local authorities that has seen the introduction of a single pay spine for all workers below Chief Officer Level. The composition of the local government workforce is reflective of the public it serves with more women, ethnic minorities and people with disabilities being employed within it. This has been achieved because of the political will of national and local politicians to actively promote equalities in the local government workplace for both organisational and wider general public interests.

**The Structure of Local Government in England**

The present local government structure was established by a series of legislative changes that began in the mid-seventies and continued through to the present day. In England there are 346 local authorities which are within the following categories:

- Two tier ‘shire’ counties
- The London Boroughs
- Metropolitan Districts
- Unitary Authorities
- District Councils

If there is a common theme which links the reorganisation initiatives of successive Conservative (1979-97) and Labour (1997-2007) governments, it is a belief that a
unitary system of local government (town and parish councils excluded) is preferred to a two tiered system (Leach, 2009). Central government’s preference for the unitary system is based on the practicality of having 200 unitary authorities with an identical range of responsibilities making it easier to manage and ultimately control from the centre. The unitary system offers central government the perceived benefit that because unitary authorities are larger they offer economic efficiencies that allow authorities to become technocratic as they focus on service management, administration, and efficiency that are perceived to be better at delivering public services. It is argued (Copus, 2006; Stewart, 2003) that this perception is not necessarily based on reality and is based primarily on central government’s wish for political and financial control.

The two tier system of local government is messier than the unitary system as the differences between counties and districts about issues they have shared responsibilities for can be potentially problematic from a service delivery point of view and can lead to disputes about the allocation of resources. From a management perspective it has been argued that the two tier system is unworkable. However, there is a counter argument that the two tier system has a real democratic strength in that it better aligns with the different levels of community identity at different levels that the unitary system cannot readily replicate. The two tier system recognises that different spatial scales are appropriate for different services and functions e.g. development control at the district, whilst highway planning at the county level. The last thirty years have seen a process of central government driven local government reorganisation initiatives that have seen the promotion of a technocratic model that
has favoured focusing on economic outcomes rather than local democracy considerations (Wilks-Heeg and Clayton, 2006).

The nature of local government services means that its workforce is made up of diverse occupational groups that up until 2007 were defined into three principal categories that had their own conditions of employment. Non manual workers were covered by the administrative, professional, technical and clerical (APT&C) conditions of service. Manual workers had manual conditions of service, while craft workers were governed by national conditions of service for craft workers. All three employment groups were party to national agreements which were applicable to local authorities across the country who were in the national framework and formed the collective bargaining structure that was based on the Whitley Council system that produced annual pay settlements and conditions of employment. There are thirty separate national joint negotiating councils and committees who determine pay and conditions in local government, but the focus in this work will concentrate on the two principal employment groups, APT&C and manual workers.

Below the national joint councils are Provincial Councils that are joint employer/trade union organisations made up of elected members from each local authority within a specific geographical area together with full-time and lay trade union representatives. The Provincial Councils act as appeals bodies to settle disputes which have not been resolved at an authority level. The Provincial Councils are represented on the national joint councils as well as employers’ representatives from the local authority associations. The employers’ associations since the Second World War have morphed from the Local Authorities Conditions of Service Advisory Board.
(LACSAB); into the Local Government Management Board (LGMB); and finally into the Local Government Employers (LGE). The role of these associations has been to coordinate and service the employers’ side of the national negotiating bodies.

The Green Book – Local Government Conditions of Service

Within English local government the National Joint Council represents local authorities and former APT&C non manual employees and former NJC manual workers. The National Joint Council promotes local democratic control of services to the community as the primary role of local government. The principal role of the NJC is to reach agreement, based on shared values, on a national scheme of pay and conditions for local application throughout England. The Constitution of the National Joint Council is to promote stable industrial relations and negotiation and consultation between local authorities as employers and recognised trade unions.

The National Joint Council has a strong commitment to joint negotiation and consultation at all levels. Co-operation between employers, employees, and unions is seen as pivotal in successfully deliver local government services. The national agreement consists of two parts – Part 2 and Part 3.

Part 2

These are key provisions which are for application by all local authorities to all employees covered by the NJC. They are basic provisions which constitute a standard throughout England. Key national provisions are:

- Equalities
- Official Conduct
- Training and Development
• Health, Safety and Welfare
• Pay and Grading
• Working Time
• Leave
• Part Time Employees
• Temporary Employees
• Sickness Scheme
• Maternity Scheme
• Car Allowances
• Reimbursement of Expenditure
• Continuous Service
• Period of Notice to Terminate Employment
• Grievance Procedures
• Disciplinary Procedures
• Trade Union Facilities

Part 3

Other national provisions may be modified by local negotiation. The party proposing change must state in writing what changes are sought and why the parties must then seek agreement. Where agreement is not possible, either party (employer or trade unions) may refer the failure to agree to the provincial joint secretaries for conciliation. If the provincial conciliation is unsuccessful, the provincial secretaries may recommend further procedures for resolution of the difference, including
conciliation, mediation or binding ACAS arbitration. The provisions with an element of discretion delegated to individual local authorities are:

- Pay and grading
- Working Arrangements
- Sickness Absence Schemes
- Child Care and Dependants
- Car Allowances
- Ill Health, Disablement, and Death Benefits

**Trade Unions in Local Government**

Historically, a large number of trade unions have been recognised for collective bargaining purposes within local government. Up until 1993 the largest trade union within local government that represented white collar interests were the National and Local Government Officers’ Association (NALGO) which led the negotiations on the National Joint Council for APT&C workers. NALGO subsequently merged with NUPE and COHSE to form UNISON in 1993 and UNISON has the largest membership within local government. Manual workers within local government have historically relied on the Transport and General Workers’ Union (TG&WU) and the General Municipal and Boilermakers’ Union (GMB). In 2007 the TG&WU merged with Amicus to form UNITE and it has continued to draw on membership from the manual and craft occupational groups within local government.

All the principal trade unions in local government whether UNISON, UNITE or the GMB or in their old incarnations of NALGO or the T&GWU have over the last thirty
years sought to defend the national collective bargaining framework. This has been for both procedural and substantive reasons. The trade unions within local government have relied on a professional cadre of full time officers which have preferred national bargaining for logistical and political control within their respective trade unions. Full time officers have been able to effectively prepare, negotiate and police national agreements from a national standpoint and the national collective bargaining framework has allowed the trade unions to organise, mobilise and campaign on a national basis which has aided them in producing national pay claims across the whole of local government. The trade unions have resisted local bargaining as it threatens their organisational and procedural arrangements and in turn their internal government with a potential shift from the full time to lay officials within their unions and the consequent question of servicing local bargaining with inexperienced negotiators. Since 1990 a small number (34 out of 346) of local authorities have left the national collective bargaining framework and so despite the trade unions opposing local bargaining they have nevertheless had to develop a strategy for continuing to promote their support for a national agreement while also supporting local branches where local authorities had withdrawn from the national framework. Trade unions have developed support structures within opt out local authorities that share information and data on settlements and agreements that have helped local trade union representatives negotiate agreements at a local level.

NALGO back in 1989 waged a national strike supporting the primacy of national bargaining in local government. The union stood firm on the concept of national pay scales and a national agreed pay settlement process. The employers at the time wanted to implement a two stage pay deal which set minimum rates nationally but allowed
local authorities to set their rates above the minimum in order to meet labour market demands. The employers also wished to relax some of the national conditions of service like national standards on working time and unsocial hours payments. These changes were viewed by NALGO as ‘strings’ and as NALGO’s National Local Government Chair, Jim White said these: ‘strings represent the most dangerous and insidious attack on conditions of service of APT&C staff since the national agreement was first constituted in 1947’ (Ironside & Seifert, 2000: 280). The national strike saw 500,000 workers come out and the employers eventually capitulating and withdrawing the proposal to relax national conditions of service. This resultant loss led to a number of local authorities, most notably Kent County Council, in 1990 withdrawing from the national framework.

In the last twenty years all of the principal trade unions (UNISON, UNITE, and the GMB) have taken the position that they maintain their defence of national bargaining but have acknowledged that the level of collective bargaining has seen the development of local bargaining at an authority level as a process of making local authorities more flexible to the changing economic environment they are operating in. The unions, however, have argued that the flexibility required at an authority level can be achieved within the national framework and therefore it still should be seen as underpinning the process of job regulation within local government. The unions have resisted the idea of decentralisation as it is a potential threat to their recognition and as already mentioned it has implications for internal union organisation. Trade unions favour national collective bargaining because it takes pay outside of the workplace, and is based on a ‘rate for the job’ which is universally applicable across all local authorities and is seen as a bulwark in protecting local government workers against
occupational grade erosion. National collective bargaining allows the trade unions to organise national campaigns on pay and conditions of service that can mobilise their membership across the country as demonstrated in the late 1980s and more recently in 2004/2005. The effectiveness of these campaigns to promote and defend conditions of service has been seen as pivotal in trade unions recruiting and retaining their membership. National collective bargaining is seen by the trade unions as integral to fulfilling their employment relations objectives in a framework that underpins the process of joint regulation in local government.

**The Local Government Association – A National Voice for Local Government**

The English local government reorganisation in the 1970s saw a rationalisation of local government’s national representation with the creation of three associations: The Association of County Councils (ACC), the Association of Metropolitan Authorities (AMA), and the Association of District Councils (ADC). In 1997, after much infighting and manoeuvring it was decided that the unification of the three associations offered the best prospect of furthering local government interests at a national level (Entwistle, 2002). As a consequence of this decision the Local Government Association was formed. The Local Government Association because it brought together different interest groups found it challenging to promote their respective positions. The LGA has been criticised for not opposing more vigorously some of the government’s centralist policies. However, it does represent over three hundred authorities in England and can legitimately argue that in the time it has been in existence it has been an influential umbrella organisation for local government and succeeded in promoting a joined up approach to local government interests that its
predecessors had struggled to do. The nature of the LGA is political as it has to represent its member councils and this affects it political and economic agenda. Historically, local authorities’ political control nationally has reflected a counterpoint to central government as is the case since 2004 when the majority of councils were in the hands of the Conservatives and Liberal Democrats but Labour controlled central government. The seats on both the central executive and each of the sixteen policy executives that steer the work of the association reflect this political composition.

In all the local government employers’ associations (Local Authorities Conditions of Service Advisory Board, Local Government Management Board and the Local Government Association [Local Government Employers]) since 1947 have supported and promoted the national collective bargaining framework. David Thomas, the last Secretary of LACSAB (the predecessor of the LGE), captured succinctly the raison d'être of all the local government employers’ associations when he said:

‘The guiding principle over the years has been to observe the better features of Whitleyism. That expression has been defined and redefined over the years but, in [the] Employers’ Strategy Debate, Whitleyism was [is] accepted as meaning that, as far as possible, employers and employees should seek to reach joint agreement on pay and conditions of service; that the complexity of modern day employment structures makes it necessary for representatives of employers to negotiate with representatives of employees; that collective bargaining should be conducted within an agreed framework at national, regional and local level; that there needs to be a “long stop” arrangements for conciliation or arbitration; and that both parties [employers and trade unions] should take responsibility for seeking to resolve problems peacefully by negotiation and for Honouring agreements.’ (Kelly, 1991: 200)
The local government employers’ associations have and are intrinsically institutions whose very existence have and are predicated on the promotion of joint employment regulation and national collective bargaining and have been central to achieving their employment relations objectives. National collective bargaining suits the Local Government Employers as it allows them to focus on: organisational, financial, and human (intellectual) resources that maximises the economies of scale that comes from negotiating as a single body on behalf of local authorities across the country. National collective bargaining has been critical to the continued relevance of local government employers’ associations as they have been given a pivotal role in negotiating and implementing employment agreements that unify the local authorities under a single bargaining umbrella. The concentration of negotiating know-how at a national level both within the trade unions and employers has allowed them to develop comprehensive agreements that provide national coverage while also being flexible enough to allow managerial and trade union discretion at an authority level to reflect local variations in service delivery requirements. National collective bargaining has avoided the potential ‘leap frogging’ of pay between local authorities and has managed a supply led sector labour market where local authorities are competing for similar skilled occupational groups like Environmental Health and Trading Standards Officers who are in short supply.

The Local Government Employers’ (LGE) still see national collective bargaining as the most effective and efficient way of managing employment relations within local government because it ensures that local authorities can get on with the day to day management of their local services while nationally through the LGE their pay and
conditions of employment can be negotiated and agreed in a national framework that seeks to ensure the collective interests of the three hundred local authorities and the workers who work within them.

The Department for Transport, Local Government and the Regions

The Department formed in 2001 was created from the former Department of the Environment, Transport and the Regions (DTLR). Historically, local government in the post war period had come under of the Department of the Environment but in the 1990s there was a move in Whitehall to create conglomerate departments as in the case of the DTLR which has an eight member ministerial team and has a core staff of 3,400. The DTLR is not a direct service provider but oversees activities at an arm’s length through a supervisory framework like the Audit Commission. This mode of operation means that the Department’s budget is over £56 billion of which £35 billion goes to local government. The DTLR is extensively involved in all aspects of policy and legislation dealing with local government’s modernisation agenda, Best Value, and local service agreements. The DTLR is at the centre of extensive and informal network in Whitehall relating to local government matters. Numerous central government departments have their own interests in local government. They are handled through formal and informal civil service meetings, various ad hoc groups and committees. While the DTLR provides directives and guidance to individual authorities, it spends much of its time with the representative bodies like the Local Government Association.
**Government Offices for the Regions**

If the Local Government Association is the national voice of local government, the nine Government Offices – coordinated through the Regional Co-Ordination Unit (RGU) in the Cabinet Office – are the regional voice of central government (Wilson and Game, 2002). Created in 1994, they bring together the former regional offices of the Department of Environment, Transport and the Regions, Education, and Employment, and Trade and Industry. They have since taken over the functions also from the Home Office, the Department for Works and Pensions and the Department for Culture, Media and Sport. These Government Offices are now responsible for £6 billion of government expenditure. Their principal function is to work in partnership with local communities, businesses, local authorities, and other public and voluntary organisations overseeing and managing spending programmes. With the Regional Co-Ordination Unit providing a single focus in Whitehall for regional issues, the Government Offices are seen by central government as a key element to what the Labour administrations have liked to call ‘joined-up government’. Understandably local authorities have seen the Government Offices as financial gatekeepers to resources that previously had come in many cases to local government directly and also a threat to their local political and economic influence, particularly with the Labour government’s promotion of elected regional government. The Government Offices and their engagement with local politics and economic development represent a process of change for local government that is equally felt in other public sector organisations like the NHS and Civil Service where these institutions autonomy and power is being eroded by an opening up of public services to other potential providers.
Local Government in the English Political System

To understand local government employment relations it is necessary to appreciate the historical and political development of it as a public institution. The place of local government in the English Constitution is ambiguous and ambivalent. Little recognition is given to culture, language, or economic structure and central government has an all-powerful influence on the social, economic, legal, and political outcomes that make the United Kingdom what it is. Despite this local government has existed in England since the Norman Conquest and it has long been regarded as the principal bulwark in protecting the people from the over centralisation of the political process. By example, historically, the local control of law enforcement through the police constabularies has been valued as protecting the population from the control of the state’s entire machinery of coercion by a single minister. Local government has been an invaluable means in giving people control over their local affairs through lobbying and voting for local politicians while also being a counter balance to national government. Local authorities provide the only fora in which public officials can be held accountable to elected representatives, apart from Parliament. The town hall is closer to citizens than Whitehall and it can be argued that as service providers, local authorities can be more aware of local problems and desires and be more responsive to them (Wilson and Game, 2002; Travers, 2005; Wilks-Heeg and Clayton, 2006).

It must be recognised that the power at the centre is constitutionally absolute in that Parliament is sovereign and has complete command over local government. It can grant or withhold powers from local authorities and it can equally create or abolish
them as it thinks fit. The doctrine of ultra vires reinforces that control because local authorities cannot undertake activities that they have not been specifically granted powers by legislation. The relationship between central and local government can be characterised as being tense as central government constantly seeks to intervene in local affairs, for three main reasons. The first is to implement its main policy commitments, often through legislation. The second is to prevent local authorities from pursuing their own financial and expenditure agendas that might be contrary to the Chancellor of the Exchequer. Finally, central government believes that it has to ensure that there is a consistency and quality of local government services across the country. Since the early eighties this has been achieved through the Audit Commission who have audited and measured local government outputs through pre-defined performance criteria.

Local government has been viewed by ministers, civil servants and MPs with a mixture enthusiasm and suspicion. In the nineteenth century, John Stuart Mill saw local government as an essential part of representative democracy but in contrast social reformers like Edwin Chadwick saw local authorities as corrupt vestries whose dilatory and venal failures needed to be countered by central government intervention (Chandler, 1991; Kingdom, 1991). Today, local authorities are seen both as defenders of local opinions and values against the centralising control and diktat of Whitehall and equally as monolithic and bureaucratic organisations that are inefficient and do not meet the needs of the modern electorate (Travers, 2006).
Central – Local Relations

Since 1979 the relationship between central and local government has seen some of the bitterest political confrontations. Under the Thatcher administration the tension was as a direct consequence of a government which was intent on wholesale public sector reform that limited local political discretion. Central government took full advantage of its sovereign power over local government which saw an erosion of local political power and ultimately a dilution of its powers to deliver services to the public.

A well-trodden debate about central – local relations has seen arguments develop down two distinct paths. The first one, that local authorities are agents of the central government and are responsible for carrying out the instructions of ministers and Parliament. The second one that local authorities are in partnership with central government in providing services to the public. They act as stewards of central government and are left to discharge their responsibilities, with central government intervening only if the steward’s conduct is found to be unsatisfactory. The broad outlines of policy are determined nationally; local authorities play a substantial part in interpreting those policies and mobilising the resources to make them happen. This approach restricts central government to a regulatory role that oversees standards of service through inspectorate bodies. Local authorities through bodies like the Local Government Association and Local Government Employers represent local authorities’ interests and act as a common voice. The first approach was very much the path the Conservative administrations pursued in the 1980s and 1990s while the Labour administrations have preferred the partnership approach which has seen local authorities act as stewards for central government.
By 1997 it was viewed that Britain’s governmental framework had become hypercentralised. The Council of Europe’s Congress of Local and Regional Authorities of Europe (CLRAE) were concerned with the UK’s ‘hypercentralisation’ of government which saw central government appointing quangos displacing the service providing role of local authorities. While the centralised controls of local government finance was viewed by CLRAE to be undermining local democracy (Loughlin, 2001). In the ten years since 1997 the Labour governments have devoted more attention to local government than any of the three post war Labour governments. Traditionally, it was the Conservative Party which was preoccupied with local government reform, initiating three post war reorganisations. The Labour governments from 1997 onwards endorsed and extended rather than rolled back the mixed economy that had been cultivated by the Conservative governments over an eighteen year period. The Labour governments saw their reforms as ‘modernising’ and invigorating local government (Laffin, 2007). The reforms were seen as a process of eliminating the ‘old culture of paternalism and inwardness’ (DETR, 1998: 8, quoted in Bouvaird & Martin, 2003: 18).

The Labour governments since 1997 have introduced four successive stages of the Local Government Modernisation Agenda which has seen the introduction of over twenty individual policies that range from performance management regimes like Best Value and Comprehensive Performance Assessments; to new council constitutions which have required councils to replace their traditional-based decision-making structures with an executive in the form of a leader and cabinet or elected mayor. A notable initiative is the introduction of Public Service Agreements between
central government and individual authorities that requires them to establish ‘joined-up’ partnerships for the provision of services. These reforms under the Local Government Modernisation Agenda have been seen as lacking a coherence as the policies have been driven by different aims and strategies with limited evidence of any synergy between them (Downe and Martin, 2006). Downe and Martin conclude that the Local Government modernisation Agenda can be viewed as an evolutionary process where central government has tried out initiatives and changed and adapted them as they have seen their efficacy in practice. Added to this the use of inspectorates to monitor and control local government services have further compounded the ability of local authorities to control their own local requirements and expectations (Davis et al., 2004).

These reforms have turned local authorities into passive recipients of central government policy initiatives. This creates an environment where central policies eclipse local accountability in which local government follow: ‘central government’s lead, rather than setting their own agendas’ and ‘evidence suggests to date the LGMA has encouraged an environment in which many authorities rely upon strong external pressure exerted by Government’ (Martin & Bouvaird, 2005: 86). The experience of the Local Government Modernisation Agenda has highlighted that local government’s reform programme has been driven by central government and local government has been ‘curiously passive’ (Stewart, 2000). However, it should be pointed out that historically local government has exhibited a passivity and deference to central government. Past instances of local authority resistance to central government as in the nineteen eighties under the Thatcher governments can be viewed as an anomaly because those Labour authorities which challenged the Thatcher governments did so
for partisan rather than for territorial reasons (Lansley et al., 1989). The long-standing nationalisation of local politics has long limited the forces of localism (Laffin, 2008).

The last thirty years have seen an unparalleled growth in central government intervention in local government. During the ‘Golden Age’ of local government expansion in the thirty five years after the Second World War the concerns over local autonomy were muted (Laffin, 2006). Local authorities enjoyed sustained growth and mostly followed the centrally sponsored and professionally dominated consensus across major policy areas. During their period in office after 1979, the Conservatives pursued a politics of austerity which arguably had a limited impact on public expenditure; however, it did put in place a detailed framework for controlling local government spending that restricted the autonomy of local authorities dramatically. Once New Labour entered office, they did reinvest in the Public Sector but the spending was equally tightly controlled. New Labour sought to promote the concept of value for money and defined public services by their consumer led outcomes while seeking to limit the resurgence of producerist interests, namely public sector unionism and the urban left of the 1980s (Entwistle & Laffin, 2005).

Controls and Constraints on Local Government

As discussed earlier the effect of the ultra vires doctrine on local government gives them partial autonomy constitutionally. National governments can, through parliamentary legislation, create, abolish, restructure, and amend powers of local authorities as when they see fit. Local authorities, equally, are empowered to provide or secure the provision of services, but only within a framework of national legislation and therefore local authorities are ‘creatures of statute’ (Travers, 2005). Legislation
has become the most direct instrument of central control of local government in the last thirty years. The Conservative governments from 1979 to 1997 produced well over 210 Acts of Parliament affecting local government. This use of statutory compliance on local government saw a marked departure from the pre 1979 position which was characterised as being more informal and consensual (King and Stoker, 2002). Statutory instruments are legal devices that are borne out of Acts of Parliament that delegate law making powers to appropriate government ministers. This allows a minister to supplement provisions necessary for the general purposes of an Act of Parliament. This secondary legislation although coming through Parliament is not generally scrutinised in any detail because on average 3,500 statutory instruments pass through Parliament annually which covers all aspects of civil and criminal law. Illustrative of this within a local government context is: The Local Government (Structural Changes) (Further Transitional Arrangements and Staffing Regulations (2009, S.I. No 486), and The Local Government Pension Scheme (Amendment) (No2) Regulations 2008 S.I. No 2989 which impact on organisational structures and pension schemes. Statutory instruments have been used as a means of fleshing out a government’s primary legislation so as to strengthen if they choose their control of local government’s activities. As a legislative instrument it has been used to great effect by governments over the last thirty years to curtail local government autonomy.

Complementing the raft of statutory instruments government departments produce circulars that are issued to local authorities as guidance and advice on how they should carry out their responsibilities. Local authorities have always viewed circulars as vehicles for central direction. However, some circulars are derived from negotiation with local authorities that do take into account local interests and do
contain useful practical advice. Despite this, the sheer number of circulars issued annually makes them a powerful and continuous reminder of central government’s presence.

English local government operates within a complex and often subtle legal framework. Central government through its parliamentary sovereignty has the ultimate authority through its executive powers of direction and supervision to control local government. However, local authorities over the years have acquired substantial powers of discretion promotion and experimentation in the manner in which they provide services to the public. When issues of policy and interpretation of legal obligations are in dispute between central and local government it is often brought before the courts by a process known as judicial review. This process of legal challenge has increased dramatically in the last thirty years and was a particular tool favoured by the Thatcher governments. In 1974 leave for judicial review was sought 160 times. By 1995 this figure had increased to 4400 (Loughlin, 1996). It is arguable that this increase can be attributed to central government’s wish to control local government’s autonomy through relying on the courts. Even where judgements have favoured local authorities’ ministers have used the parliamentary process to change the law which is another illustration of the primacy of parliamentary sovereignty. When the Labour government came to office in 1997 it also found judicial review a useful legal process and over the ten year period of Blair’s period in office it continued to have a prominence although as we shall see New Labour preferred the use of inspections to rein in local government autonomy.
The Thatcher governments promoted the use of Judicial review while Labour under Blair preferred the use of inspections as a means of compliance. There has always been a tradition within local government of an inspectorate regime appointed by central government particularly within education, the fire and police services. However, by 2001 those inspectorates already in existence had expanded, and new ones introduced to oversee the assessment of Best Value within local authorities. Under the auspices of the Audit Commission the Best Value Inspection has seen local government services reviewed and assessed under nationally defined performance criteria set by central government departments. Nearly all council services come within its remit, and all inspected services receive a ‘star ranking’ of their quality, cost effectiveness, and their likelihood of future improvement. The reports and rankings provide detailed information on an authority’s perceived performance. However, the process has been seen by many authorities as counterproductive in helping to improve local services. Perceived as excessively bureaucratic and confrontational, inspections have been described as ‘Red book reviews’ resembling the young Red Guards from China’s Cultural Revolution, ‘denouncing their erstwhile comrades as they clutched Mao’s Red Book. This time they were holding the Audit Commission’s Seeing is Believing’ (Duffield, 2000: 12). This observation encapsulates a view that inspections were conducted as a means of making local authorities answerable to central government rather than to the local electorate and politicians.

Financial control of local authorities has increasingly been used over the last thirty years as a means of imposing central government’s will on local government (see Table 3.1). This has been achieved by firstly regulating the amount of money each authority can spend and secondly by scrutinising the way in which that money is
spent. The government by effectively capping budgets of local authorities and tightly controlling investment can and does tightly restrict local spending. Financial scrutiny is exercised through the Audit Commission which has a statutory responsibility for auditing local authorities. Set up in 1982 it is accountable to central government it has powers to establish a local authority’s actions for:

- Legality – did it have the statutory authority to spend the money in the way it did?
- Reasonableness – did it act in the way a reasonable body would?
- Wilful misconduct – was anyone recklessly indifferent about whether the course of action was illegal?

Since Labour came to power the Audit Commission has also emphasised the question of value for money and how councils achieve the ‘3Es’ – economy, efficiency, and effectiveness – in their use of resources.

It would be one sided to say that the Audit Commission has been subservient to central government. It has been critical of central government policy when it has deemed it appropriate, and has supported local authorities whose priorities it has thought are in the local public interest. However, it is an institution of central government and has been responsible for producing a plethora of league tables of performance indicators which enable local authorities (and the government) to compare their expenditure and efficiency records with each other across the country. The danger that local government faces with such an audit regime is that there is a potential to see the costs of local services and not truly understand the value of them.
Table 3.1 Central Government Funding of English Local Government 1979-2007

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Government Grants (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979-80</td>
<td>13,639</td>
</tr>
<tr>
<td>1980-81</td>
<td>13,778</td>
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<tr>
<td>1981-82</td>
<td>14,998</td>
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<tr>
<td>1982-83</td>
<td>16,352</td>
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<tr>
<td>1983-84</td>
<td>16,764</td>
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<tr>
<td>1984-85</td>
<td>17,002</td>
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<tr>
<td>1985-86</td>
<td>17,889</td>
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<tr>
<td>1986-87</td>
<td>18,334</td>
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<td>18,950</td>
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<tr>
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<td>23,003</td>
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<td>23,840</td>
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<td>25,291</td>
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<tr>
<td>1999-00</td>
<td>26,421</td>
</tr>
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<td>2000-01</td>
<td>27,809</td>
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<tr>
<td>2001-02</td>
<td>31,469</td>
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<tr>
<td>2002-03</td>
<td>32,634</td>
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<tr>
<td>2003-04</td>
<td>41,777</td>
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<tr>
<td>2004-05</td>
<td>45,258</td>
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<tr>
<td>2005-06</td>
<td>45,838</td>
</tr>
<tr>
<td>2006-07</td>
<td>49,093</td>
</tr>
</tbody>
</table>

Local Government Financial Statistics England No.20 2010
The Public Nature of the State as Employer: The Impact of European Union Law

In the last thirty years both Conservative and Labour administrations have in their respective ways sought to remould the public sector and emulate private employment practices. However, the European Union has intervened to maintain the distinct identity of public service workers through European Union law. The distinction between public and private workers in European Union law arises largely as an unexpected consequence of the particular way in which the relationship between European Union law and domestic law has been structured. Responding to member states’ recalcitrance, the European Court of Justice has developed the doctrine of direct effect, whereby EU law can be enforced directly in domestic courts even if domestic legislation requires otherwise. While some treaty articles, notably Article 119 on equal pay for equal work is enforceable on both private and public sector organisations, most directives are not directly enforceable on private sector organisations. The direct effect doctrine is justified by the European Courts of Justice because it is argued that member states should not be allowed to rely on their own failure to perform the obligations which a directive entails (see the following cases: Case 152/84 Marshall v Southampton and South West Area Health Authority [1986]; and NUT v Governing Body of the Church of England (Aided) Junior School [1997]).

The EU law definition of the ‘state’ is therefore of crucial importance, especially at a time when the boundaries of the state and the private sector are continually shifting. The case law of the European Court has consistently revealed a broad approach to this question. As a start and in direct contrast with the assumption domestically, the Court has refused to take the view that in its role as an employer the state is indistinguishable from private sector employers. Instead the Court has held that,
where a person involved in legal proceedings is able to rely on a directive against the state, he or she may do so regardless of the capacity in which the latter is acting, whether employer or public authority (Case 152/84 Marshall v Southampton and South West Area Health Authority [1986] IRLR 140 ECJ). In the seminal case of Foster v British Gas [1990], the European Court went on to define the state broadly, to encompass any body which had been responsible for providing a public service under the control of the state and has for that purpose special powers beyond those which result from the normal rules applicable in relations between individuals. It is clear from this definition that the civil service and its agencies, the National Health Service, and local authorities are emanations of the state and therefore are subject to the direct effect doctrine.

The Conservative and Labour administration have in their respective ways tried to mirror public sector employment practices with those of the private sector. However, the European Union has viewed that the state’s role as an employer is unique and essentially public. This view is an affirmation of the historical legacy of the Welfare State defined by public accountability and the direct delivery of services to the public. European Union Law has helped to reinforce Whitleyism within local government and the process of joint regulation that is at the heart of local government employment relations practice.

The Thatcher Years

The Thatcher administration that came to office in 1979 marked a distinct turning point for local government. It saw the end of a laissez faire approach to the
management of local government which had been the established pattern of conduct between central and local government by both the Conservatives and Labour up until then and what can only be described as an assault, which saw the very existence of local government challenged and questioned (Kingdom, 1991).

**Thatcherism and Local Government**

At this point it is important to define the nature of Thatcherism as a political and ideological process. A number of writers have endeavoured to explore the values and beliefs that Thatcherism has drawn on (Hall and Jacques, 1983; Kavanagh, 1986; King, 1987; Gamble, 1988). Despite considerable agreement, these assessments do evidence important differences of perspective. On the one hand there is a relatively pure view of Thatcherism which regards it as a concerted attempt to recreate the UK according to the tenets of a relatively rigid set of ideological principles. Authors like Hall and Jacques have argued that it is a distinctive new-right political philosophy, based on a powerful belief in the free market and equally a disdain for state intervention. It was argued that the Conservatives’ election victory in 1979 marked a radical shift in post-war politics, designed to dismantle the post-war consensus and replace it with a new consensus built on these right wing principles (Hall, 1979). On the other hand there was a view that Thatcherism was based on pragmatism. It was based more as a political strategy rather than being defined by a purity of political ideas (King, 1987). In this characterisation, Thatcherism is still seen as embodying a certain set of principles, but to the extent to which these were either coherent or widely accepted enough to form a master plan is played down. Instead, Thatcherite policies are suggested to have evolved from a general set of beliefs which, over time,
gained credence among ministers within the Thatcher administrations, resulting in a series of progressively more radical measures.

The contrasting views of Thatcherism have important implications for the way in which the experience of local government is interpreted. Where the ‘pure’ interpretation of Thatcherism is argued, local government reforms have generally been regarded as a key element of a new-right wing blueprint that the Thatcher administrations set about implementing as soon as they came to power in 1979 (Duncan and Goodwin, 1988). However, those who take the ‘pragmatic’ interpretation see the events in less explicit ideological terms, arguing that the Thatcher administration’s policies towards local government were developed over time. This reflects the proposition that the Thatcher administrations became increasingly radical as the 1980s progressed (Stewart and Stoker, 1995). There is even a third ‘ultra-pragmatic’ interpretation which rejects all ideological considerations almost entirely and argues that the Thatcher administrations centralised power as a political strategy designed to ensure their own political survival (Bulpitt, 1989).

**Thatcherism – an ideological attack on local government**

Duncan and Goodwin (1988) argue that the local government reforms of the 1980s were shaped as a consequence of a Thatcherite ideology. They apply a theoretical framework derived from Marxist principles that draws on an argument advanced by Miliband (1973) that the local state could act as an obstacle to the central state and offered the possibility of working-class gains to be made at the local level. Duncan and Goodwin contend that the uneven development of capitalism has implications for the local state, in that it produces significant policy variation. The local state acts as a
conduit for specific interpretations of capitalism and provides a mechanism through which local representation can seek to influence responses to that interpretation. In certain localities, where a radical interpretative and representational role becomes dominant, the local state may develop strategies that are antagonistic to the central state, as was seen with some Labour controlled authorities in the 1980s. As a result such councils are thrown into direct conflict with the central state, which may then seek to impose its own interpretation on the local state.

Duncan and Goodwin argue that because of the local state’s potential to obstruct or contradict the central state, the central government has always sought to control local authorities, however, until 1979 political autonomy was tolerated ‘within strict overall constraints’ (Duncan and Goodwin, 1988: 50). The Thatcher administration of 1979 could no longer accept this position and were committed to ‘introducing the values of the market place into all areas of social and economic life’ (Ibid: 49) the government was determined to remove all possible obstacles to this policy. Consequently, the government immediately set about centralisation on two fronts: control of local government finance and control of policy areas in which local government played a significant part. This process was part of the government’s ‘plan to reshape Britain from above.’ (Ibid: 50).

**Thatcherism – a pragmatic approach to local government reform**

Counter to the ideological ‘pure’ approach some observers argued that the Conservatives on assuming office in 1979 had no clear strategy for local government reform (Stoker and Stewart, 1995b). They contend that the government had no predetermined strategy and that it ‘learnt its strategy through experience’ (Ibid: 2).
They acknowledged the ideological influences that shaped Conservative thinking but rather saw the Conservatives approach to local government reform as evolutionary. They point to the fact that as experimental policies proved successful they adapted and built upon them, while others that floundered were ‘adapted and changed to overcome resistance or implementation of failure’ (Stoker and Stewart, 1995a: 192). Conservative central government was also constrained by Conservative controlled local authorities from initiating a full scale attack on coming to power in 1979 (Butcher et al., 1990). Interestingly, in Kenneth Baker’s autobiography he mentions Baroness Thatcher’s ambivalent attitude towards local government:

“Margaret did not have much time for local councils, which she expected to be agents of central government. She said to me once with a resigned sigh, ‘I suppose we need them’. However, many activists in the constituencies were councillors, and some MPs had served as councillors, as I had done …. So there was something schizophrenic in our attitude to local government”. (1993: 111)

Stoker and Stewart argue that this sentiment is illustrative of the lack of any degree of consistent application of principles to local government reform and they suggest that, ‘The government’s approach to changing local government has certainly been inconsistent; it is becoming increasingly incoherent’ (Stoker and Stewart 1995a: 194).

**Thatcherism – the Ultra-Pragmatic Approach to Statecraft**

A third interpretation of the Conservative governments’ approach to dealing with local government is developed by the notion of the politics of statecraft put forward by Bulpitt (1986; 1989). Bulpitt contends that the local government reforms that were pursued by the Conservative administration post 1979 were not particularly ideologically driven but rather shaped by the political elite to further their own vested
interests. The political elite Bulpitt contended sought to ‘protect and promote what it perceives to be its own interests’ (1989: 56). He goes on to say that ideological considerations are only used ‘to justify, or add gloss to, behaviour and decisions already determined by statecraft considerations’ (Ibid: 56). The major factors influencing governmental strategies are therefore assumed to be ‘the art of winning elections and achieving some necessary degree of governing competence in office’ (Bulpitt, 1986: 21).

Bulpitt presents an historical account of central-local relations which suggests that the governing elite under Thatcher regarded the traditional autonomy of local authorities as a threat to its idea of statecraft. In the period from 1920s to the 1960s the British state operated as a particular statecraft regime in which the roles of central and local government were clearly distinguished. This ‘dual polity’ approach established the national state’s focus on the ‘high politics’ of economic and foreign policy, while local authorities focused on undertaking activities associated with ‘low politics’ of welfare and municipal services. This approach gave local authorities a high degree of autonomy and discretion in managing local services while they in turn accepted the role of the centre without really questioning it. However, this bargain was set by the national elite, since for local authorities ‘the survival of the autonomy they possessed rested in the hands of others, in particular the national party leaders and their continual perception that their interests did not require central control’ (Bulpitt, 1989: 67). From 1979 onwards the governing elite no longer endorsed this bargain and driven by new self-interest considerations saw it to their advantage to restrict the autonomy of local government. The Conservatives ‘did not arrive in office determined to clobber local authorities’ (Ibid: 68), rather the political resistance to the
Conservative project of public expenditure control from Labour controlled authorities led to central government’s crackdown that was simply ‘the easiest option to frustrated politicians’ (Ibid: 65). The resistance encountered by the Thatcher administrations from local government led to the dilution of local government powers and the provision of services as the Conservative governments sought to protect its privity in wielding political control and power in the country.

**Local Government Reform under Thatcher**

Over three terms in office the Thatcher administration mounted an attack on local government on three fronts. Firstly, it compelled local authorities to conform to the Government’s stated intention to reduce the proportion of the gross domestic product which is absorbed by public spending. In 1979 public spending accounted for 43% of the gross domestic product (Flynn, 2007). The Conservatives thought that rate payers needed protection from profligate local authorities who in the opinion of the government levied high rates for extravagant activities that were not necessary. The Thatcher administrations were the first to control local authorities’ spending on an individual basis rather than as had been done in the past where governments had relied on their ability to control the national totals of local authority spending. This approach had been very successful with annual outcomes of each spending round being within 2% of the government’s expectations (Pritchard, 2003). The 1980 Local Government, Planning, and Land Act enshrined the Conservatives approach to managing local government by introducing a Rate Support Grant that calculated a local authority’s financial allocation on what each council needed to spend to provide a standard level of services rather than the old method of calculation which relied on using the past spending of an authority to set its new budget. Under the legislation
those authorities that failed to comply with the prescribed spending limits would be subject to financial penalties as determined by the Secretary of State for the Environment. The legislation created the means by which the government could ‘cap’ the expenditure of individual authorities. This effectively removed the discretion of local authorities to set their own level of rates which they had enjoyed for centuries and emasculated their autonomy to self-determination.

The second front began after the Conservatives won their second term of office in 1983. The Conservatives began the process of breaking up the six metropolitan county councils and the Greater London Council. Their abolition was widely opposed within local government as being detrimental to the large conurbations that they served but with the publication of the Government’s White Paper, *Streamlining the Cities*, (DoE, 1983) it made clear that the Government’s view was that these councils did not have any substantive role and that they were monoliths of ‘a fashion for strategic planning, whose time had passed’ (DoE, 1983). It was well known that the real impetus to abolishing these councils was that they had become a major opposition to the Government as they were Labour controlled. The seven councils ceased to exist on 1 April 1986 and were replaced by a messy structure of joint boards composed of members of the district councils in each of the metropolitan county area (Leach and Game, 2001). With the demise of these councils the Conservatives introduced urban development corporations which were tasked with the redevelopment of the decaying inner city areas. They took over many of the planning functions and powers from local authorities and they were empowered to raise private finance for capital projects which saw them override local authorities in planning decisions. (Wilks-Heeg and Claydon, 2006).
The third front was a direct onslaught on the way in which local authorities provided their services to the public. Of all the changes introduced by the 1979-97 Conservative governments, the most far-reaching were those associated with compulsory competitive tendering (CCT) – particularly if it is seen as one dimension of the ‘New Right’ privatisation or contracting-out strategy of those governments. This began in 1980 but gathered pace rapidly after the third Thatcher administration was re-elected in 1987. Before 1979, it was accepted more or less without challenge that local authorities provided the services for which they were responsible by their own directly employed workforce. The Local Government, Planning and Land Act empowered local authorities to submit services to competitive tender, so that if a private contractor submitted a tender lower than that of the in-house provider the private firm would then be able to provide the service on the authority’s behalf. The lowest bidder criterion meant that local authorities were prevented from imposing conditions on such issues as trade union rights, employment protection, sickness benefit, pensions, training, and equal opportunities that might ‘have the effect of restricting, distorting or preventing competition’ (Local Government Act 1988, s.7(7)). Under CCT cost was always the ultimate arbiter, rather than quality (Wilson and Game, 2002).

Three key pieces of legislation: The Local Government, Planning, and Land Act 1980; The Local Government Act 1988; and The Local Government Act 1992 drove the CCT process, and were the articulation of New Right thinking that came out of the ‘think tanks’ – the Adam Smith Institute, the Institute of Economic Affairs, and the Centre for Policy Studies. Their argument and that of like-minded politicians within
the Conservative Party – Nicholas Ridley (1988) and Michael Forsyth (1982) – was that the contracting out of services formerly provided monopolistically by central and local government or by agencies like the National Health Service would lead to both improved service provision and reduced costs. It would challenge the ‘dependency culture’ imbued by the Welfare State and would lead to less and smaller government. Those opposed to CCT, on the other hand, noted the potentially reduced role not only of elected and democratically accountable local authorities but also of trade unions. CCT was part of the Conservative government’s comprehensive attack on trade union power and public sector pay bargaining and on the strong financial and institutional links between the public sector trade unions and the Labour Party. From an historical perspective the financial savings from CCT were shown not to come from increased efficiency, but from cuts in workers’ pay and conditions (Colling, 2003).

The Impact of CCT on Management

Despite the Conservatives introducing Compulsory Competitive Tendering (CCT) its impact on the local government landscape was gradual. There was no universal ‘takeover’ by the private sector but rather a varied picture from service to service and authority to authority. Some services were far more attractive to private sector bidders than others, but only in building cleaning and construction were more than half of all contacts won by outside bidders (Stewart, 2000). At the other end of the scale Direct Service Organisations were successful in retaining at least three quarters of contracts in leisure, and housing management and legal services (Local Government Association, 1998). In all services Direct Service Organisations tended to win a disproportionate share of the larger contracts and one in every six authorities had no contracts at all (Local Government Association, 1998). What the Labour government
inherited in 1997, therefore, was a mixed economy of in-house and external provision in a majority of authorities.

Although the introduction CCT did not see a takeover from the private sector it did nevertheless have a fundamental impact on the landscape of local government employment relations. Whether retaining or losing contracts, all local authorities had to adapt quite fundamentally their patterns of management and organisation in response to CCT which saw them develop internal markets in the form of client functions that oversaw the contracting process. It is quite ironic that CCT did not spell the beginning of the end of local authorities being direct providers of services but rather focused councils to win contracts in-house, through them streamlining and strengthening their management processes to make them more competitive with outside competition.

