

Leadership and Systems of Governance: The Constraints on the Scope for Leadership of Place-Based Development in Sub-National Territories

GILL BENTLEY*, LEE PUGALIS+ and JOHN SHUTT^

**Birmingham Business School, University of Birmingham, Edgbaston, Birmingham, B15 2TT, UK. Email: g.a.bentley@bham.ac.uk*

+Institute for Public Policy and Governance, University of Technology Sydney, City Campus, 15 Broadway, Ultimo, NSW 2007, Australia. Email: lee.pugalis@uts.edu.au

^ Leeds Business School, Leeds Beckett University, City Campus, Leeds, LS1 3HE, Email: j.shutt@leedsbeckett.ac.uk

BENTLEY G., PUGALIS L. and SHUTT J. A triadic conceptualization of leadership, governance systems and central-local relations is constructed in order to aid understandings about the influence of systems of governance on the scope for place-based leadership. Deploying the dual concepts of ‘permissibility’ and ‘acceptability’ provides an innovative analytical device for deciphering the actually existing nature of place-based leadership. Recently initiated public-private-partnerships in one of the OECD’s most centralized countries are analysed to articulate characteristics of controlling mechanisms of the national system of governance which shape the degree of autonomy of leadership of city and regional development in sub-national terrains.

Leadership Governance Sub-national scale City and regional development

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INTRODUCTION

There is a growing interest in the role of leadership in city and regional development – burgeoning from business and political science theories of different styles of leadership in organizations (NORTHOUSE, 2013; STIMSON *et al.*, 2009; COLLINGE and GIBNEY, 2010; COLLINGE *et al.*, 2011; SOTARAUTA *et al.*, 2012; BARBER, 2013; BEER and CLOWER, 2014; THORKILDSEN, KAULIO and EKMAN, 2015). BEER and CLOWER (2014) stress the decisive role of leadership in realizing regional development ambitions. Armed with literature from global institutions, among them the OECD (2009; 2012) and MCKINSEY & CO (1994), they place emphasis on the importance of city/regional leadership as an enabler of the growth of places. BEER (2014) directs attention to leadership and governance in rural areas of Australia, to begin to construct an argument about the relationship between the system of governance¹ and locally-sensitive modes of place-based leadership. His research highlights that in Australia, as in other nations, in order to resist central government edict and manage conflict, leaders of place have to negotiate with central government so as to be able to shape local policy. As BEER (2014, p. 254) states, ‘this may be the only way local residents can influence policy outcomes and, in the longer term, the persistence of local leaders may overcome a dominant and *controlling centralized state*’ (emphasis added).

This observation focuses attention on the role of governance systems at the national scale in influencing the scope for leadership of development sub-nationally² and, particularly, in centralized nations, such as the UK (HOC (HOUSE OF COMMONS), 2014). Indeed, as BEER (2014, p. 260) notes, ‘leadership at the regional or local scale is a more challenging proposition in highly *centralized systems of government* when compared with nations such as the United States where powers are devolved’ (emphasis added). The implication is that in more decentralized nations, where powers are devolved to sub-national scales, the scope for leadership is greater. This is a moot issue in contemporary UK territorial policy and politics, where steps have been taken to devolve bespoke powers, flexibilities and responsibilities to selective sub-national governing bodies, in particular, to new growth coalitions (ROSENTRUB and HELMKE, 1996) comprising groupings of local councils (known as Combined Authorities) and public-private partnerships (known as Local Enterprise Partnerships) (PUGALIS and TOWNSEND, 2014) under the auspices of ‘devolution deals’.

While BEER (2014, p. 260) analyses the politics of the scope for local leadership through empirical work³, he suggests that what is required is a more overt articulation, in conceptual terms, of the relationship between national governance systems and leadership at sub-national scales. The aim of the paper is to improve existing comprehensions of the mechanisms utilized by national government under different systems of governance and how they enable/constrain the scope for leadership in sub-national governance bodies. This task is not without significant difficulty; the terms of the debate need to be clarified – leadership, governance systems and central-local relations – to discern how leadership is facilitated or impeded at sub-national scales through the practice of growth coalitions. Ambiguity needs to be avoided, in order to help achieve greater analytical precision to enable the specification of

the impact of the national system of governance on the scope for leadership of development at sub-national scales.

This paper begins by constructing a triadic conceptualization of leadership, governance systems and central-local relations, as a basis for the ensuing deliberation about the influence of systems of governance on the scope for place-based leadership. The proposition is that if leadership is defined in terms of the power and autonomy to make choices and decisions on strategy and action by sub-national bodies to achieve place-based objectives⁴, it could be expected that devolved, decentralized or localist systems of governance, provide greater scope for place-sensitive leadership in the development of strategies and action in sub-national territories. Conversely, it is also contended that centralist systems of governance weaken leadership capacity in sub-national terrains (WILSON, 2003; BEER, 2014; GRIGGS and SULLIVAN, 2014). Indeed, the concentration of fiscal, regulatory and policy tools in centralized systems can inhibit place-based leadership – circumscribing the room to manoeuvre. In effect, this can engender a situation where city and regional leaders are expected to lead with one or even both hands tied (MARSHALL and FINCH, 2006). However, this is not the only means by which a centralized system of governance might limit the scope of leadership at sub-national scales. Thus, the question arises of what mechanisms does a centralizing government use to exercise control over sub-national governance bodies and how do these affect leadership capacity?

A case study approach involving deductive and inductive methods is deployed to address such questions. This represents a grounded theory approach⁵ in which hypotheses for testing may be set but which also aims to ‘generate ideas, concepts and categories, from an analysis of data to discern patterns and relationships to derive hypotheses for subsequent testing’ (GLASER, 1992). The paper then moves on to recount a policy narrative of the Local Enterprise Partnerships (LEPs) in England as localist vehicles, which in principle ought to engender strong leadership at sub-national scales (LIDDLE, 2012; PUGALIS *et.al.*, 2014). Challenging the seductive localist discourse, it is argued that the UK can nonetheless be characterized as having a centralist system of government with the effect that that the LEPs are subject to unyielding central controls. The case of LEPs, therefore, provide a lens through which to identify the mechanisms by which central government exercises control over supposedly autonomous, ‘locally owned’ sub-national development structures. Illustrative of the intricacies of central-local relations, the case study helps to illuminate the actually existing *control-enabling mechanisms* of the central state. In addition, it is useful in elaborating and explicating the dual elements of centralist and localist systems of governance as they constrain, enable and/or influence the capacity and practice of leadership by sub-national bodies.

The paper invokes the twin concepts of ‘permissibility’ and ‘acceptability’ to enrich the analysis. It is contended that central governments that preside over and/or engender an overbearing institutional framework of controls, but which represent variable degrees of *permissibility* (consistent with the notion of a democratic state), will enrich and strengthen the scope for leadership by sub-national bodies. However, the scope for strong leadership will

also be dependent on the *acceptability* of the degree of the restrictions on decision making on strategy and action. If the controls or conditions are not *acceptable* to the sub-national body, this will weaken the power of the leadership to shape strategy and action at the sub-national level that address local needs and priorities (i.e. hindering place modes of leadership). Simultaneously, the possibility arises that a high degree of permissibility leads to a weakened leadership. In part this is due to uncertainty of the scope for leading on strategy and action and can result in inaction.