**From Competition to Collaboration - Labour and Best Value**

Competition was the overarching approach of the Conservative governments to improving local government services in their eighteen years of power from 1979. 1997 marked the first Labour government under Tony Blair to inherit a public sector that had been subject to a process of ‘marketisation’ that had substantially altered its nature as a framework of institutional organisations that were designed for public service and were no longer demand but supply led. The Blair administration did not dismantle the internal markets and competition that had been introduced by the Conservatives but rather refined them to their own ends. The Blair administration saw the market as a source of improvement and innovation (Entwistle and Martin, 2005).
But it was argued by some that although there was a change in language it was the continuation of the same policy by other means (Teisman and Klijn, 2002).

However, although there were echoes of the Conservative administrations’ emphasis on competitiveness this was more focused on national competitiveness in general and the Blair administration’s belief in the emergence of a global knowledge society and its concern about the perceived low levels of human capital and productivity in the UK (Giddens, 2000). Labour’s policy approach was distinctive because it argued that state intervention and investment in local government was integral to enhanced competitiveness. This contrasted with the Conservatives who saw public spending and investment as jeopardising wider economic growth and competitiveness (Bach, 2002).

The Blair administration emphasised the role of the enabling state. However, this was from a regulatory rather than an ownership perspective and this became of central importance in the government’s public sector reform agenda. The Blair administration was not overly concerned with the question of ownership and were more concerned with public service delivery. Tony Blair stated, ‘what matters is what works’ (Timmins, 2001: 21) and while the Blair administration acknowledged that ownership may be important to public service producers, it was viewed that it was of little interest to the public who used these services. The Blair administration demonstrated that it supported a mixed economy within the public sector as it recognised that the private and voluntary sectors had a role to play in delivering public services which are publicly funded but not necessarily publicly provided. The Blair administration acknowledged that CCT had ‘made costs of services more transparent’, and the ‘detailed prescription of the form and timing of competition led to unimaginative

It has been argued that Best Value was an acknowledgement by the Labour government of the continued importance and relevance of private sector delivery in public services. However, they saw the use of the market in rather different terms to the previous Conservative governments. The 1998 White Paper explained that while competition was ‘an essential management tool’ the Best Value regime ‘should not be interpreted as a requirement to put everything out to tender’ (DETR, 1998, p57). Rather the government wanted to ‘create the conditions under which there were likely to be greater interest from the private and voluntary sectors in working with local government’ (DETR, 1998, p57). The draft guidance to the Best Value regime distinguished itself from CCT by explaining that the government would ‘not seek to prescribe a uniform approach’ (DETR, 1999, p1). The government wished the local authorities to implement the regime ‘imaginatively in the spirit which it has been designed’ (DETR, 1999, p3).

The Best Value regime helped the Labour government establish its credentials as an administration committed to service for end users, namely rate payers. Although it had scrapped CCT it had not given free rein to producer and union interests. Best
Value managed to finesse the dilemma between compulsory and discretionary market testing and its acceptance by all the stakeholders in local government and its opaque nature, allowed it to mean different things to different people. Viewed from a political perspective Best Value was a success because it neutralised problems for the Labour government by establishing its reputation for governing competence with the electorate. However, in practice the Best Value regime was found to be excessively prescriptive and bureaucratic with local authorities and service providers, with them having to conform to an ever increasing performance management process. This focused heavily on indicators that were more concerned with centralist outcomes that were linked to a central government agenda for local government rather than local outcomes that were tailored to local service delivery needs. The introduction of Best Value by the Labour government served as an important political lightning conductor to absorb criticism from the Conservatives that they were competent overseers of the public sector. However, the weight of ideological baggage associated with Best Value meant that its original requirements were soon diluted to make the regime work in practice. Local authorities did not have to review their functions every five years (DTLR, 2002) and the Audit Commission did not require local authorities who were classified as good or excellent under the comprehensive performance assessment exercise to produce a Best Value Performance Plan (ODPM, 2004). In practice by the end of Blair’s administration in 2007 the Best Value regime had fundamentally changed from its introduction in 1999. It was no longer central to Labour’s credibility as a means of showing its political competence to manage local government but rather one of a number of performance management initiatives that had served its purpose in promoting the wider New Public Management agenda.
Conclusion

This chapter has set the context in which employment relations has developed in local government as a consequence of both the external political, economic and legal environment. The chapter has shown how local government in England has developed particularly in the last thirty years and the impact that central government has had on shaping local government through its reforms. The consequences of these reforms have been explored by examining the relative perspectives of the principal actors within local government; namely: central government, trade unions and employers.

Central government, both under Conservative and Labour administrations, have sought to put a tighter rein on local government both politically and financially. A raft of legislation has created a legislative framework that has impinged in all areas of local government activity and regimes like Compulsory Competitive Tendering and Best Value have in their different way sought to influence and shape the provision of local government services through frameworks that make local authorities more directly accountable to central government.

Trade unions have been engaged in a defence of local government workers conditions of employment which have been under constant attack since 1979. The process of marketisation has created a commercial working environment which has seen private sector encroachment on local government provisions in the delivery of services to the public. Trade unions responses have been shaped by the occupational groups they service. Those that primarily represent manual and craft workers (UNITE)) have had to be pragmatic, adapting to the commercial environment that their members face. While unions primarily representing non manual workers (UNISON), which have not
felt the full force of marketisation have been able take a more entrenched position that has not compromised on the concept of maintaining a centralised, national collective bargaining framework which legitimises the continued importance and relevance of trade unions in shaping the conduct of employment relations in local government.

Employers, reflecting the political control of individual local authorities, have had to adapt their political objectives to comply with the legislative framework that has come out of central government and has shaped local government reform since 1979. This compliance has been relatively straightforward if the political control at an authority level has reflected the political control of central government, but more problematic if it does not. Historically, with the majority of local authorities being in opposition control to central government political control, local authority employers have had to often deal with the incompatibility of local and national political objectives. This clearly was the case with the introduction of CCT and the outsourcing of services to the private sector, which was introduced by a Conservative government but was vigorously opposed by Labour controlled councils who defended services in-house services. The reality facing employers is that in order to finesse a position that satisfies the central-local relations they have had to engage in a process that incorporates reform of employment practices that reflect the political and economic realities that face them as public service institutions operating in an increasingly commercial environment.

Their positions have shaped the conduct of employment relations and the framework of collective bargaining which is the foundation stone of joint regulation in local government. By having an appreciation and understanding of the inter – relationship
between the actors and the historical context in which these relationships have developed it will help me explore and examine and offer an explanation to my central question - why does centralised, national collective bargaining continue to survive in English local government?
Chapter Four

New-Institutional Theory and Employment Relations

Introduction

The study of public sector employment relations in the last thirty years has emphasized the nature and rate of institutional change, and as consequence little attention has been given to the question of continuity and the resilience of some employment relations structures – in the case of local government the national collective bargaining framework. The theoretical underpinning of the study will look to institutional/path dependency theories to offer an analytical reference point that can help to offer some potential theoretical explanations of why the national collective bargaining framework continues to survive in English local government. I hope by applying institutional theory to my empirical work I can capture the underlying dynamics of the employment relations landscape within English local government and how the actors within it shape it.

The chapter will be divided into three sections. The first will look at institutional theory and the concept of path dependency, more specifically Scott’s (2001) analytical framework of Three Institutional Pillars will be examined. The second section will look at the use of institutional theory in employment relations research, examining how academics have used institutional theory in their research. The final section will show how institutional theory fits with the aims of my research.
Section One

Institutional Theory

Institutional theory at its essential core allows us to examine and analyse the interaction of actors within institutions. It provides a means of looking at organisations outside the traditional economics perspective and seeing how they are embedded in wider institutional environments. Institutional theory highlights how organisations are shaped by customs and practices that are either direct reflections of, or responses to, rules and structures built into larger environments (Powell, 1998). Institutional theory allows us to examine how the behaviour of organisations is not solely subject to economic market pressures but equally the social and political pressures both formally and informally, from institutional actors and regulatory agencies that impact on organisations.

Employment relations at its core is about understanding the rules governing employment, together with the ways in which rules are made and changed, interpreted and administered between employers, trade unions, and the state. Clegg (1979:2) refers to this process as job regulation. Clegg identifies five methods for making employment rules:

- Collective bargaining – jointly by trade unions and employers or managers
- Employer or managerial regulation – where rules are laid down unilaterally by employers or managers
- Trade union regulation – where unions make rules concerning the jobs of their members and try to enforce them on employers
- Statutory regulation – where the state prescribes legal rules governing aspects of employment generally or for particular classes of undertaking, with statutory arrangements for their enforcement.

- Custom and Practice (a form of cultural cognitive) – although not strictly a method of making rules, is a process by which rules evolve. A custom does not have force because anyone one can prescribe it, but because it has become accepted. Consequently there is no prescriptive way of changing a custom.

Within my research the process of homogenisation and the conformity of local authorities’ structures, which influences the conduct of institutional actors, raises the issue of isomorphism. *Isomorphism* represents a key concept in institutional theory. Isomorphism as a constraining process forces the institutional actors within local government to resemble each other as they face similar political and economic challenges (DiMaggio and Powell, 1983). This is illustrated in organisational structures with functional similarities, e.g. Housing and Environmental functions under the single umbrella of a department, where local authorities across England have a similar departmental composition. Focusing on institutional isomorphism, DiMaggio and Powell identified three institutional mechanisms that influence organisational decision making:

- *Coercive mechanisms*, which emanate from political influence and the problem of legitimacy;

- *Mimetic mechanisms*, which are standard responses to uncertainty; and

- *Normative mechanisms*, which are associated with professionalisation.
Within the context of my research, coercive mechanisms include the influence of: the trade unions; employment and social legislation at both the domestic and European Union level; and the government as the executive function of the State. Each of the institutional actors within local government (trade unions, management, and politicians) is shaped intrinsically by both national and local politics. The mimetic mechanisms within local government are seen in the adoption of strategies for dealing with central government diktat, in which local authorities imitate each other to a greater or less extent according to their hierarchical status within local government. This is illustrated by the role of the Local Government Association (LGA) which at both a national and regional level co-ordinates its membership, made up of 300 local authorities in England, in its advisory capacity, helping to shape local authorities’ responses to the external environmental challenges that face them in delivering public services.

Normative mechanisms address the relationship between management policies and the background of employees in terms of education, work experience, and occupational group. Within local government many of the occupational groups are unique to the sector, and within the professional, white collar occupations have established networks linked through the professional institutions which regulate the conduct of members. Illustrative of this are the Chartered Institute of Environmental Health Officers and the Trade Standards Institute, who regulate practitioners, overseeing professional conduct while acting as a voice for their profession. These professional occupational groups have been identified as a source of isomorphism (DiMaggio and Powell, 1991), often taken for granted as important in developing organisational norms. In a similar manner the formal and informal networks between
the trade unions and political parties that operate in local government have an equal effect on creating and defining organisational norms within the local government rubric. Within local authorities the day to day working relationships between trade union representatives, managers and politicians creates informal networks between these groups that facilitates the dialogue process at the formal, structural level within local authorities.

The application of institutional theory, I hope, will give me insights into the underlying processes that shape the process of joint regulation and help me to understand the internal and external contextual factors that continue to make the national framework relevant to local government employment relations. Institutional theory offers an opportunity to analyse the nature of collective bargaining in the context of the public sector reforms introduced by the Conservative and Labour administrations over the last thirty years. The application of institutional theory to examine employment relations issues has an established foundation, as shown in the works of: Purcell (1999); Hope-Hailey (2001); Paauwe and Boselie (2003); Greener (2002); and Teague (2009).

**Constructing an Analytical Framework – Scott’s Three Pillars of Institutions**

An influential element of my research is to understand the development of local government and how this in turn has shaped the collective bargaining framework. However, my empirical research while gaining important insights from past academic contributions, must adopt an analytical approach that seeks to identify more closely the diverse strands that make up contemporary employment relations in local government. To this end, I will apply Scott’s Three Pillars of Institutions. The choice
of Scott’s three pillars of institutions ties in with my wish to engage with the wider social sciences, looking at employment relations questions through a wider analytical prism, that is inclusive, “with space for traditional IR as well as Marx, Weber, Durkheim, Parsons, Giddens and even Geertz” (Ackers and Wilkinson, 2008). As a form of process analysis it engages with real-life institutions which lend itself to my research interest, examining the trade unions, management and politicians within local government and as an analytical framework it is sympathetic to employment relations institutionalism.

Scott’s Three Pillars of Institutions offers three analytical elements that make up the composition of an institution. Each of the pillars is important in themselves, but equally in combination with each other. However, because they operate through distinctive mechanisms and processes, it is important to define them. The regulative, normative and cognitive pillars are seen as integral elements in helping us understand how institutions work. The three elements form a continuum, moving: “from the conscious to the unconscious, from the legally enforced to the taken for granted” (Hoffman, 1997: 36). Scott sees these elements contributing, in interdependent and mutually reinforcing ways, to a powerful social framework, one that encapsulates and exhibits the strengths and resilience of structures (Scott, 2001: 51). The table below is helpful as I discuss each element. The columns contain the three pillars, which Scott characterises as making up or supporting institutions, while the rows define the principal dimensions along which assumptions vary. The table and definitions also show how Scott’s pillars link to the three isomorphic processes of DiMaggio and Powell outlined above.
Table 4.1 Three Pillars of Institutions

<table>
<thead>
<tr>
<th>PILLAR</th>
<th>REGULATIVE</th>
<th>NORMATIVE</th>
<th>COGNITIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASIS OF COMPLIANCE</td>
<td>Expedience</td>
<td>Social Obligation</td>
<td>Taken-for-grantedness</td>
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<td></td>
<td></td>
<td></td>
<td>Shared understanding</td>
</tr>
<tr>
<td>BASIS OF ORDER</td>
<td>Regulative Rules</td>
<td>Building Expectations</td>
<td>Constitutive Schema</td>
</tr>
<tr>
<td>MECHANISMS</td>
<td>Coercive</td>
<td>Normative</td>
<td>Mimetic</td>
</tr>
<tr>
<td>LOGIC</td>
<td>Instrumentality</td>
<td>Appropriateness</td>
<td>Orthodoxy</td>
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<tr>
<td>INDICATORS</td>
<td>Rules</td>
<td>Certification</td>
<td>Common Beliefs</td>
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<td></td>
<td>Laws</td>
<td>Accreditation</td>
<td>Shared Logic of Action</td>
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<td></td>
<td>Sanctions</td>
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<tr>
<td>BASIS OF LEGITIMACY</td>
<td>Legally Sanctioned</td>
<td>Morally Governed</td>
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<td></td>
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<td>Recognizable</td>
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<td>Culturally Supported</td>
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Source: Scott, 2001

The regulative pillar focuses on how force is used to ensure that institutional actors comply. The emphasis is very much on legal order, and adhering to procedures that outline both rights and obligations and the consequences of non-compliance with clearly defined sanctions. The regulative pillar is based on the principle of the rule of law and general rule making e.g. collective bargaining (Clegg, 1979), which is clearly defined, monitored and enforced within the institutional setting. Illustrative of this within the local government context is the disciplinary and grievance procedures that outline rights and obligations of both employers and employees and supplements employment law through a quasi-judicial/ legal framework. It is administered through a tiered system that encompasses within an authority level, functions and departments, going through to a corporate decision making body, normally overseen by politicians; to a regional and national level that is composed of representatives from employers, trade unions, and politicians from local and central government. The regulative pillar’s framework can be characterised as relying on force and actors conforming to rules that they see as being expedient to their individual and common interests.
The normative pillar emphasises the values that underpin rules and introduce a prescriptive, evaluative and obligatory dimension into social life (Scott, 2001: 54). The normative pillar looks at values and norms – values are seen as notions of the preferred, which are set within a framework of accepted standards of behaviour that are shaped and judged against institutional structures. Norms specify how things should be done. They define the means by which values can be pursued in a mutually acceptable way. Within local government this is shaped by the political, legal, financial, and social objectives that characterise how it provides public services. In the employment relations context the rights and responsibilities of trade unions, management and politicians are defined through the organisational structures within individual local authorities and the national conditions of service which are defined by the national collective bargaining framework. The national collective bargaining framework is an exemplar, providing the means of addressing cultural and social issues within this structure, allowing the actors the capacity to act both individually and collectively to achieve their respective organisational ambitions within the local government employment relations rubric.

The cognitive pillar is the third and last institutional perspective in Scott’s analytical framework. Within the cognitive pillar actions are legitimised by their accordance with a range of appropriate external cultural scripts and assumptions, rather than the conscious adherence to internalised values, social obligations, formal laws, or moral norms. This is illustrated in local government through the behaviour and attitude of politicians, management and trade unions in dealing with change brought about through external intervention, primarily through legislation, and their shared public
service ethos. Despite differences of perspective, all three groups of actors emphasise the importance of public services both in delivery and provision terms. However, the means of achieving this common goal is often contested within the employment relations arena where their individual interests are melded within the collective bargaining framework to produce outcomes that are acceptable to the actors and promote the overriding interest of local government to keep control of public service provisions.

Up until the 1980s employment relations scholars focused on the regulative and normative pillars within institutional theory that was characterised as *old institutionalism*. However, *new institutionalism* introduces the cognitive institutional pillar, and the cognitive dimension has allowed employment relations scholars to go beyond examining rule making and values; and look at common beliefs and the shared logic of action amongst institutional actors. The application of Scott’s three main institutional pillars - regulative, normative and cultural cognitive – will be a useful analytical framework for examining national collective bargaining in local government as it will help me to address important questions around a number of themes. These include similarities and differences in the actors support of national collective bargaining; the relationship between ideas and interest within each of the actor groups; and the tensions that arise between actors as they seek to fulfil their respective objectives.
Path Dependency

In my search to explore why the national collective bargaining framework continues to survive in local government, I will also use the concept of path dependency, another key aspect of institutional theory. The strong version of path dependency recognises that some institutions are deeply embedded, which makes any radical departure from established patterns of behaviour difficult in such contexts. The actors invest so much in operating within the parameters created by their institution that they are unwilling to consider seriously any alternative pathway: they become locked into established ways of doing things (Ebbinghaus, 2005). There are inbuilt self-reinforcing mechanisms that foster institutional persistence and continuity (Hall and Taylor, 1996) and promote ‘internalisation’ on the part of the actors, who become very reluctant to deviate from path dependency rules (Greif and Lanitín, 2004). For example, Grabher (1993) identifies three distinctive kinds of institutional lock-in: functional lock-in, which relates to the effectiveness of institutions in carrying out the tasks they were put in place to do; cognitive lock-in, that relates to the rules, conventions, and norms that become embedded in the actions of individuals; and political lock-in, the extent to which the various institutions of the state and other social forces are committed to preserving traditional institutional structures.

The soft version of path dependency allows for change and re-adjustment by the actors (Crouch and Farrell, 2004). According to Teague (2009), ‘mindful action’ can lead to path departure as a consequence of the actions of the actors (Garud and Karnøe, 2001), or critical crossroads and moments can also trigger the same process (Thelan, 2002). Path dependency offers me an opportunity to examine and explore
within a comparative framework why national collective bargaining remains relevant to the majority of English local authorities while in others it does not.

**Varieties of Capitalism**

The last twenty years have seen wide-ranging political and economic developments amongst capitalist economies that have resulted in a broad convergence in the institutions of these economies as they have adopted a neoliberal political economy. This has challenged institutional theory by questioning how useful institutional legacies are in providing explanations for the development of capital political economies. However, *the varieties of capitalism* approach, associated with Hall and Soskice (2001), has responded to this challenge by simultaneously synthesising institutional work and to move beyond it by putting the needs of capitalist organisations at the centre of analysis and emphasising the co-ordinating functions of institutions (Howell and Givan, 2011: 233).

Varieties of capitalism while using path dependency, focuses on the roles of institutional complementarities and comparative institutional advantage. Varieties of capitalism highlights, like wider neo-institutional theory, how organisations rarely act in isolation from each other, but are likely to have interactions and complement each other. This complementary behaviour creates an environment where organisations reinforce each other, forming interlocking bonds with each other that creates spheres of influence across political, economic and social landscapes. It is this inter-relationship that makes particular institutions resistant to change. The application of Varieties of Capitalism is compatible with my sectoral level study, as the local authorities within English local government are bound and shaped by each other, and
in turn the institutional actors are cast by this the political, economic and social environment that they find themselves in.

The Varieties of capitalism approach has its place in contemporary institutional theorizing and how it examines change. Varieties of capitalism see existing institutions largely shielded from outside environmental shocks and institutional continuity, with some minor adaptation to change, being emphasised. I think the varieties of capitalism and my chosen approach to examining institutional change and continuity within my area of interest show the breadth of potential theoretical models that can be adopted. If we look to Hyman and Ferner’s contribution (2001, 1994, and 1992), they look at the question of understanding varieties of industrial relations by focusing on identifying types of trade unionism by referring to: market, class, and society. They identify how broad economic change puts pressure on national institutions, which bend but do not break. Hyman raises the question of whether increased global competition and market liberalism would lead to an erosion of national industrial relations systems. He then poses the question – what would happen to the different national institutional systems when the grip of ‘inherited traditions’ was relaxed and space opened up for actors to restructure those institutions (Hyman and Ferner, 1994: 4). My thesis takes up this challenge by examining change, continuity and resilience in the English local government employment relations system over the last thirty years.
Section Two

Within in this section three papers are examined to illustrate how institutional theory has been applied to employment relations. The first paper, by Paul Teague, uses the concept of path dependency to examine the evolution of conflict resolution in Ireland and Sweden. The second paper, by Neil Rupidera and Peter McGraw, examines change and continuity within the Indonesian industrial relations system. The third paper, by Ian Greener, uses path dependency to explore continuity in the NHS and the constraints on policymakers attempting to introduce change.

Paul Teague’s paper, *Path Dependency and Comparative Industrial Relations: The Case of Conflict Resolution System* (2009) uses the concept of path dependency to explain the evolution of conflict resolution in Ireland and Sweden. He recognises that within the study of comparative industrial relations that a key theme has always been the nature and rate of institutional change/ inertia across industrial relations systems (Teague, 2009: 499). He draws attention to the debates that have emerged, principally the extent to which neo-liberalism has eroded the function of collective industrial relations institutions in many advanced economies, and within the varieties of capitalism literature, the suggestion that the composition of an economy influences the manner in which it changes over time (Ibid: 499). He finally relates to the literature that has looked at the extent to which national industrial relations systems have been resistant or receptive to extra national institutions that have supplemented established domestic rules, laws, and conventions that shape the workplace (Ibid: 500). Teague argues that despite a rich and longstanding tradition of developing theoretical frameworks to assess how industrial relations systems evolve over time, the concept of path dependency, has been neglected in industrial relations. Path
dependency he contends may be useful in: “explaining why the nature and rate of change in industrial relations systems differ, leading to divergences persisting across systems.” (Ibid: 500).

In Teague’s examination of the conflict resolution systems in Ireland and Sweden, which are embedded in two contrasting systems of industrial relations, Anglo Saxon and Corporatist, he illustrates that although both systems have experienced institutional change, the divergence between them has continued to remain. Both have followed contrasting institutional pathways to reforming procedures that have reflected their historical, economic, legal and social heritage. From a theoretical standpoint, Teague thinks that the hard version of path dependency is not compatible with explaining the evolution of industrial relations over time as, in his view, it is too rigid. The hard version is based on institutions being deeply embedded, making change from within difficult because actors invest so much in operating within the parameters set, that they are unwilling to consider an alternative institutional pathway, and therefore they become locked into established ways of doing things (Ebbinghaus, 2005). Institutional change is, in these circumstances, almost always brought about by external environmental factors, and the rate of change experienced is dependent on the severity of the external shock.

The soft version of path dependency sees institutions adapting to changing circumstances both internally, with ‘mindful action’ on the part of the actors, where they develop new paths internally. The actors in response to changing external environmental factors, often characterised as ‘critical moments’, can trigger a process of pathway departure (Thelen, 2002). The soft version of path dependency
acknowledges the importance of actors being able to shape and re-shape the institutional landscape they find themselves in. It attempts to avoid the over-determination of institutional embeddness. Teague sees the soft version of path dependency as a more applicable framework to assess the evolution of industrial relations activity over time. The soft version is seen as a means of assessing the scale and nature of changes experienced by the two conflict resolution systems. Teague’s case study supports the idea that changes to established pathways can come from within, and are cast by the institutional actors within industrial relations systems. Most of the changes that occurred in the two systems examined were precipitated by internal rather than external developments.

Teague in his case study identifies a number of discernible patterns of institutional change that have shaped the Irish and Swedish systems. In Ireland he identifies the process of displacement, where new economic and social developments have undermined the established rules and procedures, moving from collectivist principles underpinned by trade union support to non-union organisations which are shaped by individual rather than collective employment law rights. As a consequence, the traditional collective voluntarist industrial relations system in Ireland has been considerably weakened. He characterises these developments as gradual and that: “there has been no critical conjuncture” (Teague 2009: 516) but rather a process of layering, where additions and amendments to the system produce, often unintentionally, a destabilising effect on the procedures and rules within the system. The collective voluntarist conflict resolution system in Ireland has not disappeared but rather has become fragmented, leading to a weakening of ‘cognitive’ lock-in, which relates to rules, conventions and norms that become embodied in the actions of
individuals and organisations and establishes the dividing line between acceptable and unacceptable action. This has seen fewer organisations, namely private sector employers, subscribe to the idea that the conflict resolution system has to be organised along collective lines. Political lock-in refers to the extent to which the various institutions of the state and other social forces are committed to preserving traditional institutional structures. This has equally diminished as successive governments have subscribed to social partnership at the expense of the collective voluntarist system that characterised industrial relations in Ireland up until the 1980s.

Teague illustrates how the conflict resolution system has become fragmented but equally has not become disorganised, as a number of sub-systems have emerged in parallel with the existing system. He identifies three sub-systems:

- One where parts of the economy uphold collective voluntarism, this can be seen in the public sector, where employers and trade unions support an institutional disputes resolution framework established by the state in the form of the Labour Court, but maintain as a principle that collective bargaining should be the first means of resolving disputes;

- One sub-area is the emergence of individual employment rights representation. The vast majority of Irish workplaces in the private sector are now non-union; as a result dispute resolution systems are being designed in the absence of trade union influence. With the increase in employment legislation (Duffy, 2005) the emergence of a rights based dimension to disputes resolution has further undermined collective voluntarism in Ireland as industrial relations is increasingly regulated by the law and has opened up a process which involves people interacting
with employment relations as legal subjects and not as members of a collective institution like a trade union.

- One sub area defined as *social partnership* – where central national social agreements have, in the last twenty years, effectively controlled pay bargaining and to a great degree curtailed industrial action through promoting collaborative interactions between trade unions and employers (D’Art and Turner, 2002). The social partnership process has fostered new formal and informal approaches to addressing industrial conflict (Teague, 2005), which can be seen in the 2000 national social agreement, the Programme for Prosperity and Fairness, which established the National Implementation Body (NIB), whose membership is comprised of the Secretary General of the Department of An Taoiseach (Prime Minister’s Office), the Director General of Irish Business and Employers’ Confederation (IBEC) and the General Secretary of the Irish Congress of Trade Unions (ICTU). The NIB has policed the social partnership agreement and intervened, where necessary, to quell potential employment disputes (Teague and Donaghey, 2004). Social partnership emphasises the need for speedy intervention to resolve workplace disputes, which are perceived to be a malign influence on employer-union relationships, and engagement of social partners in conjunction with Government. This approach is associated with corporatist rather than Anglo Saxon industrial relations which is based on the assumption that employer-union disputes are often a consequence of their differing interests.
In conclusion the Irish system of conflict resolution is not organised around a distinctive pathway, but rather has developed a number of pathways that reflect the changing composition of the employment sectors within the Irish labour market. The three sub areas have developed disputes resolution frameworks that reflect the nature of industrial relations practice within these particular employment sectors, recognising that the historical attachment to collective voluntarism is no longer applicable in large parts of the labour market, and that social partnership and employment rights activity have become relevant conduits to establishing disputes resolutions frameworks that reflect the changing nature of industrial relations in Ireland.

The Swedish conflict resolution system, although undergoing change has gone down a different institutional road to Ireland. At its heart the Swedish system has maintained its core values of *collectivism* and *self-regulation*. Conflict management in Sweden has been enshrined in a three tier system of collective agreements. The main trade union confederation, Landsorganisationen i Sverige (LO), and employers’ organisation, Svenska Arbetsgivareforeningen (SAF), concluded a national collective agreement, which was subsequently supplemented by agreements at the industry and workplace levels. This has led to Sweden being described as the Mecca of European-style *corporatist* industrial relations in the 1970s and 1980s (Katzenstein, 1985). The three tier system was challenged in the late 1980s as employers became dissatisfied with it, wanting to develop decentralised wage bargaining that would be more responsive to particular economic sectors (Alexopoulos and Cohen, 2003). The SAF withdrew from centralised wage negotiations in 1990. This move threatened the Corporatist approach and the collectivist ethos of Swedish industrial relations. With density levels still high, trade unions were not going to simply accept this and the
early 1990s saw a rise in industrial disputes across all sectors of the Swedish economy, but in particular the manufacturing sector. The social democratic government set up a group of experts known as the Rehnberg Group to prevent the end of corporatism in Swedish industrial relations. The Group set up a procedure whereby trade unions and employers were provided with comprehensive economic and wage data and the facility of mediators.

The government in response to the disputes of the early 1990s promoted social partnership, inviting trade unions and employers to discuss creating a more orderly collective bargaining procedure. This led in the manufacturing sector, where the majority of the disputes were occurring, the trade unions and employers signing a comprehensive agreement called the Cooperation Agreement on Industrial Development and Pay Determination. This agreement was a template for promoting collective bargaining in a manner that promotes ‘industrial development, profitability and competitiveness’. The agreement saw the creation of an Industrial Committee, consisting of trade union and employer representatives that presided over a collaborative procedure for collective bargaining. The success of this agreement within the manufacturing sector saw a similar agreement introduced in the public sector (Thornqvist, 2007).

The Swedish system has not shifted towards the individualisation of conflict resolution and can be considered an example of institutional redeployment within the context of the continuity of the established path dependency route. The system has managed to retain its underlying character, maintaining collective industrial agreements that have adapted to new operating rules, while still adhering to the
collectivist ethos which underpins Swedish industrial relations. This is illustrated in the Cooperation Agreement on Industrial Development and Pay Determination drawn up in 1997, which catered to both trade unions and employers interests. The trade unions saw it protecting the collective rights of workers, and the employers saw it as a way of locking trade unions into industrial relations stability without re-entering corporatist wage bargaining. Teague refers to this as a process of hybridization, “accommodating new developments in a manner that sustains the core features of the pathway.” (Teague: 517)

Comparison of the Irish and Swedish systems in the case study reveals how the weaker path dependency upheaval in Sweden can be attributed to having a highly integrated system, where well established arrangements exist between employers and trade unions at the local and sector levels to address workplace disputes. Mediation and arbitration are emphasised and the law is the last form of redress once these procedures have been exhausted. In comparison, Ireland has become an open system, creating a wide range of institutional routes for the resolution of disputes. The weakening of collectivism and the promotion of employment law focusing on individual rights has seen collective agreements eroded in Ireland. In contrast, the option to settle disputes in Sweden were more restricted which made the development of the individualistic route to conflict resolution more difficult to establish. In Teague’s words: “the Swedish conflict management system had stronger inbuilt self-reinforcing mechanisms that worked for institutional persistence and continuity: institutional lock-in was more robust” (Teague: 518).
Teague highlights that equally as important as the continuity and collectivist conflict resolutions practices in the Swedish system was the ‘mindful action’ of Swedish employers to create a new industrial relations path in the mid-1990s. Employers launched an assault on the established corporatist system, which was partially successful in changing wage setting arrangements but was unsuccessful in recasting the industrial relations system along individualistic lines as the trade unions were strongly supported. The trade unions had the necessary influence to veto over what type of industrial relations system they would participate in and: “Employers had the capacity to decide not to participate in corporatism, but not the power to push through their own industrial relations agenda”. (Teague: 518). As a consequence the trade unions could defend ‘political lock-in’ with the traditional collectivist principles of Swedish industrial relations and ensure their continuation.

This case study manages to convey an important aspect of comparative industrial relations, explaining why established arrangements within an industrial relations system decline in some circumstances and persist in others. Teague’s case study highlights the potential usefulness of the theory of path dependency to comparative industrial relations, and its application in my research is relevant in exploring the sectoral dimension and nature of continuity and resilience of the national collective bargaining framework in English local government.

_Institutional Change, Continuity and Decoupling in the Indonesian Industrial Relations System_ (Rupidara and McGraw, 2010) examines change and continuity within the Indonesian industrial relations system. The paper applies institutional theory in analysing the different institutional actors, and focuses on three periods – the

Rupidara and McGraw when considering the question of change and continuity in Indonesian industrial relations apply a theoretical framework from institutional theory to evaluate the mechanism operating to promote change and/or stability across the three periods. Their research looks at recent changes across a long timeline covering the three periods over the last sixty years. Using institutional theory allows them to make informed judgements about the relative institutional stability, while examining the role of institutions and actors within the industrial relations system in preserving and promoting continuity. Applying an institutional theory analytical framework allows Rupidara and McGraw to consider multiple institutional logics which may co-exist in combination and sometimes in competition with one another.

Rupidara and McGraw analysis of the Indonesian industrial relations system relies on using both sociological and historical institutional perspectives, which they argue allows more comprehensive consideration of the main pillars of institutions, i.e. regulative, normative and cognitive, in parallel with examining the critical events that shaped Indonesian industrial relations history. They examine how the actors and institutional mechanisms connect with each, both formally and informally; how the diffusion of ideas and institutional isomorphism shape or constrain the choices that actors make; and how the actors have mobilized power to influence change within the prevailing institutional logics.
Rupidara and McGraw in their research face a particular challenge; while the Indonesian industrial relations system is superficially simple structurally, beneath the formal structures rest more complex practices embedded in prevailing institutional logics. These refer to how organising principles shape the behaviour of institutional actors; producing formal and informal rules of action, interaction and interpretation that guide and constrain the actors. This characteristic reflects loose institutional arrangements that tolerate mismatches among institutional pillars, i.e. regulative, normative, and cognitive institutions (Scott, 2008). The process of ‘decoupling’ creates a situation where structure is disconnected from activity and activity from results (Fiss, 2008). ‘Decoupling’ allows a situation to develop where a radical change in structures may co-exist with the unchanged behaviours of actors whose thinking is deeply rooted in pre-existing institutional ideas.

Their paper questions the changes that have been highlighted in the last ten years, questioning their sustainability and some of the claims made about their radical departure from past practices. They argue that despite some profound changes there are still strong elements of institutional continuity that can be traced back over the sixty years studied. They show that despite the changes introduced to the industrial relations system since 1998 with labour market reforms driven by a neo-liberalist agenda, there is evidence of continuity particularly in the role and ideology of government, freedom of expression, and form of unionization. They identify deeper issues of behavioural continuity at the cognitive cultural level, which are more profound and deeply rooted, and act as a brake on introducing reforms that are espoused but are not implemented effectively. This is illustrative in government bureaucracy not enforcing labour statutes and regulations, corruption in business,
politics and even within the labour movement. They characterise a political environment which is shaped by opportunism and the manipulation of economic and social systems for self-interest.

The trade unions over the three periods examined have been to less or greater extents controlled by the governments of the day. During the Old Order (1945-1965), governments gave a degree of freedom to the labour movement, at least during the period 1945-1957, when unions flourished. Basic protections of labour rights were also established in progressive legislation covering working hours, child and female work and labour inspections (Manning, 1993). However, the trade unions were mostly controlled by the political parties and were not shaped by worker interests primarily, but were rather political adjuncts to successive governments, promoting a political agenda that has been characterised as being driven top-down by politicians, where union policy and strategy were dictated by the party leadership (Hadiz, 1997). Under the New Order (1965-1998) from the 1973 until 1998 it dissolved the existing trade unions and created one state-sanctioned union, Federasi Buruh Seluruh Indonesia (FBSI) which in 1985 became Serikat Pekerja Seluruh Indonesia. Key positions in the union were held by staff from the ruling party, Golongan Karya and by military personnel (La Botz, 2001). This union never played its role as a representative body for its members, but merely became the voice of government’s interest in industrial relations issues (Rupidera and McGraw, 2010). Under the post New Order (1998-present) the governments have allowed the re-emergence of trade unions as a consequence of international pressure, however, this is the context of a highly fragmented labour movement. There are now almost 100 hundred unions which are in competition with each other; their fragmentation reflects the ideological ‘haziness’ of
the Indonesian labour movement (Silaban, 2009) which reflects wider Indonesian politics where fragmentation is a key feature, with diverse political groups making up the political landscape. The deep ideological divisions within the labour movement make the trade unions relatively ineffectual in promoting and representing worker interests.

Rupidara and McGraw’s work illustrates how the Indonesian industrial relations system has operated under parallel, even competing logics exerted by different institutional pillars and by the actors within it. These competing logics have created a restraining effect on reform initiatives, giving rise to continuity within the Indonesian industrial relations system. Rupidara and McGraw’s paper shows how at different times institutional mechanisms both shape and restrain actors as well as providing opportunities to change them. They show that any reform process within an industrial relations system must appreciate and embrace an holistic approach to change, that acknowledges the wider understanding and characteristics of institutions, including pillars (Scott, 2008); mechanisms, such as isomorphism (DiMaggio and Powell, 1983); path dependency (Thelen, 2002); and the transferability of ideas between institutions.

*Understanding NHS Reform: The Policy-Transfer, Social Learning, and Path-Dependency Perspectives* (Greener, 2002) is an account of the National Health Service reforms from the 1980s through to the mid-1990s. Greener uses path dependency to explore continuity in the NHS and the constraints upon policymakers attempting to introduce significant change during this period. Greener refers to the notion of “*conjuncture*”, in which a combination of events creates a change in the
internal and external environment that impacts on an institution, to help to explain the timing of NHS reforms, and the interplay between a range of diverse events within the organisational structure that create opportunities for change.

Greener emphasises the importance of the British political system, in particular how it creates non-coalition governments which effectively gives power to a core executive based around the cabinet system of government. As long as the cabinet can enforce discipline over the parliamentary party, it can pass whatever legislation it thinks can promote its political objectives, especially where a large parliamentary majority exists, as with the Thatcher governments from 1983 until 1990. Equally, the system of funding places control at the heart of government, the NHS is funded through general taxation, which gives the Treasury an important voice in the setting of its budget. However, despite the NHS being centrally financed the discretion given through the “concordat” between the medical profession and the state (Klein, 1995) giving the medical profession considerable autonomy in the operational running of the service.

This autonomy gives the medical profession considerable veto power over reform proposals. As Greener observes: “The NHS is centrally financed, but it is not always clear that it is centrally run” (Greener, 2002: 170).

Greener goes through the conjuncture of events that allowed the reforms to take place, which are attributed to:

- The Thatcher administration’s increased authority after the 1987 general election
- The increased heterogeneity of the medical profession
- The existence of earlier management reforms
The template offered for an alternative organisational structure, and its lack of threat to both patients and the general public

These factors, Greener argues, gave the government a window of opportunity to introduce reform during the 1980s and mid-1990s, however, the government was equally constrained by the existing organisational structure, where the institutional actors, particularly the professional occupational groups, had strong regulative, normative, and cognitive ties to the existing NHS structure, despite their professional rivalries. The government sought to ‘divide and rule’ by questioning the legitimacy of the British Medical Association to be the voice of the medical profession and tried to exploit the differences between the specialisms, appealing to the Royal Colleges, in the reform process. This approach had limited success and the reforms that were implemented during this period focused on the procurement of resources and the marketisation of non-medical services similar to the regime introduced in local government for manual, direct services, with the implementation of Compulsory Competitive Tendering.

Under the Thatcher government the cabinet adopted a ‘closed cabinet’ approach to reform, not consulting with the key institutional actors in the policy formulation process. This was a questionable strategy because despite having a strong political mandate, it failed to recognise that it required the compliance of the medical profession to secure effective change, and not doing so created a resentment that made the reforms more difficult to implement. There was a degree of ‘political lock-in’ to reforming the NHS, there was a consensus amongst the three principal political parties that recognised the NHS transcended the political bargaining and reforming process that other public services were subject to. The NHS had become the secular
religion of the UK, with the public’s absolute faith in it as an institution of public good. The Conservative government recognised this political reality. The public had an expectation that the NHS should provide health care that was free at the point of delivery, universal and comprehensive, and any attempts to change any of these elements risked political unpopularity. The continuity of the NHS as an organisation is tied up in it being a distinctive example of socialized medicine, with a high degree of central control over funding. A change of financial arrangements carries the risk of control over the total amount spent on health care and a corresponding increase in state expenditure. As long as funding comes from general taxation it will continue to limit the scope of health care reform, therefore creating an economic lock-in with the existing NHS institutional structure. Greener’s work shows that where health professionals view reforms as being managerial in nature, they are often vetoed or ignored. Greener succinctly sums up: “While health care remains a key general election issue, substantial reform of the care system in the U.K. will be difficult because of the ease with which its proposers can be labelled as “privatising” or “dismantling” the NHS.” (Greener, 2002: 176) Greener’s paper applies path dependency theory as an analytical framework to help understand the conditions for institutional reform, in this case the NHS, and how their origins, implementation, significance, and constraints, offers insights into the institutional reform process.

The three papers examined in this section illustrate how institutional theory and specifically the concept of path dependency, in comparative employment relations research, can be a useful means of exploring and analysing actors and institutions. We see how at different times, institutions can shape and restrain actors as well as providing opportunities to change them.
Section Three

The application of institutional theory to my study of national collective bargaining in English local government will examine questions around:

- Why do local authorities, of varying sizes and political composition, across the country, support and adhere to the national collective bargaining framework?
- Why other local authorities choose not to be in the national framework?
- How the actors within local authorities: trade unions, management, and politicians, shape and influence the support of the national framework?
- How are we to regard institutional actors’ behaviour in their organisational settings? Does it reflect the pursuit of rational interests and the exercise of conscious choice, or is behaviour primarily shaped by conventions, routines, and habits?
- How do rules, public policy, and laws shape the regulative, normative and cognitive processes of the institutional actors within local government?
- How do political ideological beliefs shape the nature of operations in local government?
- Why do institutional actors and the majority of local authorities within English local government conform to the national collective bargaining framework? Is it because it is expedient to their individual and collective interests; in economic, social, and political terms? Is it because of a moral imperative borne out the public service ethos to serve the public and its interests? Or is it as a consequence of conceiving no alternative?
- Is the national collective bargaining framework a vehicle for promoting stability and order within English local government?
Applying path dependency to my study will help me develop a line of enquiry around the custom and practice (the cultural-cognitive dimension) of establishing the means by which terms and conditions of employment are set through collective bargaining and how the principal institutional actors in local government – the state, employers/management (including human resource management), trade unions, and politicians (nationally and locally) – shape the outcomes of this process. Path dependency offers a means of analysing and understandings the development and the shaping of the institutional actors, and has the potential to offer an explanation as to why national collective bargaining has remained so resilient despite the reforms of the last thirty years, and still is integral to English local government employment relations architecture.