Findings from the case study suggest that the mechanisms that are constitutive of the capacity for leadership at sub-national scales include: the degree of statutory controls; the degree of fiscal autonomy; control over finance, budget and resources; and the degree of scrutiny and oversight of strategies. The syncretization of theoretical debates and new conceptual insights generated in this paper are anticipated to be of significance to researchers operating in both centralized (e.g. New Zealand, Greece and Portugal) and decentralized (e.g. Australia, Germany, and Italy) states.

A TRIADIC CONCEPTUALIZATION OF LEADERSHIP, SYSTEMS OF GOVERNANCE AND CENTRAL-LOCAL RELATIONS

Spatial terms, such as place and territoriality, according to AGNEW (2013, p. 2) ‘offer a profitable theoretical lens through which to analyse the workings of governance and politics’. This helps in the construction of a conceptual triad – leadership, systems of governance and central-local relations – with which to comprehend the scope for leadership of place-based development across sub-national territories under both centralist and localist systems of governance.

Place-based development

Recently, attention has shifted to focus and re-focus on ‘place-based’ approaches to city and regional development, in part to address critiques of place-blind and traditional regional policy approaches (BENTLEY and PUGALIS, 2014; AVDIKOS and CHARDAS, 2016). According to some it represents a paradigm shift not only in articulating and comprehending urban development dynamics, but also in the form and nature of development strategies (BARCA, 2009; OECD, 2011). Place-based narratives have helped to re-affirm that *place matters* and that the development of place is historically contingent (PASSI, 1991; JONES and WOODS, 2013; MENDEZ, 2013; PUGALIS and GRAY, 2016).

Readings of place-based development tend to stress the need for what can be described as networking and collaborative approaches to governance, given that there is often a disjunction between scale geographies of production and consumption and existing territorial geographies of governance (BARCA, 2009; HEALEY, 2007; PUGALIS and BENTLEY,

2014b). Indeed, the observation that problems extend beyond territorially defined boundaries focuses attention on the importance of relational geographies as a means of informing the construction of scales of cooperative governance and policy development. These often operate in ‘softer’ forms in tandem with ‘harder’ spaces of government (ALLMENDINGER and HAUGHTON, 2009; HAUGHTON *et al.*, 2013), where geographies of intervention and action are defined through the policymaking process.

Diverse stakeholder involvement is often a primary aspiration of place-based development ideals (BARCA, 2009; PUGALIS and GRAY, 2016; TOMANEY, 2010). Stakeholders who are members of leadership structures are drawn from agencies and networks in a wide geographical area in a relatively unbounded territory to devise and implement strategies to achieve place-based development goals. Governance in this case, refers to a pattern of ‘horizontal’ governance; that is, it refers to the relationship between sub-national actors. Conversely, national-local intergovernmental relations can be referred to as ‘vertical’ governance (see figure 1, which diagrammatically illustrates these two spheres).

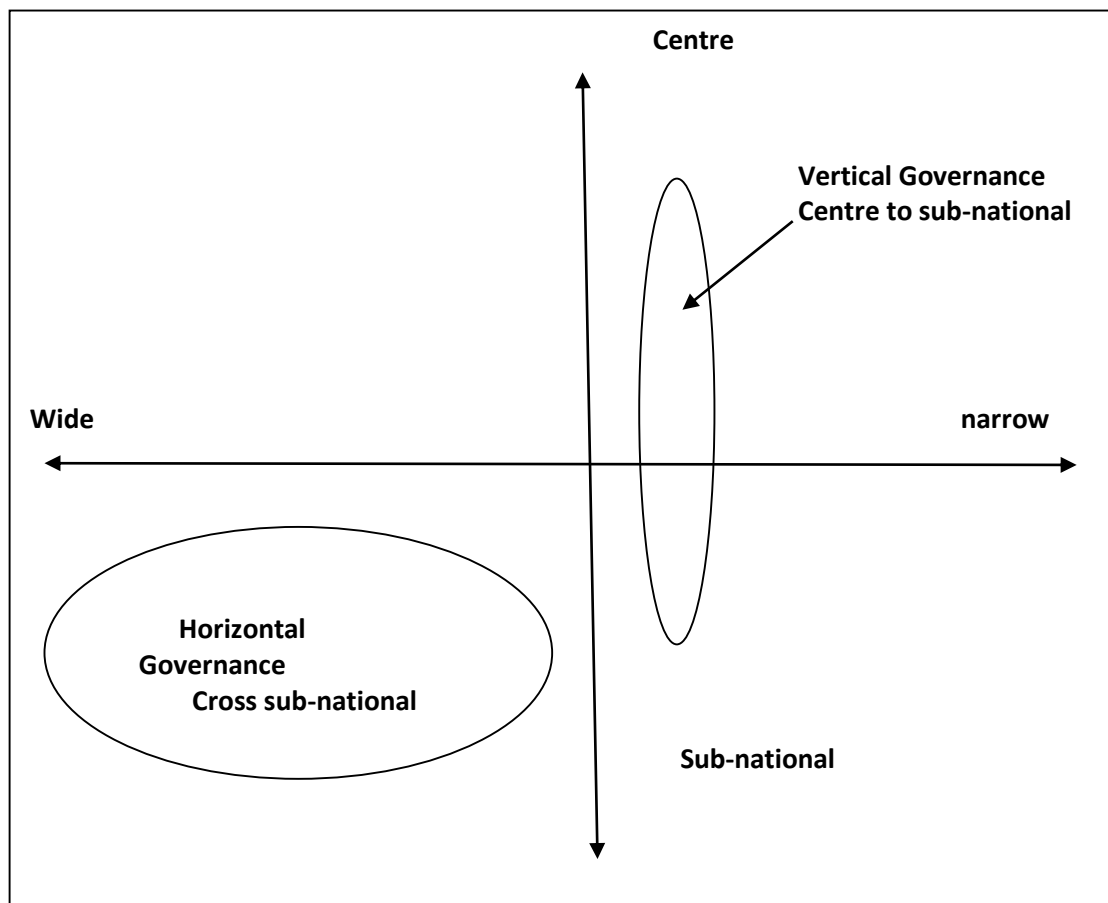


Figure 1. Horizontal and vertical governance

However, it should not be neglected to note that higher level scales of government (e.g. national government) can and, often, do participate in horizontal spaces of governance, in which case a pattern of multi-level governance⁶ might be discerned⁷ (NUGENT, 2003). The national scale nonetheless exerts control over sub-national governance structures, but it is dialectically related to the national system of governance. In this sense, ‘the present scalar location of a given regulatory process is neither natural nor inevitable’ and, as PECK (2002, p 340) goes onto argue, it ‘instead reflects an outcome of past political conflicts and compromises’. This, in turn, calls for a proactive role for the leadership of governance structures in the process of city and regional development. The paper now turns to discuss the nature of leadership.

Leadership

There is a very extensive literature about leadership in organizations, conceptualised from a number of different theoretical bases (NORTHOUSE, 2012, p. 5). But there is no attempt made here to provide a comprehensive review of this body of work. Rather, the key concern is to analyze the extant conceptual and empirical literature on leadership that either directly engages with the notion of place or generates implications for leadership in and of place.

Leadership is commonly thought of in terms of the ‘individual as leader’. Trait theories, for example, suggest that individuals display attributes which propel them to ‘lead’ a group of ‘followers’ (ZARROCO, 2007). Contrasting theories encompass the view that leaders are not born, but rather leadership attributes are developed over timespace and, in addition, that leadership can be learned but, moreover, that it is situational (BLANCHARD, *et al.*, 1993). Beyond distinctions between ‘leader(s)’ and ‘leadership’, the above theories of leadership allude to the contextual complexities of leadership. Thus, some work has placed emphasis on evaluating the behaviour of effective leaders, in order to define a set of behaviours that signify effective leadership (HERSEY *et al.*, 2008).

Leadership, however, has also been defined as a process whereby ‘an individual influences a group of individuals to achieve a common goal’ (NORTHOUSE, 2012, p. 5). Leadership can be emergent, where authority is assumed or afforded within the group to an individual but also to a set of individuals⁸. Leadership such as this, rather than being transactional, is transformational since leaders are charged with identifying the need for change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of the group (BURNS, 1978). A further tenet of leadership is that it involves taking responsibility for making choices and ultimately decisions, which are subsequently enacted. Such propositions are particularly relevant to the consideration of leadership in city and regional development (COLLINGE and GIBNEY, 2010; COLLINGE *et al.*, 2011; GIBNEY, 2014; LIDDLE, 2012; see BEER and CLOWER, 2014 for a comprehensive review).

BEER (2014) contends that that leadership matters to place-based development – a vital component of tailoring policies to the specificities of place. In particular, place-based leadership is considered to improve the capacity to generate future-oriented spatial visions as

well as increasing the likelihood of realizing visions. It could also be argued that the leadership of cities and regions is much more complex and opaque than in linear organizations, such as corporations or governments, as it is a constellation of interests and reciprocal relations sensitive to the vagaries of ‘mutual trust’. Thus, while leadership is commonly defined in terms of ‘a process of social influence in which *one person* can enlist the aid and support of others in the accomplishment of a common task’ (ROBINSON, 2009, p.1, emphasis added) leadership can also refer to the exercise of *leadership by a collective*. STIMSON *et al.* (2002) concur with this reading of leadership by recognizing the importance of ‘collective relationships’ alongside more traditional ‘hierarchical relationships’. Collective forms of leadership would, therefore, appear to be in accordance with notions of collaborative governance (ANSELL and GASH, 2008). Yet, there are some important conceptual, analytical and practice differences that require collaboration – an issue also raised by SOTARAUTA (2014) and BEER (2014).

SOTARAUTA (2014, p. 28) recognises the connection between leadership and local/regional development but considers the link between leadership and governance as something of a ‘black box’. He contends, given that ‘collaboration emerges in many studies as being crucial in place-based leadership ... leadership ought not to be defined through it’ (SOTARAUTA, 2014, p. 29). Sotarauta’s suggestion is to replace the notion of ‘leadership’ with that of ‘partnership’, whereby ‘governance’ would be defined in relation to partnership: ‘[i]f we defined partnership as “the tendency of the community to collaborate” and governance by saying that “it will not be based on traditional hierarchical relationships”, this would make a lot of sense’ (SOTARAUTA, 2014, p. 29).

An alternative proposition is to apply the term governance to the *process* of dialogue in formulating strategies, discussing actions to be undertaken by actors⁹ who are not necessarily or likely to be making decisions. Given that place-based modes of development emphasize shared responsibilities and multi-actor working relationships or, in other words, *collaborative governance*, according to SOTARAUTA (2014), it is less circumscribed by hierarchical relationships¹⁰ (although such theorizations are often less discernable in practice). In this sense, collaborative governance applies to the pattern of *horizontal* governance, as noted above, and is similar to what SOTARAUTA (2014) refers to as partnership. Therefore, collaborative governance can be taken to refer to the process of dialogue over devising strategies, and identifying, overseeing and implementing activities. This involves various tasks including ascertaining the perceived interventions required, producing visions, exploring policy options, securing development finance and mobilizing resources.

Based on this reading, leadership could be (re)conceptualised as the capacity of the coming together of *actors* to realize (collaborative governance) ambitions. Hence, leadership refers to the collective power of actors to make decisions on strategy and execute actions. HORLINGS (2010) concurs, in theorizing leadership as a multi-tiered activity that has the aim of creating the ‘capacity to act’. SOTARAUTA *et al.* (2012, p.5, emphasis added) reaffirm such a perspective, stating that ‘leaders are people who have the potential to organize and reorganize social action with an ambition to change the institutions in which the factors that affect

sustainable regional development are *embedded*'. The last point concerning embeddedness is crucial to understandings of place-based leadership as it recognises that actors have spatial being – they are not necessarily rooted in one particular place, but nevertheless are always in place (CASEY, 1993).

Accordingly, given the role of actors in leading on decision-taking, the question arises of *who* makes the decisions: an individual (a leader) or a collective (leaders). It is clear that decisions could be taken by a *leader* and, in the case of city and regional development, by a particular type of leader, such as elected mayors invested with democratic leadership credentials. The growing literature about the decision-making power of city/metro mayors often draws attention to trait and behavioural theories of these 'charismatic' individuals; see for example cases from New York, Barcelona and London (BARBER, 2013; GASH and SIMS, 2012). Yet, this heroic type of leader is often one of many leaders (i.e. enmeshed in a heterogeneous constellation of leaders), whereby decisions are informed by and executed by a range of actors engaged in the process of collaborative governance of city and regional development. In this sense, pivotal leadership figures are often the 'front' for more complex forms and patterns of leadership behind the scenes. Thus, it can be argued that city and regional development leadership is exercised by individuals via a process of collaborative governance. This recognises that a group of actors is involved in the design and delivery, or 'co-production', of place-based development strategies. Hence, leadership is exercised through the governance process, which involves both individual and collective patterns of leadership.