Conclusion

An important aspect of comparative employment relations is explaining why established arrangements to manage the employment relationship decline in some employment sectors and persist in others. In my study examining collective bargaining in English local government, institutional theory and the concept of path dependency, will be useful in examining why centralised national collective bargaining in local government has continued to survive amongst the majority of local authorities (over 90%) despite the local government reforms over the last thirty years.

The chapter has looked at institutional theory and the concept of path dependency, while specifically illustrating the application of Scott’s Three Pillars of Institutions. The three papers in which institutional theory and path dependency are used, illustrates their appropriateness and potential usefulness in my own work, as they will
help to illuminate and explore the complex and inter-dependent relationship of the institutional actors, and why they continue to support centralised national collective bargaining in English local government.
Chapter Five

Research Methods

Introduction

This chapter outlines the research methods adopted in my study, and their suitability. The chapter will examine the different methodological approaches to research; the particular methodological traditions in industrial relations research; the development of the research design in my study; and the practical details and processes of data collection in my study.

Despite the dramatic decline of collective bargaining and trade union membership in the British private sector over the past thirty years, and much academic discussion of ‘marketisation’ in the public sector, national collective bargaining in English local government has remained remarkably robust - as demonstrated by the Workplace Employment Relations Surveys. Most academic research on employment relations in the public sector has focused on ‘change’. In my study I wish to examine the roots of ‘continuity’ and a surprising institutional survival. After three decades of reform, national bargaining still remains central to the local government employment relations architecture, and contrary to the ‘hollowing out’ claim, national agreements are still the bulwark upon which both national and local government and the actors within it (trade unions, management, politicians, and central government) rely upon to engage in the process of joint regulation in the workplace.

A sectoral study has been chosen to explore the political dynamics that underlie the survival of national collective bargaining in English local government. This follows a
‘firm in sector’ methodology (Smith et al., 1990), in which a benchmark authority is studied and is compared and contrasted with eight other local authorities. The authorities were chosen by taking account of factors such as: size (employing more than 2,000 workers); type (metropolitan (7) and shire (2)); geography (north (2), midlands (4), south west (1) and south east (2)); and status (are they part of the national collective bargaining framework or outside of it).

The ‘firm in sector’ methodology will allow me to examine issues at an organisational level, building on the Workplace Employment Relations Surveys, which is focused more at a macro and sectoral level. A sectoral study goes beyond a case study because although my research will drill down in detail within the benchmark authority, the study is nevertheless dependent on understanding the wider sectoral landscape in which the benchmark authority is located and considers how its experiences compare with local authorities who chose to belong or not belong to the national collective bargaining framework.

A process of purposive sampling (Bryman, 2001) was conducted to establish the individuals that would be interviewed and were selected on the basis of their relevance to the research questions. There was a ‘snowball’ effect with the interview process, as through interviewing people I was recommended to see others who might contribute further to my research. The study relies on interviews with the principal stakeholders – trade union representatives, managers, and politicians – at an authority, regional and national level across a number of local authorities both within and outside the national framework. These individuals can be described as elite policy actors (Hantrais and Ackers, 2005): experienced operators in their respective areas
who bring their wealth of experience to the organisational roles they perform. All interviewees have been involved in local government for at least twenty years, and the majority have worked in a number of local authorities, allowing them to compare and contrast their experiences across the local government sector as a whole. Fuller details on interviewees are provided later.

The Purpose of the Research

The nature of research is very much shaped by its end use, and this has a major effect on the research strategy adopted (Hakim, 1987). Hakim distinguishes between theoretical and policy-based research. Theoretical research focuses primarily on identifying causal relationships and explaining real world phenomena. The long-term aim is to develop knowledge and understanding. Policy research focuses on changing real life situations and informing policy makers’ concerns. Various distinctions can be drawn between the two approaches, with policy research more likely to be: multi-disciplinary; conducted at a number of levels; based on representative samples rather than those that cannot be generalised; involve respondents who are institutional role holders; and involve complex causal processes (Strauss and Whitfield, 1998: 12). Industrial Relations research, historically, has always been closely associated with policy formulation, linking it with the policy-based model. However, the last twenty years have increasingly seen industrial relations research focusing on hypothesis testing.
Theoretical Perspectives

Of the theoretical perspectives available to the researcher, positivism and interpretivism are arguably the most influential. Historically, positivism was the dominant epistemological paradigm in social science from the 1930s through to the 1960s, its core argument being that the social world exists external to the researcher, and that its properties can be measured directly through observation. Central to positivism is that ideas only deserve to be incorporated into knowledge if they can be put to the test of empirical experience. This, in the context of the positivist perspective, can only be achieved through the accumulation of data. Positivism has been described as ‘one of the heroic failures of modern philosophy’ (Williams and May, 1996: 27). Adopting a positivistic stance is not only about adopting certain approaches to the design of research studies. It implies that the results of research will be presented as objective facts and established truths (Crotty, 1998). Popper (1968) argues that no theory can ever be proved simply by multiple observations, since only one instance that refutes the theory would demonstrate it as false. According to Popper, theories cannot be proved to be true – they can only be proved to be false.

Interpretivism looks for ‘culturally derived and historically situated interpretations of the social life-world’ (Crotty: 1998: 67). From this perspective, there is no, direct, one-to-one relationship between ourselves and the world around us. The world is interpreted through the classification schemas of the mind (Williams and May, 1996). In terms of epistemology, interpretivism is closely linked to constructivism. Interpretivism asserts that natural reality and social reality are different and therefore require different kinds of method. While the natural sciences are looking for
consistencies in the data in order to deduce ‘laws’, the social sciences often deal with the actions of the individual. Thus as Crotty (1998: 68) says: ‘Our interest in the social world tends to focus on exactly those aspects that are unique, individual and qualitative, whereas our interest in the natural world focuses on more abstract phenomena, that is, those exhibiting quantifiable, empirical regularities.’ This methodological tension is reflected in Weber’s notion of ‘Verstehen’, which emphasizes the need for ‘interpretive understanding of social action in order to arrive at a causal explanation of its cause and effects’ (1947: 88). My research adopts a broadly interpretivist approach, as I am interested in examining the social life world within local government. I wish to understand the thoughts and actions of the institutional actors and establish the reasons why the national collective bargaining framework remains an important bulwark with local government employment relations.

**Research Strategy - Inductive and Deductive Approaches**

The two main approaches to research strategy are the deductive and inductive approaches. The deductive approach begins with a universal view of a situation and works back to the particulars while the inductive approach moves from fragmentary details to a connected view of a situation. Inductive research is normally, although not exclusively, based on qualitative research methods, which works from the bottom – field- upwards. Its primary focus is to understand and explain how and why institutions develop as they do. They are studied holistically, that is, in their social, economic, and historical context. The inductive approach has been useful in developing policy advice and middle-range theory (Strauss and Whitfield, 1998).
Longitudinal studies of institutions over time have proved beneficial in developing insights that further our knowledge into how they work. The deductive approach, in contrast, as already mentioned, moves from the top – theory – downwards, seeking general laws that are applicable to a wide set of situations through the application of hypotheses. In the employment relations context these have tended to emanate from the fields of economics and other social sciences. In the deductive approach, hypotheses are tested against empirical facts, often relying on quantitative research methods. In the case of my study, it was informed by an interpretivist epistemological approach, with a mixture of both deductive and inductive approaches to theory, with the literature and my personal experience producing thematic questions that could be complemented by new questions coming out of the empirical fieldwork.

Methodological traditions in industrial relations research

Within British industrial relations research has historically favoured a qualitative approach which has been: “inductive, qualitative, concerned with applied/ policy oriented problems and relatively a-theoretical (or) at most concerned with middle range theory” (Whitfield and Strauss, 2000), or what Marginson refers to as the “empirically founded inductive tradition of the field” (Marginson, 1998: 384). However, internationally, industrial relations research methods have varied between countries and the underlying influence of specific subject disciplines like labour economics and sociology. In the United States, where labour economics has played a key role in shaping industrial relations, quantitative research has become the dominant research method, accounting for the of majority research there. While in Britain,
research in the last thirty years has been equally balanced between both qualitative and quantitative research (Frege, 2005).

However, within British industrial relations, the last twenty years have seen a noticeable shift in emphasis towards deduction and quantification in mainstream academic journals. The pre-eminence of the Workplace Industrial Relations/Employment Relations Surveys, which have produced large data sets across all the UK’s industrial and employment sectors, has seen a switch in research emphasis from examining institutions and collective issues, to that of the individual in relation to the employment relationship with the employer, characterised with human resource management practice. It has been argued that with the development of technology and the ability to process large data sets, this has impacted on the use of qualitative methods like the case study, in industrial relations research (Ackers and Wilkinson, 2003: 451), which has seen the tradition of sociology in industrial relations become diluted and economics becoming more dominant.

The debate within methodological research methods still centres on the question of which approach is better – qualitative or quantitative as illustrated in Table 5.1 (Bryman, 1998). In many respects this debate is argued by the respective proponents of each, from a philosophical position that is shaped by: culture, politics, and academic discipline. In practice, researchers have taken a pragmatic approach, seeing that qualitative and quantitative methods can be complementary to each other. Surveys can inform case study design and likewise case studies can inform surveys –
a two way process shaping case study research or informing findings (Marginson, 1998).

Table 5.1 Strength and Weaknesses of Qualitative and Quantitative Research

<table>
<thead>
<tr>
<th></th>
<th>Qualitative Research</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td>Seeing through the eyes of the people being studied and understanding the social world they live in</td>
<td>Problems of generalisation</td>
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<tr>
<td></td>
<td>Description and the emphasis on context – descriptive detail highlights the importance of the contextual understanding of social behaviour – norms and values must be understood in context</td>
<td>Difficult to replicate</td>
</tr>
<tr>
<td></td>
<td>Emphasis on process – qualitative evidence conveys a strong sense of change and flux</td>
<td>The perception of lack of perceived transparency</td>
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<tr>
<td></td>
<td>Flexibility and limited structure - allows the researcher to develop research methods that are appropriate to the social world they are examining. Keeping structure to a minimum enhances the opportunity of genuinely revealing perspectives of the people and institutions that are being studied</td>
<td></td>
</tr>
<tr>
<td><strong>Quantitative Research</strong></td>
<td>Generalisability – research findings can be generalised beyond the confines of the particular context in which the research was conducted</td>
<td>Limited understanding of processes – failure to distinguish people and social institutions</td>
</tr>
<tr>
<td></td>
<td>Replication- the reproduction of research which seeks to minimise individual researcher’s biases and values</td>
<td>The measurement process possesses an artificial precision and accuracy</td>
</tr>
<tr>
<td></td>
<td>Causality – a wish to not only identify phenomena but to explain it.</td>
<td>The reliance on instruments and procedures hinders the connection between everyday life</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The analysis of relationships between variables creates a static view of social life that is independent of people’s lives</td>
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Brown and Wright (1994) encapsulate the complementary nature of both methodological approaches:

“Large-scale surveys are in much of social science best iterated with in-depth fieldwork. Unless their questions receive constant refreshment from the case studies, they cease to engage with the phenomena they seek to observe and measure. Unless case study findings are placed in a statistical perspective, their significance may be ignored” (Brown and Wright, 1994: 162).

In the case of my own research, I will build upon the data presented in the Workplace Industrial/Employment Relations Surveys of the last thirty years, which have provided valuable data on identifying the changing contours of industrial relations in Britain (Blanchflower, Bryson and Forth, 2007). The WER/WIR surveys over the last thirty years have provided valuable insights into the longer term trends encompassing employment relations affecting UK workplaces. The surveys provide not only an important ‘snapshot in time’ but also contain a rich longitudinal content which will enable me to identify workplace continuities and change over this period. The WER/WIR surveys will complement my sectoral study, as I will drill down and focus specifically on local government. The data extrapolated from the surveys will act as a reference point for framing my empirical fieldwork. However, it is important to recognise the limitations of the WIR/WER surveys. Although they show patterns of change in the employment relations landscape, they do not reveal the process which explains why change occurs, or how the actors involved in the changes make sense of them. In the case of national collective bargaining in the public sector, the surveys tell us that it has survived, but not how and why.
The sectoral study, with its qualitative emphasis, will allow me to examine the fine grain detail of why the national collective bargaining framework continues to survive in English local government. My study will be context-sensitive (Edwards, 2005), applying institutional theory to explore my subject matter. By probing the views and opinions of elite policy actors, all experienced participants in local government employment relations, I will get a greater understanding of my subject matter, and this detailed qualitative enquiry will illuminate ‘what people believe is happening’ to the national framework in local government. My study will bring out the ‘lived experience’ of the actors and the institutions they inhabit, and rather than an over emphasis of deterministic institutional explanations, will show how the actors, whether trade unions, management or politicians, shape the employment relations environment they operate in. This approach, I believe, will produce ‘thick description’ (Geertz, 1973) from the benchmark authority and the other authorities examined, that will illuminate and offer explanations into the continual survival of national collective bargaining in English local government.

My study relies on adopting an historical perspective, viewing local government employment relations and its development in its historical context. The time frame of – 1979-2007 starts with the political rupture of 1979 with the coming to power of a Conservative government under Margaret Thatcher and 2007, which saw Tony Blair step down after ten years in office as Prime Minister of a Labour government. This historical approach to my sectoral study will, I believe, produce a comprehensive and an authoritative blend of description and analysis that will help to explain interesting social phenomena like the survival of the national collective bargaining in local
government, and make a contribution to our understanding of public sector employment relations.

**Research Approach and Design: A Sectoral Study**

A sectoral study, using a ‘firm in sector’ methodology (Smith et al., 1990) is ideally suited for examining the reasons for the continued survival of the national collective bargaining in local government. It will allow me to explore themes raised through the literature, focusing on: local authorities, trade unions, and employers’ associations and the individuals that make up these organisations. A sectoral study will help me examine local government employment relations practice between the different institutional stakeholders, specifically in detail within one local authority, and more generally across a selected number of local authorities. Stake (2000) argues that a sectoral study, as a scion of the case study method, can prove invaluable in adding to understanding, extending experience and increasing conviction about a subject. Yin (1994) suggests that a sectoral study can be viewed as: “an enquiry that investigates a contemporary phenomenon within a real-life context” (Yin, 1994: 13). A sectoral study can attribute causal relationships rather than just describe a situation, which is useful when a researcher is trying to uncover a relationship between a phenomenon and the context in which it is occurring. A sectoral study is ideally suited to exploring the questions of ‘how’ and ‘why’ the national collective bargaining framework continues to exist in local government.
Criticisms of the Sectoral Study Approach

It must be pointed out that the sectoral study approach is not universally accepted by researchers as being reliable, objective and legitimate. A fundamental criticism is the issue of the approach’s inability to generalise, which is levelled by advocates of positivism (Gummerson, 1991). However, in Yin’s opinion, this criticism is equally applicable to quantitative methods of research, and sectoral studies are generalizable to theoretical propositions and not to populations (Yin, 1984: 21). It has been argued that the method lacks sufficient rigour, but as Yin (1994) points out, this is often down to the sloppiness of the individual researcher who has allowed equivocal evidence or biased views to influence the direction of the findings and conclusions. Yin points out that bias is as much of a problem for other research strategies, such as designing questionnaires for surveys (Sudman and Bradburn, 1982), or in the conduct of historical research (Gottschalk, 1968).

The Research Process and Data Collection

My fieldwork research began in April 2009. I wrote to eighty individuals across twelve organisations comprising of: local authorities, trade unions and employers’ organisations. Within each letter (Appendix 1) I outlined the nature of my research and my wish to interview a representative cross-section of the principal actors who were involved in employment relations in local government. Through this method fifty individuals across the twelve organisations got back to me and agreed to be interviewed.
Table 5.2 List of Participants Interviewed

**Benchmark Authority**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
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<tbody>
<tr>
<td>B F</td>
<td>Director of Employment Relations</td>
<td>Authority 1</td>
</tr>
<tr>
<td>N B</td>
<td>HR Manager</td>
<td>Authority 1</td>
</tr>
<tr>
<td>M C</td>
<td>HR Manager</td>
<td>Authority 1</td>
</tr>
<tr>
<td>F F</td>
<td>Retired Director</td>
<td>Authority 1</td>
</tr>
<tr>
<td>L T</td>
<td>Operational Head of Waste Management</td>
<td>Authority 1</td>
</tr>
<tr>
<td>P G</td>
<td>Street Cleansing Manager</td>
<td>Authority 1</td>
</tr>
<tr>
<td>M N</td>
<td>Refuse Collection Manager</td>
<td>Authority 1</td>
</tr>
<tr>
<td>J M</td>
<td>Head of Food – Public Health</td>
<td>Authority 1</td>
</tr>
<tr>
<td>J Y</td>
<td>Operational Head of Trading standards</td>
<td>Authority 1</td>
</tr>
<tr>
<td>R B</td>
<td>Head of Environmental Health</td>
<td>Authority 1</td>
</tr>
<tr>
<td>T M</td>
<td>Retired Head of Waste Management</td>
<td>Authority 1</td>
</tr>
<tr>
<td>M J</td>
<td>Retired Director</td>
<td>Authority 1</td>
</tr>
<tr>
<td>M A</td>
<td>Labour Councillor</td>
<td>Authority 1</td>
</tr>
<tr>
<td>P K</td>
<td>Labour Councillor – Shadow Cabinet Member of the HR Committee</td>
<td>Authority 1</td>
</tr>
<tr>
<td>C R</td>
<td>Labour Councillor</td>
<td>Authority 1</td>
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<td>M W</td>
<td>Liberal Democrat Councillor – HR Committee</td>
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<tr>
<td>A R</td>
<td>Conservative Councillor – Cabinet Member – HR Committee</td>
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**Leader Authorities**

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<tr>
<td>S C</td>
<td>Councillor – Chair of HR Committee</td>
<td>Authority 2</td>
</tr>
<tr>
<td>L H</td>
<td>Chief Officer of Human Resources</td>
<td>Authority 3</td>
</tr>
<tr>
<td>J R</td>
<td>Head of Human Resources</td>
<td>Authority 4</td>
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### Follower Authorities

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<tr>
<td>B M</td>
<td>Director of Customer and Workforce Services</td>
<td>Authority 5</td>
</tr>
<tr>
<td>R W</td>
<td>Head of Human Resources</td>
<td>Authority 6</td>
</tr>
<tr>
<td>S R</td>
<td>Head of Health and Safety</td>
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</tr>
<tr>
<td>A D</td>
<td>Chief Human Resources Officer</td>
<td>Authority 7</td>
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<td>S B</td>
<td>Deputy Head of Employment Relations</td>
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### Deviant Authorities

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<tbody>
<tr>
<td>G H</td>
<td>Corporate Director – People, Policy, and Communications</td>
<td>Authority 8</td>
</tr>
<tr>
<td>A B</td>
<td>Corporate Director of Personnel and Development</td>
<td>Authority 9</td>
</tr>
<tr>
<td>P R</td>
<td>Head of Employment Strategy</td>
<td>Authority 9</td>
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</tbody>
</table>

### Trade Unions

<table>
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<th>Name</th>
<th>Position</th>
<th>Organisation</th>
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<tbody>
<tr>
<td>S T</td>
<td>Departmental Secretary</td>
<td>UNISON</td>
</tr>
<tr>
<td>B H</td>
<td>Departmental Secretary</td>
<td>UNISON</td>
</tr>
<tr>
<td>A W</td>
<td>Regional Officer</td>
<td>UNISON</td>
</tr>
<tr>
<td>R S</td>
<td>Regional Head of Local Government</td>
<td>UNISON</td>
</tr>
<tr>
<td>T J</td>
<td>Regional Head of Local Government</td>
<td>UNISON</td>
</tr>
<tr>
<td>R M</td>
<td>Regional Secretary</td>
<td>UNISON</td>
</tr>
<tr>
<td>A I</td>
<td>Researcher</td>
<td>UNISON</td>
</tr>
<tr>
<td>A T</td>
<td>Branch Secretary</td>
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</tr>
<tr>
<td>T R</td>
<td>Regional Officer</td>
<td>UNISON</td>
</tr>
<tr>
<td>S H</td>
<td>Section Shop Steward</td>
<td>UNITE</td>
</tr>
<tr>
<td>S F</td>
<td>Branch Secretary</td>
<td>UNITE</td>
</tr>
<tr>
<td>H H</td>
<td>Deputy Branch Secretary</td>
<td>UNITE</td>
</tr>
<tr>
<td>P A</td>
<td>National Negotiator</td>
<td>UNITE</td>
</tr>
<tr>
<td>P J</td>
<td>Head of Research</td>
<td>UNITE</td>
</tr>
</tbody>
</table>
Employers’ Associations

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>C W</td>
<td>Regional Director</td>
<td>Local Government Association</td>
</tr>
<tr>
<td>D H</td>
<td>Regional Head of Employment Relations</td>
<td>Local Government Association</td>
</tr>
<tr>
<td>S M</td>
<td>Regional Head of Employment Relations</td>
<td>Local Government Association</td>
</tr>
<tr>
<td>C N</td>
<td>Retired Executive Director</td>
<td>Local Government Employers</td>
</tr>
<tr>
<td>P W</td>
<td>Head of Negotiations</td>
<td>Local Government Employers</td>
</tr>
<tr>
<td>H H</td>
<td>Principal Negotiator</td>
<td>Local Government Employers</td>
</tr>
<tr>
<td>S B</td>
<td>Chair</td>
<td>Local Government Employers</td>
</tr>
<tr>
<td>M M</td>
<td>Conservative Councillor - Member on the General Assembly</td>
<td>Local Government Association</td>
</tr>
</tbody>
</table>

(* Detailed biographical profiles of the interviewees can be found within appendix 2)

Justification of the selection of organisations and interview participants

The selection of organisations and individuals is critical to the success of the research conducted: “As in hypothesis testing research, the concept of population is crucial, because the population defines a set of entities for which the research sample is to be drawn” (Eisenhardt, 1989: 536). The selection of organisations and the initial approach of individuals within these organisations were to a large degree influenced by my professional background. As an employment relations manager with over twenty years’ experience in local government, I had an extensive network of colleagues both within the authority I had worked for, and associates who worked in other local authorities, the trade union movement, and the employers’ association at a regional and national level. Through my contacts in the Trade Union Movement and
the Local Government Employers, I was able to identify individuals that had the necessary background and experience in local government employment relations that would give me the breadth and depth to my study.

The choice of the benchmark authority was primarily driven by two factors: access and the nature of the local authority. I had been employed by the authority for nearly twenty years as an employment relations practitioner. In that time I had worked with many people across the management, trade union and political fields and through these relationships had developed a mutual trust and respect that I knew they would be frank and candid in their views, while they had sufficient trust in me that I would not abuse this discretion, as many of the interviewees had participated in earlier research that I had undertaken while doing research for my Master’s in industrial relations some fifteen years earlier. As an organisation, my authority was an appropriate choice as a benchmark because of its size and political control over the period that was examined (1979-2007). The other authorities were chosen on: size (employing more than 2,000 workers); type (metropolitan (7) and shire (2)); geography (north (2), midlands (4), south west (1) and south east (2)); and status (are they part of the national collective bargaining framework or outside of it).
<table>
<thead>
<tr>
<th>Leader Authorities</th>
<th>Authority 1 Midlands</th>
<th>Authority 2 South West</th>
<th>Authority 3 North</th>
<th>Authority 4 North</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1,028,700</td>
<td>433,100</td>
<td>787,700</td>
<td>483,800</td>
</tr>
<tr>
<td>Economically Active Working Population</td>
<td>456,000</td>
<td>236,000</td>
<td>413,500</td>
<td>227,000</td>
</tr>
<tr>
<td>Total numbers of jobs in all sectors of employment in area (workplace based)</td>
<td>484,000</td>
<td>231,000</td>
<td>417,600</td>
<td>306,700</td>
</tr>
<tr>
<td>Total numbers of jobs in the Public Administration, Education and Health Sector</td>
<td>156,000 (32%)</td>
<td>66,600 (29%)</td>
<td>104,800 (25%)</td>
<td>90,100 (25%)</td>
</tr>
<tr>
<td>Size of Authority Workforce</td>
<td>48,000</td>
<td>24,000</td>
<td>27,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Follower Authorities</th>
<th>Authority 5 Midlands</th>
<th>Authority 6 Midlands</th>
<th>Authority 7 Midlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>312,800</td>
<td>244,100</td>
<td>238,500</td>
</tr>
<tr>
<td>Economically Active Working Population</td>
<td>152,300</td>
<td>121,200</td>
<td>108,900</td>
</tr>
<tr>
<td>Total numbers of jobs in all sectors of employment in area (workplace based)</td>
<td>141,600</td>
<td>118,500</td>
<td>103,800</td>
</tr>
<tr>
<td>Total numbers of jobs in Public Administration, Education, and Health Sector</td>
<td>42,100 (30%)</td>
<td>34,200 (29%)</td>
<td>31,800 (31%)</td>
</tr>
<tr>
<td>Size of Authority Workforce</td>
<td>18,000</td>
<td>12,500</td>
<td>14,000</td>
</tr>
</tbody>
</table>
### Table: Comparison of Local Authority Populations and Employment Numbers

<table>
<thead>
<tr>
<th>Deviant Authorities</th>
<th>Authority 8 South East</th>
<th>Authority 9 South East</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economically Active Working Population</td>
<td>494,700</td>
<td>1,411,100</td>
</tr>
<tr>
<td>Total numbers of jobs in all sectors of employment in area (workplace based)</td>
<td>207,200</td>
<td>717,000</td>
</tr>
<tr>
<td>Total numbers of jobs in Public Administration, Education, and Health Sector</td>
<td>48,300 (23%)</td>
<td>161,200 (11%)</td>
</tr>
<tr>
<td>Size of Authority</td>
<td>16,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>


The eight local authorities act as a valuable comparator with the benchmark authority as they all provide public services to large populations. By comparing them with the benchmark authority we can establish if there are any generalisable explanations for the continued survival of centralised national collective bargaining in English local government. The local authorities fall into three thematic types: Leader, Follower and Deviant.

The leader authorities are characterised by operating in high density urban conurbations with population sizes of over half a million. As leader authorities they have high political profiles within their regions, exerting influence amongst neighbouring authorities through both informal and formal networks that are supported through political affiliations and the Local Government Employers. The leader authorities’ political and organisational importance at a regional level makes them potentially valuable pillars in supporting the national collective bargaining framework, and in turn, they are integral to the maintenance and survival of the Local Government Employers’ as an employers association. The leader authorities are well
resourced, large complex organisations, employing more than 20000 workers, who under the Audit Commission’s assessment have attained the highest standards in best local government practice. They are the principal employers in their localities and are vital to the prosperity of their local communities that rely on the economic regeneration they bring from their activities. The leader authorities have large dedicated human resources and employment relations functions that are influential both internally within in their authorities and externally both at a regional and national level within the Local Government Employers. As regional leaders these authorities have, and are used by central government, to test new local government initiatives and consequently their political influence in shaping local government policy is felt at a national level.

**Follower authorities** in many respects mimic leader authorities on a smaller scale. Like leader authorities, they are located in urban conurbations but their population size is smaller (normally about 250,000). Follower authorities generally employ fewer than 20,000 workers. They have a presence at a regional level, but they operate in the wake of the leader authorities. As local government funding is calculated by population size, follower authorities’ resources are limited and this shapes the provision of their services. They do not have the large specialist human resources and employment relations functions that the leader authorities have, but nevertheless, operate scaled down versions that rely more upon the regional and national Local Government Employers for guidance and specialist advice in human resources and employment relations matters.
**The Deviant authorities** are county councils that cover large geographical areas with their populations (over half a million) being spread across both suburban and rural areas. They are socially, politically and economically shaped by their region, the South East. Like the leader authorities they have large budgets and are responsible for the provision of public services that are statutory based; however, as they have gone down the route of becoming ‘enablers,’ rather than ‘providers’ of public services, these authorities have contracted out many of their services and have become clients in which they monitor and regulate but are no longer direct providers of these services. The deviant authorities are outside of the local government national collective bargaining framework and have embraced a human resources approach that marginalises collective representation and in particular trade unions, in favour of focusing on the individual and emphasising the team nature of their organisations. Like Leader authorities they have well-resourced human resources and employment relations functions that act principally at a strategic level within their organisations, advising management but leaving the day to day human resources activities to line managers. The human resources policies within the deviant authorities are service delivery focused, emphasizing customer needs and expectations, and conditions of employment within these authorities are shaped by the budgetary infrastructure of the individual authorities and what they can afford to pay, rather than the national local government collective bargaining framework which set pay and conditions of service across authorities.

National representatives from UNISON and UNITE were interviewed. Both are key trade unions within local government, attracting different occupational groups. UNISON, recruits predominantly from white collar professional and clerical workers
with a large female membership. UNITE (formerly the T&GWU) recruits primarily from blue collar manual and craft workers whose membership is mainly male. UNITE’s national membership comes from both the public and private sectors. Within each of the trade unions national, regional and local representatives were interviewed.

**Research Instrument – The Interviews**

The study relied on one-to-one interviews as the principal means of gathering empirical data. The interviews were semi-structured, lasted on average an hour and were taped. The first ten minutes dealt with introductions and outlined the research. The core of the interviews lasted forty minutes and dealt with thematic questions (see Appendix 3) that had been developed from the literature. Finally, a ‘wind down’ period gave the interviewees an opportunity to speak ‘off the record’. The semi-structured format allows for probing of views and opinions where it also gives an opportunity for the interviewee to expand on their answers and redefine questions. With the interview structure being more fluid it allows the interview to take new pathways which add to the richness of the data collected. The interview, as an instrument of data collection is seen from, a qualitative perspective, as an ideal way of exploring how individuals see and interpret events (Saunders et al., 2000). The individuals who took part were quite willing to engage in the interview process. This, I think, can be attributed to the fact that the subject matter I was researching, the national collective bargaining framework in local government, was not perceived to be a contentious area either politically or organisationally. With my study examining the period from 1979 until 2007, it was viewed by the interviewees as an historical
piece of research which they felt comfortable talking about, as it allowed them to reflect on their employment relations experiences in local government.

**Investigator as Instrument**

In qualitative research, the investigator serves as a kind of “instrument” in the collection and analysis of data (Cassell, 1977; Guba and Lincoln, 1981; Reeves Sanday, 1979). This metaphor is a useful one because it emphasises that the investigator cannot fulfil qualitative research objectives without using a broad range of their own experiences (Miles, 1979: 579). In the context of my own research, my background in local government employment relations proved invaluable. I had been an employment relations practitioner in local government for twenty years, in that time I had been actively involved in day-to-day employment relations issues both at an operational departmental level, working with local managers and shop stewards and corporately with policy makers and politicians looking at council wide employment relations issues. My blend of operational and corporate experience, I think, has been invaluable in enabling me to compare my experience, ideas and actions with those of the individuals I interviewed. However, as McCracken (1988) points out: “the investigator’s experience is merely a bundle of possibilities, pointers, and suggestions that can be used to plumb the remarks of a respondent. Even quite plausible matches require substantiation and confirmation from the remainder of the interview analysis. They must be confirmed over and over before they are admissible as evidence”. (McCracken, 1988: 20) With this in mind, I was very aware throughout interviewing that I must not allow my personal experiences to overtake and consume the views and opinions that were expressed by those I interviewed.
Data Analysis

The sectoral study is a productive process for collecting data, but with this comes the question of how should the data be analysed. In contrast to other methods, there is less experience and fewer developed strategies for analysing data: “Analysing data is the heart of building theory from case studies, but it is the most difficult and least codified part of the process” (Eisenhardt, 1989: 532). My study was built upon the twin pillars of the theoretical propositions which underpinned my subject matter and the process of explanation building, developing an argument why the national collective bargaining framework continued to survive in English local government.

The interviews with the permission of the participants were tape recorded. The tapes were then transcribed. The completed transcripts were then evaluated referring to the thematic questions that shaped the composition of the interviews. The transcripts were read several times which ensured a familiarity with contents of each interview. As elite policy actors, the interviewees were expressing not just their personal experience but equally they were expressing often a wider collective view that reflected the experiences of their workplace colleagues who carried out similar roles to themselves. The interviewees had a detailed understanding of local government employment relations across the sector and had worked at least at an authority level, while many had operated at a regional and national level. With the interviewees having this level of understanding and familiarity with my subject matter, I was able to build a contextual framework in which I could place what each interviewee, as a representative of their organisation, placed on the importance of the national collective bargaining framework.
The analysis of the data was incremental and organic; it did not form a discrete phrase of the research, but rather was a continuous process of reflection and re-evaluation that occurred through the ‘writing-up’ phase. Throughout my research I had archived material and exchanges between all those that had contributed to my research. Throughout my research I was able to discuss my research and my empirical findings with my supervisors and the wider academic community, which helped me refine my work to a greater degree and detail.

**Problems Encountered**

The single most critical data collection issue experienced was the time taken to organise and see people. I did not have any problems in people agreeing to be interviewed; the problem was more a question of when they could be seen. As elite policy actors, they were predominantly in senior positions within their organisations, and therefore their time was at a premium. Fortunately, as a full-time researcher, I had the flexibility to fit in with their availability. Sometimes, this led to long waits for appointments but what was most encouraging, without exception, was that all the participants gave me their time freely once they were being interviewed. There was also some time delay when individuals I had originally chosen had moved on. In this case, despite this setback, I was still able to meet with individuals who had replaced the original people I had contacted.

From an ethical position, I decided that in the interests of both the individuals and the organisations they represent I would not reveal their identities and they would remain anonymous. All interviewees were asked permission to record the interviews, and no
one declined this request. All participants were told that their interviews would be anonymous and they would not be identified in the thesis.

**Conclusion**

In this chapter I have shown the methodological approach I have adopted in examining my area of interest – the national collective bargaining framework of English local government. In the course of my fieldwork I have been able to obtain a rich seam of material built upon the personal experiences of elite policy actors and combined with the literature; this has enabled me to develop my hypothesis and ultimately my contribution to knowledge. My work has been heavily influenced by institutional theory, in that issues of context, institutional structures, and causality linked to the actors’ social meanings have been of central importance (Ackers, 2002). The sectoral study, adopting the ‘firm in sector’ methodology approach, has enabled me to explore the ‘how’ and ‘why’ questions and help to illuminate and explore the complex and inter-dependent relationship of the institutional actors, and why they do (or not) continue to support centralised national collective bargaining in English local government.
Chapter Six

The Benchmark Authority

Introduction

The benchmark authority examined in this chapter is a large metropolitan English authority that is characterised as a leader authority. It is located in an urban conurbation with strong historical ties to its commercial and industrial activities. As a metropolitan authority, it is a product of local government reform of the 1970s and 1980s, but its political, social, and economic roots can be traced back to its beginnings as a large city municipal authority of the late nineteenth century. In the last thirty years, the process of de-industrialisation has affected it, and in turn this has shaped and influenced its political, social, and economic outlook. The chapter examines: the historical background and political background of the authority; the impact of the Conservative governments’ (1979-1997) and the New Labour government’s (1997-2007) reforms; and the role of the actors – trade unions, management and politicians within the benchmark authority. An analysis section using the Three Pillars framework is applied to each actor, which illustrates the degree of strength and support they show towards the national collective bargaining framework. The chapter concludes with a discussion that highlights the key issues that have been illuminated in the fieldwork within the benchmark authority and how this contributes to the wider discussion.
**Historical Background**

The benchmark authority saw its city come to prominence with the advent of the Industrial Revolution. With an abundance of natural resources in its surrounding locality it became a large manufacturing and engineering centre, common with many cities in the nineteenth century it drew upon the population from the surrounding countryside, and this growth in population size necessitated a programme of urban development and the creation of civic amenities and services to meet the needs of these new city dwellers. By the middle of the nineteenth century it had become one the largest cities outside of London.

The benchmark authority was one of the founders of modern local government created in the 1860s and it was born out of the need to satisfy the social, economic, and political demands of its citizens and its political development reflects the struggle for the large provincial conurbations to be recognised by Westminster. The city saw the rise of a new entrepreneurial manufacturing and merchant class who wished to promote their business interests and saw the development of local services and amenities through local government as a means of achieving these aims. Equally, by the middle of the nineteenth century, industrial workers had begun to get a political voice through the extension of voting rights, while their economic voice was being heard through the Trade Union Movement. The city played a pivotal role in promoting local government, helping it to gain a voice in national politics.
Political Leadership

Since the local government re-organisation in 1974, the benchmark authority has been under both Conservative and Labour control, with Labour having the longest period in office from 1984 until 2004. From 2004, no party has had overall control and it has been governed through a Conservative/ Liberal Democrat coalition administration. The focus within this chapter will be on the Labour administration that governed during the 1984-2004 period, which marked the start of the public sector reforms, and saw the introduction of the marketisation process. Being in office for so long, the Labour administration had the opportunity to develop and establish a cadre of experienced Labour councillors who exhibited a high level of organisational competency in using the committees’ structures within the council to their maximum political effect:

“when I was working at the T&G [the interviewee was a full time regional officer at the TGWU]. I had regular contact with councillors on various sub-committees. When we were looking at CCT, I was impressed by their knowledge and willingness to ‘get stuck in’ with the nitty gritty. On the sub-committees they didn’t just delegate their responsibilities to the management, but rather were actively involved in the decision making process, seeing through their political agenda.” (Labour Councillor)

The Labour elected members within the benchmark authority have historically come from the industries that make up the local economy in the area. Manufacturing and engineering have been the backbone of the city. However, with de-industrialisation in the 1980s, the city has become a centre for financial and professional services and an international conference venue. Labour elected members have reflected this change, with many coming from white collar, professional backgrounds, many working in the not for profit/ voluntary sector:

“In the last thirty years there has been a shift in the type of person coming forward [to be an elected member]. In the 1960s, the Labour members came, by and large,
from blue collar backgrounds, often skilled craft workers from the engineering and manufacturing industries that were the major employers in the city. The 1970s saw a new type of Labour councillor, drawn from the professions attracted to local politics. Many were drawn from the public sector as engineering and manufacturing went into decline in the city. By the 1980s a new type of member was emerging, no longer a part-time amateur, but a full-time professional, with a wish to actively participate in the management of the city.” (Labour Councillor)

The Labour administrations in the benchmark authority have had close affiliations with the trade unions both at a formal and informal level. This relationship has been fostered over the years and was particularly pivotal during the 1980s and 1990s when the Council felt the full force of the Conservative governments’ local government reforms. Politically, the Labour administrations had to engage with the trade unions and enter into a partnership relationship. This relationship was based on promoting and supporting council services, both in how they were provided and how people were employed:

“The Labour administrations over the years have had a constructive and productive relationship with the unions. I think with shared political beliefs and values, there has been a mutual understanding of where each is coming from, and this has created a good working relationship based on respect and trust.” (Labour Councillor)

“Sure, we’ve had our differences and sometimes the bust ups were huge, but with a Labour council you always knew that despite these differences something could always be done to resolve them. At the end of the day we’re cut from the same cloth”. (Branch Secretary – UNITE)

The Labour leadership had taken an active organisational role in running the council. Through the sub-committees they defined the political objectives of how the council should be run, and services delivered. Elected members worked at a service level, making managers and trade unions come together to make in-house services viable and fight off outside competition:

“There’s no doubt that the political will to defend services from outside competition was critical to the success of defending services. Certainly the services that were subject to CCT ultimately had the administration [Labour] to thank. There was a
determination by the Labour leadership that they would support and defend in-house services to the utmost without falling foul of the law. At sub-committees [elected] members pressed the importance of co-operation between us [management] and the unions, and there is no doubt that there was a coming together as we all understood that we depended on each other for our future survival.”

(Retired Director – Waste Management)

During this period (1984-2004) the Labour leadership in the benchmark authority was determined to defend council services from private, outside, commercial competition. They believed in the primacy of keeping services public and under their direct control. They saw a social obligation to maintain the services within the council, partly on ideological grounds in maintaining the Good Employer tradition, employing workers directly and adhering to equitable conditions of employment based on rights and obligations. However, they also supported in-house services on practical grounds, because the Labour leadership believed that direct control gave them greater control and in turn accountability with the local electorate:

“The Labour leadership at the time saw a huge political benefit in supporting in-house services. Not just on ideological grounds, in keeping public services public, but on practical grounds as well. [Elected] Members had direct access to managers and could get issues sorted quickly. This proved very useful when dealing with concerns raised by the public. Direct access to managers gave members a degree of control that could not be expected if services were put out.” (Labour Councillor)

The Labour administrations in the benchmark authority were staunch supporters of the national collective bargaining framework. They have always viewed the national collective bargaining framework as an important conduit for promoting good employment relations practice, based on recognising the legitimacy of the trade unions, and supporting joint regulation as a means of promoting constructive relations with their workforce:

“The City [Council] has always dominated the local economy, and being one of the largest employers in the region, has played a key role in the prosperity of the City. During the 1980s and 1990s the Labour leadership was resolute in protecting
workers jobs and conditions of service. Fortunately for us [trade unions], they accepted our role in promoting good industrial relations. Despite the challenges we faced, we managed to get through a difficult period with the workforce remaining relatively intact which, I think, was a fantastic achievement.”  
(Branch Secretary UNITE)

Philosophically, the Labour administrations viewed their role as being far more than agents for providing services to the public. They believed in being a socially responsible employer, promoting the equitable treatment of workers through an agreed national collective bargaining framework:

“At the core the Labour leadership believed in their accountability to the electorate and the workers who delivered the Council’s services. Their support for national collective bargaining was based on a belief that it served the interests of the Council as an employer, and the council workers who delivered those services. National collective bargaining offered the best prospect for balancing the needs of employer and employee interests in a constructive manner that recognized the political, economic and social landscape in which local government finds itself.”  
(Labour Councillor)

As a Council, under a Labour leadership, the benchmark authority promoted joint regulation adhering to the Whitley Model, giving trade unions an almost constitutional role within the city council’s employment relations architecture. The authority has historically promoted trade union membership and this is reflected in 45% of workers belonging to a trade union. The benchmark authority has been at the heart of the city’s regeneration over the last twenty five years. Infrastructure investments within the residential and commercial property stock, has re-shaped the city, while corporate loans and grants to businesses have made the authority a key
economic facilitator attracting outside investment and the regeneration of the local economy.

The Trade Unions

Representatives from UNISON and UNITE were interviewed. Both are key trade unions within the authority, attracting different occupational groups. UNISON recruits predominantly from white collar professional and clerical workers with a large female membership. UNITE (formerly the T&GWU) recruits primarily from blue collar manual and craft workers whose membership is mainly male. UNITE’s national membership comes from both the public and private sectors. Within each of the trade unions branch and local representatives were interviewed to gain their respective views and perspectives.