Systems of Governance

Critical to the power and autonomy of leadership at sub-national scales is the degree of centralization and the mechanisms that the central state utilizes to control/manage sub-national governance structures. Conversely, decentralization and/or devolution imply a greater degree of autonomy for sub-national governance structures (PRATCHETT, 2004; TSUKAMOTO, 2012). Therefore, ability of sub-national bodies to take decisions on strategy and effect action is affected by the degree of autonomy of the governance structure at the sub-national level vis-à-vis central government. BEER (2014, p. 254), in raising the point that the system of governance at the national scale matters to place-based leadership, comments that centralized systems of government generate weaker patterns of leadership pursued by sub-national bodies. Conversely, it could be inferred that there exists capacity for strong place-based leadership in localist systems of governance. Thus, what might be characterized as the *system* of governance – on a continuum from centralism to localism – is a determining factor of the scope for place-based leadership of sub-national bodies. It could be conceptualized that there is weak leadership at sub-national level under centralized systems of governance and scope for stronger leadership under localist systems of governance. However, such relationships are not simply linear. For example, it is possible that strong place-based leadership can exist under centralizing systems of governance. Table 1 illustrates the possibilities for the capacity of place-based leadership in governance structures in sub-national territories under centralizing and localizing systems of governance.

Table 1. Strength of Local Leadership by System of Governance

Strength of Sub-national Leadership	Strong	New Centralism: Controls (a targetry regime) which provides the sub-national level with a framework for decisions on strategy and action in relation to local development.	Devolution: (Localism) All powers and resources devolved to the local level; Sub-national level can make decisions on strategy and action in relation to local development
	Weak	Centralism: Sub-national level to administer and discharge nationally devised policy programmes and political projects. Cannot make own decisions on strategy and action in relation to local development.	Decentralization: (Conditional localism) Some powers and resources given to the local level; Sub-national level can make some of the decisions on strategy and action that it wants to take on sub-national development but this is conditional on delivering outcomes centre requires.
		Centralist	Localist
		System of Governance	

As the conceptual schemata represented in table 1 indicates, leadership capacity is theorized to be strongest where powers and resources are devolved to sub-national governance structures, a characteristic of federal states, for example. HILDRETH (2011) terms this ‘representative localism’, illustrated by sub-national actors or spaces of governance having a clear constitutional position in a democratic system. What could be termed ‘representative leadership’ is reflected in some European and US experience, where directly or indirectly elected mayors are perceived to offer enhanced scope for transparency, advocacy and strategic capacity (TRAVERS, 2002). For PRATCHETT (2004), localism invokes the notion of freedom from interference by central government, this providing scope for styles of leadership to emerge across sub-national scales, which reflect the particularities of place, whilst enabling strong leadership to address sub-national development priorities. Commensurately, it is possible that localist systems of governance also engender weak leadership capacity or, in other words, ‘conditional localism’¹¹. The concept implies some scope for the exercise of leadership at sub-national scales since the central authority decentralizes power, subject to particular conditionalities. Power to make decisions and take action is conditional; it is dependent on the local level supporting the policy objectives and delivering outcomes the centre requires (HILDRETH, 2011, p. 704).

Centralism implies that sub-national scales of governance operate within particular strictures as specified by central government. Within such systems of governance, it is typical for sub-national development bodies to administer and discharge nationally-devised policy-programmes and political projects. This tends to be characterized by more muted forms of place-based leadership at sub-national scales (WALKER, 2004). In England, Regional

Development Agencies faced criticism in this respect (PEARCE and AYRES, 2009). It is possible nonetheless that place-based leadership can flourish in centralized systems of governance. CORRY AND STOKER (2002) posit a '*New Centralism*'¹² which they typify as a 'steering centralism'. While it involves what they perceive as a debilitating 'targetry regime', it affords some autonomy at sub-national scales. The same point can be made in relation to EU Structural Funds which are criticized for the conditionalities imposed by an inflexible target and monitoring regime (DĄBROWSKI, 2011). An alternative perspective is that of 'steering' from higher levels of government which provides a consistent framework for sub-national constellations of actors. This would appear to be particularly attractive when such sub-national development structures are bereft of a statutory personality and a clear legal basis. Enhanced 'policy coherence' from centre to local level, is one of the primary rationales for central steering.

BEER and CLOWER (2014) point out that the eclectic interests of the regional development community has generally eschewed normative questions on the role of agency in studies of local/regional development and, as SOTARAUTA (2014, p. 29) asserts, this has left the discussion of the concept of power to be addressed by sister disciplines, such as political science. However, related to the notion of leader/leadership in city and regional development, the question can be asked of how the power to lead and make decisions at sub-national level is derived to enable leadership. As captured by the notion of the pattern of vertical governance, it is encompassed by the introduction of the concept of intergovernmental relations (RHODES, 2003; CORRY and STOKER, 2002; MORPHET, 2007).

Central-Local Relations

Systems of governance at sub-national scales, defined in terms of horizontal power relations particularly as it applies to cities, help in the understanding of central-local relations (HLEPAS and HEINELT, 2006). Regime theory, arguably synonymous with the concept of collaborative governance referred to above, recognizes the complexities of forming governing coalitions between diverse societal actors, including private interests (STONE, 1989). STONE (1989, p 3) argues that regimes 'have access to institutional resources; they are the most powerful people who come together to solve public problems; and they have more power together than if they tried to govern alone'. The concept of 'growth coalition' (JOHN, 2001) which is more apt here, refers to the role of power elites in co-ordinating action to propel the economic 'growth machine' (MOLOTCH, 1976), whereas regimes often concern a broader array of policy areas, such as, education and transport.

MOURITZEN and SVARA (2002) posit different forms of local government leadership, defined in terms of different types of political leadership which relate to the extent to which there is a majority political power and the extent to which politicians control the executive: a strong mayoral form; a committee-leader form; a collective form and a council-manager form. The latter represents the case where power is concentrated in the hands of the executive rather than the politicians. Each of these distinct forms of local government leadership can influence the nature of central-local relations. For example, it is often implied that a visible

mayor with executive powers is able to negotiate a high degree of access to ministers, whereas a council-manager may be anticipated to generate more traction with central government departments.

BEVIR (2012) draws attention to centre-local relations, the political and administrative relationships that exist between a central state and the sub-national governments within its territorial borders. This relationship is contingent and reflective of the allocation and overlap of functions and duties, the degree of discretion in terms of fiscal, statutory and policy responsibilities, and institutional relationships (PAGE and GOLDSMITH, 1987). Bringing in an international dimension they argue that local governments in countries in Northern Europe are allocated a high number of functions, a high level of discretion to discharge their responsibilities and a low level of access to national level, this because they do not need to lobby central government. However, as SELLERS and LIDSTRÖM (2007) argue this is not the case; power is mediated. In a discussion about the reconciliation of national and local roles in an egalitarian welfare state they suggest that ‘local government would be given administrative and fiscal capacities to implement policies... national government would employ legal mandates, administrative supervision and fiscal incentives to control this pursuit from above’ (SELLERS and LIDSTRÖM, 2007, p 612).

In this respect, PIERRE (2000) emphasises that the resolution of complex public problems in variable spatial contexts requires sophisticated policy co-ordination. RHODES (1997, p15) considers that to achieve this requires ‘self-organizing, interorganizational networks characterized by interdependence... and *significant autonomy from the state*’ (emphasis added). This raises other considerations about the nature of that autonomy.

Permissibility and Acceptability

Deploying the dual concepts of ‘permissibility’ and ‘acceptability’ provides an analytical device for deciphering the actually existing nature of place-based leadership. It can be posited that new centralism signals the practical application of the concept of *acceptability*; that is, the case where the control mechanisms by which the central authority specifies what actions sub-national bodies can take are *acceptable*¹³ to the sub-national governance structure. In terms of a targetry regime, such targets help to construct an operating framework and, thus, an enhanced degree of certainty for sub-national governance structures; providing a framework within which sub-national leadership can take decisions on strategy and action. It proffers the scope for strong leadership or autonomy in relation to place-based development.

Conditional localism evokes the concept of *permissibility*. Whilst responsibilities and functions are decentralized (which may be consistent with central government priorities), they offer some scope for freedom of action (subject to precise conditionalities). Thus, while actions are permissible, they are dependent on the sub-national authorities acceding to national government steering or meta-governance (JESSOP, 2004). If the sub-national body consider the central (government) operating framework to be unacceptable, then it could be reasoned that the capacity for leadership will be weakened.¹⁴ In addition, the possibility arises that a high degree of permissibility leads to weakened leadership. This is because, uncertain

of the scope for leading on strategy and action, inaction takes hold resulting in inertia. The scope for leadership by sub-national governance structures can be enhanced or curbed, depending on the acceptability of central government controls. The paper turns to the investigation of the case of the English LEPs, to discern the control/enabling mechanisms that might be utilized by a central government.

**A NARRATIVE ON SYSTEMS OF GOVERNANCE
AND SUB-NATIONAL LEADERSHIP OF PLACE-BASED DEVELOPMENT:
THE CASE OF THE ENGLISH LEPs**

Having mapped out the conceptual terrain derived from a cross-disciplinary review of key literature pertaining to place-based development, leadership, governance systems and central-local relations, this section utilises ‘the force of example’ (FLYVBERG, 2006) of LEPs to enhance existing comprehensions of the scope for place-based leadership across sub-national territories. The triadic conceptualisation of leadership, systems of governance and central-local relationships provides a framework for the investigation of the actually existing control-enabling mechanisms utilized by central government to steer the contours of place-based leadership performed by sub-national bodies. By so doing, the implications for the strength of leadership can be discerned.

The emergence of LEPs: New sub-national governance structures

The territorial scales of sub-national governance in England have undergone significant change since the Coalition Government took office in 2010. This has been analysed in detail elsewhere (e.g. AYRES and STAFFORD, 2014; HENDERSON, 2015) so will not be recounted here. LEPs are voluntary ‘[j]oint local authority-business bodies brought forward by local authorities themselves to promote local economic development’ (HM GOVERNMENT, 2010, p. 10), typically involving two or more contiguous principal local authorities (BENTLEY et al, 2010). Indeed, dual LEP membership of some local authorities has produced overlapping LEP geographies, as central government originally set the conditionality that LEP geographies ought to align with the theoretical principles of functional economic areas (PUGALIS and TOWNSEND, 2014).

The original ambit of LEPs, whilst intended to be permissive to place-based characteristics, was that these non-statutory entities should mobilise the capabilities of business and local government, in particular, but also other actors such as universities, to provide strategic economic leadership. For example, central government documents state that the core role of LEPs is to ‘provide the clear vision and strategic leadership to drive sustainable private

sector-led growth and job creation in their area' (HM GOVERNMENT, 2010, p.13). Primary fields of competence were to include planning, housing, and employment and enterprise. In this sense, LEPs can be viewed as place-based development bodies that perform pivotal roles in intergovernmental and cross-sector relations concerned with city and regional development (PUGALIS and TOWNSEND, 2013). They are spatial coalitions of diverse actors with a shared interest in pursuing growth (PUGALIS and TOWNSEND, 2014). Hence, they can be referred to as growth coalitions.

Leadership of LEPs

Central government discourse appealed to 'local ownership of action', whereby solutions were encouraged to be 'locally tailored' or place-specific. A ministerial letter (CABLE and PICKLES, 2010) set out in succinct terms central government's preference for LEPs to be led by an *individual* from the private sector (i.e. an entrepreneur or business executive as chairperson). A central narrative guiding the formation of LEPs was the need for these new bodies to be entrepreneurial – injecting commercial acumen, financial expertise and business/corporate leadership, deemed to be absent in recent institutional antecedents, such as Regional Development Agencies (RDAs) (PUGALIS and BENTLEY, 2014a). Central government placed a premium on the recruitment of 'business *leaders*', through statements making reference to 'titans of industry'. Yet, 'business *leadership*' was largely neglected. Criteria, issued by central government, expected at least half of LEP board members to be comprised of business 'leaders' with local authority 'leaders' also to be represented on the board.¹⁵ Other governing actors, such as university vice chancellors or social housing executives, were optional – subject to place-based preferences. Although marginal, there are a few cases where third sector organizations are board members of LEPs (HM GOVERNMENT, 2010, p.15) and over the first five years of LEPs their board compositions have evolved to reflect an expanding scope. The voluntaristic nature of LEPs, however, notwithstanding that many have since been established as limited companies, indicate that LEPs were to embody the principles of collaborative governance from which (a combination of business and democratic local political) leadership emerges.

Several distinct modes of leadership emerge across the landscape of LEPs. Some, such as those with a local government-based secretariat for example, are dominated by public sector interests. Others display a more powerful role for private sector actors or business organizations. Most LEPs have established one or more 'leadership boards' and 'leadership teams'. In some cases, leadership teams are dominated by executive staff whereas leadership boards are typically the preserve of board members. In many LEP areas, local politicians have often set-up 'local authority leadership boards', many of which meet prior to LEP board meetings. Formalizing horizontal collaboration between groupings of local authorities is also in the ascendency; witnessed through the rising number of Combined Authorities since the first one was established in Greater Manchester in 2011.

The plethora of boards, sub-groups and area-panels ensues that many LEPs operate according to a hierarchical decision-making structure. Nevertheless, as powers, resources and capacity are distributed across a multi-institutional environment, leadership tends to be a collective endeavour. For example, the majority of LEPs have assigned particular individuals to lead specific groups and priorities, and similarly most LEPs have appointed a lead local authority for a particular policy field, such as transport or skills. Yet, significantly, the process of leadership entails transformational acts involving dispersed actors.

Governance System

The government narrative surrounding the institutionalizing of LEPs emphasized ‘freeing’ places from centralist control; contrasting the flexible framework informing the work of LEPs with the bureaucratic operating environment of RDAs, which were deemed to be creatures of central government. Prior to their abolition in 2012, the role and function of the RDAs was prescribed in legislation, and they were subject to an onerous targetry regime, characteristic of a ‘New Centralist’ system of governance. In contrast LEPs, which are voluntary organizations – many of which possess no legal personality (as of December 2015) – were not conferred any statutory functions (BENTLEY et al, 2010). Ministers proclaimed that the absence of a statutory framework would provide LEPs with the freedom to act and keep them ‘free’ from bureaucratic practices; ostensibly reflecting a localist agenda.