UNISON

UNISON local representatives were very clear that the national collective bargaining framework had been integral to securing their membership’s continued interests and had been an important bulwark during the implementation of CCT under the Conservative administrations of the 1980s and 1990s. Representatives who had been affected by outsourcing were acutely aware of the issues affecting the reform of public services and the pressures on service providers like the council to be competitive. Their experience of being outsourced and subsequently returning to the authority reinforced their view that national collective bargaining was integral to the promotion of joint regulation in local government and for the mutual benefit of all the actors within it. As one steward whose area had been contracted out under CCT put it:
“*The Blue and Green Books* [National Conditions of service for white and blue collar workers] were an important life line in ensuring that our conditions of service under our new employer were protected as they were used as the main reference point by the new contractor”. (UNISON Departmental Steward)

UNISON representatives, whether at branch or local level, were convinced of the importance of national collective bargaining as a means of securing rights and conditions of employment for all occupational groups within local government and, in particular, promoting better pay for low paid workers. UNISON over the period 2000-2007 has challenged low pay through national industrial action and this has seen local government employers offer improved pay to low paid workers, giving pay rises of a thousand pounds rather than restricting it to a percentage increase. As a senior shop steward noted:

“*National collective bargaining has ensured that as a trade union we have been able to campaign and mobilise our membership to fight low pay and promote equality issues that are the bed rock of our organisational philosophy as the principal trade union in the public sector*”. (Departmental Chair, UNISON)

UNISON representatives were in no doubt that had there not been a national collective framework, CCT and *Best Value* would have had a more profound impact on conditions of service. Trade unions would not have had a national cornerstone for protecting a floor of rights that had been established and negotiated over a period of over fifty years under the national framework. They thought that, although the national collective bargaining framework had been challenged by public sector reforms over the last twenty five years it has survived because it has provided a
convenient mantle for the authority and the unions to conduct their business and promote their respective aims:

“If you look at national conditions of service historically, they have been a foundation for developing employment rights that are based on sound social policy in a sense of equity towards how local authorities employ people. It’s far more than an economic rationale. It goes to the core of local government in promoting pluralism that is at the heart of the political system. The benefit about working for local government is the national terms and conditions of service which set a minimum standard that local authorities can build on. The national conditions of service promote social equity within the local government workplace that acknowledges the pivotal role that workers play in delivering services to the public. Although the Good Employer tradition has been challenged in recent years I still think that through the promotion of national collective bargaining joint regulation is still seen as the heart of the employment relations framework in local government. I know that for the majority of authorities if I go to work for them my conditions of service will be similar and this I think creates a security for workers, while for local authorities as employers they have the benefit of recruiting and retaining workers that match their organisational needs.”

(Area Organiser, UNISON)

Within the authority, at both branch and local level, UNISON felt it was incumbent on them to defend the national collective bargaining framework because it was the best vehicle for promoting their organisational objectives. They had successfully campaigned for fairer pay and conditions for the poorest workers in local government and had focused particularly on female workers. Through mobilising their
membership nationally, they were able to achieve improved pay and conditions. This they saw as fundamental to their future success, as it represented their membership’s primary interests, while being a valuable conduit to recruiting new members which in turn strengthened UNISON’s position as the principal public sector trade union. Representatives recognised that UNISON’s role was as much about defending public services and having a political campaigning agenda that was focused not just on their membership’s interests, but those of the wider public.

UNITE (T&GWU)

UNITE, formerly T&GWU, have historically represented manual and craft workers within the authority. Its membership took the full brunt of the commercialisation process introduced into local government in the 1980s and have continued to challenge private encroachment. Its strategy within the authority has been to develop close working relationships with managers and local politicians. This mitigates the impact of commercialisation by offering greater productivity to the authority in return for its members having greater job security and pay.

Both representatives at branch and shop floor level thought that national conditions of service offered a comprehensive foundation of employment benefits to local government workers. This was a valuable baseline from which local conditions of service could be added to which were applicable to particular services. Illustrative of this was the way in which individual services, like refuse collection, street cleansing and vehicle maintenance, had used national basic rates of pay and conditions of service as a starting point for local negotiations in which bonuses and rates of
overtime were developed over a period of time to reflect the local management’s and trade union’s objectives. The UNITE representatives saw the national and local negotiating machinery as being complementary to each other:

“National conditions of service have been vital in giving the trade unions the necessary political power base from which to organize their membership and giving them legitimacy with employers. In the last ten years we can see the importance of the national framework when looking at the process of Single Status and the harmonization of conditions of employment between manual and non-manual workers. From 1997 through to it implementation in 2007 the T&G actively worked with local authorities across the country. The national expertise developed ensured that our membership’s interests were protected from the changes to remuneration structures. The T&G together with UNISON and GMB have campaigned on a national platform to improve the pay of low pay workers in local government and together have secured and improved national basic conditions of pay for the lowest paid workers.” (UNITE Branch Secretary)

It was acknowledged that manual services, like refuse collection, had felt the full onslaught of commercialisation with the threat of outsourcing to private contractors. Initially, under Conservative control, 1982 saw the introduction of competitive tendering followed by compulsory competitive tendering in 1988. The local stewards had to develop their negotiating skills very rapidly as management sought to improve productivity and slash costs in order to make in-house services competitive with outside bidders. One local steward recounted that when CCT was initially introduced, local stewards received little help from the full time trade union officers at the regional office. It was suggested that full time officers were not overly concerned if
contracts were lost to outsider bidders, as they thought that they would be able to negotiate terms with commercial contractors on the basis of being recognised by many of them. Despite the local stewards being ‘amateurs’, as one steward described himself and his colleagues, they managed to protect conditions of employment and pay through accepting structural changes in the composition of the workforce. Local stewards’ experience of CCT was that it was as much in the interests of in-house management to secure a working deal that made in-house bids viable as it was for the unions. Despite the difficulties that arose out of CCT and the challenges that local management and trade unions faced there was:

“a mutual respect for each other’s abilities. Sometimes they were trying to shaft us, now and again they got away with it, and now and again they didn’t. There was a lot of give and take going on.” (Depot shop steward)

Equally, local politicians of all political persuasions had some self interest in keeping front line services within the Council; because they could use their political influence on in-house management to get things done more quickly to satisfy the local electorate and help them win votes. As one elected member put it: “Everyone has their bins emptied and soon complain if the service is not up to scratch!” (Labour Councillor)

This mutual partnership between trade unions, management, and politicians created an environment that produced acceptable outcomes to all the parties. The trade unions consolidated and protected the pay and conditions of workers; the management achieved the productivity and cost savings that were necessary to make in-house services viable to outside competition; and the politicians ensured control and influence over services that were politically sensitive to electoral opinion.
The UNITE representatives recognised that the national collective bargaining framework in local government was integral to the general prosperity of local government workers as it protected basic pay and conditions. Despite the relative success of local bargaining for high profile services, like refuse collection, it was recognised that other local government services did not necessarily have the political muscle of refuse collectors and had to rely on the national framework to secure reasonable terms and conditions of employment:

“In refuse collection we’ve always supported national and local strike action for low pay workers. We’ve been able to fight our own battles with the council because we’ve always had a certain amount of political clout. However, not everybody has this ability and so you have to show solidarity with those workers that don’t have the muscle we have.”

(Depot Shop Steward)

On a pessimistic note, local stewards made the observation that with the introduction of Single Status and the harmonisation of terms and conditions of employment between white and blue collar workers, the loss of the traditional bonus system, would potentially be problematic. Bonuses negotiated at a local level gave local management and trade unions discretionary powers to adjust wages, and with their loss it would be harder for local negotiations to broker deals that were outside the national framework. The loss of this discretion would be problematic in the view of local stewards for the future conduct of local employment relations within the Council:

“The loss of bonus payments has put the mockers on local bargaining which has caused grief to both us and management as we don’t have as many cards to play.
Manual work within the council has always relied on bonuses and it has always been how stewards and management have hammered out deals that make the services work. Let’s be frank, if we take refuse collection, it’s literally a shitty job that men do for the high wages. Take away the bonus payments and you are looking at a major loss of income that has left refuse collectors out of pocket. With Single Status there’s no realistic means of them getting this money back.” (Depot Shop Steward)

Thus branch representatives thought that the national framework’s importance had been highlighted and reinforced with the introduction under the Blair administration of the Single Status process in 1997. The Transport and General Workers Union (as it was then) along with General Municipal Boilermakers formed a consortium to negotiate the process of Single Status at a national level. The national negotiations around the process of Single Status with local authority employers brought into context the continued relevance of a national bargaining framework.

The UNITE representatives showed a particular visceral appreciation of the impact of commercialisation in the local government workplace. Their predominantly manual members who were employed in the traditional blue collar services had been targeted for outsourcing on the basis that manual workers in local government received better pay and conditions than many of their private sector counterparts. The representatives believed that the Conservative administration under Margaret Thatcher had sought to commercialise local government to help their business supporters: ‘gain access to the public purse’ (Branch Secretary). Low skilled labour services like roads maintenance and waste management were vulnerable to outsourcing. There was potential for outside contractors to make money by taking advantage of the wider labour market, while high skills services, like planning and public health, were not attractive because
the workforce came from a specialised labour market that was more difficult to recruit:

“Let’s be blunt, manual services were targeted for outsourcing because the labour is low skilled and the services are profitable making them attractive to outside competitors. Contracting out has always been about lowering costs.”

(UNITE Branch Secretary)

Union representatives felt that to a degree management had used the spectre of CCT as a bogey man - the threat being that services could be outsourced. However, the T&GWU knew that in reality that outsourcing was as much a threat to in-house management. Politically, as a Labour controlled authority, there was a will to defend in-house services, which led T&GWU to take a robust but pragmatic stance that it was still in the interests of management and politicians to broker deals that satisfied all parties. Best Value took off the overt pressure of services being outsourced but, nevertheless, the UNITE representatives felt that the drive for quality and the continued practice of benchmarking with outside competition still hung over service areas. It was perceived that there had been a cooling of the working relationship with management. Yet it was still a constructive working relationship and was still influenced by the personal working relationships of shop stewards, managers, and politicians:

“Best Value has not been the overt threat to services like CCT was. However, the pressure to reduce costs and in particular labour costs by mimicking outside commercial practices has challenged and tested our relationship with management.”

(UNITE Branch Secretary).
In this way, the UNITE representatives still believed that the national collective bargaining machinery was an important conduit for promoting joint regulation and satisfying the aspirations of all the parties that were engaged with employment relations in local government. However, it was perceived that the freedom to negotiate with employers was becoming curtailed with the increased use of the law which was seeing both trade unions and employers looking more and more over their shoulders to see if there was any legal liability for their actions and therefore potentially limiting the freedom to bargain.

The UNITE representatives within the authority focused on what they saw as the ‘bread and butter’ issues of pay and conditions and job security. As a union, their membership had taken the brunt of the commercialisation process and the pressure on local government to outsource services. Branch and local representatives had first-hand experience of defending in-house services and had become consummate negotiators when CCT was introduced. They had to adopt a pragmatic approach to representing their members’ interests which was referred by some shop stewards as, making a ‘Deal with the Devil’, with management and elected members. They had agreed to new working practices that involved labour flexibility both in the deployment and use of workers and a reduction in worker numbers; in return for protecting wages, and in particular bonuses, while giving departing workers enhanced severance packages. The representatives saw this as a ‘necessary evil’ in maintaining the viability of in-house services. Pragmatically, they were supporters of the national collective bargaining framework and acknowledged its historical legacy in creating the employment relations landscape that they operated in. However, they also recognised that they had to be prepared for local government becoming more
localised in its bargaining arrangements and their experience in dealing with CCT had
given them confidence in meeting this potential challenge if it ever arose:

“We have had to adapt to the changing nature of delivering local government
services and it has very much been as a matter of necessity that we have had to
engage in local bargaining to protect our members’ interests. CCT saw affected
services go down the road of local bargaining as management tried to raise
productivity and make the labour force more financially competitive with outside
contractors. Local bargaining became the norm within these services and the T&G
was very much at the vanguard of actively engaging with local management to broker
deals that were to the benefit of workers, while recognizing that workers future
prospects were very much dependent on making the workforce adaptable to the
working practices that were seen as necessary for the survival of in house services.
There is no doubt that our experience under CCT has made local stewards adaptable
and to an extent self-reliant which has proved useful in promoting and furthering the
interests of our members.”

(UNITE Branch Secretary)
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<th>UNISON</th>
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<tr>
<td>REGULATIVE</td>
<td>Strong - it places a great deal of emphasis on the national conditions of service, and the procedural rules that govern how they are implemented and defined by the national framework. It is concerned with the formal protocols that shape employment relations in local government.</td>
<td>Medium – it recognizes that without national collective bargaining the very existence of collective bargaining in local government could be potentially undermined. Like UNISON it sees the national framework as an important conduit in maintaining a constructive and workable employment relations environment.</td>
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<td>NORMATIVE</td>
<td>Strong – as a trade union it sees its role go beyond representing its membership. It is as much a campaigning organization for the promotion and defence of public services. It sees the national collective bargaining framework as integral to promoting the Good Employer tradition. National collective bargaining is a platform that promotes and maintains social obligation that is linked to expectations and appropriateness. Its legitimacy is based on a moral acceptance by UNISON that National Collective Bargaining framework offers the best means of representing workers and the public interest.</td>
<td>Medium – UNITE is concerned with the practicalities of bargaining which is based on expediency. What matters is that collective bargaining exists and the question of whether it is at a national or local level is a secondary issue. More of its members have been affected by the marketisation process of outsourcing and they see the national framework as an important bulwark in protecting and maintaining conditions of employment. It does not have a high ideological belief in the national framework but sees it from a practical perspective as being the best vehicle currently for promoting its members interests.</td>
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<td>COGNITIVE</td>
<td>Strong – it sees national collective bargaining woven into the fabric of local government employment relations and it perceives that there is no other way of achieving its objectives. There is a belief that there is a natural logic to the national framework which should not be meddled with</td>
<td>Medium – UNITE, although it prefers National Collective Bargaining, recognizes that there are alternatives, and as a union have engaged in local bargaining in service areas that have been subject to outsourcing.</td>
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General Management

There was a consensus of opinion amongst operational managers that local government relied on a national collective bargaining framework. With such a large workforce, there was an economic advantage to having national terms and conditions of employment to avoid undue economic competition between local government employers. However, managers did think that for larger authorities there might not be the flexibility to negotiate terms and conditions that reflect individual authority needs. Equally, with local authorities’ still being highly unionised and with negotiations being conducted centrally; it does potentially mean that when national disputes do arise, as in 2003 and 2006, individual authorities were at the mercy of national settlements. Even so, it was thought that the national framework acted as a safety blanket for the council to hide behind:

“There’s no doubt that national conditions of service have been an important safety blanket for employers in local government. I think that the national framework has been a useful way for authorities to use it as a ‘get out clause’ with employees by saying that conditions must be abided by even though an authority might wish to do something different. National conditions of service act as a useful canvass for local authorities to define the way they engage with employees.”(Depot Manager)

Operational Managers thought that sometimes the national framework was used by the council as ‘a get out clause’ with employees. They could hide behind national agreements which were beyond the control of the authority. It was also acknowledged by operational managers that CCT had had an effect upon national conditions of service, since the authority used the threat of outsourcing to dilute national conditions of service to give them a competitive edge. Operational managers who were affected
by CCT viewed the relationship between themselves and trade unions as cordial, with both sides realising that they depended on each other for the services remaining in-house. It was observed that with the renewal of contracts under CCT, the trade unions and workers had become more resistant to reducing labour, but still ultimately went along with the proposed changes in order to win contracts. By the time CCT was replaced with Best Value in 1997 as one manager recounted about his service it:

“was not just lean it was anorexic as it had been cut to the bare bones.”

(Head of Operations – Refuse Collection).

Best Value became like a kite mark, which benchmarked internal services against outside services that the public could compare. However, with services having to satisfy so many different interest groups, Best Value has been interpreted in many different ways, so much so that as one manager put it, it’s like:

“playing football in the fog while the goal posts are being moved. “

(Assistant Director).

There was a view among operational managers that management, trade unions, and politicians had worked constructively under CCT when there was a real threat that the services could have been outsourced. To an extent this waned after the introduction of Best Value. They thought that there had been an erosion of national conditions of service over the last twenty years, but they did not think that there had been a concerted effort to erode conditions. Rather it had been opportunistic on the part of the employer not to promote certain conditions of service, like overtime and holiday rates of pay. This erosion was ostensibly limited to services that had been subject to private sector competition. Operational managers voiced a concern that with the introduction of Single Status and the loss of bonuses, management would lose an
element of its managerial discretion and this would have a detrimental effect on local management, as one manager put it:

“with the introduction of Single Status I see problems around the loss of the bonus structure for manual employees which management have used to shape its service provisions”.

(Head of Waste Management).

They thought that it was in the interest of central government to maintain a national pay framework in order to keep a tight rein on local government finances and exert some influence over local authorities through the national employers’ association (Local Government Employers). However, with local authorities having to finance more capital projects through third party investors, there might be a move on the part of local authorities to challenge this financial strait jacket. Therefore, if authorities were to get more financial autonomy, this might lead to changes in the way workforces are managed. However, they thought that there was still a convenience for local authorities to remain as they are. This was summed up by one manager:

“As I said earlier, I think it might be convenient for local authorities to hide behind a national framework. However, there is no doubt that with central government having tight reins on local government finances there still will be an incentive from central government’s point of view to maintain a national framework for pay. However, with local authorities having to finance more capital projects through third party investors there might be a move on the part of local authorities to challenge this financial strait jacket and therefore if authorities were to get more financial autonomy this might lead to changes in the way we manage our workforce. But at the present time I think it is convenient for local authorities to remain as they are”.

(Depot Manager- Waste Management)
Managers within white collar professional occupations, like Environmental Health and Trading Standards, which had not been subject to CCT and the process of commercialisation, had quite different experiences. The local government reforms had to a great degree passed them by. Managers within these areas thought this was due to their statutory enforcement role that set legal standards for carrying out such work. Both Environmental Health and Trading Standards operate in a highly regulated labour market that limits the number of practitioners through their respective professional bodies. There is a high demand among local authorities for this labour, which predominantly only operates within the public sector. Managers within these areas were still keen to adhere to national conditions of service. They saw the national collective bargaining framework as the best way of avoiding direct competition with other authorities and to minimise the potential for pay to leap frog as local authorities competed for qualified practitioners. A Senior Environmental Health Officer put it very succinctly:

“**My biggest issue is hanging on to trainee EHOs once they’ve qualified. The demand for qualified EHOs is high and our neighbouring authorities are always keen to poach them, fortunately through our training and career development programme we have been successful in retaining them. If authorities could break away from national pay scales I could see a free for all which I think would be a disaster.”**

(Head of Environmental Health).

Best Value had affected them from the point of view of being assessed and evaluated for their quality of work, but again there was no real threat to outsourcing. Local authorities could not realistically outsource these functions because of their statutory functions and status.
Hence, within the authority, management exhibited different attitudes to national collective bargaining according to the nature of their role. A number of operational managers in commercially active environments that were subject to outside competition, liked the idea of the authority breaking away from the national collective bargaining framework. They perceived this would increase the discretion of the authority as an employer. However, they equally recognised that the national framework had served local government well and that it had sufficient flexibility to give individual authorities the autonomy to carry out their local agenda under the umbrella of a national framework. Managers in professional services liked the national framework because they thought that it protected their interests, in what was perceived to be a highly competitive internal labour market where local authorities were in competition with each other for highly skilled workers. They appreciated a national framework that took pay and conditions out of the local workplace. From their different perspectives there was a realisation that the national collective bargaining framework had served the authority and local government in general well and its contribution to local government employment relations was still relevant today.
Table 6.2 GENERAL MANAGEMENT – Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority

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<tr>
<th>REGULATIVE</th>
<th>COMMERCIAL OPERATIONAL MANAGEMENT</th>
<th>PROFESSIONAL SERVICES OPERATIONAL MANAGEMENT</th>
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<tr>
<td>MEDIUM – There is a consensus of opinion amongst commercial operational managers that local government relies on a national collective bargaining framework, because with 400 local authorities and such a large workforce there is an economic advantage to having national terms and conditions of employment so that it does not provoke undue economic competition between local government employers. However, managers do think that for larger authorities there might not be the flexibility to negotiate terms and conditions that reflect individual authority needs.</td>
<td>STRONG - Managers in professional services like the national framework because they think that it protects their interests in what is perceived to be a highly competitive internal labour market where local authorities are in competition with each other for highly skilled workers that work exclusively within the local government labour market. They appreciate a national framework that takes pay and conditions out of the local workplace. The national collective bargaining framework has served professional services functions well</td>
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<tr>
<td>NORMATIVE</td>
<td>MEDIUM – commercial operational managers have no strong social obligation to maintain and promote national collective bargaining. They are driven by what suits them <em>here and now</em> and this is primarily shaped by commercial considerations that are driven by outside competition.</td>
<td>MEDIUM – professional services managers appreciate the national framework but do not necessarily have a high ideological belief in it. It is seen as an important means of securing conditions of employment to create a stable environment for recruiting and retaining highly skilled occupational groups.</td>
</tr>
<tr>
<td>COGNITIVE</td>
<td>WEAK – commercial operational managers given the opportunity may like to break away from the national framework. They see local bargaining offering them enhanced employment flexibility within their workplaces.</td>
<td>MEDIUM – professional services managers think that national collective bargaining is a logical choice for their managerial circumstances but recognize that this does not necessarily suit other managerial groups within the authority.</td>
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Human Resource Management (HRM)

Human Resource practitioners within the authority acknowledged the historical importance of national collective bargaining in local government in defining the process of joint regulation. However, a number of them questioned its continued importance in today’s employment relations climate. However, it was still thought that there was a convenience for local authorities to remain in a national framework. Local government forms a distinct and unique labour market with specialised occupational groups. The HR function has overseen the implementation of collective agreements, but has not until recently actively shaped them. HR within the authority has typically been involved in policing the implementation of employment relations policies; but the drafting of them has been done at a national level by the Employers’ Association, with the corporate expertise concentrated at this level. Individual local authorities have never developed this type of expertise on the grounds of cost and to a degree as a consequence of custom and practice. A manager summed it up:

“The role that we play in HR has certainly changed in the thirty years that I have worked here. When I started it was an administrative function which looked at what we used to call pay and rations – making sure employees were paid and that their welfare was taken care of. We implemented and oversaw employment policies that were drawn up nationally and were handed down through the council’s personnel circulars which were directed from corporate HR. Things began to change with the introduction of CCT where HR officers at a departmental and service level began to get more involved in the operational decision making process. During this time corporate HR went into the background as departments took greater control of, and responsibility for their own HR matters. However, by ’97 and the abolition of CCT and the introduction of Best Value corporate HR came out of the shadows as service
indicators were promoted by central government and local authorities began to grapple with the thorny matter of single Status.”

(HR Manager – Housing and Constituencies)

The last twenty five years of local government reforms have reshaped HR practice and its role in the collective bargaining process. CCT saw HR practitioners becoming involved in local negotiations within service areas; a departure from its role as an administrative function. However, in service areas not subject to CCT the HR function remained primarily an administrative one. HR practitioners in areas subject to CCT developed more of a managerial role in formulating strategies that were complementary to local management’s business aims and objectives, while closely working with local trade unions. The skills set that these HR practitioners developed were more closely aligned to practitioners in the private sector, who had to showcase the HR function by illustrating to management how they add value to the organisation. The CCT process and its impact on the local authority and the wider local government community are captured in this manager’s views:

“I actually think it strengthened the relationship between the employer and the trade unions, one thing we all like is a common enemy and we hated the Conservative government, Maggie Thatcher generally, even a lot of Conservatives weren’t that keen on her. There was a challenge there, one of the things about local authorities, not all and particularly down south; they tend to be quite protective of their service delivery that is that they believe they can provide services well .... I still notice amongst the elected members even now a preference for directly provided services because it’s part of their relationship with the organisation, with the community. So I think what happened through CCT was that because they had a common cause and
that cause was to keep services in-house by and large that it welded the units together. Now I happen to think lots of iffy things came out of CCT in many ways it protected and shielded bad practice. It increased the rates for men and reduced the rates for women, it did all sorts of things that since have come back to bite us. In terms of collective bargaining it was a very strengthening experience we actually achieved outcomes which I don’t see so much of these days.”

(Director of Employment Relations)

HR practitioners within the authority thought that the effects of CCT on local government could be differentiated between those services that were subject to it and those that were not. Service areas that were subject to CCT did move away from elements of the national bargaining framework. However, this really only entailed marginal changes to peripheral conditions of service like overtime and holiday entitlements. In many ways it was thought that it was more of a psychological break that was borne out of management’s perception to be more responsive to local service needs and to be seen to be responding to outside competition. HR practitioners generally viewed the introduction of Best Value as an extension and development of the CCT regulatory process, but rather than emphasising costs, it focused on quality and local accountability to the community. Best Value affected all service areas and saw the implementation of benchmarking with outside organisations. However, in practice the service areas that were subject to outside commercial competition and who had been previously affected by CCT were once again under the greatest scrutiny. A number of practitioners questioned the future of collective bargaining in local government with a sanguine assessment of the effect of legal intervention and how it has curtailed collective bargaining:
“I think that it has driven a huge wedge in the ability of the two sides involved in collective bargaining to reach collective conclusions.”

(Principal Human Resource Adviser).

It was argued that since 2000 there had been a growth in litigation brought through individual employees, challenging agreements that had been made between trade unions and employers. The challenges were noticeable in equal pay claims where both employers and unions had been affected by legal action against themselves. It was considered that as an employer you were looking over your shoulder to see how an agreement might be challenged in the courts and this went for unions as well. There was a pessimistic assessment that the ability to enter into free collective bargaining was potentially under serious threat if legal intervention was not curtailed.

Practitioners were in no doubt that the national collective bargaining framework had benefited the HR function in legitimising its role of ensuring that national conditions of service were being adhered to. However, the function had also developed as a consequence of commercialisation and the need for it to respond to the business needs of service areas. Today its position had been strengthened by the growth of employment legislation and management’s need to comply with it:

“There’s no doubt particularly in the last ten years that with the growth of employment legislation we as practitioners have had to focus on employment law both in its interpretation and its application in the workplace. If we look at the growth of individual claims brought against the council the role of HR practitioners is fast becoming a legally centred one.”

(Director of Employment Relations)
There was a view amongst practitioners in the authority that it, like many other local authorities, sometimes liked to use the rhetoric that the national framework was a strait jacket on their activities. In reality the authority appreciated the security of hiding behind the mantle of a national framework, particularly when from an organisational and managerial perspective it had sufficient freedom and discretion within the national framework to do as it wished.

Overall, HR practitioners had mixed views about the national collective bargaining framework. Their views were shaped by their professional experience in the HR roles they performed. Amongst those that worked with services that were subject to outside competitive pressures, there was a view that it might be potentially beneficial for the authority to be outside the national framework in order to improve competitiveness. This reflected a management view within services that were under severe financial pressure to reduce costs and reflect the outside practices of commercial organisations in lowering labour costs to be in line with this outside competition. These HR practitioners had moved from an administrative/policy role to an active management role. However, they still recognised that the reality was that as an organisation the authority was tied into a national framework that was shaped by political and social considerations that transcended their operational wishes.

Corporate HR practitioners saw the national framework as integral to the local government employment relations architecture, because it represented a means by which the social, economic and political considerations could be addressed. On a practical level, it took pay and conditions out of the local workplace and allowed local authorities to focus on service delivery needs. Equally, there was recognition amongst
corporate practitioners that organisationally it was still in the authority’s interest to remain in the national framework. If the authority decided to leave the national framework it would have to create a negotiating infrastructure which would have to be resourced; and such expenditure could not be justified particularly when the bargaining outcomes from the national framework were still acceptable and the council had sufficient autonomy to shape its own human resources agenda.
Table 6.3 HUMAN RESOURCE MANAGEMENT – Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority

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<th>OPERATIONAL PRACTITIONERS</th>
<th>CORPORATE PRACTITIONERS</th>
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<tr>
<td>REGULATIVE</td>
<td>MEDIUM – operational practitioners see that there might be a potential benefit for the authority withdrawing from the national framework in order to improve its organizational competitiveness; however, they recognize that the authority is tied into a national framework that is shaped by political and social considerations that transcended their operational wishes.</td>
<td>STRONG - corporate practitioners see the national framework as integral to the local government employment relations architecture. The nationally agreed conditions of employment are an important foundation stone on which local authorities can tailor their own individual needs while maintaining a national framework that takes account of the social, economic, and political dynamics that shape and define local government.</td>
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<td>NORMATIVE</td>
<td>MEDIUM - operational practitioners have an appreciation for the historical legacy of national collective bargaining but they do not feel any social obligation to continue to support it. They feel more pressure to focus on service delivery objectives that are linked to financial and local considerations</td>
<td>MEDIUM – corporate practitioners appreciate the national framework but they do not necessarily have a high ideological belief in it. They see the national framework serving a practical purpose in promoting the individual and collective interests of the authorities that are in it.</td>
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<tr>
<td>COGNITIVE</td>
<td>WEAK – operational practitioners have an appreciation for the alternatives to national collective bargaining and are prepared for a move away from national to local bargaining if the authority thinks that it is in its interest to do so. They acknowledge that there is still a logic for the authority to remain within the national framework.</td>
<td>MEDIUM – corporate practitioners are aware of the alternatives to national collective bargaining but still argue that there is a strong organizational logic for the authority to continue to support national collective bargaining despite other authorities going over to local bargaining and withdrawing from the national framework.</td>
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Elected Members

Labour elected members believed that the national collective bargaining framework was the cornerstone of joint regulation in local government and had served all the stakeholders well over the years. Their experience had made them form the opinion that national conditions of service had been a valuable template for conducting local negotiations. The national framework was a skeleton which local authorities along with unions could build on. A senior Labour councillor voiced more practical reasons for adhering to a national framework: “I think there are a number of reasons for that one [why the national framework continues to exist] I think there is a fear within local authorities that if collective bargaining was to come down to a local level you would have such a variety of terms and conditions all over the country that there’s a fear that it could be a recipe for disaster and constant industrial action”.

A number of Labour elected members had been involved in the CCT process and had first-hand experience of the local authority defending in-house services as the council at the time was under labour control:

“I did not agree with the concept of compulsory competitive tendering it was a very blunt instrument to try and bring about improvements in the services in local government, in fact what we ended up doing quite often is getting the cheapest provider of services but at what cost to the services themselves, as a Labour controlled authority we vigorously defended in-house services because we felt that the quality of service could only be guaranteed through direct control.”

(Labour Councillor – Former member of the Waste Management Sub-Committee)

These politicians acknowledged that the pressures of commercialisation during this period did test the resolve of the authority to adhere and maintain the national
framework but despite marginal changes the national conditions were adhered to. In-house services that were subject to CCT were defended by the ruling Labour group through a partnership approach that had developed with local management, and trade unions. This had secured conditions of employment that were satisfactory to workers, but also achieved the organisational and business objectives that local management were looking for in order to make the services competitive with outside contractors. Labour elected members felt that CCT had changed the mind set of managers and workers and this was followed through with the introduction of Best Value. Politically, there was an understanding that everyone in the authority knew that services were being evaluated against outside competition. Therefore, management, trade unions, workers, and local politicians knew that their positions were dependent on satisfying the local community. A senior Labour member within the Council made the observation that despite the reforms in local government over the last twenty five years, the bulwark of a national framework had remained central to employment relations practice in local government. He thought that the framework was sufficiently flexible to accommodate organisational change, yet offered a continuity that was important to all parties that were involved in local government employment relations. He viewed this continuity as pivotal in delivering efficient local services.

The Liberal Democrat elected members saw a practical utility in adhering to national conditions of service. It was thought by them to be a reliable framework for maintaining and developing HR practices that recognised the public service ethos of local government and, importantly, promoted equitable conditions of employment for the workforce. They felt a national framework was helpful to rely on particularly with the rise in legal challenges to employment practices. There was a perceived benefit to
adhering to a national structure that had the support of the majority of local authorities in the country. Although aware of the historical legacy of the national framework, they were not sentimental about it. They simply perceived it as the most appropriate vehicle for ensuring good employment relations within the authority:

“Why tamper with a proven framework that takes account of the political dynamics that underpin the culture of local government.”

(Liberal Democrat councillor – Human Resources Committee Member)

The Conservative elected members as a group had an ambiguous position towards the national framework. A number saw it as an antiquated relic that had little relevance to modern local government:

“it’s an outdated framework that restricts local authorities to be more autonomous in their ability to determine pay and conditions.” (Conservative councillor).

Some also believed that it took away local discretion. However, there were equally a number who, like the Liberal Democrats, held no great affinity to its historical legacy yet recognised its usefulness as a convenient mechanism for: “getting the job done.” (Conservative Councillor).

In conclusion, Labour local politicians supported the national collective bargaining framework on philosophical and ideological grounds. They saw it as a means of promoting equitable conditions of employment that served employers and workers well. They appreciated its historical importance and felt that its strength lay in that all the stakeholders knew the ‘rules of engagement’ and the framework reflected the political dynamic in which local government operated. The local Liberal Democrat politicians were supporters of the national framework, but this support was based on
practical rather than philosophical or ideological grounds. They saw the national framework serving a practical utility in promoting and securing the interests of the authority and the wider local government community. They thought that the national framework had facilitated good employment relations in local government and this had allowed the authorities to focus on their service delivery needs. They acknowledged that, in recent years, there had been some local authorities that had threatened to leave the national framework but in most cases these threats were no more than political rhetoric. The local Liberal Democrat politicians did not preclude leaving the national framework if the interests of the council could be furthered. They did not see this happening in the near future. However, the Conservative Councillors had a more ambiguous position. They felt frustrated with the national framework and in particular with some of the pay settlements that had been reached. They thought that the national framework had imposed arrangements that did take away the authority’s organisational discretion. Yet they equally recognised that it was a proven mechanism that had served local authorities well. Like the Liberal Democrats, the Conservatives acknowledged the national framework encompassed and managed the political dynamic that local government operates in and so most did accept that it was expedient to maintain it.
Table 6.4 ELECTED MEMBERS – Rationale and Strength of Support for National Collective Bargaining in the Benchmark Authority

<table>
<thead>
<tr>
<th>REGULATIVE</th>
<th>CONSERVATIVE</th>
<th>LABOUR</th>
<th>LIBERAL DEMOCRATS</th>
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<tbody>
<tr>
<td>MEDIUM – there is an acceptance that national collective bargaining has played its role in shaping local government employment relations but that it is beginning to be questioned as there is a call for greater local flexibility.</td>
<td>STRONG – they see national collective bargaining as the foundation stone for setting conditions of service within local government. It is an important vehicle for promoting an equitable employment environment within local government.</td>
<td>MEDIUM – they see national collective bargaining as an effective and efficient framework that has proven itself over time. It has served the interests of both employers and workers.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NORMATIVE</th>
<th>CONSERVATIVE</th>
<th>LABOUR</th>
<th>LIBERAL DEMOCRATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDIUM – there is no particular ideological or social obligation to promote national collective bargaining. Conservative elected members are concerned with service delivery outcomes that are consumer driven. They think that national collective bargaining is too focused on employee interests rather than focusing on the affordability and competitiveness of pay settlements.</td>
<td>STRONG – the Labour elected members have an appreciation for the historical legacy of national collective bargaining and its importance in promoting and maintaining its social obligation to workers in the authority. They think that local bargaining would be counterproductive to the interests of the authority as it focused too much on economic and financial outcomes.</td>
<td>MEDIUM – while recognizing its historical legacy they see the promotion and maintenance of national collective bargaining in non-ideological terms. It serves the interests of the authority and they see no reason to go down the local bargaining route at the moment.</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>COGNITIVE</th>
<th>CONSERVATIVE</th>
<th>LABOUR</th>
<th>LIBERAL DEMOCRATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEAK – they are prepared to jettison national collective bargaining if they feel that it will be advantageous to the authority; however, they still see a practical utility in remaining within the national framework, because it is expedient both politically and economically.</td>
<td>STRONG – they view national collective bargaining as being at the very heart of the local government employment relations architecture.</td>
<td>MEDIUM – they support national collective bargaining and are satisfied with its outcomes. If circumstances changed they would consider local bargaining if it was thought to be in the interest of the authority.</td>
<td></td>
</tr>
</tbody>
</table>
Analysis

All the stakeholders whether trade union representatives, managers, or elected members recognised, to some degree, the historical importance of the national collective bargaining framework. In the minds of most interviewees it still has a role to play in promoting joint regulation in local government and is still relevant today. The stakeholders share a view that it is expedient for them to maintain and promote the national framework of collective bargaining as it has served their respective positions well over the years. The trade union representatives see it as vital for maintaining their status with employers and central government. The trade unions perceive that they have greater bargaining leverage at a national level and their ability to mobilise their membership in national disputes gives them enhanced political power, which they perceive could be translated into securing better pay and terms and conditions of employment for their members.

As a local authority employer, the benchmark authority still see the benefits of adhering to a national framework because, in key occupational group like Public Health, Trading Standards, and Planning, it takes pay and conditions out of competition with other local authorities. It can be argued that local government has its own labour market with occupational groups that predominantly work exclusively within it. The national framework allows local authorities to control labour costs by fixing salary rates for occupational groups and avoid leap frogging between local authorities. Managers within the authority think that setting general pay and conditions nationally takes the pressure off them in conducting local negotiations with their trade union counterparts, in that it sets a floor of pay and conditions that can be built upon and enhanced on locally if necessary. The elected members see a practical
utility in remaining within a nation framework, as it quite simply has served local politicians well over the years because there is a continuity of process and they think, ‘why change something if it works’.

The internal stakeholders acknowledged to different degrees that CCT had influenced the conduct of employment relations in the authority. From the trade unions’ perspective it had affected areas that were subject to CCT, and it did dilute conditions of employment in response to outside competition. Management had taken advantage of the threat to contract out services and had introduced productivity and labour cost savings. However, the trade unions had also secured enhanced rates of pay for workers on the back of the agreements they made with management to increase productivity and reduce labour through enhanced severance packages for departing workers. Trade unions, management, and elected members who took part in the implementation of CCT, all said that the process had created a productive working partnership between all the parties as it was to their mutual interest and survival that they all pulled together to make the in-house services viable with outside competition.

Applying Scott’s Three Pillars of Institutions: the regulative, normative and cognitive pillars, we can see how they can contribute to our understanding and analysis of collective bargaining in local government. The regulative pillar looks at regulatory processes like rule setting, monitoring, and sanctioning of activities within the national collective bargaining framework of local government. The national collective bargaining framework is an historical by product of the Whitley Model, which is characterised by strong centralised and complex bargaining structures at a national
level; a diversity of bargaining groups and bargaining agents along sectoral and occupational lines and; the promotion of joint regulation between employers and trade unions.

The internal stakeholders within the benchmark authority show different degrees of support for national collective bargaining as a *regulative process*, from *strong* (UNISON; professional services operational management; HR corporate practitioners; and Labour elected members) to *medium* (UNITE; commercial operations management; HR operational practitioners; and *weak* (Conservative elected members) where the stakeholders while recognising its historical legacy are open to moving to a local framework if circumstances are right and in their interest. The stakeholders still wish to conform to the national collective bargaining framework which defines the basis of order through its regulative rules. Their legitimacy is based on preserving an order that promotes behaving instrumentally and expediently out of self-interest and recognising the pluralistic nature of local government as primarily a political institution that is shaped by politics which gives its legitimacy to operate on behalf of the public for the public.

The *normative* pillar shows how the national collective bargaining framework has influenced the internal stakeholders within the benchmark authority. The trade unions, managers, and politicians recognise their social obligations which are shaped by values and norms. However, we see that this social obligation ranges from strong through to weak. UNISON sees its role going beyond representing its membership and is as much a campaigning organisation for defending public services. It sees the national collective bargaining framework as integral to promoting the Model
Employer tradition. National collective bargaining is seen as a platform that promotes and maintains social obligation that is linked to expectations and appropriateness. Its legitimacy is based on a moral acceptance by UNISON that national collective bargaining offers the best means of representing workers and the public interest. Equally, the Labour elected members strongly support the national framework. Like UNISON, they see it as an important vehicle for promoting social obligation and they perceive local bargaining as counterproductive to the authority as it focuses too much on financial outcomes.

Professional services managers, HR corporate practitioners, and Liberal Democrat elected members take the middle of the road position. While recognising the historical legacy of national collective bargaining they see the promotion and maintenance of national collective bargaining in non-ideological terms. It serves their respective interests, but they do not exclude considering and going down the path of local bargaining if they feel it would be to their benefit. UNITE, commercial operational managers, HR operational practitioners and the Conservative elected members show a medium normative tie. UNITE is concerned with the practicalities of bargaining which is based on expediency. What matters to them is that collective bargaining exists and the question of whether it is at a national or local level is a secondary issue. More of UNITE’s members have been affected by the marketisation process of outsourcing and therefore they see the national framework as an important bulwark in protecting and maintaining conditions of employment. UNITE does not have a particularly high ideological belief in the national framework, but it sees it from a practical perspective as the best current vehicle for promoting its members interests. Commercial operational managers have no strong social obligation to maintain and
support national collective bargaining. They are driven by what is expedient here and now and this is primarily shaped by commercial considerations that are driven by outside competition. The Conservative elected members show no ideological or social obligation to promote national collective bargaining, and are primarily concerned with service delivery outcomes that are consumer led. They think national collective bargaining is too focused on employee interests, rather than looking at the affordability and competitiveness of pay settlements which they believe have not reflected the local situation of the authority.

Cognitively, both UNISON and Labour view national collective bargaining as being woven into the fabric of local government employment relations and they think that the national framework should not be meddled with. While UNITE, HR corporate practitioners, professional services operational managers and Liberal Democrat elected members are aware of the alternatives to national collective bargaining, they still see a strong organisational logic for the authority to continue to support the national framework. Finally, commercial operational managers, HR operational practitioners and Conservative elected members have a weak cognitive tie to national collective bargaining.

UNITE, although preferring national collective bargaining recognises that there are alternatives. As a union they have acknowledged the pressure to engage in local bargaining in services areas that are subject to commercial external competition. Commercial operational managers, given the opportunity, may like to break away from the national framework. They see local bargaining potentially offering them enhanced employment flexibility within their workplaces. The Conservative elected
members are prepared to jettison national collective bargaining if they feel that it would be advantageous to the authority. However, they still see a practical utility in remaining within the national framework, because it is expedient both politically and economically. The cognitive pillar illustrates how the stakeholders to varying degrees take for granted and have a shared understanding of what national collective bargaining in local government means to them. Even where stakeholders are critical of the national framework, they still recognise a logic to remaining in it that in effect supports the status quo.

One of the most interesting findings was that sections of both management and trade unions questioned the future of national collective bargaining. They had both been subject to legal action in challenging collective agreements that had been made, particularly in equal pay claims and they both feared that their ability to enter into free collective bargaining had been curtailed by the law. Both recognised that the law was becoming a new threat and more influential in shaping employment relations practice, as their discretionary powers were being reduced. From the HR function’s perspective the growth of legal intervention in employment relations had reaffirmed its organisational status.

The differences were characterised by the perception of the stakeholders, and how they saw national collective bargaining affecting their areas of interest within the organisation. Operational practitioners, whether within the trade unions or management, thought that there might be an increased benefit to the organisation if the authority developed more of its pay and conditions of service, rather than relying on the national framework. Greater independence from the national framework might
allow the authority to develop business strategies that reflected better the economic and social circumstances of the authority. However, there was also recognition that breaking away from the national framework would create major organisational change that could have a de-stabilising impact on the authority and its workforce, which in turn could have a negative impact on delivering services to the local community. All those who saw the potential in developing a local framework viewed it as a hypothetical possibility rather than an actuality or something that might work in the future. In this respect, there was a strong institutional lock-in to the national framework. However, in the spirit of soft path dependency theory, there were tell-tale signs of which stakeholders might precipitate a break-up of the system, should an external shock arrive.