It could be expected that the scope for leadership under a localist system of governance would be strong; that the LEP leadership would have considerable autonomy in decision making power to determine strategy and actions to address sub-national development priorities. Nevertheless, the narrative of local freedoms was significantly negated by the less publicized, but decisively important, acts of recentralization. Matters relating to trade and investment, innovation, venture capital, sector support and business support were passed from the RDAs to be managed mainly by the Department of Business, Innovation and Skills and its subsidiary organisations or Quangos (HILDRETH and BAILEY, 2013).

Control/Enabling Mechanisms of Central Government and the implications for Leadership Capacity

Crucial to the question of the extent to which a LEP could exercise place-based leadership concerns the control mechanisms of central government. Table 2 distils the results of research on the primary mechanisms that central government has utilised to constrain or enable the leadership capacity of these sub-national development governance structures and how they mediate the scope for leadership at sub-national scales.

Table 2. Mechanisms utilised by Central Government to Constrain/Enable sub-national governance structures and the implications for Leadership Capacity

Enabling/ constraining mechanisms	Examples	Conceptual insights: Mode of governance and implications for strength of leadership	Commentary
Legislation Whether statutory obligations are placed on sub- national institutions via Statute Law.	LEPs are voluntary constellations of actors, devoid of a statutory personality. The Localism Act 2011 does not confer LEPs with any statutory functions. The Act confers a General Power of Competence on Local Authorities.	By way of neglecting to provide LEPs with a statutory basis the Act in effect in theory provided LEPs with 'unlimited' scope for action, thus reflecting a Localism. Would enhance leadership capacity but, at the same time, this <i>permissiveness</i> means curtailment of leadership due to there being no statutory footing for action, which could lead to inaction. LEPs were unclear about their <i>raison d'etre</i> . The theoretical open- endedness of the scope for action led to confusion about the core purpose of these sub-national entities. Subsequently weakening their leadership capacity.	The principle of permissibility opens-up greater possibilities for leadership to develop and implement policies tailored to the specificities of the problems faced in sub-national terrains. However, LEPs are reliant on the statutory functions of Local Authorities; a nominated Local Authority has to perform the 'accountable body' function. LEP Chairs repeatedly asked ministers for clarity and guidance on the role of LEPs. Eric Pickles, Minister for Communities and Local Government, was reported as stating, 'keep on doing what you want to do, until you are stopped'.
	The Local Democracy, Economic Development and Construction Act 2009 provides ministers with the power to transfer local public functions from the centre to permitted authorities that either (i) promote economic development or wealth creation or (ii) increase local accountability in relation to each local public function transferred.	Subject to ministerial discretion, it proposed that some national functions be devolved to particular sub-national terrains, which offer the scope to enhance leadership capacity. This reflects a localist system of governance. It could represent devolution or it may only extend to a conditional localism; restrictions might be imposed on precisely what powers the sub-national level is granted. This step is subject to the <i>acceptability</i> to the sub-national level of the restrictions on the scope for decision making on strategy and action.	The Devolution Deals are resulting in different functions being devolved to different Combined Authorities. Is asymmetric devolution of functions and comes with 'strings attached'. A 'Devolution Deal' for Sheffield City Region resulted in enterprise funding being devolved. Many Wave 1 City Deal agreements resulted in similar transfers of public functions from the centre to either a single Local Authority or groupings of Local Authorities.
Resources: Fiscal Autonomy/ Control over budget	Local Tax: Local Authorities in England have tax raising powers. However, on average 63% of total local government income in 2012-13 was in the form of government grants. Council Tax made up only 17% of local government income.	Not fiscal devolution; weakens scope for leadership. If the power to raise the tax base and utilize income were given, this could be anticipated to enhance the leadership capacity of sub-national governance structures.	The degree of local/sub-national revenue generation varies considerably. For example, Gisela Stewart, MP for Birmingham, Edgbaston, has stated that Birmingham City Council raises only 8% of its revenue via local taxes (Council Tax); the balance of revenue comes via central government.
	Tax Increment Financing: enables Local Authorities to borrow against future projected business rates uplift and thus fund projects (especially up- front 'sunk costs' such as infrastructure).	Tax Increment Financing, while a measure of decentralization, is conditional localism and could weaken leadership. This is because, through its deployment, Local Authorities have to accede to the government's growth agenda. Has potential to strengthen leadership capacity, is dependent on the <i>acceptability</i> of growth agenda priorities as well as associated risks.	Tax Increment Financing models are being used by a variety of Local Authorities and sub-national entities, such as in Newcastle-Gateshead. The financial model assumes that the revenue generated from business rates uplift will be enough to repay the initial financial outlay (in the form of a loan). Therefore, as has transpired in North America, the risk is <i>devolved</i> to Local Authorities.

<p>Funding</p>	<p>Regional Growth Fund; Growing Places Fund</p>	<p>An award of grant is not fiscal devolution. Grant reflects central government priorities, represents centralist behaviour.</p>	<p>RGF was made available to private enterprises; Growing Places Fund to LEPs to overcome constraints on infrastructure investments.</p>
	<p>Single Local Growth Fund: This multi-annual central government fund is dispersed to each of the 39 LEPs. Involves making a ‘Growth Deal’ with Central Government.</p>	<p>The ‘Growth Deals’ negotiated between central government and the LEPs offered potential for sub-national governance and leadership teams to secure additional ‘freedoms’, responsibilities and flexibilities than hitherto, but was in return for agreeing to central government stipulations (e.g. growth targets). Is New Centralism. But, provided the targets are acceptable to the LEPs, obtaining the freedoms would strengthen the power of the sub-national leadership.</p> <p>The notion of enhanced ‘flexibilities’ (which can also represent decentralization - a Conditional Localism) suggests there is a degree of <i>permissibility</i> in what sub-national authorities can do. Could strengthen place-based leadership capacity. The ability to exercise enhanced flexibilities may ultimately depend on the <i>acceptability</i> of new conditionalities, which could weaken place-based leadership capacity.</p>	<p>Sub-national stakeholders involved in the first round of Growth Deal negotiations with central government bemoaned the ‘hidden agenda’ and ‘unwritten rules’ that only became apparent during the process.</p> <p>Several LEPs, for example, reported that civil servants strongly encouraged the LEP to ‘revise up’ their funding request. Consequently, this involved the LEP engaging with partners to work-up their proposals by adding projects/programmes and all the associated supporting evidence required to justify these schemes.</p> <p>The final decision on the Deals resulted in the LEPs receiving funds that were almost identical to LEPs’ original submissions. Interviewees suggested that this not only ‘wasted a lot of time and effort’, but also, and potentially more significant, exhausted the goodwill of key delivery partners.</p>
<p>Governmental Guidance</p>	<p>Formal policy and guidance was issued by central government including via the Local Growth White Paper and ministerial letters. Less formal guidance includes ministerial public statements or articles.</p>	<p>Strategic Economic Plans which set out strategic priorities for each locality had to be produced by each of the 39 LEPs. But was at the request of central government. These formed an important element of Growth Deal negotiations (see above). Plans were assessed and had to be approved by central government. Decentralization, and a Conditional Localism.</p> <p>The relatively sparse nature of official central government policy and guidance provided an appearance of <i>permissibility</i>. This indicates scope for enhanced place-based leadership; it appeared to allow authorities to do what they wanted. However, ‘unwritten rules’ emerged through less formal channels and softer spaces of state, which helped to clarify the <i>acceptability</i> of the rules from the perspective of local government and the LEPs. Is a Conditional Localism. This would affect leadership capacity since guidance could limit the LEPs scope for action.</p>	<p>LEPs have often had to ‘learn the game, as [they] play it’ – often reacting to ministerial pronouncements or steering from civil servants. This appears to have negated the opportunities to perform place-based leadership.</p> <p>Prior to central government approval of LEPs, some emergent sub-national development entities made proposals that identified a Local Authority elected leader as the LEP chair. Such proposals were dismissed by central government.</p> <p>Even though central government policy-guidance was sparse it nevertheless provided a centralist steer, especially in terms of the leadership of LEPs ie a chair had to be from the private sector.</p>

The findings indicate that Central government displays different types of governance behaviours. Sub-national governance structures thus have to contend with a mix of constraining and enabling mechanisms, representing different degrees of permissibility, which strengthen and/or weaken leadership capacity. The case of LEPs reveals that these voluntaristic entities have negotiated some autonomy of action although, through the meta-governance and conditionalities imposed, the UK Government retained a high level of centralist controls. SELLERS and LIDSTRÖM (2007), as noted above, identify legal mandates, administrative supervision and fiscal incentives as the mechanisms by which the centre controls sub-national leadership capacity. However, in referring to fiscal aspects of control, SELLERS and LIDSTRÖM do not differentiate between the award of grant by central government and tax raising powers at the sub-national scale. In addition, administrative supervision is defined in terms of the oversight of the activities of sub-national authorities by central government officials. In the mining of secondary sources of information in the inductive approach taken in the research for this paper, four key mechanisms of control were discerned: Legislation and formal agreements; the extent of fiscal autonomy; Funding; and Government Guidance. The latter relates to the extent to which strategies can address either local or national priorities. These are discussed in turn in more detail.

1. Legislation and formal agreements – Legislation prescribes the statutory functions and the scope for action by governments. In regard to legislation, the Localism Act 2011 relating to the establishment of the LEPs was devoid of any mention of statutory functions for the LEPs. The absence of a statutory framework augmented the policy narrative that LEPs were ‘free’ to pursue place-based development objectives. This represents a high degree of permissiveness; however, it led to some confusion within LEPs about their *raison d'être*. Derived from a history of sub-national development bodies under the close overt direction central government, many LEPs were like rabbits caught in the headlights of a permissive policy apparatus, where there was little written guidance or requirements forthcoming from government. The lack of a statutory framework and little guidance engendered uncertainty within LEPs about the policy actions they could undertake. This, it can be argued, weakens leadership capacity. Whilst seeming to have power to take decisions and to implement strategy and action, the power given by such a high degree of permissibility to do so is not exercised.
2. Fiscal autonomy – Fiscal autonomy is a vital concomitant element to the devolution of functions to sub-national bodies. As table 2 indicates, however, while local authorities have tax raising powers, only up to 17% of local government income in the UK is raised in this way. If the power to raise the tax base and utilize income were afforded, this could be anticipated to enhance the leadership capacity of sub-national governance structures. Recent changes to the tax system in the UK in 2015 permit local authorities to retain local business rates to reinvest in local priorities. Tax Increment Financing enables local authorities to borrow against future projected business rates uplift to fund projects. Such a power to act however is little more than conditional localism (HILDRETH, 2011). This

is because, through its deployment, local authorities have to accede to the government's growth agenda. The negotiation of devolution deals between central government and groupings of local authorities (often involving Combined Authorities and LEPs) are also susceptible to central government's growth agenda demands, whereby additional risks as well as responsibilities are transferred via devolution deal-making processes. PECK (2012) refers to this as a push form of austerity politics in the sense that cuts are pushed down to sub-national bodies in a manner that is not commensurate with the additional policy responsibilities that are simultaneously transferred.

3. Funding – With most of local government revenue being in the form of government grants, and little revenue being generated through tax raising powers, these cannot be said to constitute fiscal devolution. However, the scale of funding in the form of grants that is made available to sub-national authorities shapes the scope for leadership. Grants are made available to the LEPs and local government for different uses. At the time of their inception, LEPs were allocated a nominal budget, although funding has since dramatically increased through the establishment of the Local Growth Fund (HM GOVERNMENT, 2013). This and other funding streams for city and regional development projects have primarily been issued on a competitive basis. The multi-annual Local Growth Fund is linked to each LEP negotiating a 'growth deal' with central government. In essence, this 'growth pact' offers the potential for sub-national governance and leadership teams to secure additional 'freedoms', responsibilities and flexibilities, and so enhance the scope for strong leadership. However, these deals are subject to central government conditionalities, such as achieving particular growth targets as well as other growth objectives. This represents a 'New Centralism' mode of behaviour. Indeed, the restrictions, caveats and conditions attached to specific funding streams comprising the 'Single' Local Growth Fund reduce the scope of sub-national leadership bodies to pursue place-based priorities. However, it can be argued that provided the targets are acceptable, obtaining the freedoms this would bring would strengthen the power of the sub-national leadership.
4. Government Guidance – Beyond funding conditionalities, some subtle forms of central control mechanisms are also operating. For example, as part of growth deal exercises, LEPs were required to prepare Strategic Economic Plans (SEPs) – intended to provide the bases for growth deal negotiations. Draft plans had to be submitted to government as well as the final document; both were subject to government approval. Whilst official government guidance was 'light touch', behind the scenes government prescription was fierce. In some instances, LEPs were instructed to omit detail relating to their longer-term spatial priorities (beyond a narrow pursuit of economic growth) and, instead, focus on the short-term funding priorities of government departments contributing to the Local Growth Fund. This is further evidence of conditional localism. It illustrates how the scope for leadership was constrained as 'place-based' strategies had to be moulded to 'fit' with central government requirements. The possibility arises however that this degree of permissibility may be acceptable to some LEPs. To conform within bounds might mean

that leadership could be exercised; that is, the LEPs as sub-national governance structures have scope to devise strategy and undertake most of the action to meet their place-based objectives.

The analysis raises serious issues about the extent of the capacity for leadership in LEPs and the extent to which these sub-national constellations of actors can take decisions on strategy and action that reflect place-based priorities. If it is deemed that the UK system of governance represents conditional localism (see table 2), the inference is that the leadership capacity of LEPs will be weak. In general terms, the analysis has shown that there are many subtle ways in which central government controls the scope for leadership in sub-national governance structures, which lurk behind the façade of enhanced freedoms, flexibilities and discretion emblematic of localism policy discourse. Yet, the acceptability of these controlling mechanisms would also appear crucial.