On the other side, the forces for stability were clear. Corporate practitioners within the trade unions and management were sceptical about the potential to develop a fully localised pay and conditions framework within the authority. Organisationally it would require a huge investment to put in the necessary infrastructure and the advantages to the authority it was perceived would be minimal. It was thought that the present national framework gave local authorities sufficient discretion to develop local pay and conditions of employment without necessitating a break from the national framework. Corporate trade union representatives and managers also thought that within the authority there were not the existing employees who had the necessary skills set to implement a local framework. To create a corporate group to oversee a local framework could not be warranted at present either financially or organisationally and therefore for the foreseeable future the national framework would remain the choice of the authority.
Conclusion

The stakeholders within the benchmark authority - trade unions’ representatives, managers, and elected members – have explained the stakeholder pillars supporting the national collective bargaining framework. They were bound to different degrees by the historical legacy of the national framework which they saw as the foundation stone of joint regulation in local government. New institutional theory has allowed us to identify the processes that shape and define collective bargaining and offers explanations why national, centralised bargaining continues to survive in English local government. The nature of local government being a political instrument of the local electorate has seen it develop an employment relations architecture which is pluralistic by nature. Local government management has historically been based on local political accountability, rather than the marketplace and links between management practice and public policy were considered legitimately compatible with good organisational governance. All of these factors have been inextricably linked to the national framework and therefore it has a powerful hold on the stakeholders within local government. This supports the contention that it is mutually expedient for the stakeholders within local government employment relations to continue to support and promote national centralised collective bargaining in local government, so long as it provides the forum for providing bargaining outcomes that are acceptable to the parties involved.
Chapter Seven

Leader and Follower Authorities

Introduction

The six authorities examined in this chapter are a representative cross section of large metropolitan English authorities. These authorities fall into two thematic types: Leaders and Followers. The six metropolitan local authorities are located in urban conurbations with strong historical ties to their commercial and industrial activities. The metropolitan authorities are products of local government reform of the 1970s and 1980s, but their political, social, and economic roots can be traced back to the large city municipal authorities of the late nineteenth century. In the last thirty years, to different degrees, the process of de-industrialisation has affected these urban conurbations and in turn has shaped and influenced their political, social, and economic outlook.

The chapter, as in the previous chapter, will follow a similar format defining the types of local authorities examined and in turn looks at: their historical backgrounds and political leadership; the impact of Conservative governments’ (1979-1997) and New Labour government’s (1997-2007) reforms; and the role of the actors – trade unions, management and politicians within the leader and follower authorities. An analysis section using the Three Pillars framework is applied to each actor, which illustrates the degree of strength and support they show towards the national collective bargaining framework. The chapter concludes with a discussion that highlights the key issues that have been illuminated in the fieldwork within the leader and follower authorities and how this contributes to the wider discussion.
Leader and Follower Authorities

It is useful at the outset to define the two thematic authority types. The leader authorities are characterised by operating in high density urban conurbations with population sizes of over half a million. As leader authorities they have high political profiles within their regions, exerting influence amongst neighbouring authorities through both informal and formal networks that are supported through political affiliations and the Local Government Employers. The leader authorities’ political and organisational importance at a regional level makes them valuable pillars in supporting the national collective bargaining framework, and in turn, they are integral to the maintenance and survival of the Local Government Employers as an employers’ association.

The leader authorities are well resourced, large complex organisations, employing more than 20000 workers, who under the Audit Commission’s assessment have attained the highest standards in best local government practice. They are the principal employers in their localities and are vital to the prosperity of their local communities that rely on the economic regeneration they bring from their activities. The leader authorities have large dedicated human resources and employment relations functions that are influential both internally within their authorities and externally both at a regional and national level within the Local Government Employers. The leader authorities continue to support and promote joint regulation through the Whitley Model which recognises the continuing importance of collective representation through trade unions and their role in the local government employment relations system. As regional leaders these authorities have, and are used
by central government to test new local government initiatives and consequently their political influence in shaping local government policy is felt at a national level.

**Follower authorities** in many respects mimic leader authorities on a smaller scale. Like leader authorities, they are located in urban conurbations but their population size is smaller (normally about 250,000). Follower authorities generally employ no more than 15,000 workers. They have a presence at a regional level, but they operate in the wake of the leader authorities. As local government funding is calculated by population size, follower authorities’ resources are limited and this shapes the provision of their services. They do not have the large specialist human resources and employment relations functions that the leader authorities have, but nevertheless, operate scaled down versions that rely more upon the regional and national Local Government Employers for guidance and specialist advice in human resources and employment relations matters.

**The Leader Authorities**

**Historical Background**

The three leader authorities: two, three and four, saw their cities come to prominence in the mid nineteenth century as they became important industrial and commercial centres for their localities. The cities benefited from an improved transportation infrastructure that saw their populations expand rapidly in the first half of the nineteenth century; two of the cities (three and four) had been relatively small provincial towns at the beginning of the century but by the mid eighteen fifties had become large metropolitan conurbations that had developed a sophisticated economic infrastructure to support the textile industry which depended on a large and varied
workforce. The third city, as an important port, had been a national and international commercial hub since the seventeenth century. In common with many cities in the nineteenth century they drew upon the population from the surrounding countryside, and this growth in population size necessitated a programme of urban development and the creation of civic amenities and services to meet the needs of these new city dwellers.

The three leader local authorities, as with the benchmark authority, developed as large provincial cities. They became economic powerhouses, fueling regional and national economic growth. This prosperity was led by a new entrepreneurial manufacturing and merchant class who wished to promote their business interests through developing local politics, which would address local issues connected with rapid conurbation expansion and the demands placed on infrastructures and amenities to support the rising population. While at a national level, the cities wished to promote their political interests at Westminster. The creation of municipal authorities within these cities was seen as a means of demonstrating to Westminster a political maturity, that these cities could take responsibility for their own political and social affairs (Wilson and Game, 2002).

Each of the councils has been seen as a beacon organisation within their region – promoting high standards of governance and best practice in both service delivery and employment practice. The three authorities are the closest in terms of size to the benchmark authority and all are situated in large urban conurbations. Table 7.1 gives some useful local labour market data on each of the areas that are covered by the four councils.
Table 7.1 Employment in Leader Authorities Areas

<table>
<thead>
<tr>
<th></th>
<th>Benchmark Authority One</th>
<th>Authority Two</th>
<th>Authority Three</th>
<th>Authority Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1,028,700</td>
<td>433,100</td>
<td>787,700</td>
<td>483,800</td>
</tr>
<tr>
<td>Economically Active Working Population</td>
<td>456,000</td>
<td>236,000</td>
<td>413,500</td>
<td>227,000</td>
</tr>
<tr>
<td>Total numbers of jobs in all sectors of employment in area (workplace based)</td>
<td>484,000</td>
<td>231,000</td>
<td>417,600</td>
<td>306,700</td>
</tr>
<tr>
<td>Total numbers of jobs in the Public Administration, Education and Health Sector</td>
<td>156,000 (32%)</td>
<td>66,600 (29%)</td>
<td>104,800 (25%)</td>
<td>90,100 (25%)</td>
</tr>
</tbody>
</table>


Political Leadership

Since the local government re-organisation in 1974 the three Leader councils have been predominantly Labour controlled: authority two, 1974 – 2005; authority three, 1974 – 2004; and authority four, 1974- 2007. Within the authorities the ruling Labour administrations have been able to develop and mature their political hierarchy within the committees’ structures that are responsible for decision making both externally, in relation to the services they provide to the public, and internally, in the way in which they deploy their workforces:

“When any administration is in office for a long time they develop a competency for the workings of the council which allows them to navigate the corporate structure that is responsible for turning their political objectives into attainable and deliverable outcomes. Like any organisation, personal working relationships are developed over time, managers and politicians learn what is achievable, but this relationship takes time to develop. There is no doubt that where an administration has been in office for
some time this is a distinct advantage to them because they have learnt to apply the levers of power.”
(Head of Human Resources, Authority Four)

Like the benchmark authority, within each of the Labour administrations the elected members have tended to be individuals that have come from the industries that make up the local economies in their areas. Manufacturing in most cases had been the backbone of these cities and with de-industrialisation in the 1980s a new cadre of politicians entered local government politics. These elected members were a new generation of civic politicians who as a consequence of redundancy and a lack of alternative employment opportunities applied themselves full time to local politics:

“After the Miners’ Strike in ‘85 we saw many ex-miners becoming active and standing in local elections throughout the City. They had the time and enthusiasm to throw themselves into the civic affairs of the City and those that were elected wanted to actively participate in the governance of the Council. Over time they developed competencies in all areas of public administration and employment relations was no exception.” (Chief Officer of Human Resources, Authority Three)

A common feature in each of the Labour administrations was that they had close affiliations with the trade unions both at a formal and informal level. A number of elected members had held positions within the trade unions and used this relationship actively in resolving employment relations issues that arose:

“A number of the Labour [elected] members have been reps and this has given them a natural rapport with our reps which has proved useful.” (Chief Officer of Human Resources, Authority Three)

The Labour leadership within each of these councils has taken an active organisational role in the running of their councils. Through their sub-committee structures they have not only been involved in defining the political objectives of how their councils should be run, but they have also worked at an operational/service level
in ensuring that managers and trade unions come together in partnership to make in-house services viable propositions against outside private sector competition:

“The Council’s leadership had the political will to make in-house services competitive with private sector providers. They took an active interest in the management of services through the sub committees where they brought together trade unions and management to deal with employment issues and hammer out solutions that were workable to all.”
(Head of Human Resources, Authority Four)

Underpinning the Labour leadership in these councils is the primacy of keeping services public and under their direct control. They see a social obligation to maintain the public ethos within their councils, not only on ideological grounds in maintaining the Good Employer tradition but also on practical grounds because they believe that direct control gives greater accountability which in turn allows for a better relationship with the electorate:

“As a council we have defended in-house services both on ideological and practical grounds. Elected members have seen a practical utility in supporting in-house services because it gives them control of services that are politically sensitive and gives them greater discretion in dealing with issues that are raised by the electorate.”
(Head of Human Resources, Authority Four)

The Labour administrations in these councils have all been staunch supporters of the national collective bargaining framework. They are one of the largest employers in their areas (authority two– 20,000 employees; authority three– 25,000 employees; and authority four - 30,000 employees) and their economic influence is significant. The Labour administrations within these councils view the national collective bargaining framework as an important conduit for promoting good employment relations practice that is based on recognising the legitimacy of the trade unions and supporting joint regulation as a means of promoting constructive relations with their workforces:

“Economically, the ruling Labour administration knows that its influence in the local economy is huge. The Council is one of the biggest employers in the region and it has
a pivotal social responsibility which this administration takes very seriously. We like to think that the Good Employer tradition is alive and well in [name of city].”
(Head of Human Resources, Authority Four)

Philosophically, these Labour administrations see the councils they run as being far more than agents for providing services to the public, but socially responsible institutions that set high standards in moral probity in how they treat their workers. They hold the belief that equitable treatment of workers creates a working environment that is beneficial to service outcomes:

“The administration here is focused on political and social accountability. Good service and good employment practice go hand in hand and as a council we take the position that this can best be achieved by supporting and maintaining national conditions of service which understand the political, economic and legal dynamics in which local government operate in.”
(Chief Officer of Human Resources, Authority Three)

However, despite this mandate, these Labour controlled councils have had to tailor their service and employment provisions to the legislative constraints of central government. As organisations they have promoted joint regulation of employment through adhering to the Whitley Model in giving trade unions an almost constitutional role within the employment relations architecture of their organisations, and within all three authorities they have trade union membership levels above forty per cent (authority two, 43%; authority three, 45%; and authority four, 47%). Each of the councils has played a significant role in their city’s regeneration in the last twenty years, with infrastructure investments and corporate loans and grants to businesses that have made them key economic facilitators within their areas.
The Economic Context – De-industrialisation and Regeneration

These leader authorities were caught up in the de-industrialisation process that occurred in the late 1970s and 1980s. The areas in which the leader authorities are based saw many of their industries like heavy engineering and textiles decline rapidly in the 1980s and the rise in unemployment meant that these local authorities were the last bastions for supporting large scale employment for both manual and white collar workers within their respective areas. Today, public sector employment makes up over twenty five per cent of employment in these metropolitan areas (see Table 7.1).

With high levels of local unemployment (see table 7.2) these councils became the hubs of large scale employment in their areas. However, under the Conservative government, local authorities were subjected to reforms that challenged directly their autonomy in how they engaged labour and how they provided their services to the public. The 1980s saw these local authorities resist these central government reforms on local government both on economic and social grounds. Particularly on social grounds, promoting and sustaining employment was seen as vital in helping to support the local economy, as the private sector within these areas were struggling to survive as the UK saw a fundamental restructuring of its traditional manufacturing. The prosperity of these areas had generally depended on a few large private employers who in turn had supported an infrastructure of smaller businesses that had relied on them. However, the recession of the 1980s had undermined this economic network and in many cases the industries either went into terminal decline and did not come back after the recession or were radically re-structured and became much smaller employers. It is against this economic and social backdrop that the leader local authorities became vital conduits for the regeneration of their localities.
Table 7.2 Unemployment Rates (percentage of working age residents) for Benchmark Authority and other Leader Authorities 1979-2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Benchmark Authority One</th>
<th>Authority Two</th>
<th>Authority Three</th>
<th>Authority Four</th>
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<tbody>
<tr>
<td></td>
<td>Unemployment Rate (%)</td>
<td>Unemployment Rate (%)</td>
<td>Unemployment Rate (%)</td>
<td>Unemployment Rate (%)</td>
</tr>
<tr>
<td>1979</td>
<td>6.4</td>
<td>7.0</td>
<td>6.8</td>
<td>7.2</td>
</tr>
<tr>
<td>1980</td>
<td>7.9</td>
<td>8.0</td>
<td>8.4</td>
<td>8.0</td>
</tr>
<tr>
<td>1981</td>
<td>15.8</td>
<td>13.5</td>
<td>13.8</td>
<td>14.2</td>
</tr>
<tr>
<td>1982</td>
<td>21.9</td>
<td>12.0</td>
<td>12.3</td>
<td>12.5</td>
</tr>
<tr>
<td>1983</td>
<td>22.6</td>
<td>11.7</td>
<td>12.5</td>
<td>11.9</td>
</tr>
<tr>
<td>1984</td>
<td>21.4</td>
<td>12.5</td>
<td>13.0</td>
<td>12.3</td>
</tr>
<tr>
<td>1985</td>
<td>21.6</td>
<td>11.0</td>
<td>11.7</td>
<td>12.6</td>
</tr>
<tr>
<td>1986</td>
<td>22.2</td>
<td>12.0</td>
<td>12.6</td>
<td>12.8</td>
</tr>
<tr>
<td>1987</td>
<td>20.5</td>
<td>10.5</td>
<td>11.0</td>
<td>11.5</td>
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Source: Office of National Statistics/ Leader local authorities’ statistical data
From the mid-eighties the leader authorities in partnership with regional development agencies began a process of urban regeneration that focused on inward investment. Two of the councils, three and four, began to invest in their cities infrastructures, paying particular attention to industrial areas, where the predominant large employers had been in textile manufacturing and associated engineering. Their support for urban renewal projects saw the cities attract new capital investment which led to new employment sectors developing in the early 1990s. In authority three’s city, banking and the financial services became an important new employment sector, attracting businesses to relocate from London. Authority four’s city - saw professional services and the media sectors become the new areas of employment growth. Authority two’s city did not see to the same degree of industrial decline and unemployment, partly because its primary manufacturing areas were in aeronautics and the defence industry which remained buoyant in the recession of the nineteen eighties. However, with the move to containerisation in the ports industry there was a restructuring within the city’s port that saw a decline which particularly affected manual employment. Authority two, like the other two authorities, was able in conjunction with the regional development agency to support urban renewal projects that revitalised areas of the city and saw new employers from the professional services sector move in, as the city became a key location for the regional economy that saw new technology industries come into the area.

All three authorities have been important catalysts for the economic regeneration within their localities. Employment has been of central importance to all three authorities, both in protecting employment within their own organisations and promoting and protecting employment within their areas. Economic regeneration has
seen white-collar skilled employment improve but low skilled manual work decline. All the leader authorities despite the effects of local government marketisation have continued to employ relatively large numbers of manual employees, which they have seen as being integral to their social responsibility as large employers to maintain and support a cross section of employment within their cities. It are these political, social and economic underpinnings that have shaped how these leader authorities have adapted and dealt with the local government reforms of the last thirty years.

Local Government Reform under the Conservatives – 1979-1997

The Conservative local government reforms introduced in the nineteen eighties were resisted by all three leader authorities. The initial introduction of competitive tendering in 1984 was not taken up by any of the three authorities. It was resisted on political, social and economic grounds. Politically, it was viewed as interfering with the self determination of local authorities and creating a marketplace for public services that was not in the interests of the public. Socially, as large employers in their areas, the councils did not want to outsource their workforces to private commercial contractors who they perceived would drive down pay in order to maximise profits, which would particularly affect manual workers whose services were primarily affected by this initial liberalisation of service delivery provisions:

“The Labour administration here [authority three] saw contracting out as a dilution of their power to determine and control how services were delivered. From the outset, they resisted competitive tendering as they saw it as being incompatible with their social responsibility to look after both their employees and the public. The focus on driving down costs, it was thought by elected members, would have dire consequences on employees whose areas were subject to competitive tendering.”

(Chief Officer of Human Resources, Authority Three)

Economically, the revenues potentially lost by contracting out services to private
sector providers would also have a detrimental effect on organisational finances as profits created in commercial activities were lost to private contractors rather than being re-invested with the organisations:

“As an authority [authority four] at the time competitive tendering was introduced, the administration [Labour] was unhappy at the prospect of losing revenue generating services to outside contractors. It was seen as giving public money to private enterprise rather than re-investing profits back into the City [council].”

(Head of Human Resources, Authority Four)

These factors underpinned the leader authorities’ resistance to opening up their organisations to private commercial contractors’ right up until 1990 and the introduction of Compulsory Competitive Tendering, as a consequence of the Local Government Act 1988, which compelled local authorities to put their manual services out to tender.

**Compulsory Competitive Tendering**

The beginning of the 1990s saw Compulsory Competitive Tendering introduced across all local authorities in England. The leader authorities were now legally compelled to put their manual services out to tender, and this saw them having to resist competitive tendering within the statutory framework that had been imposed on them. Contracts for manual services were put out to tender in the 1990/1991 financial year which saw all three Labour administrations mount campaigns to defend in-house manual services. The Labour administrations resisted the pressure to contract out their services by ensuring that in-house services had the necessary resources financially and administratively to draw up comprehensive bids that maximised their competitiveness and highlighted their quality as offering value for money to the rate payers. The three leader authorities during the period 1991-1997, managed to keep the majority of their blue collar services in-house:
“The ruling Labour Administration was determined to fight off the onslaught of CCT which they saw as a challenge to their mandate to oversee the interests of the citizens of [City’s name] who had elected them. However, they still had to legally comply with the legislation which required the contract bids to be transparent and open to outside bidders. The in-house bids I think were successful because they focused on quality rather than cost. Having said that, the in-house bids had to be price sensitive, as the tendering specifications were weighted heavily on cost.”
(Head of Human Resources, Authority Four)

However, there was a cost to keeping in-house services, as the authorities had to look to improving labour efficiencies both in terms of cost and numbers while adopting new working practices that promoted greater labour flexibility. In all three authorities, the Labour administrations, through their service committee structures, supported local in-house services by promoting a constructive working dialogue with the trade unions and management:

“At the time, CCT was a shock to the system, it was a regime that most of us were against, yet what came out of it was a resolve to survive it. We got through it and the relationship between unions and management was stronger for it”
(Chair of Human Resources Committee, Authority Two).

The aim of the dialogue was to develop a strategy for making the in-house service bids as competitive as possible so as minimise the risk of the services being contracted out. Despite the administrations’ support for in-house services they could not overtly reject outside bids as all bids had to comply with defined service specifications that focused on: cost, service delivery provisions, and quality:

“The authority knew that as a large, high profile, Labour controlled council, its actions were open to detailed scrutiny, and therefore the administration was at pains to ensure that it did not fall foul of the law. The LGA [Local Government Act 1988] was comprehensive in its scope of what authorities could and could not do, in relation to CCT, and both politically and managerially, the authority sought legal advice to ensure that its actions complied with the legislation.”
(Chief Officer of Human Resources, Authority Three)
The defence of in-house services focused on service delivery provisions and quality, nevertheless, the authorities still had to address the criterion of cost. Within each of the authorities there were tripartite negotiations between elected members, local management, and trade unions. These negotiations were generally conducted at service sub-committee level and the agreements that came out of these negotiations brokered a position that allowed new working practices that led to job losses and greater mechanization. While in return the reduced workforces received enhanced pay through revised bonus schemes that were based on productivity and attendance:

“In roads maintenance and waste management the Council lost in seven years [1990-1997] forty per cent of employees in these two service areas. These losses were accompanied with a growth in demand for these services. Waste generation grew while recycling legislation placed a greater burden on the Council to dispose of waste more efficiently, which impacted on waste management, in how they faced up to these demands with a smaller workforce. Highways had similar challenges, a reduced workforce and an ever increasing demand to keep the roads maintained with a smaller budget. Fortunately, there was a real team spirit which saw everybody, both management and employees, come together. I’m glad to say that this team spirit is still here today and I think that this is partly down to the challenges faced during CCT.”

(Chief Officer Human Resources, Authority Three)

The agreement between elected members, trade unions and management looked to the national conditions of service for local government manual workers as the baseline from which to explore changes to conditions of service for employees who were affected by CCT. There was a view that where possible the national conditions should apply. Politically, the Labour administrations saw the national collective bargaining framework as an integral part of the local government employment relations architecture that had proved a useful organizational anchor:

“Elected members were tied to national conditions of service as they viewed them as the gold standard. These conditions had been secured over a fifty year period and they had proven themselves at a social, economic and political level.”

(Head of Human Resources, Local Authority Four)
Some conditions were diluted but were judged to be acceptable by the trade unions that recognized that these were necessary in order to safeguard jobs. These changes occurred primarily around overtime payments, sick pay and holiday entitlements:

“Sick pay was changed and the option of selling holiday entitlement was introduced, where employees could be paid rather than take their entitlement, although this was restricted to no more than fifty per cent of their entitlement. Also bank holidays were paid rather than taken to fit in with service delivery requirements.”
(Head of Human Resources, Authority Four)


The defence of in-house manual services from CCT had cemented a good working relationship between management and trade unions within these leader authorities. This relationship continued to be maintained with the introduction of Best Value under the new Labour government in 1997. The difference with Best Value was that the regime was extended to all services within local authorities which compelled them to benchmark and market test services. The discretionary powers that were extended to local authorities in how they tested services created sufficient latitude for interpretation which allowed the leader authorities to treat the process as an administrative exercise. This was succinctly illustrated:

“When we were looking to implement a new payroll system we knew what we wanted and started with the answer and worked our way backwards. The process took us eighteen months to achieve but we adhered to the formalities of Best Value making sure that we complied with the evaluation process. The end result is we got what we wanted even if it took us eighteen months to get there!”
(Head of Human Resources, Authority Four)

The efficiencies made during the eighteen years of the Conservative governments were carried through to the Labour government of 1997. The introduction of Best Value saw local authorities benchmarking their services to commercial best practice outside of their organisations. Those services that had been subject to CCT found the
transition to Best Value relatively unproblematic as they had endured the full force of commercialisation in the 1980s and 1990s and benchmarking was a better alternative than being compulsory tendered:

“There is no doubt that Best Value was a welcomed alternative to CCT, at least it [Best Value] was focused on outcomes that emphasised quality and best practice rather than being obsessed with bottom line costs, which was the main emphasis of CCT. I think that all services that had been subject to CCT found Best Value a more accommodating regime to work with and the discretion it gave local authorities was a return to greater local autonomy in organisational decision making.”

(Chief Officer of Human Resources, Authority Three)

However, white collar services found the process of benchmarking a new experience which was seen as being a bureaucratic exercise:

“Best Value was all about ticking the right boxes.”

(Chief Officer of Human Resources, Authority Three)

“In all honesty Best Value started out as a bit of a bureaucratic nightmare. There were so many [performance] indicators to be evaluated that we had a corporate team set up to deal with it. Much of their work was liaising with the Audit Commission who oversaw Best Value. However, the government soon recognised that they had created a rod for themselves because the evaluation process was overwhelming the Audit Commission’s ability to function. It couldn’t cope with evaluating all the authorities and in the end they had to adopt a sampling process. The Audit Commission relied on local authorities to self-monitor their evaluations and so authorities had a high degree of discretion in how they went about complying with Best Value. I think in the end Best Value was probably politically a good idea but its implementation demonstrated its limitations in the real world.”

(Chair of the Human Resources Committee, Authority Two)

Throughout the local government reforms that have taken place in the last thirty years the three leader authorities remained tied to the national collective bargaining framework. The national framework was integral to the political, social, and economic aspirations of these authorities. On an ideological level, the successive Labour administrations have viewed the national framework as a foundation stone for the employment relations architecture in local government. The national framework gave the authorities an established base from which to develop their own local terms and conditions of employment while relying on a national infrastructure that has evolved
over sixty years that has managed to address the social, political, economic, and legal contextual variables that shape how local government operates.

On a practical level, being tied into a national framework allowed the leader authorities to network with other local authorities at both a regional and national level which in the past has proved useful in dealing with both contentious and non-contentious employment relations issues. For example, with the introduction of Single Status, the leader authorities consulted with the Local Government Employers who advised them on the use of job evaluation schemes. Even in the case where Labour relinquished overall political control in authority two for a time (2005-2007), there was still tacit support by the Liberal Democrats and Conservatives for the national framework. Although not particularly ideologically tied to the national framework both parties continued to support it because it offered them continuity in managing human resource matters which served their particular interests:

“Over the years the national framework has been an important bulwark for the council employment relations function. We do have a well-established corporate employment relations team that deals with the majority of issues that arise; however, we are still reliant on the national framework for pay and legal interpretations on local government legislation, which I am sure you are aware has grown in recent years. I think that here in [name of city] there is general agreement amongst the three parties that the national framework for pay and conditions is still relevant to us as an authority and that for the foreseeable future we will remain within it." (Chair of the Human Resources Committee, Authority Two)

Marketisation had eroded at the periphery some terms and conditions of employment, which primarily affected manual workers in the services areas that were subject to outside commercial competition. But the majority of non-manual workers had managed to retain their conditions of service by the leader councils honouring and adhering to the national framework, ensuring that standards of employment had been maintained which reflected the public sector ethos of equity and transparency. As
employers, the leader authorities felt that the national framework was still integral to promoting a consensual approach to employment relations within local government and that it was still in their interests to continue to support it.

The Trade Unions

As in the benchmark authority and in common with many local authorities in England, the leader authorities, recognise the two principal trade unions in the public sector, UNISON and UNITE. Each of the unions having their particular constituent interests, UNISON, with predominantly non-manual workers and UNITE, representing manual and craft workers.

UNISON

UNISON within the three leader authorities has the largest numbers of members compared to UNITE. It bargains across all occupational groups, with its highest concentration of members in professional and clerical occupations. Regional representatives were unequivocal in their support for the national collective bargaining framework. Its success in promoting and securing improved conditions of service had proven itself during the process of local government reform in the 1980s and 1990s and its historical legacy was appreciated as being integral to the development of the Whitley Model and the promotion of trade union recognition within local government and the wider public sector:

“National collective bargaining is the bedrock of the industrial relations system in local government. We as a union [UNISON] have relied on it [national collective bargaining] as a means of promoting and securing our members interests. If I look back over the last twenty years it [national collective bargaining] has been central to our defence of conditions of service in local government that have been under
constant attack from central government and in particular under the Conservative governments.”
(Regional Head of Local Government- UNISON)

Reflecting the benchmark authority’s and UNISON’s national position, representatives were convinced of the importance of national collective bargaining as a means of defending rights and conditions of employment for all workers within local government and, in particular, promoting better pay for low paid workers. UNISON’s national campaign for low paid workers had relied on local representatives at an authority level to promote and coordinate action but ultimately its success was seen as being dependent on being fought on a national platform:

“It would have been difficult to take on the low pay campaign at an individual authority level both in terms of organisation and resources. The national framework allowed us to mobilise members across the country in a co-ordinated way that gave us the necessary leverage with employers. The national framework gave us the means to bargain an acceptable outcome that gave low paid workers a living income.”
(Regional Organiser - UNISON)

The UNISON representatives within the three leader authorities reflected the national position of UNISON, that the national collective bargaining framework was an integral bulwark in protecting conditions of employment by ensuring that nationally, there were a floor of conditions of service that were guaranteed across local government. Despite the challenge to the national framework through the local government reform process it had managed to survive because there was still a practical utility for local authorities and the unions to conduct their business and promote their respective aims:

“The national conditions of service have matured and developed out of Whitley and the notion of joint regulation in local government industrial relations. We have [the unions] been able to bargain with employers in a constructive manner that have secured progressive employment rights for local government workers that have not just focused on financial and economic outcomes but on social equity in how people are treated in the workplace which I think has been to the mutual advantage of us [the trade unions] and the employers.” (Researcher – UNISON)
It was felt that the national collective bargaining framework was the best vehicle for advancing their organisational objectives that were defined principally by their membership’s employment interests and the public interest in providing comprehensive public services. The promotion of social equity both in employment and the provision of public services were at the cornerstone of UNISON’s political agenda. UNISON’s fight for equality in the workplace was seen as vital in helping their existing membership, while also its success in campaigning against low pay and for equal pay helped it in its recruiting efforts, bolstering its membership to make it the largest trade union in local government:

“It’s fair to say that we [UNISON] as a public sector union, that has a strong local government base, are not just focused on our members interests as workers, but also the greater interests of the public who use and rely on public services. Yes, we have a self interest in maintaining a strong public sector but I also believe that we as a union have over the last fifteen years actively promoted and defended public services and have been an important voice in highlighting the social and economic issues that affect the public as well as our members.”
(Regional Head of Local Government – UNISON)

UNITE (T&GWU)

UNITE, formerly the T&GWU have a strong presence in the leader authorities and they have historically represented manual and craft workers within these councils. Its members felt the full impact of ‘marketisation’ in local government as financial pressures to ‘do more with less’ saw the commercialisation process affect manual and craft workers in frontline direct services. The T&GWU in response to these pressures had to engage in a pragmatic defence of their members’ interests that involved entering into a partnership with managers and local politicians within the three authorities. Like the benchmark authority, the leader authorities had defended and
supported in-house direct services, both for ideological and pragmatic reasons. Within the leader authorities the T&GWU in the 1980s and 1990s, at the time of CCT, entered into a process of local bargaining with employers. Local bargaining was seen as a necessity if direct services affected by CCT were to remain ‘in-house’: “We knew across local authorities there had been some tough local bargaining in which our members paid a high price for keep their jobs in-house, but it was seen as a price worth paying to protect the long term future of our members. We knew that contracting out would lead to a rapid erosion of pay and conditions from our experience of representing members whose authorities had transferred them to private contractors, which despite TUPE[Transfer of Undertakings (Protection of Employment) Regulations 1981] had, nevertheless, seen a deterioration.” (National Chief Negotiator, Local Government, UNITE)

In the leader authorities the UNITE position was that national collective bargaining was the preferred framework for engaging with employers over employment relations matters. Fifty years of refinement had made it adaptive and responsive to the political and economic dynamics that had shaped local government employment relations, and that as a national framework it supported a minimum standard of employment conditions that gave sufficient latitude and discretion to individual authorities to tailor their local conditions of service to their specific needs: “The national collective bargaining framework has been integral to developing and propagating the organisational foundations of trade unions in local government. The national framework has enabled trade unions to engage constructively with employers that have seen bargaining outcomes that have been beneficial to all parties. We [UNITE] in conjunction with our colleagues in the GMB and UNISON have worked with local authorities to successfully navigate the contentious area of Single Status. This has only been possible because there has been a nationally co-ordinated response to this issue.” (National Chief Negotiator, Local Government, UNITE)

The T&GWU in the authorities had had to be adaptive to the marketisation process that saw CCT affect many of their members in the manual direct services. They began to enter into local negotiations with managers and this led to a number of departures from the national conditions of service that were driven by costs and productivity
issues around the numbers and deployment of workers. The T&GWU secured and maintained basic pay and bonuses for their members that stayed in employment, while those that left were given enhanced severance packages through voluntary redundancy, and early retirement. The political rhetoric from the councils was about protecting council workers’ employment but the ‘real politik’ was that without a reduction in worker numbers and the adoption of new working practices in direct service functions the services would be vulnerable to being contracted out as the in-house bids would not be competitive under the CCT process. The threat of losing contracts to outside competitors saw a partnership develop between the T&GWU, local management and councillors within the authorities that was founded on mutual survival and self-interest. Working arrangements had to recognise this political and organisational reality, and within the leader authorities that was achieved through challenging yet ultimately productive negotiation:

“It was a win-win situation all round. We [T&GWU] had to make some pretty tough decisions around redundancy and new working arrangements that clearly were going to affect our members. However, we recognised that for the future prosperity of our members in direct service functions we would have to enter into some difficult bargaining that would require radical compromise on our part. In the past we had resisted redundancy but with CCT we recognised that to an extent this had been taken out of local authority hands. The tendering process gave little discretion for local authorities, and therefore we had to come together with local management in the authorities to make workable bids that kept our members in jobs and gave employers the flexibility they required.”
(National Chief Negotiator, UNITE)

UNITE’s members had experienced the full impact of commercialisation in the local government workplace. Their predominantly manual members who were employed in the traditional blue collar services had been targeted for outsourcing on the basis that manual workers in local government received better pay and conditions than many of their private sector counterparts. UNITE felt that to a degree management had used the introduction of CCT to promote new working practices, however, they knew that
they had to adapt if their members were to have long term futures working for the councils. Politically, as the three leader councils were Labour controlled, there was a political will to defend in-house services, which gave the T&GWU a certain amount of bargaining leverage which it applied in a measured way that ensured that its members secured the best employment and termination packages that were available.

UNITE within these three leader authorities focused on defending the pay and conditions and job security of their members in the direct services functions like refuse collection and street cleansing. Over time, UNITE representatives gained first-hand experience of defending in-house services and became competent negotiators. Local bargaining became a pragmatic reality that the UNITE representatives had to engage, despite philosophically, being supporters of the national collective bargaining. However, they also recognised that they had to be prepared for local government becoming more localised in its bargaining arrangements and their experience in dealing with CCT had given them confidence in meeting this potential challenge if it ever arose:

“The local government reforms of the last twenty five years have seen industrial relations change. Commercial pressures have pushed local authorities to search for increased productivity and greater organisational autonomy as budgets are stretched and the drive for more for less. Up until now these commercial pressures have been focused on direct service providers within councils that make up what we used to call the manual workforce. Local bargaining has been a reality in these service areas for the last twenty five years and as a union [UNITE] we have out of necessity had to go toe to toe with local management in securing conditions of employment that are acceptable to our members. If this localisation becomes more widespread in the future, where councils decide to opt out of the national collective bargaining framework, I have no doubt that as a trade union we will adapt and rise to the challenge of local authority based bargaining.”

(National Chief Negotiator, UNITE)
Table 7.3 TRADE UNIONS – Rationale and Strength of Support for National Collective Bargaining in the Leader Authorities

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<th>UNISON</th>
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<td>REGULATIVE</td>
<td>STRONG – Great emphasis on national conditions of service and procedural rules. Concerned with the formal protocols that shape employment relations in local government.</td>
<td>MEDIUM – Without the national framework collective bargaining could be undermined. Important conduit for constructive employment relations environment</td>
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<tr>
<td>NORMATIVE</td>
<td>STRONG – Campaigning for the promotion and defence of public services. National bargaining is integral to the Good Employer tradition and best for workers and the public interest.</td>
<td>MEDIUM – Less ideological and more concerned with the practicalities. What matters is collective bargaining, whether it is at a national or local level. More members affected by outsourcing.</td>
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<tr>
<td>COGNITIVE</td>
<td>STRONG – National bargaining is part of the fabric of local government employment. No other way of achieving its objectives. There is a natural logic to the national framework which should not be meddled with.</td>
<td>MEDIUM – Prefers national bargaining, but recognizes that there are alternatives, and as a union has engaged in local bargaining in service areas that have been subject to outsourcing.</td>
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Management and Human Resource Management

The three leader authorities in common with the benchmark authority saw that their authorities had come to rely on the national framework because it functioned as an economic and social glue for local government. They acknowledged the unique local government labour market that favoured national terms and conditions to avoid undue labour competition between local government employers for skilled, professional white collar workers, while supporting the national framework from a social perspective to defend low pay workers from external commercial competition. The three authorities had the organisational resources to break away from the national framework but saw no reason to do so, as the national framework provided enough flexibility to negotiate terms and conditions that reflected the individual needs of the authorities:

“here at [name of authority] we have the [name of the city] Agreement 2008, which is a locally negotiated agreement which outlines the authority’s position on: Pay and Grading; the use of consultants and agency staff; Training; Minimum Wage; In-House Service Provision; Local Strategic Partnership; and Good Employment Relations and Trade Union Consultation. It is a comprehensive agreement that allows us to formulate our own policies in conjunction with elected members and trade unions while still adhering to the overarching umbrella of the national framework which we see as very much a touchstone.”

(Head of Human Resources, Authority Four)

The national framework was viewed as a valuable safety valve that the leader authorities could rely on as a means of de-escalating local employment relations issues and promoting local agreement through abiding with the nationally negotiated settlements. This process is often seen as being politically expedient but not necessarily economically or commercially focused:

“the nationally negotiated terms and conditions in some cases might not be particularly beneficial to us as an authority, but nevertheless, we still see them as overall being to our benefit. Some managers, particularly within our commercial services, do sometimes get frustrated with the national agreements, but as I remind
them they still do have a degree of discretion. *In the end I think they just like to have a moan, as it’s something they can point the finger at.*”
(Chief Officer Human Resources, Authority Three)

The marketisation process had seen managers whose areas were directly affected by it contemplate a move away from the national framework, on commercial and economic grounds, as a response to the external competition, but this was no more than a temporary response. As in-house services within the leader authorities were politically supported by their administrations, managers were able to broker agreements with their trade union counterparts that were mutually beneficial to both workers and the employer, that were to the success of in-house bids:

“*Yes, managers within the direct services felt the commercial pressure of outside competition. Yes, there was a temptation on their part to say blow the national framework lets go it alone, but ultimately they knew that this was never a realistic option given the political support this administration had given them.*”
(Head of Human Resources, Authority Four)

Professional services managers within the leader authorities, like the benchmark authority, saw a practical utility in being supporters of the national framework. They saw national terms and conditions as a pragmatic way of dealing with the internal local government labour market, and the competition for scarce occupational groups like Environmental Health and Trading Standards Officers:

“*We have had on going issues with recruiting E.H.Os and T.S.O.s [Environmental Health and Trading Standards Officers] which I think is reflected nationwide, as there has been a shortage of qualified practitioners. Like a number of large authorities, we have grown our own, through our own graduate trainee scheme. Nationally agreed conditions covering these groups have to an extent avoided poaching between authorities as pay differentials are limited between them, however, we are starting to see fringe employment benefits increase, where authorities do have a greater discretion, and this has been used by some authorities as a recruitment incentive.*”
(Chief Officer of Human Resources, Authority Three)
There were some variations in attitude towards the national framework across management within the leader authorities which was shaped by their particular managerial role. Managers in commercially orientated services were not potentially averse to leaving the national framework if they thought they could get greater discretion in setting conditions of employment that satisfied their local position. While managers in professional services, particularly in technical areas that were statutory functions that the authorities were obliged to legally carry out, were strong advocates for the national framework, seeing it as a way of protecting their services from the highly competitive internal local government labour market, where authorities were in competition for these skilled workers. The national framework took pay and conditions out of the local workplace and allowed managers in these areas to focus on service delivery matters which they saw as a distinct advantage.

Similarly, human resource practitioners in the leader authorities like management fell into two categories when it came to the support of national collective bargaining. Those that had experienced marketisation in commercially driven services were open to abandoning the national framework if it was perceived it would improve their service viability. However, this viewpoint was tempered with the real politik of their authorities, understanding that their authorities were tied to the national framework because it tied into the political and social dynamics that underpinned their organisations:

“I’ve spoken to HR people who would love the authority to be far more devolved from national conditions. In most cases this is only because they are frustrated by a particular problem they are facing at a service level which is perceived to be the fault of national conditions. In the last few years there has been a lot of tension around the national pay settlements which in my involvement in the LGE [Local Government Employers] I know has been a talking point for some authorities to consider leaving the national framework. Certainly, in our case, there has never been a discussion at a political level to leave, and senior management is still supportive of it.”
In contrast, corporate HRM practitioners across the three leader authorities (in common with the benchmark authority) saw the national collective bargaining framework as an integral piece of the local government employment relations architecture:

"Politicians, trade unions, and managers I think appreciate the familiarity and predictability that the national framework brings and on a pragmatic level it has served the interests of all the parties well over the years with outcomes that have been acceptable and equally importantly have delivered services to the Public in a satisfactory manner. Each of the parties from their different perspectives gains from having a national bargaining framework which I think helps to maintain its importance in local government employment relations."

(Chief Officer of Human Resources, Authority Three)

The view among corporate HRM practitioners was that there was no reason for the leader authorities to leave the national framework because it offered the best means of delivering the political, social, and economic outcomes that they required to run their organisations. Leaving the national framework could not be justified given the negotiating infrastructures that would be required and it was perceived that the loss of belonging to a national collective bargaining framework would not serve the best interests of the leader authorities as both employers and providers of public services:

"the national collective bargaining framework is a cornerstone of local government employment relations. It acts as a social and economic glue between both large and small authorities, promoting good employment practice. The national framework is a product of a political and social consensus within local government and the majority of authorities rely on it as a touchstone for their own local agreements while remaining under the national umbrella for pay and conditions."

(Chair of Human Resources Committee, Authority Two)
Table 7.4 MANAGEMENT and HRM – Rationale and Strength of Support for National Collective Bargaining in the Leader Authorities

<table>
<thead>
<tr>
<th>REGULATIVE</th>
<th>COMMERCIAL MANAGEMENT/OPERATIONAL HRM</th>
<th>PROFESSIONAL SERVICES / CORPORATE HRM</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>MEDIUM – Economic advantage of national terms and conditions for such a large, complex workforce. Reduces undue labour competition. Larger authorities lack the flexibility to negotiate terms and conditions that reflect individual authority needs.</td>
<td>STRONG - Authorities are in competition for highly skilled workers within the local government labour market. National framework that takes pay and conditions out of the local workplace. National bargaining has served professional services functions well.</td>
</tr>
<tr>
<td>NORMATIVE</td>
<td>WEAK – No strong social obligation to national bargaining. Driven by what suits them here and now and commercial considerations of outside competition</td>
<td>MEDIUM – No strong ideological belief in national bargaining. An important means of securing a stable environment for recruiting and retaining highly skilled occupational groups.</td>
</tr>
<tr>
<td>COGNITIVE</td>
<td>WEAK – Given the opportunity may like to break away from the national framework. See local bargaining offering them enhanced employment flexibility within their workplaces.</td>
<td>MEDIUM – National collective bargaining is a logical choice for their managerial circumstances but recognize that this does not necessarily suit other managerial groups within the authority.</td>
</tr>
</tbody>
</table>
Elected Members

Within the leader authorities the elected members’ attitude towards national collective bargaining was consistent with what was found in the benchmark authority. The three authorities had been under Labour control for the majority of the period examined and this had shaped the attitudes of all three principal political parties. Labour elected members on ideological grounds were strong supporters of national collective bargaining as it was seen as a legitimate institutional framework for promoting equality in conditions of employment within local government. The Liberal Democrats were far more pragmatic in their support for national collective bargaining, seeing it as a practical vehicle. They were not tied to the national framework from an ideological or philosophical perspective, but rather saw it as a means of facilitating good employment relations in local government. This position did not preclude the Liberal Democrats from considering the alternative of leaving the national framework if they thought that within their authority it might be to its benefit. Finally, the Conservatives were grudging supporters of national collective bargaining, seeing it as a process that limited individual authority discretion, but equally recognising that despite this, national collective bargaining had shown itself to be an important conduit to managing the political and economic dynamics that shape the way in which local government employs workers and in turn how services are delivered to the communities that local authorities serve.
<table>
<thead>
<tr>
<th></th>
<th>CONSERVATIVE</th>
<th>LABOUR</th>
<th>LIBERAL DEMOCRATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGULATIVE</td>
<td>MEDIUM – Accept that national bargaining has played a role in shaping local government employment but beginning to question and call for greater local flexibility.</td>
<td>STRONG – National bargaining as the foundation stone for conditions of service within local government. A vehicle for promoting an equitable employment.</td>
<td>MEDIUM – National bargaining as an effective and efficient framework that has proven itself over time. It has served the interests of politicians, employers and workers.</td>
</tr>
<tr>
<td>NORMATIVE</td>
<td>WEAK – No particular ideological or social obligation to promote national bargaining. Concerned with service delivery outcomes that are consumer driven. National bargaining is too focused on employee interests rather than on the affordability.</td>
<td>STRONG – Appreciate the historical legacy of national bargaining and its importance in promoting and maintaining its social obligation to workers Think that local bargaining would be counterproductive as it focused too much on economic and financial outcomes.</td>
<td>MEDIUM – While recognizing its historical legacy they see the promotion and maintenance of national collective bargaining in non-ideological terms. It serves the interests of their authorities and they see no reason to go down the local bargaining route at the moment.</td>
</tr>
<tr>
<td>COGNITIVE</td>
<td>WEAK – Prepared to jettison national bargaining if advantageous to their authority. But still see practical utility in remaining within the national framework: expedient politically and economically.</td>
<td>STRONG – they view national collective bargaining as being at the very heart of the local government employment relations architecture.</td>
<td>MEDIUM - they support national collective bargaining and are satisfied with its outcomes. If circumstances changed they would consider local bargaining, pragmatically</td>
</tr>
</tbody>
</table>
The Follower Authorities

Historical background

The cities in which the three follower authorities are located share a similar industrial heritage that can be traced back to the Industrial Revolution. The cities’ economic development and growth were based on engineering and manufacturing and like the leader authorities’ cities relied on attracting the population from the surrounding countryside. Authority five’s city began in light engineering in the nineteenth century and by the twentieth century had moved into car manufacturing. In the last twenty five years as car manufacturing has declined it has moved into car design and has branched out into the wider engineering and technology sector. Authority six’s city in the eighteenth and early nineteenth century was renowned for its textile manufacturing but by the middle of it had become an important centre for the railway industry. The twentieth century saw the development of the aerospace industry and in the last twenty years it has seen the growth of small, high technology businesses, particularly in computer software design. Finally, authority seven is based in a city that was founded on the metals industries which up until the 1970s was the principal sector of employment. Over the last twenty years the local economy has become reliant on the services sector, with education, health, and local government being the largest employers in the city.

The follower authorities, five, six, and seven, in many respects mimic the leader authorities on a smaller scale. The cities of the follower authorities are located in urban conurbations but their population size is smaller (normally about 350,000). Follower authorities generally employ no more than 15,000 workers. They have a presence at a regional level, but they operate in the wake of the leader authorities. As
local government funding is calculated by population size, follower authorities’ resources are limited compared with the leader authorities and this shapes the provision of their services. The table below gives some useful labour market data on each of the areas covered by the three local authorities.

**Table 7.6 Employment in the Follower Authorities Areas**

<table>
<thead>
<tr>
<th></th>
<th>Authority Five</th>
<th>Authority Six</th>
<th>Authority Seven</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td>312,800</td>
<td>244,100</td>
<td>238,500</td>
</tr>
<tr>
<td><strong>Economically Active Working Population</strong></td>
<td>152,300</td>
<td>121,200</td>
<td>108,900</td>
</tr>
<tr>
<td><strong>Total numbers of jobs in all sectors of employment in area (workplace based)</strong></td>
<td>141,600</td>
<td>118,500</td>
<td>103,800</td>
</tr>
<tr>
<td><strong>Total numbers of jobs in Public Administration, Education, and Health Sector</strong></td>
<td>42,100 (30%)</td>
<td>34,200 (29%)</td>
<td>31,800 (31%)</td>
</tr>
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</table>


**Political Leadership**

Two of the follower authorities, five and seven, have been under a Labour administrations since 1974 (Authority Five, 1974-2004; and Authority Seven, 1974-2007). Authority Six, during the period, 1974-2007, has been under the administration of all three principal political parties, and has been characterized as a ‘middle of the road’ authority, as the principal parties have never had large working majorities and have had to rely on the support of independent elected members.
The Economic Context

The follower authorities, like the leader authorities, having traditional manufacturing and engineering industries were also caught up in the de-industrialisation process that occurred in the late 1970s and 1980s. Authorities five and seven’s areas in particular felt the full effects of industrial re-structuring that occurred in Britain in the 1980s. Authority five’s city saw the contraction of large scale car manufacturing, while authority seven’s city saw the metals industry that had been its largest employment sector go into terminal decline. Unemployment in these cities during this period was some of the highest on record at the time (see Table 7.7). The public sector in these cities became (and still are) the biggest employers and both authorities became vital for supporting large scale employment for both manual and white collar workers within their respective areas. Today, public sector employment makes up over twenty five per cent of employment in these metropolitan areas (see Table 7.6).

In authority six’s city, although not immune to the recession of the 1980s, its major industries were able to weather the economic storm. The aeronautics industry, trading in an international marketplace, managed to survive the down turn by exploring new markets that were developing in the Middle East where new airlines were being established. The railway industry, still in public ownership, remained a principal employer in the city and as a consequence authority six’s city’s unemployment levels were not as high as many other cities.

Economic regeneration in authorities five’s and seven’s areas were dependent on regional development funding which helped in authority five’s case to re-align its car manufacturing base and saw the promotion of research and design companies that
were connected with the car industry. In authority seven’s area, the decline of its metals industry has not seen any comparable regeneration despite regional development funding, and its local economy in the last twenty years has become primarily dependent on the public sector. Authority six’s area has had the most stable local economy of the three follower authority areas, and in the last twenty years has attracted international investment, with a large car manufacturer opening. Despite the privatisation of the railway industry in the 1990s it has remained a major employer in the city and the aerospace industry has equally continued to be a significant employer.
Table 7.7 Unemployment Rates (percentage of working age residents) for Follower Authorities Areas 1979- 2007

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<th></th>
<th>Authority Five</th>
<th>Authority Six</th>
<th>Authority Seven</th>
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<tbody>
<tr>
<td></td>
<td>Unemployment Rate (%)</td>
<td>Unemployment Rate (%)</td>
<td>Unemployment Rate (%)</td>
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<tr>
<td>1979</td>
<td>9.8</td>
<td>7.0</td>
<td>10.2</td>
</tr>
<tr>
<td>1980</td>
<td>12.7</td>
<td>7.8</td>
<td>13.6</td>
</tr>
<tr>
<td>1981</td>
<td>18.9</td>
<td>10.7</td>
<td>19.5</td>
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<tr>
<td>1982</td>
<td>21.6</td>
<td>12.5</td>
<td>22.4</td>
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<tr>
<td>1983</td>
<td>23.1</td>
<td>11.9</td>
<td>23.1</td>
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<tr>
<td>1984</td>
<td>21.8</td>
<td>12.2</td>
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<td>1985</td>
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<td>1986</td>
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<td>1987</td>
<td>18.7</td>
<td>10.5</td>
<td>19.0</td>
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<tr>
<td>1988</td>
<td>16.9</td>
<td>11.3</td>
<td>17.6</td>
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<td>1996</td>
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<tr>
<td>1997</td>
<td>10.5</td>
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<td>12.0</td>
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<td>1998</td>
<td>10.1</td>
<td>3.9</td>
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<td>1999</td>
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<tr>
<td>2000</td>
<td>3.4</td>
<td>2.0</td>
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<tr>
<td>2001</td>
<td>3.1</td>
<td>2.3</td>
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<td>2002</td>
<td>2.9</td>
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<td>2003</td>
<td>3.1</td>
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<td>2004</td>
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<tr>
<td>2006</td>
<td>4.6</td>
<td>3.8</td>
<td>6.3</td>
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<tr>
<td>2007</td>
<td>5.2</td>
<td>3.2</td>
<td>5.6</td>
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</table>

Source: Office of National Statistics/ Follower local authorities’ statistical data
Local Government Reform under the Conservatives - 1979-1997

From 1979 to 1997 during the Thatcher and Major Conservative administrations, Labour controlled follower authorities, five and seven, adopted a similar strategy to the large leader Labour controlled local authorities, resisting the local government reforms. In both cities the authorities were (are) one of the largest employers, and in the 1980s both cities saw a decline in their established industries. The Labour administrations within these cities saw it as a moral imperative on them to save jobs and defend public sector jobs from being outsourced to private, commercial contractors. Authorities five’s and seven’s responses to the local government reforms and marketisation mirrored the leader (Labour controlled) authorities. The elected members, trade unions and local management became partners in defending in-house services in the two authorities:

“*We were in it together; there was a political will to support in-house services and management and the unions got to grips with producing bids that were competitive. I remember at the time there was a lot of ‘argy bargy’ in the negotiations, it was a tough process that tested everyone but ultimately it was always in the back of people’s minds that unless we came up with something the services would go out. It certainly focused the mind!*”

(Deputy Head of Employment Relations, Authority Seven)

“*Yes, we had our differences, the management had their agenda, and we had ours, but we both realised that our collective interests were mutually tied together. We had to come up with solutions that were acceptable and more importantly workable; otherwise we would be both in trouble.*”

(Branch Secretary – UNISON, Authority Seven)

“*There is no doubt that the close ties between Labour councillors and ourselves as a trade union were instrumental in securing agreements that satisfied them, while equally satisfying the interests of our members*”

(Former T&GWU Regional Officer, referring to Authority Five)

Authority Six, with no dominant party in political control did not have any political or social position to the reforms that were introduced by the Conservative governments
in their eighteen year period of office. Unlike the Labour administrations, which were predominant in the metropolitan authorities at the time, authority six having no large majorities, did not have the necessary political mandate to push through the ideological position of any of the three principal parties. As a consequence it had to take a politically inclusive approach that took account not only the views of the three principal parties, but also the views of independent elected members who were not aligned to them. This resulted in a collaborative political approach that saw the council adopt and develop organisational policy that was driven by trying to satisfy a cross-section of interest groups.

When the Conservatives began their local government reforms, authority six, did not take a defensive position against the reforms on ideological grounds. It piloted a number of service areas that were put out to tender, out of the process a part of one of the service areas, parks maintenance, did go out to an outside contractor. Half the service area was overseen by the outside contractor, while half remained in-house. The results were mixed, although on paper the outside contractor was initially cheaper, a number of hidden costs came to the surface, which the contract specification did not take account of and this led to additional charges being levied against the council. At the end of the contract period the cost differentials between the two areas were similar. Although the in-house service appeared more expensive on paper, when it came to the running of the service there were no add on costs with the in-house service. Politicians also found that they preferred the inclusiveness of the in-house service which they found more responsive to the day-to-day demands of running a service and dealing with service delivery issues:

“I know talking to elected members who were on the committee at the time, that they found it rather frustrating that there was a tariff for every service which was outside
the contract spec, and although the contractor delivered a good service it was costly when compared to the in-house service which absorbed additional day-to-day costs.”
(Head of Human Resources, Authority Six)

When Compulsory Competitive Tendering was introduced the authority did favour, in-house services, not on ideological but practical grounds. Authority six did not particularly feel that it had to defend in-house services on social grounds, protecting council workers interests. The city’s unemployment levels were not as problematic as in other metropolitan areas at the time, as the large employers, the railways and aerospace industries in the city, had managed to be resilient during the economic downturn and so there was not the social and political pressure to ‘save’ local government jobs. However, there was a local political consensus that good public services and ‘value for money’ should go hand in hand when looking at service provisions. During the CCT period the majority of authority six’s services remained in-house because the in-house services had put together strong and commercially competitive bids. The difference between it and the other follower and leader authorities was that there was no overt political position about defending in-house services but there was a coming together between management and trade unions to for a partnership model similar to the other follower and leader authorities that did ensure that services did remain in-house:

“The in-house bids were based on strong business cases that balanced commercial considerations with outside competition, while also recognising that they were providing public services. The in-house bids had to stand or fall on their own merits, and overall they did just that.”
(Head of Human Resources, Authority Six)

When the Labour Government came to power in 1997 and introduced Best Value, the two Labour controlled councils, five and seven, consolidated their gains that they had made from the partnership approach they took in dealing with CCT. The rapport between politicians, trade unions, and management remained cordial and constructive but with time divisions came to the fore as the Best Value regime combined with local authorities having to look for external financing for capital projects saw tensions develop between unions and management:

“The council in 2000 looked to outsource its housing stock under an external partnership agreement. This was seen as a necessity, as the city did not have the capital finance necessary to maintain the housing stock. This process sparked a fundamental disagreement between the city and the unions; they couldn’t understand how a Labour council could contemplate, what they saw, as an abandonment of their social responsibility. From an employment point of view, we ensured that employees who were part of the council remained so; it was just that the management of the housing stock would pass to our new partner.”  
(Deputy Head of Employment Relations, Authority Seven)

“I couldn’t believe that the city decided to transfer its housing stock, putting aside the question of our members’ position, we as a union, were against the transfer because it went, in our opinion, against the interests of residents who were in council housing. We fought against it but ultimately we were unsuccessful. We did manage to ensure that council employees who were involved in the transfer remained under council conditions of service, but I think that the process from a political and social perspective was a disaster that the people of [name of the city] will be paying for a long time.”  
(Branch Secretary, UNISON, Authority Seven)

In Authority Five, in order to raise capital for the re-generation of the city centre it had to enter into a private finance initiative (PFI) deal with a commercial developer. From an employment perspective it had a minimum impact on council workers, but psychologically it sowed the first seeds of uncertainty among white collar workers in the council that their areas of work were not immune to being potentially outsourced:

“When we went into a partnership agreement to begin the re-development of the city centre, a number of workers from Planning and Architecture were seconded to work
on the project. This has seen them work with the developers and they have been integrated into their team. Fortunately, the employees that have gone over to work on the project have welcomed the challenge. I know this has sat uneasily with the unions who see this as one step towards outsourcing. The truth is that without getting private finance for the project it would never have left the drawing board. The council needed to find a private partner in order to tap into the government’s funding programme which requires councils to match the government’s funding with private funding.”

(Director of Customer and Workforce Services, Authority Five)

Local government finance has seen generally medium sized local authorities come out poorly from the rate support grant, which is funded by central government. Out of necessity these authorities have had to turn to private partners in order to finance capital projects. Since 2000 all three follower authorities have entered into relationships with outside organisations:

“It’s an economic reality that in order to fund major projects we have to seek private finance and as funding is reduced from central government we have to explore ways of sustaining services through commercial partnership initiatives. At the present, we are looking at restructuring IT services through a private provider. I know in other authorities they have already gone down this route.”

(Director of Customer and Workforce Services, Authority Five)

“Here at [name of city] we have a partnership agreement for our IT services. We have a controlling stake, but it is run by [name of provider] and staff from here are seconded over.”

(Head of Human Resources, Authority Six)

“I think as long as central funding is squeezed, as a council, we will have no choice but to go into more private partnership agreements. We have done this for housing and I think that it will only be a matter of time before we do the same with social care and health.”

(Deputy Head of Employment Relations, Authority Seven)

All three follower authorities during the New Labour administration under Tony Blair have had to adapt to a marketisation process shaped by capital funding. Whether for political, social or economic reasons all the follower authorities have continued to support their in-house workforce, but this support has been challenged and to a degree undermined by the need to pursue external funding.
Trade Unions

The pattern of trade union organisation and representation in the follower authorities was similar to the leader authorities. UNISON was the principal trade union, while UNITE’s core membership was in the traditionally defined manual and craft occupational groups. All three follower authorities had over forty per cent trade union membership (Authority Five, 50%; Authority Six, 40%; Authority Seven, 45%).

UNISON

UNISON in all three follower authorities reflected the corporate view of the importance of the national collective bargaining framework in promoting their members interests:

“The national framework is important in promoting our interests and those of our members. The [national] framework allows us to develop a national position on pay and conditions across the majority of local authorities. If we look back over the last fifty years it [the national framework] has secured improved conditions of employment to over two and half million workers in local government.”

(Regional UNISON Organiser)

UNISON representatives in the three authorities viewed the national collective bargaining framework as the cornerstone of local government employment relations, reinforcing UNISON’s corporate position that it was integral to pursuing their economic, political, and economic objectives:

“our fight to defend members interests are not just focused with the authority as an employer, but with the wider employment situation within local government. Our campaigning success has been linked to national support for improving conditions of service across local government and mobilising national industrial action, if necessary, to achieve these ends.”

(UNISON Branch Secretary, Authority Seven).

UNISON’s position in the three follower authorities was that it depended on a strong, national framework, to ensure the protection of basic terms and conditions of
employment and it feared that the erosion of the national framework would undermine its position locally:

“We depend on nationally agreed conditions of service to safeguard local government workers from the continued political and economic pressures that face local authorities to save on costs. Given that labour is the biggest cost within local authorities, there is always pressure to reduce these costs, and in no small way, the national conditions of service have acted as an important bulwark in protecting local government workers pay and conditions.”

(UNISON Regional Officer)

The national collective bargaining framework had survived marketisation and the effects of local government reform under the Conservative administrations. However, in the seven years from 2000 until 2007, under New Labour, it had been challenged in the follower authorities as a consequence of financial necessity for these authorities to enter into commercial partnership agreements with outside contractors. This reality had highlighted to local UNISON representatives the importance of national collective bargaining not from an abstract philosophical position, but a pragmatic matter of survival:

“The move to form partnership agreements with private sector organisations has, in my opinion, underlined the importance of defending nationally set conditions of service. National agreements have been vital to ensuring that our members’ interests are protected. They have acted as a baseline for ensuring that a line is drawn to say these conditions are a minimum which workers can expect. Like with CCT, the national agreements have ensured that these new partnership [with private contractors] agreements are negotiated against a national backdrop which is most advantageous to council workers’ interests. Here at [name of authority] we have been able to protect workers conditions of service affected by the housing stock transfer.

(UNISON Branch Secretary, Authority Seven)

In the follower authorities UNISON representatives saw the national framework as an essential part of the local government employment relations architecture that enabled them to represent their members at a local level. Although they politically, socially and economically had promoted and defended national collective bargaining, they
also had adapted to the political and economic reality that faced these follower authorities. The introduction of commercial partnerships with private commercial contractors had seen them enter into local bargaining at an authority level:

“when [authority five] went down the road of entering into partnership agreements with private contractors, we [UNISON] were forced to recognize that we would have to enter into some form of local bargaining if we were to continue to represent our members. Bargaining was conducted at an authority level and we secured a general agreement which was linked to the national conditions of service. Within the authority the majority of services are still governed through national agreements, and as a trade union we are absolutely committed to defending national collective bargaining in local government.”

(Regional UNISON Organiser)

UNISON representatives within the three follower authorities were no less committed to promoting and defending the national collective bargaining framework, but there was a growing acceptance that the financial changes in local government since 2000, in which structural capital funding was predicated on entering into commercial partnership ventures, had seen UNISON, out of necessity, begin to enter into limited forms of local bargaining at an authority level. UNISON’s representatives within the follower authorities acknowledged reluctantly, that the survival of public services within these authorities was dependent on joint ventures with commercial contractors and saw this arrangement as ‘the best of a bad job’ in that local authorities still had direct control of services and were still responsible for the workforces that were responsible for providing these services. There was pragmatism in their assessment that if they wished to continue to be the principal trade union in local government they would have to adapt to this changing organizational environment which was becoming reflective of medium and small size authorities:

“As a union we’re not fans of public/private ventures, but this is becoming the norm in many local authorities who are having to source finance from the commercial sector in order to continue to provide public services. I think it’s quite ironic that this development has happened under New Labour, nevertheless, we have to recognize this development is a new fact of local government life and we must adapt accordingly to represent our members. In many respects these joint ventures are the best of a bad
job, because at least local authorities still have nominal control over the workers who are employed in these joint ventures and from our point of view we still exert some influence with authorities as they remain the employers.”

(UNISON Regional Organiser)

**UNITE (T&GWU)**

UNITE, in the three follower authorities adopted a contingency approach which adapted according to the political control of the authority. In authorities five and seven, which historically had been Labour controlled, they were able to develop a partnership approach with managers and politicians to defend in-house services from the ‘marketisation’ process, in the case of manual workers from Compulsory Competitive Tendering. UNITE representatives entered into local bargaining arrangements that saw them protect workers’ pay in return for increased labour flexibility both in terms of numbers and deployment. This reflected a similar approach to the leader authorities where from a philosophical position UNITE corporately endorsed and promoted the national collective bargaining framework as being the preferred means of employment relations engagement within local government, while at an authority/service level were adaptive to the marketisation process that faced their members and did participate in local bargaining:

“As a trade union we recognise the importance of national collective bargaining in local government. It is the foundation for industrial relations and its importance in securing better conditions of service cannot be underestimated. However, the reforms of the last twenty five years has seen the nature of local government change to become more commercially driven, particularly in manual direct services, which has resulted in a fracturing of bargaining structures that has resulted in local bargaining becoming a fact of life. In principle and philosophically The T&G and now UNITE have always stood by national collective bargaining as being the preferred option for setting pay and conditions, but equally as a union we have accepted that we must engage in the bargaining process at whatever the level. The most important thing is to defend our right to bargain for members.”

(UNITE Regional Representative)
The T&GWU continued to represent workers interests whose services were contracted out under CCT. In the case of authority six, the parks service were contracted out for a period of five years (1991-1995) and during this period the T&GWU entered into direct negotiations with the private contractor who recognised them:

“The T&G did have a presence with the contractor when the parks left the council. We were recognised by the contractor, who I think saw the benefit of recognising us. As a union we were experienced in working in the private sector and there was good back up to support the transition process. The stewards within parks were experienced and with our support at region we built up a working relationship with the contractor. The contractor found it convenient to ‘shadow’ the local government conditions of service and during the time of the contract some working practices were changed to improve productivity but at the same time we protected basic pay and bonuses.”

(UNITE Regional Representative)

During CCT, the T&GWU’s experience of representing manual workers interests in the follower authorities, whether in-house or as in the case of the parks service in authority six who were contracted out, was that local bargaining centred around protecting workers pay in return for accepting new working practices that focused on improving productivity. The T&GWU applied a consistent approach whether bargaining within the private or public sector spheres; their primary objective was to protect members pay. The T&GWU out of necessity to their membership, who were primarily manual workers in service areas that were subject to outside commercial competition, responded and adapted to local bargaining, and recognised that its development was a consequence of the marketisation of public services. This position was carried on under New Labour’s local government reforms, as UNITE sought to represent its members as local authorities went into joint ventures with private sector organisations and local bargaining became an accepted working reality.
Table 7.8 TRADE UNIONS – Rationale and Strength of Support for National Collective Bargaining in the Follower Authorities

<table>
<thead>
<tr>
<th></th>
<th>UNISON</th>
<th>UNITE</th>
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<tbody>
<tr>
<td>REGULATIVE</td>
<td><strong>STRONG</strong> - national conditions of service were viewed as pivotal in</td>
<td><strong>MEDIUM</strong> – they acknowledged that without a national collective</td>
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<td></td>
<td>supporting procedural rules and ensuring the continuance of the</td>
<td>bargaining framework their position would be undermined and that it</td>
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<td></td>
<td>employment relations architecture. It legitimised their position within</td>
<td>remained integral to local government employment relations.</td>
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<tr>
<td></td>
<td>the follower authorities.</td>
<td></td>
</tr>
<tr>
<td>NORMATIVE</td>
<td><strong>STRONG</strong> – It was at the heart of UNISON’s promotion and defence of</td>
<td><strong>MEDIUM</strong> – their support was influenced less on ideological grounds,</td>
</tr>
<tr>
<td></td>
<td>public services. National bargaining supports and promotes the Good</td>
<td>preferring to focus on the practicalities. They preferred to</td>
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<td></td>
<td>Employer tradition that sustains equitable employment relations</td>
<td>emphasize the importance of defending collective bargaining. As</td>
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<td></td>
<td>practice that acknowledges workers’ interests. The defence of national</td>
<td>many of their members were affected by marketisation they were more</td>
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<tr>
<td></td>
<td>conditions of service was important for UNISON in mid-sized authorities</td>
<td>concerned at maintaining bargaining at whatever level that it took</td>
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<tr>
<td></td>
<td>like the follower authorities</td>
<td>place.</td>
</tr>
<tr>
<td>COGNITIVE</td>
<td><strong>STRONG</strong> – they believed that national bargaining was the most</td>
<td><strong>MEDIUM</strong> – their preference was for national bargaining. However,</td>
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<td></td>
<td>logical way of defending conditions of service in local government.</td>
<td>the reality was that they recognized that there were alternatives,</td>
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<tr>
<td></td>
<td>This viewpoint was emphasised by representatives in the follower</td>
<td>and as a union they had to adapt to local bargaining in service areas</td>
</tr>
<tr>
<td></td>
<td>authorities who felt they would be vulnerable if there was a move</td>
<td>that had introduced it and where their members were based.</td>
</tr>
<tr>
<td></td>
<td>away from national collective bargaining.</td>
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Management and Human Resource Management

Two of the three followers, five and seven, Labour controlled authorities, had relied on the national collective bargaining framework and during the reforms under the Conservative governments of the 1980s and 1990s had defended it as being integral to the organisational management of their workforces. Authority six, not having a dominant political party, did continue to support the national framework, but rather than from a philosophical position it supported it for pragmatic reasons centred on its size as an organisation and what they saw as sound economic reasons linked to their limited relatively small human resources function. Irrespective of political control all three authorities saw a utility with their white collar workforce being regulated through the national framework and as with leader authorities they saw the national framework as being a restraining force against competition between neighbouring authorities for skilled technical and professional workers:

“National collective bargaining and sticking with national agreements around our APT&C employees [non manual workers] suits us as a council, particularly for our professional and, technical staff, in occupations like engineering and environmental health, where competition for qualified practitioners is fierce between local authorities both at a national and local level. National agreements save us a lot of effort as a human resources function because they set a good base line to work from while also being sufficiently flexible for us to develop and implement our own local agreements which are shaped by local political and organisational considerations.”

(Head of Human Resources, Authority Six)

The HR functions in all three follower authorities had continued to support national collective bargaining during the period that was examined (1979-2007) as it made organisational sense from an employment regulation point of view. The HR practitioners understood the historical legacy of national collective bargaining but their prime motivational reason for their continued support of it was far more concerned with the practical realities of running and delivering an HR service within
their authorities. From a practitioner’s perspective they appreciated that the national framework was an effective way of containing and dealing with the political and economic dynamics that characterise local government employment relations. The national framework was seen as being a collective benefit to all local authorities as employers, with a shared employment relations reference point that local authorities could rely on to manage terms and conditions of employment. This had the benefit of not only satisfying individual local authorities as employers but also representing the national interests of local government as a large employment sector:

“the national framework is very much the centre piece that defines how we conduct employment relations in this council. I have to say that in my experience as a practitioner having worked in several local authorities including one that is outside of the national framework, is that authorities view the national framework and the agreements that come out of it as very much a touchstone that they can rely on. The national agreements have a political consensus that is borne out of an exhaustive process of consultation and negotiation that engages employers and trade unions, which place a high value on coming to fair and transparent agreements that recognise the legitimacy of all the parties involved.”

(Director of Customer and Workforce Services, Authority Five)

However, amongst HR and general management there was recognition that the national framework was being challenged as a consequence of local government funding being put under pressure to seek commercial partners for capital investment projects:

“Under the Conservatives we managed to retain services within the council but the financial pressures to deliver services at increasingly lower costs while re-investing in the council’s infrastructure saw us under the Labour government having to seek private sector partners. These joint ventures saw a move to local bargaining that the council on political grounds had always wanted to avoid but financial circumstances meant that they had become a reality. To a degree this process was rationalised, the council still retained control of employees and secured the necessary finances to keep services from going out fully to private contractors. Also the majority of employees were not affected by this process. Depending on your viewpoint this process has been seen as a necessary development to maintain public services by the council or as the trade unions see it, the thin end of the wedge, and privatisation by stealth.”

(Deputy Head of Employment Relations, Authority Seven)
Despite these financial pressures on the follower local authorities organisational structures, the national collective bargaining framework was still bearing up and seen as relevant to the process of employment regulation in these authorities. The national framework still delivered satisfactory political, economic and social outcomes to the follower authorities and from an HR and general management perspective there could be no organisational justification for leaving the national framework and creating their own framework:

“We tend to see the national framework as a bit of a strait jacket and particularly around pay settlements local authorities can baulk at the decisions made nationally. At these times the rhetoric can become very vocal among authorities who threaten to leave the national framework. The reality is that the national framework serves local authorities well in that it ensures a consistency of approach to pay and conditions which has sufficient flexibility within it to allow individual councils to develop their own conditions of employment to suit their particular circumstances. Certainly in the case of [name of authority] it would not be practical to negotiate and develop pay settlements outside of the national framework because as an authority we would not be able to justify the expense of developing an authority based negotiating body that would require a specialised workforce and which we would find difficult to develop from our present workforce which is presently competency deficient in this area. National bargaining has been an important template for local authorities to develop their local conditions and so the national framework has been the skeleton on which the flesh of local conditions have been built. Despite the continual pressures brought to bear on national collective bargaining I believe that it will continue to survive because it still remains relevant to the practice of employment relations in local government.”

(Head of Human Resources, Authority Six)
Table 7.9 MANAGEMENT and HRM – Rationale and Strength of Support for National Collective Bargaining in the Follower Authorities

<table>
<thead>
<tr>
<th>REGULATIVE</th>
<th>COMMERCIAL MANAGEMENT/OPERATIONAL HRM</th>
<th>PROFESSIONAL SERVICES / CORPORATE HRM</th>
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<tr>
<td>MEDIUM – although acknowledging its continued use to set national terms and conditions within local government, it was nevertheless felt by these actors that it lacked the necessary flexibility. This was highlighted by managers that operated in services that were subject to outside, commercial competition, and felt that the national framework curtailed their managerial autonomy. Despite their reservations they still recognized that in the wider local government services the national framework was still an important political mechanism in local government employment relations.</td>
<td>STRONG – these actors saw an inherent advantage to remaining within the national collective bargaining framework. Working in services that relied on recruiting highly skilled workers they saw it taking pay and conditions out of the local workplace. Corporate management in the follower authorities thought if there was a breakdown in national collective bargaining their authorities would suffer in recruiting and retaining professional and technical staff to larger, well financially resourced authorities.</td>
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| NORMATIVE | WEAK – No strong social obligation to national bargaining. Their position was influenced by commercial imperatives which were shaped by outside competition. | MEDIUM – it was an important means of securing a stable environment for recruiting and retaining highly skilled occupational groups. However, the actors’ support was based on expediency rather than ideology. |

| COGNITIVE | WEAK – would have been prepared to jettison the national framework if given the opportunity. They saw local bargaining as advantageous to their organisational circumstances. | MEDIUM – there was a natural logic to the national collective bargaining framework which tied in with the actors managerial circumstances. However, they recognized that this did not necessarily suit other managerial groups. |
Elected Members

The elected members’ attitude towards national collective bargaining during the period over the time examined, 1979-2007, in the follower authorities did subtly change over time. As with the leader authorities that were Labour controlled, during the Conservative governments of the 1980s and 1990s, authorities five and seven, did strongly support the national framework on ideological grounds, seeing it as the legitimate means of promoting consensual employment relations amongst the institutional actors within local government. However, by 2000 and a New Labour government in power, there was a subtle change in this position among the Labour controlled follower authorities. Despite still espousing the benefits of the national framework, at a service level, the introduction of public/private partnership, had seen a shift to moving away from the national framework in favour of local bargaining. Politically, the Labour controlled follower authorities justified this in terms of serving the public interest by raising private finance while keeping both services and workforces under their control, even if in reality this control was nominal because of the influence of the private sector on these joint ventures. The seven years between 2000 and 2007 had seen the Labour controlled follower authorities’ shift pragmatically accepting local bargaining while the political rhetoric still extolled the virtues of the national framework.

Within authority six, where over the thirty year period examined there was no overall political control by any one of the three major political parties and independent elected members exerted influence within the authority, the political and managerial decision making was influenced and shaped by pragmatic service delivery considerations rather than an ideological political position. The administrations over
this period did not have any ideological stance in defending or promoting the national framework, but rather there position was more prosaic - was it in their interest to continue to adhere to the national framework? The authority did put out services under competitive tendering and subsequently under CCT they brought them back under authority control because it was viewed as being both economically and political expedient to keep services in-house. Under New Labour, like the other follower authorities, authority six, entered into public/private ventures with a number of their services which resulted in them bargaining at a service level within these joint venture areas. The elected members in authority six still had tacit support for the national collective bargaining framework because it was organisationally convenient for them to belong to it.

The three principal parties within the follower authorities adhered to the ideological positions of their political counterparts in the leader authorities and their support for national collective bargaining in local government. Labour councillors strongly supported the national framework as a vehicle for advancing joint regulation of employment relations. They viewed it as an established means of delivering economic, social, and political outcomes that benefited local authorities as employers while also recognising workers’ interests and the legitimacy of the trade unions. The Liberal Democrats though lacking a strong ideological commitment to national collective bargaining, nevertheless, saw a practical utility in its ability to provide a stable and established process for dealing with employment relations issues. They recognised that the national collective bargaining framework was not just a means for dealing with the economic exchange between employers and workers, but an important conduit for promoting political and social dialogue between the institutional
stakeholders in local government. Conservative councillors’ support for national collective bargaining was weak, in ideological terms; however, they did recognise its effectiveness in balancing and delivering workable outcomes that were both economically and politically acceptable.
| **Table 7.10 ELECTED MEMBERS – Rationale and Strength of Support for National Collective Bargaining in the Follower Authorities** |
|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| **REGULATIVE**                                    | **CONSERVATIVE**                                  | **LABOUR**                                       | **LIBERAL DEMOCRATS**                             |
| MEDIUM – Acknowledged the historical role of the  | STRONG – reflected the sentiment of Labour across | MEDIUM – the national bargaining framework has   |                                                   |
| national bargaining framework but questioned its | local government that national bargaining was    | proven itself over time and is seen as tried and |                                                   |
| role in today’s local government where individual | central to maintaining and promoting conditions  | tested by the Liberal Democrats. It is viewed   |                                                   |
| councils operated as business units. Still       | of service and ensuring good employment relations | as a reliable political and economic mechanism   |                                                   |
| recognised a practical political utility to      |                                                  | for delivering employment relations.             |                                                   |
| maintaining it.                                  |                                                  |                                                   |                                                   |
| WEAK – felt no particular ideological or social  | STRONG – understand the historical significance  | MEDIUM – they take a non-ideological position, |                                                   |
| obligation attachment to national bargaining.   | of the national collective bargaining framework   | recognising its historical legacy, and are still |                                                   |
| Principally focused on service delivery outcomes | and its role in promoting and maintaining social | prepared to support and promote the national    |                                                   |
| that are consumer driven. National bargaining    | obligation to workers. They think that local    | framework as it serves their political interests. |                                                   |
| emphasizes employee interests rather than on     | bargaining would fracture local government and   | They see no political or economic advantage to  |                                                   |
| affordability which should be the primary       | be disastrous to the provision of public services | go down the local bargaining route.             |                                                   |
| concern of councils.                             | with its focus on economic and financial outcomes. |                                                   |                                                   |
| WEAK – would consider leaving the national      | STRONG – national collective bargaining is the   |                                                   |                                                   |
| framework if it was seen as being beneficial to  | cornerstone of employment relations in local     |                                                   |                                                   |
| the local authority. Presently, accepted the    | government employment relations and there is no  |                                                   |                                                   |
| practical economic and political utility of      | suitable alternative that will balance worker    |                                                   |                                                   |
| remaining within the national framework.        | and employer interests.                           |                                                   |                                                   |
|                                                   |                                                  |                                                   |                                                   |
| WEAK – satisfactorily satisfied with the national | MEDIUM – satisfied with the national bargaining   |                                                   |                                                   |
| framework, the Liberal Democrats have to date   | framework, the Liberal Democrats have to date    |                                                   |                                                   |
| supported it. However, they would consider local | supported it. However, they would consider local |                                                   |                                                   |
| bargaining if it suited their political          | bargaining if it suited their political           |                                                   |                                                   |
| circumstances in the future.                    | circumstances in the future.                     |                                                   |                                                   |
Analysis

Within the leader and follower authorities examined the principal actors all acknowledged, to different degrees, the historical importance of the national collective bargaining framework. There was a general consensus among the actors that the national collective bargaining framework was still integral to promoting joint regulation in local government, despite some challenges to its legitimacy. The stakeholders thought that it was expedient for them to maintain and support the national collective bargaining framework as it had served their respective positions well over the last fifty years. However, there were marked variations across the different actors examined, both in terms of the strength of support for national collective bargaining and their particular reasons for supporting it.

The trade union representatives saw it as vital for maintaining their status with employers and central government as it gave them an almost constitutional position within the local government employment relations framework. This position gave them an important bargaining leverage at a national level which was advantageous when it came to mobilising their membership in national disputes. The national framework gave them enhanced political power, which they perceived to help them in negotiating improved terms and conditions of employment for their members. There was equally an appreciation that the status quo of the national bargaining framework was under constant re-evaluation by the actors and in particular some employers who were exploring the alternatives. Local, authority based bargaining was being considered by some councils, but this in many ways was being used by employers to curtail recent pay settlements that had been perceived to be too high, even though the pay settlements of local authorities outside the national framework had been over the
last two pay settlements higher (Local Government Employers: 2009). However, particularly for some of the metropolitan authorities this had been more political rhetoric than reality, which had been articulated by some Conservative politicians but had not been supported by the wider political and managerial community within local government. The unions accepted that if the push for local bargaining at an authority level became a reality they would have to engage in the process accordingly. Their experience of local bargaining at a service level within certain areas of the six authorities had given them the requisite experience, but the co-ordination of union action and organisation would become more problematic if local bargaining became the preferred option.

The six authorities had seen the commercialisation and marketisation of their manual direct services which had felt the full force of the reforming policies of central government. However, their white collar professional services had been relatively untouched by these reforms and as employers there were real organisational advantages to supporting national collective bargaining for white collar professional workers. Many of the professional occupational groups are unique to the public sector and even specifically to local government. It is arguable that local government has its own labour market as a consequence of these occupational groups and therefore there is an economic logic to supporting a national framework which allows local authorities to control labour costs by fixing salary rates for these occupational groups, which avoids the risk of leapfrogging between local authorities. The management in these authorities who were responsible for white collar professional workers felt that nationally agreed terms and conditions of employment took these issues out of the local workplace and allowed them to focus on service delivery issues. The politicians
within these councils and specifically the ruling Labour groups were philosophically
supporters of the national framework, but equally this support was as much based on a
practical utility, as national collective bargaining had served local politicians well,
because it had facilitated workable economic outcomes that satisfied all the actors and
created an environment of continuity and stability within local government
employment relations.

The actors within the leader and follower authorities, like the benchmark authority,
thought that to different degrees CCT had influenced the conduct of employment
relations in their authorities. From the trade unions’ perspective it had affected areas
that were subject to CCT, and it did dilute conditions of employment in response to
outside competition. In common with the benchmark authority it was thought that
local service area managers had taken advantage of the threat to contract out services
and had introduced productivity and labour cost savings on the back of this threat.
However, the trade unions had also secured enhanced rates of pay for workers on the
back of the agreements they made with management to increase productivity and
reduce labour through enhanced severance packages for departing workers. In the
authorities there was a shared experience with the benchmark authority that CCT had
created a partnership environment between local union representatives and
management that had been successful in defending in-house services from outside
competition.

In terms of Scott’s framework, the institutional actors within the authorities showed
different degrees of support for national collective bargaining as a regulative process.
There was a similar pattern in all the authorities and this can be attributed to the
corporate positions of the individual unions, UNISON and UNITE, and the political control of the authorities. There was strong support for national collective bargaining as a regulative process by UNISON, Labour, and corporate management in each of the authorities, while UNITE and operational management gave medium support for the national framework. The Conservatives within the authorities could only give weak support to the national framework because while recognising the historical legacy of the national framework were nevertheless open to their authorities moving to a local framework if it was shown to be beneficial to them. There was still support for national collective bargaining in all the authorities because it had up until now satisfactorily defined the regulative rules that had given order to the local government employment relations system. The authorities still saw the national collective bargaining framework as integral to maintaining order and stability within local government and the regulative rules that come out of the national framework are perceived to maintain and preserve the economic, social and political order. The rules that emanate from the national framework are given a legitimacy because they preserve an order that promotes behaving instrumentally and expediently out of self-interest. This allows the actors within the authorities to pursue their individual objectives while recognising that they operate in a pluralistic environment which necessitates political compromise.

The normative pillar revealed how the national collective bargaining framework had influenced the actors within the authorities. The trade unions, management, and politicians recognised how the national framework influences their social obligations which are shaped by their individual values and norms. However, the importance of social obligation varied between the actors. UNISON’s position within the leader and
follower authorities reflected a similar stance to the benchmark authority. UNISON’s role went beyond representing its membership and was as much a campaigning organisation for defending public services. It saw the national collective bargaining framework as a key way of employers maintaining the Good Employer tradition. National collective bargaining was seen as a bulwark for promoting and maintaining social obligations linked to the public sector ethos. Its legitimacy was based on a moral acceptance by UNISON that national collective bargaining offered the best means of representing workers and the public interest. Labour elected members strongly supported the national framework. Like UNISON, they saw it as an important vehicle for promoting social obligation and they perceived local bargaining as counterproductive to their authorities and local government in general as it was likely to focus too much on financial outcomes to the detriment of social policy and the provision of services which are at the heart of local government. However, in the Labour controlled follower authorities this idealism had been challenged by the need for external, private finance which has seen them engage with private enterprise that has resulted in service areas moving away from national collective bargaining and developing local bargaining in these areas.

Authority six, HR and corporate management, along with UNITE and the Liberal Democrats took a middle of the road position. While recognising the historical legacy of national collective bargaining they saw the support and maintenance of national collective bargaining in non-ideological terms. It served their respective interests, but they did not exclude considering and going down the path of local bargaining if they felt it would be to their benefit. UNITE was concerned about maintaining collective bargaining, ideally at a national level, but were pragmatic enough to recognise that in
a changing political environment they had to be prepared to adapt to the employment relations landscape they faced. Authority six, an authority with a history of having no political party with a controlling majority, saw national collective bargaining primarily in functional terms in that it was a proven framework that had satisfied them politically and they did not see any need to change it.