CONCLUSION

Invoking an understanding of leadership as the capacity of actors in sub-national governance structures to take decisions and action on place-based strategy, this paper has sought to advance scholarship pertaining to the governance and leadership of place-based development. This is in response to a recognition that the means by which leadership capacity, and the scope for action at sub-national scales, is facilitated or curbed by central government, is under-theorized and warrants further attention (BEER, 2014; SOTARAUTA, 2014; GIBNEY, 2014). The investigation at the theoretical level led to an important analytical distinction between centralizing and localizing systems of governance.

Research on the actual existing mechanisms utilized by the UK Government to control the activities of LEPs shows, despite a rhetoric of localism, how a centralizing government exercises significant – though often well camouflaged – control over sub-national patterns of leadership. More specifically, the following mechanisms were found: Legislation and formal agreements; the extent of fiscal autonomy; Funding; and Government Guidance. Control mechanisms such as these and the degree to which they are applied affect the scope for place-based leadership in sub-national governance structures. However, the introduction of the concepts of permissibility and acceptability enabled the enrichment of existing understandings of how the (vertical) system of governance affects leadership capacity in sub-national (horizontal) governance structures. Indeed, some of the mechanisms represented a high degree of permissibility and would allow greater autonomy of leadership at the sub-national level. This provides a new explanatory-analytical device – contributing to contemporary place-based leadership scholarship.

Thus, in the nexus of the triad of leadership, system of governance, and centre-local relations, a new set of research questions emerges to include the consideration of the role of each of the control mechanisms in determining the scope for the exercise of leadership under each governance system. Namely, what effect do the types of controls that a higher authority

imposes on sub-national governance structures under different systems of governance have on the scope for leadership? The grounded theory approach taken here, which revealed the types of control mechanisms imposed by central government, enables the proposition to be made that, in theory, the scope for the exercise of leadership at sub-national level, defined as the power to make decisions and take action to address local priorities, is shaped by the controlling mechanisms utilized by central government under different vertical governance systems. The scope for leadership is also tempered by the degree of acceptability of the controlling mechanisms. Thus, the following propositions could be proffered:

- Centralism –Controlling mechanisms include regulations and funding which is allocated to sub-national governance bodies which are legally mandated to execute central government programmes. This would equate to weakened sub-national leadership. However, where the sub-national governance structure is in accord ideologically and politically with central government, this could equate to strong leadership capacity at sub-national scale.
- New Centralism – where sub-national governance structures are tasked by national level legislation to produce strategies and take action to meet targets agreed with the central authority. Controls such as the amount of funding granted, and the relative lack of control over budgets, would circumscribe leadership capacity. However, if the constraints on action are *acceptable*, it can embody strong sub-national leadership.
- Decentralization – legislation would not specify what the sub-national governance structures must do; resources, but not tax raising powers, are made available and government guidance given in relation to strategy and action. This affords considerable freedom of action. However, this is provided only if the outcomes that are delivered are what central government requires, with the result that there is weaker scope for local leadership.
- Devolution – is the case where legal title to act is given and, since budgets are devolved and tax raising powers are afforded, fiscal autonomy is present and there is no national level guidance restricting the scope for action. The sub-national governance structure therefore has complete autonomy of action. However, a high degree of *permissibility* inherent in this system of governance could lead to inaction which would constitute weak leadership.

It is clear that sub-national governance structures, fundamental to city and regional development efforts, exercise leadership with varying capacities to act. Place-based leadership, whether it is exercised by an individual or constellation of actors, provides the agency for action (ANSELL and GASH, 2008; LIDDLE, 2012; SOTARAUTA, 2014). The different mechanisms of control identified in this paper may be absent or present and influence the scope for leadership within different systems of governance. In the case of the UK, where central government is devolving different roles and responsibilities to sub-national authorities, it remains to be seen the extent to which freedoms and flexibilities are

negotiable and will include the devolution of budgets, to increase the scope for sub-national leadership. Scotland had in early 2016 been granted fiscal autonomy; yet the power that this brings may be tempered by other regulatory controls which constrain the scope for leadership.

In conclusion, it is a matter for further conceptual and empirical enquiry to investigate the intricate and multidimensional effects of the specific control mechanisms in isolation or as part of a more pervasive control mechanism apparatus. This research agenda would also involve the actually existing experience of the scope for leadership at sub-national scale in different jurisdictional contexts, including federal and non-federal systems.

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NOTES

¹ Conceptualised in terms of centralism and localism and which manifest of a vertical dimension of governance, encapsulated in the character of central-local relations.

² This encompasses regional, sub-regional and local government scales.

³ BEER (2014) carried out interviews with leaders and stakeholders.

⁴ See BARCA (2009); OECD (2009); TOMANEY (2010).

⁵ As a social science methodology, grounded theory method (GT) involves the discovery of theory through the analysis of data (GLASER, 1992). It represents traditional, orthodox empiricism but, nonetheless, GT contains both inductive and deductive elements. It does not rule out the construction of hypotheses before an investigation; it does not rely wholly on empiricism. The task of a GT approach is *to generate ideas, concepts and categories*, from an analysis of data to discern patterns and relationships *to derive hypotheses for subsequent testing* (emphasis added).

⁶ Generally MLG represents a conceptualization of the European Union where it is observed that decision making capacity resides in and involves a number of different levels.

⁷ This would be represented in the diagram presented in figure 1 by an interconnection between the horizontal and vertical spheres of governance. This would indicate that national level institutions have a seat at the table in decision-making bodies at sub-national scale.

⁸ This changes the focus on leadership by an individual leader and enables reference to leadership by a collective.

⁹ The term actor is here taken to refer to those taking part in decision-making in institutional structures and who might also occasion action. As such these actors have agency and are involved in policy-making and implementation networks.

¹⁰ Central Government could participate in the governance structure at sub-national level. This does not preclude it having influence or control over the sub-national level. See footnote 7.

¹¹ The lack of capability at the sub-national scale might necessitate conditionalities.

¹² Others might utilize the term ‘New Public Management’. This refers to the concept that ideas used in the private sector must be successful in the public sector; it represents a shift from bureaucratic administration to a business-like professional management. The term ‘New Centralism’ is utilized here since it relates to the debate on decentralization. New Centralism refers to the situation where central governments ‘impose tight centrally-

defined controls on public policy and services, including those which are delivered on a decentralised basis' (LEE, 2000, p96).

¹³ Politically or ideologically; or from the point of view of pragmatism.

¹⁴ In common parlance the difference is between 'you agree with my objectives so you can do what I say you can do to meet objectives for place-based development in your sub-national territory' (New Centralism). Conditional localism means 'you can do what you want, provided you agree with my objectives and if you don't, you won't be enabled to do what you want to do to meet your objectives for place-based development in your sub-national territory'

¹⁵ Not all Local Authorities in LEP localities are represented on the Board.

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