Operational managers and Conservative elected members showed a weak normative commitment to national collective bargaining. Operational managers generally showed no strong social obligation to maintain and support national collective bargaining. Their primary focus was on commercial considerations, which were heavily influenced by the marketisation process that had affected their individual service areas. The Conservatives across the leader and follower authorities showed no ideological or social obligation to promote or support national collective bargaining, and were primarily concerned with service delivery outcomes that are consumer led. They thought national collective bargaining was too focused on employee interests, rather than looking at the affordability and competitiveness of pay settlements which they believe have not reflected the local situation of the authorities. They viewed the national framework as being too employee centred, at the expense of individual authorities and rate payers.

Cognitively, both UNISON and the Labour elected members within the leader and follower authorities viewed national collective bargaining as being woven into the fabric of local government employment relations and they thought that the national framework should not be meddled with. While HR and corporate managers, UNITE, and Liberal Democrat elected members were aware of the alternatives to national
collective bargaining, they still saw a strong organisational logic for the authorities to continue to support and be in the national framework. Finally, operational managers, and Conservative elected members had a weak cognitive commitment to national collective bargaining. Operational managers, given the opportunity, may like to break away from the national framework in the future. They saw local bargaining potentially offering them enhanced employment flexibility within their workplaces. The general view amongst the Conservatives was that they were prepared to consider abandoning national collective bargaining if they secured majorities in their respective councils. The cognitive pillar illustrated how the actors to varying degrees took for granted and had a shared understanding of what national collective bargaining in local government meant to them. Even where the actors were critical of the national framework, they still recognised a logic to remaining in it that in effect supported the status quo.

The actors’ views of national collective bargaining and its relevance to local government employment relations were thus coloured by their roles within their authorities. There were some shared views with the benchmark authority which went across the authorities. Operational managers thought that there might be an increased benefit to their authority if it developed more of its pay and conditions of service, rather than relying on the national framework. Greater independence from the national framework might allow authorities to develop business strategies that better reflected the economic and social circumstances of their areas. However, this view was tempered with an acknowledgement that breaking away from the national framework would create major organisational change that could have a de-stabilising impact on
their authorities and workforce, and in turn could have a negative impact on service delivery.

Developing a local framework in each of the authorities was seen as a hypothetical possibility rather than a reality, as there was at present no political will to do so. Even supporters of local bargaining accepted that the financial outlay of authorities breaking away from the national framework could not be justified. In this respect, like the benchmark authority, all the leader and follower authorities demonstrated a strong institutional lock-in to the national framework. Applying soft path dependency theory to the authorities examined, there was evidence from the participants interviewed that the national bargaining framework was like a tectonic plate. It had a degree of movement and flexibility built into it but nevertheless, a force, whether internally from one of the actors or externally, could precipitate a break that could lead to the demise of national bargaining in English local government. There was a mutuality of common interest amongst the institutional actors to make national collective bargaining a stable platform for conducting employment relations in local government. There was sufficient scepticism amongst the actors within the authorities examined not to leave the national collective bargaining framework because of the costly infrastructure changes that would be necessary and the perception that the organisational advantages would be minimal. The national framework gave the local authorities sufficient discretion to develop local pay and conditions of employment without necessitating a break from the national framework, and therefore for the foreseeable future they would remain in it.
Conclusion

This chapter has examined the stakeholders within the leader and follower metropolitan authorities - trade unions’ representatives, managers, and elected members – and how and to what extent these stakeholders support the national collective bargaining framework. They were bound to different degrees by the historical legacy of the national framework which they saw as the foundation stone of joint regulation in local government. The Leader authorities because of their size and financial status, with long serving Labour administrations, were able to take a strong ideological position that supported the national framework through the period which was examined (1979-2007). They viewed the national collective bargaining framework as the bedrock for promoting a consensual employment relations environment in local government. The national framework recognised the pluralistic nature of local government, which had to satisfy the institutional stakeholders not just economically but also had to address social and political concerns that transcended individual local authorities as employers and affected local government as a whole.

The follower authorities by comparison, where politically controlled by Labour administrations, also strongly supported the national collective bargaining framework as a political, economic and social ideal; however, this ideological position was challenged. The Labour controlled authorities had resisted the marketisation of services under the Conservative governments of the 1980s and 1990s, however, under a Labour government these follower authorities had started to move towards an acceptance of working with private enterprise. This move towards engaging and working with private enterprise can be attributed to the need for private finance. By 2000, to fund structural investment within these follower authorities they had to enter
into commercial arrangements with the private sector that saw a shift away from adhering to the national collective bargaining framework and developing local bargaining structures that integrated working practices around their private sector business partners. Across the three authorities, the service areas affected by these new arrangements were small, while the majority of workers remained covered by national collective bargaining arrangements.

The experience of the leader and follower authorities illustrates vividly the changing environmental dynamics that are affecting national collective bargaining in local government. Institutional theory has allowed us to contextualise the processes that shape and define collective bargaining and offers explanations why national, centralised bargaining continues to survive in these authorities. Despite the process of marketisation and its impact on the leader and follower authorities, there was still support for national collective bargaining. Whether out of political idealism or organisational expediency, national collective bargaining was viewed as providing continuity and stability to employment relations in the leader and follower authorities.
Chapter Eight

Deviant Authorities

Introduction

The two authorities examined in this chapter are representative of the local authorities that decided to withdraw from the national collective bargaining framework in the late 1980s. They are large shire authorities that while delivering similar services to their metropolitan counterparts, are shaped by their geography which is both rural and suburban. The chapter will examine: what defines a deviant authority; the nature of their political leadership; their move to local bargaining; trade union representation; and management practice within these local authorities. By comparing and contrasting them with the local authorities that stayed within the national collective bargaining framework we can establish if there are any generalisable explanations for the continued survival of centralised national collective bargaining in English local government.

Deviant Authorities

It is useful at the outset to define what we mean by a deviant authority. These are Conservative led local authorities, based in the South East of England, who in the late 1980s implemented the Conservative government’s policy of deregulation in the labour market and the marketisation of the public sector. The two local authorities examined in this study are shire county councils that cover large geographical areas with their populations (over half a million) being spread across both suburban and rural areas. They are socially, politically and economically shaped by their region, the South East. Like the leader authorities they have large budgets and are responsible for
the provision of public services that are statutory based. However, as they have gone
down the route of becoming ‘enablers’ rather than ‘providers’ of public services these
authorities have contracted out many of their services and have become clients in
which they monitor and regulate, but are no longer direct providers of these services.

The deviant authorities are outside of the local government national collective
bargaining framework and have embraced a human resources approach that
marginalises collective representation and in particular trade unions, in favour of
focusing on the individual and emphasising the team nature of their organisations.
Like Leader authorities they have well-resourced human resources and employment
relations functions that act principally at a strategic level within their organisations,
advising management but leaving the day to day human resources activities to line
managers. The human resources policies within the deviant authorities are service
delivery focused, emphasizing customer needs and expectations. Conditions of
employment within these authorities are shaped by the budgetary infrastructure of the
individual authorities and what they can afford to pay rather than the national local
government collective bargaining framework which set pay and conditions of service
across authorities.

The counties have varied economies that are dependent on agriculture and fishing
while also having traditional craft manufacturing like furniture and boat making. Like
the metropolitan authorities, in the last thirty years, these shires have also seen
changing fortunes within their local economies. Many of their traditional trades and
industries have declined and both counties have become dormitory shires within the
heavily populated South East of England as land and property prices have spiralled
upwards within the region and work has concentrated in London and the greater London area.

**Political Leadership**

Since the local government re-organisation of 1974 both authorities have been predominantly controlled by the Conservatives (authority nine for a short period being controlled by the Liberal Democrats [1991-1992]). Within both authorities they have fully adopted the Conservatives public sector reforms, changing their organisational focus from being ‘providers’ to ‘enablers’, which has seen them outsource services where possible on the grounds of economy and efficiency:

“Here at [authority eight] we have pursued a business strategy in providing public services in the most cost effective way we can. This means that where external providers can offer services that meet our quality standards in a more economical way than we can deliver in-house, we have outsourced services. This has been our approach since the introduction of tendering of services back in the eighties.”

(Director – People, Policy, and Strategy, Authority Eight)

This approach to public service delivery is not only shaped by national Conservative Party ideology, but equally is reflected in the composition of the Conservative councillors that operate in both authorities:

“Many of the Conservative elected members have a business approach to running the council which I think is reflected in their career backgrounds, as many of them are from business backgrounds where they run and are business owners. I think this insight tempers their approach to dealing with council affairs.”

(Director- People, Policy, and Strategy, Authority Eight)

“The Conservative members tend to have professional backgrounds, particularly in the business world.”

(Head of Employment Strategy, Authority Nine)

As enabling authorities their direct employed workforces are relatively small (16,000, Authority 8, and 20,000 Authority Nine), given their geographical areas and the
populations they are responsible for (see table 8.1). The direct workforce is largely made up of white collar workers, principally in administrative, technical and managerial roles that are either responsible for providing statutory based professional functions like Environmental Health and Trading Standards, or client functions that oversee contract compliance for services that have been outsourced like roads maintenance. Both authorities have been rated as high performing councils by the Audit Commission. The table below gives some useful local labour market data on each of the areas that are covered by the two councils.

### Table 8.1 Employment in Deviant Authorities

<table>
<thead>
<tr>
<th></th>
<th>Authority Eight</th>
<th>Authority Nine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economically Active</td>
<td>494,700</td>
<td>1,411,100</td>
</tr>
<tr>
<td>Working Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total numbers of jobs in</td>
<td>207,200</td>
<td>717,000</td>
</tr>
<tr>
<td>all sectors of employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in area (workplace based)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Administration,</td>
<td>48,300 (23%)</td>
<td>161,200 (11%)</td>
</tr>
<tr>
<td>Education, and Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector</td>
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</table>


### The Marketisation of the Deviant Authorities

The Conservative government’s public sector reform agenda after its 1979 election victory was fully supported by the two deviant authorities who were Conservative controlled. With the introduction of competitive tendering in the mid-eighties the two authorities put out to tender all direct manual services. Unlike Labour controlled authorities there was no political will to defend in-house services. The Conservative
controlled councils wished to introduce business regimes that made services subject to outside competition. The primary objective was to bring down costs and run the authorities as ‘low cost’ councils which they thought would appeal to the local electorate. Their buoyant local labour markets and the low unemployment levels (see Table 8.2) meant that there was not the political pressure to defend jobs in the same way as the metropolitan authorities whose areas in the nineteen eighties were affected by industrial and commercial decline. By the time of the introduction of Compulsory Competitive Tendering to all local authorities in 1990, the deviant authorities had effectively contracted out all their direct manual services:

“Early on we had started to look at competitive tendering as a way of driving down council service costs. We put out to tender: parks, and road maintenance in 1984. The success of the tendering process in providing a good standard of service while reducing council costs meant that as a council we were sold on the benefits. The positive experience we had I think was instrumental in central government rolling out CCT to all authorities.”

(Head of Employment Strategy, Authority Nine)
Table 8.2 Unemployment Rates (percentage of working age residents) for Deviant Authorities 1979-2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Authority Eight Unemployment Rate (%)</th>
<th>Authority Nine Unemployment Rate (%)</th>
</tr>
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<tbody>
<tr>
<td>1979</td>
<td>2.3</td>
<td>3.2</td>
</tr>
<tr>
<td>1980</td>
<td>2.5</td>
<td>3.8</td>
</tr>
<tr>
<td>1981</td>
<td>3.1</td>
<td>5.5</td>
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<tr>
<td>1982</td>
<td>4.0</td>
<td>4.1</td>
</tr>
<tr>
<td>1983</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>4.8</td>
<td>5.1</td>
</tr>
<tr>
<td>1985</td>
<td>4.2</td>
<td>4.6</td>
</tr>
<tr>
<td>1986</td>
<td>3.8</td>
<td>4.9</td>
</tr>
<tr>
<td>1987</td>
<td>3.6</td>
<td>5.3</td>
</tr>
<tr>
<td>1988</td>
<td>3.4</td>
<td>5.2</td>
</tr>
<tr>
<td>1989</td>
<td>3.9</td>
<td>5.0</td>
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<td>1990</td>
<td>4.0</td>
<td>4.2</td>
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<td>1991</td>
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<td>1996</td>
<td>2.9</td>
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<td>1997</td>
<td>1.7</td>
<td>2.1</td>
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<td>1999</td>
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<td>2000</td>
<td>1.0</td>
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<td>2001</td>
<td>0.9</td>
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<td>2004</td>
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<td>2005</td>
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<td>1.8</td>
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<tr>
<td>2006</td>
<td>1.2</td>
<td>2.3</td>
</tr>
<tr>
<td>2007</td>
<td>1.0</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: Office of National Statistics/ Deviant local authorities’ statistical data
White collar professional occupation groups within the deviant authorities, like other local authorities across England, were not affected by the first wave of local government reform in the 1980s. The piloting of White Collar competitive tendering in 1990 was not followed through like the manual services were. Unlike the Labour controlled councils, the deviant authorities did not have any objections to its implementation on ideological or political grounds, but simply it had a limited application within their organisations. Both councils in the late 1980s experienced recruitment and retention difficulties with technical and professional occupational groups, which was a common experience with local authorities across the country. However, this situation was exacerbated further for the two councils by the South East labour market, which was putting a higher premium on skilled labour as the demand for it in London grew. This was compounded by supply and demand pressures for certain technical and professional occupational groups that predominantly operate in local government like Environmental Health, Trading Standards, and Planning, where there was an internal labour market between local authorities that were competing to recruit and retain workers in these professional white collar groups. Commercially, the private sector did not find these professional groups an attractive proposition because they could not cut labour costs as the supply for these workers were restricted and controlled by professional associations and as a consequence white collar competitive tendering stalled:

“White collar CCT was a bit of a non-starter with us because there weren’t the external organisations that could provide the professional and technical services that could take on these services. Equally, there were legal ramifications about putting out statutory functions like environmental health, trading standards and planning. Legally, it was questionable whether the council could delegate these responsibilities to third parties when as an authority it was answerable before the law for the enforcement and protection in these areas.”

(Head of Employment Strategy, Authority Nine)
The introduction of local government reforms under the New Labour government saw the deviant authorities continue to pursue a business model approach to running council services which despite the demise of CCT saw them outsource direct manual services through partnership agreements with commercial contractors. In common with other authorities, the deviant councils found the Best Value regime an administrative inconvenience. However, like other authorities they complied with the process because it still allowed them as councils to pursue their own organisational agendas set by their political and managerial leadership:

“Best Value was a bit of an administrative nightmare. In compliance terms we didn’t have any problems as we had already established a performance management regime using indicators and benchmarking, which was similar to Best Value. The effort was satisfying the Audit Commission, jumping through hoops to satisfy them that we knew our business. We had proven ourselves as a high performing council and it just felt that Best Value was no more than political flannel to show that the New Labour government were in control of public spending.”
(Director – People, Policy, and strategy, Authority Eight)

The Move to Local Bargaining – The Historical Context

Authorities eight’s and nine’s decision to move away from the national bargaining framework was driven by the perception that the national agreements did not give them the flexibility they needed to respond to the recruitment and retention problems they were both facing in their local labour markets in the late 1980s. Both authorities were experiencing severe difficulties in recruiting certain white collar occupational groups like engineering, information technology and surveying where it was not unusual to have large numbers of vacancies:

“I can remember as a junior officer in the late 1980s we were finding it difficult to recruit key staff, particularly in the newly emerging technology areas like IT. We just couldn’t compete with the expanding London labour market that appeared to have an insatiable appetite for white collar, technology orientated professionals. The rigidity of the national pay structure did not seem to offer the flexibility that we perceived we
needed to attract new talent to work for us, while also retaining and rewarding existing employees who might be tempted to leave. Even with offering additional increments and recruitment incentives that included subsidised lease cars and relocation packages that paid up to £10,000, we still had vacancies. From both a political and managerial perspective this was a crisis that needed a radical solution. Independence from the national conditions of service was seen as the way forward.”

(Head of Employment Strategy Authority Nine)

National pay awards in local government have historically been bottom loaded, focusing on raising pay and conditions of low paid workers. In the case of authorities eight and nine, this did not reflect their concerns with remuneration policy at the time.

In the late 1980s both authorities were competing in a tight south eastern labour market for highly skilled white collar workers. However, they did not face the same problem recruiting blue collar workers. The rise of house prices in the South East compounded this situation as it became difficult to recruit from outside the region.

In the 1980s while both authorities were still operating within the national framework they sought to improve their recruitment and retention difficulties by offering local enhancements to the existing terms and conditions offered by the national framework. However, this created a situation where existing employees were disgruntled at new starters pay and conditions which led to re-grading appeals as they tried to catch up with new starters:

“We had new starters appointed on the mid-scale point of grades that immediately put them at odds with existing employees who had had to start at the bottom of the spinal column point of the grade. It created a tension amongst existing employees that saw a rise in grading appeals as this was seen as the only means of ensuring that they did not lag behind in the pay stakes.”

(Head of Employment Strategy Authority Nine)

The situation deteriorated further because both authorities were departing to such a degree from the national conditions of service that pressure was being brought to bear on them by the Local Authorities’ Conditions of Service Advisory Board [LACSAB]
to comply with national agreements. A number of local authorities, including eight and nine, felt that their recruitment and retention difficulties could only be solved by a fundamental re-appraisal of their remuneration strategies which could only happen outside the national framework:

“LACSAB [The Local Authorities’ Conditions of Service Advisory Board] was not happy that we were riding coach and horses through the national agreements that was de-stabilising national unity amongst employers who viewed our actions as undermining the national negotiating position. While we [name of authority] saw the changes as marginal and at best a temporary solution to an ever growing problem with employees’ remuneration. Leaving national bargaining was seen by both the politicians and management in [name of authority] as the only realistic and practical way of developing compensation packages that could be competitive in the dynamic labour market we were operating in. “

(Head of Employment Strategy Authority Nine)

In the mid-1980s local authorities in the South East explored the option of moving to regional pay bargaining. The South Eastern Provincial Council looked at three bargaining options. Firstly, they could remain in the national framework and a policy of no change. Secondly, they could combine with neighbouring authorities to undertake bargaining on a regional basis. Finally, they could opt for local bargaining at an authority level. No consensus was reached, the regional option fell by the wayside and local authorities either stayed or left the national framework:

“At the time we [LACSAB] tried to satisfy local authorities in the South East by looking at regional pay bargaining. This was in recognition of the perceived local pressures these councils were facing, particularly in relation to recruitment and retention difficulties they were experiencing. Despite our best efforts to explore various options nothing came of the exercise. During the discussions it was apparent to me that a number of the authorities were intent on leaving the national framework and had no intention of going down the regional bargaining route.”

(Retired Director of Local Government Employers)

As authorities eight and nine were at the forefront in moving towards an enabling model which placed a greater emphasis on devolving services from internal in-house
services to external service providers. Those services that remained in-house had to embrace a new performance culture that focused on customer care initiatives and moved away from the traditional bureaucratic model of local government to a more responsive business model. The argument for local bargaining was that:

“Pay rates and practices which are set nationally may help to solve the problems and address the needs of local authorities elsewhere. But they are increasingly irrelevant to [Name of authority] needs; and the ethos of automatic incremental progression, with slow movement through salary grades, has been an obstacle to the change to a ‘performance culture’ which [Name of authority] management style required.”

(Griffiths, 1990: 104)

The move to break away from the national framework in both authorities was politically led by the ruling Conservative Groups who saw independence from the national framework giving them greater organisational autonomy. It cannot be underestimated that these authorities were following the wishes of the Conservative central government for local authorities to opt for local bargaining which was viewed as part of the reforming process in the public sector (Jackson et al. 1993). The Conservative political philosophy of greater managerial autonomy to individual authorities was promoted on the back of individual local authority difficulties and many Conservative councils in the 1980s used their particular organisational difficulties to argue for a change to local bargaining:

“I have no doubt in my mind that the recruitment and retention difficulties that a number of authorities used as a reason for departing from national collective bargaining were a convenient excuse. We [LACSAB] argued that there was sufficient flexibility in the national agreements to deal with their specific problems. The councils that left the national framework did so for ideological reasons. They were shaped by the Conservatives belief in a local government reforming agenda that favoured greater organisational and managerial discretion at an authority level. Nick Ridley felt that the national framework promoted a cozy relationship between us [LACSAB] and the trade unions and he favoured a break-up of the national
collective bargaining machinery because he saw it as an impediment to change and reform in local government management practice.”
(Retired Director of Local Government Employers)

Trade Unions

When authorities eight and nine withdrew from the national framework in the late 1980s the principal local government trade union, NALGO, vehemently resisted the move for social, political and economic reasons. NALGO viewed the departure from the national framework as a prelude to de-recognition and the end of collective bargaining and joint regulation of employment relations, which in both cases would undermine their position. NALGO advised the branches in both authorities not to engage in local bargaining. This tactic played into the hands of both employers who did not move to de-recognise NALGO but rather took the opportunity to develop employment policies that were developed without any participation from the union:

“*When we decided to go it alone and break with the national conditions of service NALGO refused to co-operate. They took the view that local bargaining would undermine the national agreements on pay and conditions and upset the local government employment relations apple cart. We saw it as an opportunity to improve pay and conditions locally and enhance how we managed our workforce. NALGO missed getting in on the ground floor and engaging in developing the new employment policies at [name of the authority].*”
(Head of Employment Strategy Authority Nine)

When UNISON was established in 1993 it faced a dilemma dealing with the two authorities and the others that had left the national collective bargaining framework. Politically, it endorsed the approach that NALGO had taken, in that national collective bargaining was still the bedrock of local government employment relations and that the majority of its membership in over 90% of other local authorities in England remained in the Whitley Model. However, it still had a membership in the authorities that had left the national framework and how was it going to represent
their interests? In authorities eight and nine, UNISON although recognised did not play a role in setting pay and conditions and was marginalised to representing members on an individual rather than collective basis (Trade union Membership levels: 18% Authority Eight and 30% Authority Nine). Both authorities through their management structures consulted directly with employees about pay and conditions but in effect senior management and elected members determined what was appropriate by referring to local labour market conditions and affordability which was calculated on budgetary conditions of both authorities. This position remained until consultation legislation (as a consequence of a European Union Directive [Information and Consultation Directive 2004]) introduced under New Labour gave a renewed vigour to UNISON’s participation in both of the authorities:

“In the 1990s UNISON was very much out of the loop with a number of authorities in the South East, particularly the two authorities you are interested in, which had taken a hard line position that they were going to side-line us as much as possible in their organisational decision making. NALGO’s position that they were not going to engage in local bargaining was a position that we took on [UNISON], and in many respects we paid a high price for this decision, certainly from a regional point of view, where over a period of ten years we lost a third of our members, as our role was restricted to representing individual members and being frozen out of pay and conditions negotiations. The introduction of statutory consultation provisions under New Labour saw a thawing out between ourselves and the councils that have seen us engage to a limited degree in the decision making process and re-establish a foothold corporately within these councils.”

(Head of Local Government - South Eastern Region UNISON)

T&GWU and subsequently UNITE have had a limited membership in both authorities, and more widely in the South Eastern local authorities as a whole. Historically representing manual workers’ interests in local government, the marketisation process has seen both authorities contract out work initially under Compulsory Competitive Tendering and more recently continue with outsourcing manual services through partnership agreements with commercial contractors. As a
consequence UNITE and T&GWU have had minimal involvement with the two authorities directly:

“The T&GWU did not have a strong presence in the councils in the South East. With the privatisation of direct services the union had working relationships with a number of the contractors. The opportunity to enter into any meaningful kind of bargaining was restricted by the contract specifications that the contractors had to satisfy under the tender agreements and the union couldn’t approach councils directly under these arrangements.”

(Director of Research - UNITE).

Management and Human Resource Management

In both authorities the dominant management view was that national collective bargaining in local government had become out dated and was no longer relevant to their organisational needs:

“National agreements on pay and conditions have failed to reflect the needs of councils and more specifically the budgetary constraints that are placed on them. ‘The one size fits all’ approach is no longer good enough, and councils are looking for greater discretion in how they manage their affairs. Having worked in both councils that are still in the national framework and for my present employer who is not, I can only say that the managerial and organisational freedom I have here in developing employment strategies without having to comply with national agreements allows me to implement policies that cater specifically for the needs of this council both as an employer and as a council that serves its local community.”

(Director – People, Policy and Strategy, Authority Eight)

“I started a few years before we left the national framework and I can remember the employment circulars that came from LACSAB which inundated us with guidance notes on policies that had been agreed nationally. They always seemed a bit abstract and remote and I often questioned there relevance to what we were experiencing on the ground as a council. We dutifully filed them away and had an extensive archive which we rarely referred to. As the eighties drew to a close we just felt that the national agreements no longer reflected our interests as a council and we felt that it was a logical step to leave the national framework and develop our own employment policies that reflected our local situation.”

(Head of Employment Strategy, Authority Nine)
The human resource functions in the deviant authorities have fully embraced HR theories and have implemented employment policies that are tailored to the business needs of their authorities. This business focus has seen both authorities develop grading structures that have discontinued with automatic incremental progression within grades; introduced performance management linked to organisational targets; and performance related pay to profit centred services areas. The HR functions within the deviant authorities are similar to the HR direct service functions in the leader metropolitan authorities that are responsible for commercial services. They have taken on an overt management role that is predicated on giving ‘added value’ to the management in services across their organisations:

“The HR function here is business focused on helping managers deliver the best public services to the community. We have to give the managers the necessary HR tools and support to allow them to get on with their primary service delivery roles. The HR function is integral to the organisational success of this council and we have established credibility with both managers and elected members in giving ‘added value.’” (Director – People, Policy, and Strategy, Authority Eight)

“There is no doubt that the HR function here has changed significantly since we left the national framework. We are very much business partners with the service areas that we support, being part of their management teams. Service managers are looking for us to provide solutions to the HR issues they encounter both operationally and corporately. Our role has moved away from being an administrative one to one which is more advisory based and we see ourselves as an internal consultancy which provides HR solutions that are tailored made to the council’s organisational needs.” (Head of Employment Strategy, Authority Nine)

The recruitment and retention difficulties that local authorities eight and nine faced in the 1980s were a catalyst to both authorities leaving the national bargaining framework. However, this factor alone cannot adequately explain why they left. At the heart of their decision to leave the national framework was a political ideological position that believed that reform could best be achieved through independence that could promote managerial and organisational autonomy. Authorities eight and nine wanted to introduce performance management systems that focused on business
strategies that would allow them to become ‘enabler’ rather than ‘provider’ authorities. Both authorities questioned the logic of continuing to belong to the national framework as they perceived it to be incompatible with their local needs. With the marketisation process of local government through Compulsory Competitive Tendering and the emphasis of lowering service costs to rate payers, authorities eight and nine perceived that the way forward was through opting out of the national framework.

Authorities eight and nine under their Conservative leadership promoted human resource management strategies that sought to marginalise the influence of collective representation through the trade unions. Initially, consultations over pay and conditions with the trade unions were withdrawn when the principal trade union, NALGO, refused to engage in any form of local bargaining, Instead both authorities established direct communications with their employees that bypassed the trade unions. Both authorities up until the statutory consultation legislation was introduced by the New Labour government bypassed the trade unions as they felt that they could manage and run smoothly their authorities without the need for trade unions:

“We had in place [during the period 1990-1997] an employment relations system that while recognising the rights of individual employees did not promote trade unions participating in organisational decision making. We still engaged with them on individual employee issues like dealing with disciplinaries and grievances, but pay and conditions of service were very much employer led with management and the political leadership deciding how they wanted to develop HR and employment relations practice in the authority. We spoke directly to employees and trade unions seemed less relevant as employees from the chief executive downwards, were working to provide the best services to the public, who after all were our ultimate boss.”

(Head of Employment Strategy, Authority Nine)
Analysis

The actors in the two deviant authorities can be characterised as having polarised views on the importance of national collective bargaining in English local government. On the one hand, management (including HR) and local councillors in both authorities showed little support for national collective bargaining and described it as a ‘relic’ of a past age. This attitude is probably a reflection of both authorities being out of the national framework for over twenty years. These actors felt strongly that the national framework had been an impediment to their authorities’ organisational and political autonomy in allowing them to decide how their workforces should be employed and rewarded. They believed the national framework had stifled their ability to recruit and retain key workers and that the national pay and conditions had not reflected the reality of what they were facing locally. This argument around recruitment and retention acted as a convenient catalyst for the local Conservative administrations in these deviant authorities to leave the national framework. Their departure in 1990 coincides with the second phase of the marketisation process in local government, when the Conservative government introduced Compulsory Competitive Tendering across all local authorities in England. Examining their actions through the lens of soft path dependency, we see that the deviant authorities have been allowed to change and re-adjust through the ‘mindful action’ of the political actors in these authorities and have not felt the ‘institutional lock-in’ that the Benchmark, Leader and Follower local authorities in this study have.
The principal union in both authorities, UNISON, and before 1993, NALGO, adopted their union’s national position that the national collective bargaining framework in local government is and has been integral to promoting the interests of its members. National collective bargaining is the cornerstone of joint regulation in local government employment relations and it has given the trade unions a legitimacy in the negotiating process which has secured and improved pay and conditions. From 1990 through 2000 NALGO/UNISON had struggled in both authorities as their initial withdrawal saw NALGO lose its collective bargaining position as it refused to engage in local bargaining. This resulted in both employers going down an employer regulation route, unilaterally deciding pay and conditions, while still recognising NALGO/UNISON. Over a ten year period NALGO/UNISON were reduced to being a side player in employment relations in both authorities. The New Labour government redressed the position to a degree with the consultation legislation, which re-invigorated UNISON’s collective representative role, but both authorities continued to maintain a predominantly employer led position in setting pay and conditions within their authorities. UNISON has continued to champion national collective bargaining in local government but this has been at the expense of losing members at both councils where membership had fallen (in the South East region NALGO/UNISON reportedly lost a third of its members between 1990 and 2000). Regionally, UNISON representatives in the South East have tentatively considered negotiating at a local level with councils, but the reality is that those that are outside of the national framework have not felt inclined to enter into local bargaining because they have not felt the need to do so.
The fundamental difference between the deviant and metropolitan authorities has been their approach to local government reform and the process of marketisation and how as employers they have faced up to these challenges. The deviant authorities embraced the reforms from the outset, introducing and developing a business model approach to running council services that saw the contracting out of direct manual services through competitive tendering in the mid-eighties, leading on to compulsory competitive tendering in the early nineties until 1997. Both of the deviant authorities did not defend in-house services from outside competition as it ran contrary to their ideological position as Conservative controlled authorities who were in relatively affluent areas (low levels of unemployment see Table 8.2) where the protection of public services and jobs was not perceived as high on the local electorate’s agenda. Tight financial management and budgetary control were seen as priorities in running council services that gave ‘value for money’, and the manner in which these services were delivered and by whom were less important. The authorities became ‘enabling’ councils organising and overseeing services and their compliance, but not necessarily providing services directly as a council. As employers, the deviant authorities’ adoption of human resources practices saw them develop performance management cultures that focused primarily on service delivery outcomes which moulded conditions of employment and the nature of who worked directly for them and those that did not.

The low skilled manual workforces in each of the authorities were outsourced to private commercial contractors while white collar, technical and professional workers remained employed within the councils. This difference in treatment can be distilled down to the labour market supply and demand for the occupational groups. Both
local authorities, in common with other local authorities across the country, could not effectively outsource their white collar workers because there was not sufficient external capacity to provide services, that in many cases relied on specialist knowledge and training that was exclusive to specific local government professional occupational groups that did not ordinarily operate in the wider external labour market. The deviant authorities therefore became white collar dominated organisations as manual services that relied on unskilled labour were contracted out to private sector contractors who could employ workers from the wider labour market and drive labour costs down in the pursuit of reduced service costs, making them low cost councils.

**Table 8.3 Rationale and Strength of Support for National Collective Bargaining in the Deviant Authorities**

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<th>REGULATIVE</th>
<th>WEAK – The management and politicians in both authorities see the national framework as out dated and not relevant to their political and organisational needs.</th>
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<td>NORMATIVE</td>
<td>WEAK – The management and politicians in both authorities do not see any social obligation to support the national framework which they have abandoned in favour of their own local framework. They no longer see national collective bargaining as the legitimate means of employment regulation in their authorities.</td>
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<td>COGNITIVE</td>
<td>WEAK – The management and politicians in both authorities have weak ties to the national collective bargaining framework as they have broken away from it to create their own individual pay and conditions that they believe reflect their own individual needs. They see a logic to being outside of the national framework and view it as an impediment to their political and economic autonomy.</td>
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Conclusion

This chapter has examined the deviant local authorities, looking at how being outside of the national collective bargaining framework shapes their employment relations practice. Politically and managerially these local authorities reject the national collective bargaining as a ‘relic’ of a bygone age that no longer reflect their needs, acting as an impediment to their authorities’ organisational and political autonomy in allowing them to decide how their workforces should be employed and rewarded. They believe the national framework has stifled their ability to recruit and retain key workers and that the national pay and conditions no longer reflect the reality of what they face locally.

The fundamental difference between the deviant and metropolitan authorities has been their approach to local government reform and the process of marketisation and how as employers they have faced up to these challenges. The deviant authorities embraced the reforms from the outset, introducing and developing a business model approach to running council services that saw the contracting out of direct manual services through competitive tendering in the mid-eighties, leading on to compulsory competitive tendering in the early nineties until 1997. Tight financial management and budgetary control were seen as priorities in running council services that gave ‘value for money’, and the manner in which these services were delivered and by whom were less important.

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Both local authorities, in common with other local authorities across the country, could not effectively outsource their white collar workers because there was not sufficient external capacity to provide services, that in many cases relied on specialist knowledge and training that was exclusive to specific local government professional occupational groups that did not ordinarily operate in the wider external labour market. The deviant authorities therefore have become white collar dominated organisations as manual services that rely on unskilled labour were contracted out to private sector contractors who could employ workers from the wider labour market and drive labour costs down in the pursuit of reduced service costs, making them ‘low cost’ councils.

The deviant authorities examined in this study have been shaped by the dominance of their Conservative leaderships. Over a twenty year period, these Conservative controlled councils, have gone in the opposite direction to the metropolitan Labour controlled councils, contracting out services where possible and fully implementing marketisation to make them enabler rather than provider authorities. However, these deviant authorities have still ‘shadowed’ the pay and conditions formulated through
the national collective bargaining framework. Their conditions of employment, despite the rhetoric and the organisational reforms they have introduced, remain essentially similar to local authorities that have remained in the national framework. The distinction is that the deviant authorities have sought to contract out their in-house workforce where possible, but those that remain, primarily skilled, professional and technical workers, have in essence been employed on similar terms to those of their occupational counterparts in the wider local government sector.
Chapter Nine

Conclusions

Introduction

This chapter will draw together the different strands explored in the thesis. In doing so, I will highlight a number of key features that have contributed to the survival of centralised national collective bargaining in English local government. Most academic research on employment relations in local government and the wider public sector has focused on ‘change’, with an over schematic emphasis on ‘neo-liberalism’ which potentially has obscured the complex political and employment relations processes that have taken place. In this work I have examined the roots of ‘continuity’ and resilience. My research focus has not been on why and how has local government employment relations changed – which it undoubtedly has – but rather why the principal means of joint employment regulation – centralised, national collective bargaining - has stayed the same to a surprisingly degree.

It is useful to provide a brief recap of the previous chapters. Chapter two traces the development of the UK public sector over the period from 1979 until 2007. The chapter examines the structural reforms within the sector and how these impacted on public sector employment relations. Chapter three provides an overview of the historical development of local government focusing on the post 1979 period which saw a major transformation through a reforming process initially implemented by the Thatcher governments of the 1980s and followed through by the Labour government under Tony Blair in 1997. The chapter assesses the nature of these changes and how the Conservative and Labour administrations shaped them for their own political objectives. The chapter provides a foundation for understanding the local government
employment relations landscape and how this was shaped by the reforms that permeated every level of local government.

Chapter four examines the theoretical underpinning of the thesis and how institutional/path dependency theories offers an analytical reference point that helps to offer some potential explanations of why the national collective bargaining framework continues to survive in English local government. The chapter divides into three sections. The first looks at institutional theory and the concept of path dependency and their application to employment relations research, more specifically Scott’s analytical framework of Three Institutional Pillars is examined. The second section looks at the use of institutional theory in employment relations research, examining how academics have used institutional theory in their research. The final section shows how institutional theory fits into my research.

In chapter five I have shown the methodological approach I have adopted in examining my area of interest – the national collective bargaining framework of English local government. In the course of my fieldwork I have been able to obtain a rich seam of material built upon the personal experiences of elite policy actors and combined with the literature; this has enabled me to develop my hypothesis and ultimately my contribution to knowledge. My work has been heavily influenced by institutional theory, in that issues of context, institutional structures, and causality have been of central importance (Ackers, 2002). The sectoral study, adopting the ‘firm in sector’ methodology approach, has enabled me to explore the ‘how’ and ‘why’ questions and help to illuminate and explore the complex and inter-dependent
relationship of the institutional actors, and why they do (or not) continue to support centralised national collective bargaining in English local government.

The empirical chapters examine: The benchmark authority (chapter six); the leader and follower authorities (chapter seven); and the deviant authorities (chapter eight). Each chapter starts with an outline defining the type of organisations examined and in turn examines: Historical background and their political leadership; the impact of the Conservative governments’ (1979-1997) and the New Labour government’s (1997-2007) reforms; and the role of the actors – trade unions, management and politicians within these organisations. In the analysis section the Three Pillars framework is applied to each of the actors which illustrate the degree of strength and support they show towards the national collective bargaining framework. Each empirical chapter concludes with a discussion that highlights the key issues that have been illuminated by the fieldwork and how this contributes to the wider discussion and issues that are linked to the other empirical chapters in the thesis.

**The Findings of the Research**

At its core my study reveals that the principal stakeholders within English local government – trade unions, management, and politicians – over the thirty years examined (1979-2007), continued to support national collective bargaining. This support by the stakeholders was to different degrees, and was highlighted by the application of new institutional theory and in particular Scott’s Three Pillars and the concept of path dependency (see Table 9.1).
New institutional theory has illuminated the regulative, normative and cognitive dimensions that have shaped the views and positions of the stakeholders and the degree of support or non-support they have shown towards the national collective bargaining framework. The level of support on one level can be viewed as strong, with stakeholders like Labour and UNISON strongly supporting the national framework for both practical and philosophical reasons, while Conservative politicians and management in local authorities outside of the national framework have equally rejected it for what they consider both practical and philosophical reasons. Between these two positions stakeholders, particularly in the follower authorities, have shown how they have had to constantly refine and re-evaluate their support for the national collective bargaining in the light of the political and economic realities that face them as individual actors and the authorities they operate in.

The study has shown that national collective bargaining has been a vital cornerstone in English local government employment relations. It has promoted joint regulation which recognises the legitimacy of trade unions in shaping the employment relations agenda in local government. The leader and follower local authorities examined vividly demonstrate the inter-relationship between the actors and how the national framework fulfils the role of managing the political and managerial processes, and how ‘best practice’ flows out from certain authorities, as in the case of the leader authorities influencing the follower authorities. The study shows that despite the reforms and marketisation processes that have brought about change in local government, the national collective bargaining framework has managed to survive and still remain relevant to local government employment relations.
This resilience and continuity can be attributed to the national framework being adaptable to the changing political and economic environment while at its core remaining faithful to its origins in the ‘Model Employer’ tradition promoting industrial pluralism in the workplace. The national framework manages to accommodate the various political, economic and social interests of the stakeholders. New institutional theory through Scott’s Three Pillars analytical framework has shown that through looking at the regulative, normative and cognitive dimensions in the context of the support for the national framework of each of the stakeholders, a picture unfolds that despite differing degrees of support between the stakeholders there is still a common tie to the national collective bargaining framework that can be described as a \textit{passive consensus}. This passive consensus is based on a mutual recognition between the stakeholders that the collective bargaining framework continues to promote their individual interests while also being a pragmatic means of providing collective solutions to employment relations issues. However, this support is contingent as we have seen from the study, on the stakeholders continuing to find it relevant to the changing economic, political and social environment that local government finds itself in.

In the wider political and constitutional setting, the national collective bargaining framework’s resilience and survival is entwined in the nature of English local government. The historical relationship between central and local government have seen national collective bargaining take on a prominence in employment relations because it has been an effective constraining and controlling mechanism. In the period examined (1979-2007) both the Conservatives and Labour administrations had sought to tightly control public expenditure which had become supply rather than demand
led. It is in this context that the centralised national collective bargaining framework in local government has given central government a degree of control over the wage bill. This has been a critical controlling element given that local authorities are the largest public sector employer (2.5 million workers) in a sector employing just under six million workers that spends about 20% of GDP (Travers, 2005).

My research has highlighted the importance of local government political accountability and transparency in shaping and influencing the development of national collective bargaining in English local government. It has been nurtured by an underlying philosophy within the majority of local authorities, which view the continued support and maintenance of a centralised national collective bargaining framework not just on the grounds of efficiency or effectiveness in service delivery terms, but rather as a means of maintaining legitimacy and status of the stakeholders and therefore conforming to the institutional norms that emanate from the collective bargaining arrangements, local government becomes optimal, if not efficient in the way it maintains its viability as a public service institution.
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**All Change in the Public Sector – the Rhetoric and Reality of Reform**

After 1979, when Conservative governments began the process of public sector reform, it was widely anticipated that national collective bargaining would be eroded by the creation of quasi markets that would see a widespread move to local bargaining (Thornley, 1994; Sinclair et al., 1995; Kessler and Purcell, 1996; and White, 1997). Thirty years on in English local government, this framework not only survives, but remains at the forefront of employment relations.
Clearly there is considerable truth in this broad-brush public sector reform story of marketisation and new public management - under Conservatives and then Labour. Multi-level business units were shaped initially by Conservative financial strategy, but Labour linked them to consumer service expectations (Cutler and Waine, 2000). Both Conservative and Labour sought greater control of resource allocation and employment policy decisions (Bach and Winchester, 2003) and to improve national competitiveness (Giddens, 2000). But beneath the smooth surface narrative lie many differences, tensions and contradictions. On the one hand, Labour took a more interventionist regulatory approach to managing public services reform (Bach, 2002, Timmins, 2001). On the other, real outcomes did not match public policy rhetoric. Labour pushed for localised and variable pay (Colling, 2001, Kessler et al 2000, Dawson and Dargie 2002 and Morris and Farrell 2007), but such changes occurred at variable speeds across the public sector and any ‘convergence with the private sector’ has been ‘more apparent than real’ (Duncan, 2001: 32).

The public sector employment relations literature has neglected the dynamics of national collective bargaining frameworks. I have had to turn to the wider literature on collective bargaining and in particular, two studies by Korczynski (1997) and Gospel and Druker (1998), whose work have highlighted the importance of the state and unions in the political process of establishing bargaining levels; and the survival of national bargaining as a consequence of sectoral and industrial characteristics. They have shown that where a centralised trade union and employer environment exist, it has been a conduit to national collective bargaining, and have shown how it has been sustained by specific historical and ideological legacies. Both studies drill down within the industrial sectors they examine to illuminate why in these particular
industries a national framework survives, when in the wider UK labour market collective bargaining has become decentralised. Similar research in the public sector has not been undertaken. Following in their footsteps I have sought to contextualise and analyse within English local government why the national collective bargaining framework has continued to survive. I believe that within the public sector employment relations literature emphasizing ‘change’ it may have obscured the complex political and employment relations processes that continue to anchor the existing system. So my focus has not been on why and how local government employment relations has changed but rather what accounts for the resilience and continuity and the survival of an employment relations framework.

**Passive Consensus – the Continuity and Resilience of National Collective Bargaining in English Local Government**

The national collective bargaining framework continues to survive and remain relevant because it has created a *passive consensus* between the main institutional stakeholders. By passive consensus, I mean that the institutional stakeholders although having quite often different and opposing organisational objectives, nevertheless, see a utility in supporting the national collective bargaining framework. The strength of this support varies considerably between the institutional stakeholders and reflects political, social and economic interests. With the application of neo-institutional theory in my sectoral study, I have managed to lift the veil of political rhetoric which prevails within national politics. Instead, I tap into a world of pragmatic policy practice. By policy practice, I mean decisions that actively involved participants – trade unions’ representatives, managers, and politicians - at a national, regional, and authority level, who are experienced practitioners and have an in-depth
understanding over many years of the conduct of employment relations in local government.

The national collective bargaining framework, using an anatomical metaphor, exhibits a capacity to be both a *skeleton* and *exoskeleton*. As a skeleton all the internal stakeholders within local government – trade unions, management and local politicians are attached to it, giving form and function to the process of employment relations. Each of the internal stakeholders is part of this supporting structure. Stakeholders often counteract each other, but remain attached to national collective bargaining. By sticking to ‘the rules of the game’ these countervailing forces can be harnessed through the national collective bargaining framework to create stability and co-ordinated movement. The exoskeleton metaphor dramatizes how the external force of the state reinforces national collective bargaining.

There is no doubt that national economic and service delivery imperatives have had an impact on local government and how these services are delivered. Central government of all political parties has tacitly supported the national framework as a means of controlling spending. Its role as economic regulator and legislator puts it in a unique position of defining and setting out public service provisions as both an organ of the state and an employer. As paymaster, central government has always focused on the cost of funding local government provisions and the processes of managing these costs have always been dealt with centrally. The funding of local government is overseen centrally and through the use of regulatory bodies like the Audit Commission. This has ensured that local government complies with centralised prescribed processes that shape the employment relations practice nationally within
local government (Roper, Higgins, and James, 2007). At the heart of central government’s wish to maintain a national collective bargaining framework is its desire to contain local government expenditure which is crucial to any government’s political and economic survival.

The Management Anchor - National Collective Bargaining

Corporate and human resource management (HRM) have played an influential role in developing and maintaining a national bargaining framework. The human resources (HR) function expanded in the 1970s in local government, and as a consequence of a major re-organisation of local government in 1974 led to the establishment of personnel departments at an authority level. Despite this rise in the profile of personnel work, most specialists focused on the ‘implementation of policy rather than creating it, and the provision of administrative services and procedural advice’ (Lupton and Shaw, 2001: 25). Local authorities have relied upon the employers’ association to oversee the bargaining process as it has been seen to be advantageous to negotiate collectively at a national level. As a consequence individual local authorities have not had the local expertise or resources to negotiate comprehensive and all-embracing collective agreements.

The 1980s and 1990s saw the centralised approach to HRM challenged with the restructuring of local government services as a consequence of marketisation. This restructuring saw the creation of ‘business units’ that sought to dilute large, integrated and unified service providers (Winchester and Bach, 1999). However, the human resources function has resisted the dilution of the national collective bargaining
framework as its higher or corporate role has been dependent on the implementation of standardised rules and policies that are integral to its importance organisationally (Bach, 1999; Lupton and Shaw, 2001). It is in the role of gatekeeper of employment policy administration that the human resources function has relied on for its survival. The process of local managerial self-autonomy has been a potential threat to human resource practice in local government as line management have circumvented the human resources function as they have become directly responsible for their own workforce. However, at an authority level, the process of functional self-autonomy has reinforced the need for a national regulatory framework. It has been advantageous for the human resources function to support and promote the national bargaining framework as a means of resisting the erosion of its organisational influence and power.

Local Government – A Unique Institutional Context

To date, one of the public sector employment relations literature’s weaknesses is, that it has not sufficiently differentiated between the institutions and the sub-sectors that make up the public sector. There is a tendency to see the public sector as homogenous, and although there is discussion of what makes the public sector distinctive (Bach, 2010; Corby and Symon, 2011), there is little discussion of the distinctive nature of the institutions within it. This tendency within the public sector employment relations literature to generalise across the sector, sometimes neglects to fully acknowledge the differences that are within the employment institutions that make up the sector and these differences have grown with marketisation i.e. the uneven development within the public sector and the decline of the Whitley Model. Collective bargaining arrangements have remained the dominant form of pay
determination - it is present in around 83 per cent of public sector workplaces and covers around 82 per cent of public sector workers (2004 WERS: 181). However, there is evidence of a shift to decentralised bargaining within the Civil Service, abolishing national pay negotiations with the delegation of pay bargaining to over 150 individual departments and agencies which have become autonomous and independently financed bodies (Kessler et al., 2006). While the NHS has introduced autonomous Trusts and made some attempt to introduce a system of two tier bargaining whereby national pay awards are topped up by individual trusts (Corby et al., 2003).

The analysis, discussion and debate within the public sector employment relations literature typically takes place at the supra level. In my work I have sought to explore English local government specifically, identifying the political dimension and central-local relations which shape its employment relations, and how the national collective bargaining framework is still integral to the conduct of employment relations, precisely because it delivers the political, social and economic objectives of the institutional actors. My study also makes a contribution to the field of employment relations, because it casts light on what makes English local government different from other parts of the public sector and what we can learn from this difference.

Local government’s political accountability at an authority level places it in a unique position within the public sector, because the control of local authorities are governed by elected local leaderships, that have direct responsibility of the executive and the provision of local services. Unlike the Civil Service and the National Health Service, the public through local elections can shape the way councils provide services. It is
this *local political accountability* that shapes the institutional governance of local government and this is seen in the conduct of employment relations. The national collective bargaining framework offers the institutional actors within local government a conduit for producing not only economic outcomes in relation to setting pay, but equally importantly ensuring political acceptability in creating and maintaining pay and condition of employment that are perceived to be legitimate and transparent to all the actors within the local government employment relations rubric.

The experience of the local authorities examined in the study illustrates the importance of the framework being a foundation stone for equitable pay and conditions that reflect the social, economic and political realities of local government as an institution. The national framework allows local actors within individual local authorities to enter into an integrative process of local bargaining that takes into account the umbrella of national pay and conditions while having a degree of discretion to bargaining over local issues. ‘Taking pay out of the local workplace’ for white collar workers is seen as being mutually beneficial to both management and unions. It allows managers and unions to focus on service delivery issues that are shaped locally and to create a constructive dialogue that recognises differing perspectives; while equally acknowledging the importance of securing bargaining outcomes that are both deliverable and sustainable and are in the collective interest of individual authorities.

While manual blue collar workers have felt the full force of marketisation in local government, we can see from the local authorities that have remained within the national collective bargaining framework, that it has acted as a vital social and
economic glue, contributing to the survival of in-house services. One of the unintended consequences of CCT was that its harsh regime created an environment within local authorities that brought trade unions, management and politicians together. To protect in-house services a partnership relationship developed between trade unions, management and politicians that was based on an understanding that there was a mutual dependency on each other for their survival.

In all these cases, where in-house services were defended by local authorities, it was the local politicians in Labour controlled councils that enabled this defence. This political defence of services highlights an important distinguishing feature of local government compared to the Civil Service and NHS. Local authorities still have a degree of political autonomy that enables them to take a stance against central government. This autonomy is enshrined in local political accountability to the local electorate, which gives a mandate to carry through public policy shaped and developed at a local level. Central government through its legislative programme can curtail local government, but there has historically always been an understanding that local government’s political autonomy and discretion should be maintained as a natural counter balance to central government power. This has been accepted by all three principal political parties, and we can see that despite the widespread reforms that have impacted on local government, local authorities have, through their political leadership, been able to navigate with a degree of success through the constraints set by central government.

Across the local authorities studied, Labour politicians and trade unions support the national framework on philosophical and ideological grounds. This is a reflection of
the national positions taken by both the Labour Party and UNISON. In contrast, Liberal Democrats and corporate / human resource managers within the benchmark, leader and follower authorities support it on practical grounds, seeing an organisational logic that is reflected in the cognitive dimension of Scott’s Three Pillars of Institutions analytical framework. Finally, while the Conservatives and operational managers within the benchmark, leader, and follower authorities, feel a degree of frustration with the national framework, they still recognise it as a proven and reliable mechanism that has, to date, served local government interests.

At a political level, across seven of the nine local authorities examined, there was recognition from an organisational perspective, that the national collective bargaining framework was clearly advantageous to local politicians across all three principal parties. Meanwhile central governments over the last seventy years have supported it as a means of keeping tight control over local authorities’ labour expenditure, which has historically accounted for three quarters of all local government costs (Travers, 2005). The national framework coordinates pay and conditions, which creates stability within local authorities and ensures equitable treatment of workers. As a framework it is also sustainable because local government has a tight labour market that is reliant on specialised, professional and technical workers. While subject to funding pressures from central government, it has experienced the ‘market’ like the private sector, which has had to adapt to commercial pressures brought on by changing product markets both domestically and internationally.
Developing New Institutional Theory as a Tool of Employment Relations Analysis

The academic public sector employment relations literature has emphasized the nature and rate of institutional change. As a consequence, little attention has been given to the question of continuity and the resilience of structures like a national collective bargaining framework. Neo-Institutional and Path Dependency theories - and the twin themes of homogeneity and stability - offer some potential explanations for why the national framework continues to survive in English local government. Neo-Institutional theory sees institutions as defined by and shaped by structured rules and shared meanings that have a regulative effect (Ackers and Wilkinson, 2008). It provides a means of looking at the local authorities’ employment relations behaviour, and seeing how this is embedded in wider institutional environments. Institutional theory shows how local authorities are shaped by customs and practices that are either direct reflections of, or responses to, rules and structures built into larger environments (Powell, 1998). Institutional theory has allowed me to examine how the behaviour of local authorities is shaped by social, political and economic pressures, both formally and informally, from the institutional actors and regulatory agencies.

Employment relations scholars normally focus on the regulative and normative pillars within institutional theory that fits in with old institutionalism. In my study I have looked at a third cognitive pillar, used in new institutionalism which looks at: meaning, symbols, routine, and ways of doing. The cognitive dimension has allowed me to go beyond examining rule making and values and look at common beliefs and the shared logic of action amongst institutional actors within local government. We see through the cognitive dimension that the national collective bargaining framework creates an environment that the institutional actors within local government see a
shared understanding that is based on the primacy of public service and the Model Employer tradition. This perspective focuses on social equity in both the provision of public services and the way in which workers are employed to deliver these services. National collective bargaining is seen as a natural choice for the institutional actors within local government because it allows them to channel common beliefs and shared logics of action that support both their individual and collective interests. Reflecting on the experiences of the local authorities examined and their responses to CCT and Best Value, we see that the national collective bargaining framework was an important conduit for trade unions, managers, and politicians in shaping their negotiating dialogue and facilitating the defence of in-house services from being ‘contracted out’. The leader and follower local authorities illustrated that the actors within them all acknowledged the ‘organisational logic’ of their authorities belonging to the national framework. This acceptance ranged from weak, in the case of commercially orientated operational managers and some Conservative elected members, who did perceive the national collective bargaining framework to be a constraining influence on some aspects of local decision making, yet accepted it as a rational political and economic choice.

In contrast, UNISON and Labour politicians showed strong support for the national collective bargaining framework on both philosophical and practical grounds. Philosophically, because it acted as a means of promoting socially equitable conditions of employment across local government, while practically it strengthened UNISON bargaining position and Labour politicians saw it as a constraining influence on ‘leap frogging’ of pay and conditions between local authorities, particularly for skilled, technical workers that were in high demand like environmental health
officers. Between these two positions there were actors, UNITE, Liberal Democrat politicians and corporate management, who were neither strong nor weak supporters of the national collective bargaining framework. UNITE as a union preferred a national framework but their primary objective was to maintain collective bargaining at whatever level that it took place. Corporate managers and Liberal Democrat politicians supported the national framework not particularly on ideological grounds, but rather from the position that it ‘made sense’ and was a rational choice for local government. This rationality was bound in achieving acceptable outcomes that acknowledged the political, social and economic landscape that shaped local government and the actors that operated within it.

Applying path dependency to my study has helped me to develop a line of enquiry around the custom and practice of establishing the means by which terms and conditions of employment are set through collective bargaining and how the principal institutional actors in local government – the state, employers/management (including human resource management), trade unions, and politicians (nationally and locally) – shape the outcomes of this process.

*Isomorphism* as a constraining process has shaped the institutional actors within local government to resemble each other as they face similar political and economic challenges (DiMaggio and Powell, 1983). We see how the coercive isomorphic mechanisms, primarily employment legislation and central government as the executive function of the State shape local government employment relations policy. While trade unions and management, are shaped intrinsically by the national and local political environment they operate in. The mimetic mechanisms within local
government are illustrated in how local authorities deal with external economic, legal and political questions. As shown in my research, local authorities with a similar political leadership, tend to mimic each other in tackling issues that are common to them. Illustrative of this is the similarity of approach between the leader authorities and their responses to Compulsory Competitive Tendering and Best Value.

Normative mechanisms focus on the relationship between management policies and the background of employees in terms of education, work experience, and occupational group. Within local government many of the occupational groups are unique to the sector, and within the professional, white collar occupations have established networks linked through the professional institutions which regulate the conduct of members. Illustrative of this are the Chartered Institute of Environmental Health Officers and the Trade Standards Institute, who regulate practitioners, overseeing professional conduct while acting as a voice for their profession. These professional occupational groups have been identified as a source of isomorphism (DiMaggio and Powell, 1991), often taken for granted as important in developing organisational norms. In a similar manner the formal and informal networks with the trade unions and political parties that operate in local government have an equal effect on creating and defining organisational norms within the local government rubric. This was evident in the benchmark authority where we see the formal and informal relationships that developed between all types of management: operational, corporate and human resources; the trade unions; and politicians that facilitated the dialogue process within the authority.
The application of neo-institutional theory illuminates the underlying processes that shape the process of joint regulation in local government and helped us to understand the internal and external contextual factors that continue to make the national collective bargaining framework relevant to local government employment relations. My study, by using neo-institutional theory and in particular Scott’s third cognitive pillar, makes a contribution to the wider employment relations literature by extending the range of traditional employment relations analysis to explain path dependency and institutional continuity and resilience within an employment sector. My work has highlighted in addition to the established coercive and normative strategies, the importance of mimetic influences and organizational isomorphism in shaping employment regulation in the workplace.

**End of the Road - The Future of National Collective Bargaining in Local Government?**

There is no doubt, given the UK’s current economic position; there will be continuing pressure on local government to deliver ‘more with less.’ As the Standard Spending Assessment (SSA) for local government is potentially tightened further by central government, local authorities will inevitably have to re-assess their financial positions, and in turn how they deliver services to the public. Potentially, a threat to national collective bargaining is if local government loses it exclusive rights as a provider of particular services. The present Coalition government has been promoting the voluntary sector under ‘The Big Society’ mantle to take up and provide public services; this has been focused on the social welfare function (Cunningham, 2011). Currently, there are a number of local authorities that are entering into partnership arrangements with NHS trusts, providing social health and welfare services to their communities. Workers are being deployed from the NHS and local government to
provide an integrated service that breaks down the functional barriers between the two institutions. With this melding process it is arguable that the institutional model for these services will seek to create a new employment framework which potentially will break away from both the NHS and local government. If this new institutional model is rolled out across England it has the potential to have a detrimental effect on the national collective bargaining framework, as the social welfare function has a large workforce, which if taken out of local government could have a profound impact.

Local government as a statutory based institution is a product of Parliament. As we have seen in the reform programmes of the last thirty years, governments can introduce statutory provisions that affect how public services are provided and delivered. It is within Parliament’s remit to takes services away, as in 1993 when the waste disposal function was taken out of local government. It is therefore possible that any service or function has the potential to be taken away from local government control. For a number of years it has been speculated that the Environmental Health and Trading Standards functions could be taken away from local government and set up as national agencies. The precedent has already been set with the creation of the Environment Agency in 1996, a consequence of the 1995 Environment Act, which saw air pollution and waste regulation taken away from local government. However, it is the very fact that many of the services that local government provides are statutory based that provides a degree of security. Statutory responsibilities are extremely onerous, as being legally defined both in terms of provision and liability. They create a high benchmark in terms of accountability which historically has been seen as the state’s role. In the foreseeable future, despite the economic and political pressures, local government will continue to be a key provider of public services.
However, as an institution it will have to continue to adapt to the economic, political, social, and legal environment it faces.

A number of Conservative and Conservative/Liberal Democrat coalition controlled local authorities since 2010 have voiced their concern to the Local Government Employers about the national pay settlements and their affordability. The largest, Birmingham City Council, questioned with increasing pressure to cut budgets, whether they could continue to be party to the national settlements. Yet, the local authorities outside the national collective bargaining framework, in the South East, where pay is high, continue to shadow the national pay settlements, and in some cases like Kent pay above it. It is important to note, that the discussion around withdrawing from the national framework has been used by local authorities as a pressure tactic within the Local Government Employers forum to curb pay settlements. In the future, the national collective bargaining framework will continue to be questioned as to its appropriateness and fitness for purpose. As my work has shown its survival and relevance to local government will be dependent on its ability to deliver economic, political and social outcomes that are acceptable to the individual and collective interests of the institutional actors that operate within it.

For the majority of councils examined in this study, who were a cross section of English local authorities, the stakeholders - trade unions, management and politicians that operated within them, there is a passive consensus that the national collective bargaining framework is still mutually beneficial and expedient to the individual and collective interests of all the stakeholders, and the local authorities themselves, in effectively managing the socio-economic outcomes that are linked to the delivery of
public services. However, despite the strong *institutional lock-in*, in the spirit of soft path dependency, there was recognition that the national collective bargaining could break up. This break up could reflect what happened with the deviant authorities, where it was perceived that the national framework did not adequately reflect the organisational needs of individual authorities, primarily around addressing local labour market conditions. However, as already discussed, the deviant authorities withdrawal from the national framework was as much about making a political statement on ideological grounds as it was about the management and control of the local authorities concerned.

The Coalition government through the Treasury has recently been proposing the introduction of local pay bargaining in the public sector. The initial focus has been on the Civil Service and National Health Service. This has been in response to the widening pay gap between public and private sector workers. It has been argued by the think tank, Policy Exchange, that public sector pay is stifling private sector growth as private sector employers are finding it difficult to compete with public sector pay, particularly in economically depressed areas. Within local government, the Local Government Association, has been guarded about its introduction, seeing it as potentially being de-stabilising, and questioning its benefit both financially and managerially.

The national collective bargaining framework is still the foundation stone for joint regulation and the promotion of equitable employment practice in local government. Over the last thirty years its demise has been predicted, yet it has continued to survive
and remain relevant. There is no reason that provided that it can continue to deliver these benefits to the institutional stakeholders it will continue to survive in the future.

**Future Research**

Considerable scope for further research in national collective bargaining in English local government remains. The following may prove interesting avenues to examine:

**Longitudinal studies** – this study has offered a snapshot of the state of collective bargaining in English local government. It would be interesting to conduct further studies over time which captures its evolvement, which might highlight and illuminate different pressures and tensions. There is already evidence of this occurring with: the impact of the financial and economic crisis (Shaoul, 2011); the election of a coalition government in 2010 marking a watershed, where: “economically there was a change from an age of expansion in the role of the state to an age of retrenchment with repercussions for the public sector” (Corby and Symon, 2011: 16); and the potential for further *fragmentation* of organisational structures in the public sector (Ibid, 231). These external counter-veiling forces might have a consequential impact on local government collective bargaining, and therefore would make it ripe for further future research.

**Comparative Sectoral Studies** - this study has focused on national collective bargaining in local government, which has provided a valuable contribution, given the size of English local government within the context of the overall public sector. Further research might be extended, with detailed and separate examinations of the NHS and Civil Service. These further studies would naturally complement the Workplace Employment Relations Surveys and would be a valuable addition to the public sector employment relations literature.
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Appendices

Appendix One – Interview Request Letter

October 2009

Dear

I am currently undertaking a piece of research examining collective bargaining in English local government. I am endeavouring to trace over a period (1979-2007) the processes and outcomes of collective bargaining through a sectoral study across a number of local authorities.

It is my intention to interview a representative cross section of all the principal actors within the Local Government employment relations rubric. I am keen to explore the views of individuals like you who are at the heart of the bargaining process. I have enclosed a recent conference poster I have produced that will give you an insight into my research.

I would be grateful if you could agree to being interviewed by me as part of my research. If you would like any further information on my work or would like to be a participant please contact me at the following e-mail address: P.F.Beszter@lboro.ac.uk

Thank you for considering my request.

Yours sincerely

Peter Beszter

Researcher – Human Resource Management and Organisational Behaviour Group

Enc. Conference Poster
Appendix One

English Local Government Collective Bargaining in Context

- **Background**: Collective bargaining historically had been the dominant means of employment regulation in Britain for most of the 20th century, however, in the closing two decades it went into rapid decline (Brown and Nash, 2008). In the public sector, collective bargaining is still the dominant form of pay determination – it is present in around 83 per cent of public sector workplaces and covers around 82 per cent of public sector workers. In contrast only 14 per cent of private sector workplaces use collective bargaining, with around 26 per cent of private sector workers having their pay set through collective bargaining (2004 WERS:181).

- **This study aims to**:
  - Explore the reasons why national centralised collective bargaining continues to survive in English local government and develop an explanation for its continual survival.

- **Research Methods**:
  - In-depth institutional sectoral study

![Diagram of Sectoral Study](attachment:image.png)
Appendix Two - Biographical Profiles of Interviewees

S T
Leisure Section Secretary – UNISON
Benchmark Authority
S has been a union representative for eighteen years and has experienced Compulsory Competitive Tendering directly as he is a shop steward within the Parks Service. He has personally experienced outsourcing when the Parks Service was contracted out of direct City Council control in the mid nineteen nineties to a commercial contractor, Brophy’s, who were a subsidiary of Severn Trent Water. The service was subsequently brought back into City Council control in 2000.

B H
Environmental Section - UNISON
Benchmark Authority
Career in Local Government since 1978. He has been an active trade union representative for twenty five years (both in NALGO, prior to 1993, and UNISON since). B’s occupational background is in Trading Standards and he has predominantly represented white collar, professional /clerical workers.

S H
Waste Management Shop Steward - UNITE
Benchmark Authority
A Refuse Collector in the Waste Management Division he has been a depot shop steward since the mid nineteen seventies. He has been involved in all the reforms that have affected the refuse collection service over the last thirty years, from the precursor of Compulsory Competitive Tendering (Competitive Tendering) in the mid nineteen eighties through to the introduction of Best Value under the Labour administration in 1997. S’s practical involvement in the key public sector reforms which brought in commercialisation to local government gives him a grass roots perspective that is shaped by how these changes have affected workers directly.

S F
Branch Secretary – UNITE
Benchmark Authority
S has been an employee with the City Council for thirty years. As a trade union representative he has risen from being a shopfloor steward to the Branch Secretary of UNITE. S has been actively involved in all the structural and organizational changes that have occurred in the City Council from CCT through to the present BEST process.
H H
Deputy Branch Secretary - UNITE
Benchmark Authority
He is Deputy Branch Secretary for UNITE and has been an employee of the City Council for over twenty five years before taking up his position as a full time representative. H has practical experience of both CCT and Best Value and has overseen the contracting process in roads maintenance. In his role as Deputy Branch Secretary Harry is party to all corporate employment relations issues that occur in the City Council. H is a panel member on the West Midlands Trade Unions Congress.

B F
Director of Employment Relations
Benchmark Authority
B started his career in 1974 in the Steel Industry. He held a generalist position as a Personnel Manager and with the decline of the Industry went to work for C County Council in the late 1970s. He held numerous positions from Organisation Design through to Employment Relations. When C County Council was abolished in 1996 he transferred to M Council where he was Head of HR and subsequently moved to a consultancy role where he oversaw the outsourcing of HR services. B has been Director of Employment Relations in the benchmark authority since 2001.

N B
HR Manager – Housing and Constituencies Directorate
Benchmark Authority
Career in Local Government since 1979. Started as a Trainee Personnel Officer with the City Council and has been promoted through the ranks to his present position of HR Manager. Extensive experience as an operational practitioner and has overseen areas subject to CCT.

M C
HR Manager – Fleet and Waste Management
Benchmark Authority
Career in Local Government since 1975. Started as a Trainee Personnel Officer with the City Council and has been promoted through the ranks. Extensive experience in dealing with Blue Collar workers and is recognized within the Council as an expert on manual terms and conditions of employment. His areas of work have been subject to CCT and he has overseen the transfer of workers under TUPE.

F F
Retired Director – Waste Management
Benchmark Authority
F retired in 1998 after a forty years’ service in benchmark authority. F began his career as a work study trainee and worked in the management services function until
the mid-1970s when he moved over to an operational role as a depot manager within the waste management function. He became a director in 1990.

**L T**
Operational Head of Fleet and Waste Management
Benchmark Authority
Career in Local Government since 1972. Started as a Trainee Work Study Officer with W M County Council. On its abolition in 1986 came to the benchmark authority initially as a Work Study Manager but subsequently becoming a Street Cleansing Manager in 1987. He has held a number of managerial positions within the Waste Management function. He has been personally involved in three bids under the tendering process of CCT. He is currently looking at the localization of waste management services at a constituency level.

**P G**
Street Cleansing Manager
Benchmark Authority
Career in Local Government since 1982. Started as a Beat Sweeper and progressed to driving a mechanical sweeper and gaining an HGV. In 1990 promoted to a Depot Street Cleansing Supervisor and in 2000 became Street Cleansing Manager for the City Centre. He has worked through three tendering processes for CCT.

**M N**
Refuse Collection Manager
Benchmark Authority
Career in Local Government since 1979. Started as a Trainee Work Study Officer and was in the function until 1984. Moved into Waste Management as a junior manager and subsequently was promoted to a Refuse Collection Manager’s position and is responsible for the south side of the City. He has worked through three tendering processes for CCT. He is currently responsible for looking at the localization of the refuse collection service at a constituency level.

**J M**
Head of Food – Public Health
Benchmark Authority
J joined the authority in 1977 as a trainee environmental health officer. She has worked her way up the career ladder, moving from an operational role as a practitioner, to her present role as head of food, responsible for food safety across Birmingham. In J’s present role she manages thirty environmental health officers.

**J Y**
Operational Head of Trading Standards
Benchmark Authority
J joined the council in 1972 as a trainee trading standards officer. He first started working at a district level involved in weights and measures and after ten years general experience pursued a management career within the trading standards function. He has headed up specialist an investigative unit in counterfeit merchandise, before his present role overseeing operational activities across the city.

R B
Head of Environmental Health – North
Benchmark Authority
Career in Local Government since 1961 as a Trainee Environmental Health Officer. Progressed through the management structure to become the Head of Environmental Health responsible for the north of the City. An acknowledged expert in statutory enforcement he sits on a national panel for Food Safety.

T M
Retired Head of Waste Management
Benchmark Authority
Career in Local Government since 1976. Prior to that he was a Personnel Manager at a Steel Foundry for ten years. He was appointed as Departmental Personnel Officer to the Environmental Services and in 1991 switched to the Waste Management function to become its Operational Head. He was one of the principal architects for managing the tendering process for CCT in the City. He retired in 1998.

M J
Retired Director of Waste Management
Benchmark Authority
Career in Local Government since 1968. Started as a Trainee Work Study Officer and for eighteen years rose within the function to a senior management role. In 1986 moved into Waste Management as a general manager overseeing strategy and subsequently was appointed Director in 1999. He oversaw the tendering process for three contract under CCT. He retired in 2006.

M Al
Councillor – Labour
Benchmark Authority
M has been a councillor since 1982. During Labour’s control of the council (1984–2004) he was the Chair for the Personnel Committee. Since 2007 he has been on: Equalities and HR Overview and Scrutiny; Personnel Appeals; and Appointments Committees.
P K
Councillor – Shadow Cabinet Member – HR - Labour
Benchmark Authority
P has been a councillor for seven years. P is a Shadow Cabinet member on the Human Resources Committee and is Labour’s spokesman for personnel matters in the benchmark authority. Prior to being an elected member Peter was a regional officer in T&GWU for thirty five years and was responsible for local government in the West Midlands.

C R
Councillor – Labour
Benchmark Authority
C became a councillor in 1987. For four years, when the authority was under Labour control, he was the Chair of the Personnel Appeals Committee which oversees disciplinary and grievance issues. With his chairing experience gained while on the committee, he is still remains a member on it.

M W
Councillor – HR Committee – Liberal Democrat
Benchmark Authority
M, a Liberal Democrat councillor has been an elected member for twenty years. M sits on the Personnel Appeals Committee that oversees disciplinary and grievance issues.

A R
Councillor – HR Committee – Conservative
Benchmark Authority
A has been a Conservative councillor since 1976. He has been a cabinet member since 2004 with special responsibilities for human resources and equalities matters. He is a practicing solicitor.

P A
Chief National Negotiator
UNITE
A trade union representative for thirty years he started as a regional organiser for agricultural workers in the South East. In the mid-eighties he was given responsibility for Local Government and for the last ten years he has been the Chief National Negotiator for UNITE and prior to this the T&GWU.
R J  
**Director of Research**  
**UNITE**  
R has been in the trade union movement for over the thirty years. With Amicus he was the Regional Organiser in the North West. In this role he took a particular interest in the NHS and the contracting out process that began in the 1980s. In the mid-nineties he came down to London to take up the role of Director of Research for Amicus and with the merger of Amicus and the T&GWU he has continued in this role.

A W  
**Regional Officer – West Midlands**  
**UNISON**  
A has been a trade union representative for over twenty five years. Starting as a steward in the 1980s at a local council and becoming a full-time official with UNISON in 1994. A was responsible for overseeing trade union affairs in the benchmark authority for over ten years. Her present role sees her responsible for dealing with local authorities in the western region (Hereford and Worcestershire) of the West Midlands.

R S  
**Regional Head of Local Government – East Midlands**  
**UNISON**  
Began his local government career in the late eighties as a graduate trainee mechanical engineer at a local council. Moved to a district council for more experience and in mid-nineties he took up a position as a third tier manager in a City Council. At the City Council he became a shop steward and in 2000 joined UNISON as a full time officer. In 2007 he became the Regional Head of Local Government in the East Midlands. As a trade union officer he has been heavily involved in Single Status and equal pay claims.

T J  
**Regional Head of Local Government – South East**  
**UNISON**  
T has been a trade union representative since 1978, when he joined NALGO. He has been a regional representative in the South East for UNISON for eighteen years. He has been a Labour Councillor in a Unitary authority for ten years. T has a Master’s in Industrial Relations.
R M
Midlands Regional Secretary
UNISON
R started his career as a Housing Officer in the 1980s at a West Midlands local authority before going on to work within the Trade Union Movement for the Public and Commercial Services Union. He then went on to work for the Trade Unions Congress in a number of policy roles before taking up his present position with UNISON. In the 1990s R was a Labour Councillor for six years. Roger has a Master’s in Industrial Relations and has been awarded the Order of the British Empire for his work in promoting equality in the workplace.

A I
Researcher -UNISON
A started her career in a Local government in 1976. First belonging to NALGO, where she was a shop steward and a departmental steward in a local authority. In 1994 became a full time representative in UNISON where she became a regional representative and is now a researcher with special responsibilities for local government.

A T
Branch Secretary – UNISON – Authority 7
A has worked at authority 7 since 1983. He started out his career in grounds maintenance and became a shop steward for his workplace. In the twenty six years at authority 7 he has risen to become the Branch Secretary. A has direct experience of CCT and has been involved in the defence of in-house services that have been subject to external commercial competition. He is currently engaged in equal pay claims under Single Status.

T R
Full Time Regional Officer – UNISON Midlands
T started his career in Social Services and became an active trade union member becoming a shop steward for NALGO. In the mid-nineties he became a full-time representative working for UNISON in the West Midlands, where for the last twelve years he has been responsible for local government.

S C
Chair of HR Committee and Committee Member on the General Assembly of the Local Government Association
Authority 2 and Local Government Employers
S has been involved in local government politics since 1983 as a Liberal Democrat Councillor in authority 2.
S is currently the Chair of the HR Committee at authority 2 and is on the General Assembly of the Local Government Association which oversees pay and conditions in local government. S is a shop steward with the Public and Commercial Services
Union and he is a manager in the Borders Agency.

L H  
Chief Officer of Human Resources  
Authority 3  
Twenty nine years local government experience starting at D Council as a Trainee Personnel Officer moving on to North East as a middle manager and coming to authority 3 as Chief Officer in 2004.

J R  
Head of Human Resources  
Authority 4  
Started career in the Railway Industry in the 1970s in Derby and took redundancy to go back to university. Started his career in Local Government in the mid-eighties as a Trainee Personnel Officer with N City Council going up the promotional ladder until he was Head of Employment Relations in 1993. In 1997 was appointed Head of Human Resources at authority 4.

B M  
Director of Customer and Workforce Services  
Authority 5  
Career in Local Government for the last twenty five years. Started as a Trainee Personnel Officer at S Council and subsequently has worked at K Council, M K, and authority 5. Her roles have been principally strategic HR Management addressing change and business transformation.

R W  
Head of Human Resources  
Authority 6  
R started his local government career thirty years ago. His first job was as a driver in the Social Services Department of N Council. He became a shop steward in NUPE and rose to become the NUPE Branch Secretary for N. He left the Trade Union Movement when UNISON was formed in 1993 and went into Personnel Management. He worked for N City Council for twelve years beginning as a personnel officer in an operational role but eventually becoming a corporate employment relations manager covering the whole of the City Council. In 2006 he joined authority 6 as Director of Human Resources.

A D  
Chief Human Resources Officer  
Authority 7  
A has been a personnel practitioner for thirty years. She has worked in two local authorities in the Midlands, both at an operational and corporate level. In the last fifteen years she has focused on corporate employment relations and has been the
principal architect for guiding her present council through Single Status. Anne has overseen development of commercial partnerships in the provision of local services. She is actively involved in the community and is a governor at a local college.

S B
Deputy Head of Employment Relations
Authority 7
Began her local government career at W Council in 1985 as a graduate trainee. She worked in corporate policy for a few years. Went to work for a community organization which was funded by a trade union which looked at health inequalities. Joined authority 7 in 1989 and worked in equalities and then moved into a generalist personnel role before specializing in employment relations.

S R
Head of Occupational Health and Safety
Authority 7
Started in Local Government in 1982 as a Trainee Health and Safety Officer with B Council. Promoted to a Departmental Health and Safety Officer’s position in 1990 and moved to authority 7 in 2001 to take up the role of Head of Occupational Health and Safety covering the whole of the City. Extensive advisory experience in examining working practices connected to labour intensive and mechanized services like waste management and road maintenance.

G H
Corporate Director (People, Policy and Communications)
Authority 8
Twenty three years in Local Government. Started at O Council as a Trainee Personnel Officer and was promoted to Principal Personnel Officer. Moving South to H Council in the mid-nineties and becoming an Assistant Director of HR at H Council in 1999. She has been at authority 8 since 2005. In the last ten years she has specialized in organizational transformation. She has been the President of the Public Sector People Managers’ Association.

A B
Corporate Director of Personnel and Development
Authority 9
A started her career as a trainee personnel officer in the early 1980s. She has primarily worked for the Public Sector, and during the early 1990s worked as a self-employed HR consultant for five years, advising small and medium size enterprises. A worked for three years as Head of HR for Transport for London and came to authority 9 in 2004.
P R
Head of Employment Strategy
Authority 9
Started in local government in the late 1980s. Has worked at authority 9 his entire career starting as a trainee and gaining promotion through the organization. P has worked in several departments from Education to Social Services and for the last ten years has been in a central human resources corporate role.

C W
Director of Local Government Services
West Midlands Local Government Association
C’s career as an employment relations practitioner started thirty years ago as a trainee personnel officer at a council in the West Midlands. After a number of promotions within the HR function came to the WMLGA in 1990 as an adviser in employment relations. C was heavily involved in advising local authorities on Single Status and has been the Director of the WMLGA for ten years.

D H
Head of Employment Relations
West Midlands Local Government Association
Career in local government since 1995. Prior to this worked in the Retail Industry as a Personnel Officer. First local government position was with one of the West Midlands authorities in which she did a generalist role. Went on a secondment to the West Midlands Local Government Association in 2000 and after year decided to remain on a permanent basis. D was made Head of Employment Relations in 2007. D has extensive experience of Single Status and equal pay issues.

S M
Head of Employment Relations
Local Government Association - North
Career in Local Government since 1993. Started at C Council as a Personnel Manager within the Social Services Department. Prior to this she had worked at Monsanto the Agri-chemical conglomerate as an HR manager. In 1995 moved to L Council as an Employment Relations Manager and in 2004 moved to the Local Government Association. She has been Head of Employment Relations since 2007.

C N
Retired Executive Director
Local Government Employers
C has forty years local government experience. Since 1973 C has worked for all the local government negotiating bodies, firstly with The Local Authorities’ Employers Organisation, then with the Local Government Management Board, and finally the Local Government Employers from which he retired in 2004. In 2007 he was
elected onto The European Public Sector Employers’ Federation. C has been a principal player in all the national negotiations for the last thirty years and had a pivotal role in the national Fire Service Dispute in 2003.

P W  
**Head of Negotiations**  
**Local Government Employers**  
P started his career in Local Government in 1978 as a personnel officer. In 1989 he joined The Local Authorities’ Employers Organisation as a negotiator and for the last ten years has been the Head of Negotiations at the Local Government Employers. P in the last twenty years has been party to all the national negotiations in local government.

H H  
**Principal Negotiator**  
**Local Government Employers**  
H has ten years’ experience as a negotiator at the Local Government Employers. H’s role has been to act as a facilitator in compiling data and researching pay claims.

S B  
**Chair**  
**Local Government Employers**  
S has been connected with local government for over the thirty years as both a worker and a politician. He started in the mid-seventies as a policy officer in the GLC where he was particularly interested in transport. He was at the GLC until its abolition in 1986 and he then went to work for the Local Government Association where he did a training role. His political career started in 1982 when he was elected a Labour councillor at Lewisham. As a councillor he was involved in the finance, education, and leisure committees. He became Deputy Leader and then Leader of Lewisham in 1988. In 2002 he became a directly elected Mayor of Lewisham and he was subsequently re-elected for a second term in 2006. Presently he is the Chair of the Local Government Employers which oversees the national pay and conditions within local government.

M M  
**Chair of HR Committee and Committee Member on the General Assembly of the Local Government Association and Local Government employers**  
A Conservative Councillor in [name of authority] for thirty years, she has been involved in local government employment relations at an authority, regional, and national level for the last twenty five years. She is currently on the national negotiating committee.
Appendix Three – Interview Questions

Corporate Management

What impact does the local government national collective bargaining framework have on defining the conduct of employment relations in your authority?

What do you perceive to be to the advantage or disadvantage of your authority staying within a national collective bargaining framework?

In the time you have been employed in local government what changes have you observed in the procedural and substantive collective bargaining arrangements?

How far have Central Government’s reforms shaped national conditions of service in the local government?

How has, if at all, national collective bargaining been affected by the commercialisation of local government services?

What impact did Compulsory Competitive Tendering have on shaping local government employment relations policy and what effect did it have in defining the process of collective bargaining?

What impact has ‘Best Value’ had on shaping employment relations policy and collective bargaining outcomes, and how does it differ from Compulsory Competitive Tendering?

What effect (if any) has Compulsory Competitive Tendering and ‘Best Value’ had on your relationship with the trade unions?

Over the time you have been employed in local government have you perceived that there has been an erosion of the national collective bargaining machinery? If you have, what are the consequences of this erosion?

As an employer do you feel that the national collective bargaining framework is an important foundation for the promotion of joint regulation in the local government workplace?
Trade Unions

Has the national collective bargaining framework in local government been an important mechanism for trade unions securing and improving their membership’s interests?

What if any, do you see as being beneficial in maintaining and promoting the national collective bargaining framework from the trade unions’ perspective?

Have you experienced erosion in the local government national collective bargaining framework and if so how has this manifested itself?

What impact did Compulsory Competitive Tendering have on shaping local government employment relations policy and what effect did it have on defining the process of collective bargaining?

What impact has ‘Best Value’ had on shaping employment relations policy and collective bargaining outcomes, and how does this differ from Compulsory Competitive Tendering?

What effect (if any) has Compulsory Competitive Tendering and ‘Best Value’ had on your relationship with management?

Over the time you have been a trade union representative how have Central Government’s public sector reforms affected the nature of collective bargaining in local government from your perspective as a trade unionist?

Have you seen a growth in local collective bargaining and if so has this presented an opportunity or threat to trade union organisation?

Have you noted a change in the way in which substantive and procedural arrangements are negotiated in local government?

As trade unionists do you feel that the national collective bargaining framework is an important foundation for the promotion of joint regulation in the local government workplace?
**Human Resource Management**

What role has national collective bargaining had in shaping HR practice in local government?

What role does the HR function have in the process of joint regulation in the local government workplace?

What impact has Central Government’s reforms in local government had on shaping HR practice and its role in the collective bargaining process?

What impact did Compulsory Competitive Tendering have on shaping local government employment relations policy and what effect did it have on defining the process of collective bargaining?

What impact has ‘Best Value’ had on shaping employment relations policy and collective bargaining outcomes, and how does this differ from Compulsory Competitive Tendering? What effect (if any) has Compulsory Competitive Tendering and ‘Best Value’ had on your relationship with management and trade unions?

As an HR practitioner what changes have you noted in the nature of the collective bargaining process and its impact on the conduct of employment relations in local government?

Does national collective bargaining reinforce or dilute the status and professionalism of the HR function in local government?

Is the national collective bargaining framework an important foundation stone or a strait jacket in shaping the outcomes of the bargaining process between the individual local authority and the workforce within it?
Elected Members

How do you think that the local government national collective bargaining framework has affected the implementation of local political objectives?

Do you see the national framework as a conduit or constraint on the development and implementation of locally defined political objectives?

Do you see national collective bargaining as an extension of central government’s control on local authority autonomy or an important mechanism for reflecting the collective interests of local authorities across the UK?

What impact did Compulsory Competitive Tendering did have on shaping employment relations policy in local government?

What impact has ‘Best Value’ had on shaping employment relations policy and how does this differ from Compulsory Competitive Tendering?

What effect (if any) has Compulsory Competitive Tendering and ‘Best Value’ had on your relationship with trade unions and management?

In the time you have been involved in local government politics what changes have you noted in the conduct of employment relations?
Local Government Employers

What role has centralised national collective bargaining had in shaping employment relations policy in local government?

Why has centralised national collective bargaining continued to survive in local government?

What benefits does a national collective bargaining framework bring to local authorities?

Why did some local authorities leave the national framework?

Why did most local authorities that left the national framework subsequently return?

What impact did Compulsory Competitive Tendering have in shaping local government employment relations policy, and what effect did it have on defining collective bargaining?

What impact has ‘Best Value’ had on employment relations policy and collective bargaining outcomes, and how does this differ from Compulsory Competitive Tendering?

What effect (if any) has Compulsory Competitive Tendering and ‘Best Value’ had on your relationship with employers, trade unions and politicians?

How far has central government influenced the locus of collective bargaining in local government?