

**Local climate governance in England and Germany: Converging
towards a hybrid model?**

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Abstract

This thesis investigates the governance of climate change policy in English and German cities. Based on fieldwork research in the comparable 'twin towns' of Newcastle and Gelsenkirchen, it focuses on how local authorities in these cities have worked with other actors to increase their capacity to achieve policy objectives. The study analyses these governance arrangements in the context of climate change strategies, planning policy and how the municipalities use resources in their everyday corporate activities.

Drawing on theories and typologies of multi-level governance (Hooghe and Marks 2003), policy styles (Richardson 1982), urban governance (Stone 1989) and dependencies in inter-governmental relations (Rhodes 1981), it introduces a new model for mapping power relationships between governing actors. By applying this model to the empirical cases, the thesis identifies how central-local relations in England are looser than those in Germany, and how this results in weaker municipal institutions. This means that Newcastle has had to rely more on local stakeholders to achieve its objectives when compared to Gelsenkirchen. The English council is also less able to exert hierarchical authority over other bodies.

Although the study found that the two cities' approaches are converging in some areas, they are diverging in others. Indeed, they have developed their own distinct coping strategies to achieve policy objectives in the face of similar endogenous and exogenous pressures. These coping strategies are shaped by the institutional framework and power dependent relationships that apply to each city, which challenges the idea that policy problems determine the way in which the political system operates (see Lowi 1964). Such findings have implications for other municipalities in both England and Germany, as well as cities elsewhere in Europe that are seeking to address climate change or other 'wicked' public policy issues.

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Chapter 1: Introduction

Atmospheric concentrations of ‘greenhouse gases’ (GHGs), which trap heat in the earth’s atmosphere and therefore result in higher global temperatures, have risen significantly over the last two centuries. In 1800, carbon dioxide (CO₂), the main GHG, constituted around 280 parts per million (ppm) of the earth’s atmosphere – a figure that had crept up to 305 ppm by 1945, due to the industrialisation of many Western countries and an increasing reliance on fossil fuels for energy production (Dryzek, 2014). By early 2015, however, it had risen to over 400 ppm, and was still increasing by around 2 ppm every year (ESRL, 2015). This is despite increasingly stark warnings from the vast majority of the world’s most eminent scientists about the consequences of rising global temperatures and the fact that these increases are largely caused by human activity (IPCC, 2007, IPCC, 2014), as well as various attempts to tackle the problem within the international arena. Indeed, the decade 2001-2010 was the warmest since reliable records began in 1850, and countries around the world experienced an increase in flooding, droughts, heavy rainfall and heatwaves during this period (WMO, 2013). Scientists estimate that the world’s average temperature could rise by as much as 4°C between 1986 and 2100 if humanity is unable to address the issue effectively (IPCC, 2014). Such an increase could trigger an even faster acceleration in global warming, which may be ‘irreversible’ and impossible for humanity to control (Stern, 2008).

These developments show how policy-makers have struggled to address the issue effectively, despite the huge threat that climate change poses to natural and human systems. A key reason for this lack of progress is that the issue requires a co-ordinated response from state and non-state actors at all levels across the globe. These actors include cities, which various studies have identified as being particularly at risk from climate-related events such as flash-flooding, heavy storms and coastal erosion (Nicholls *et al.*, 2008, World Bank, 2010, IPCC, 2014) and in which the majority of the world’s population now lives (UN, 2014). Given the fact that some municipal governments have been seeking to address climate change since the 1990s (Bulkeley and Betsill, 2003), it is surprising that political science scholars have not focused more on how local political actors are dealing with the issue. Indeed, as chapter 2 will

highlight, most of the academic studies into local climate governance have come from a geographical perspective.

This thesis addresses this gap in the literature by investigating climate change policy in English and German cities, focusing specifically on the comparable 'twin towns' of Newcastle upon Tyne and Gelsenkirchen. It is particularly interested in how the municipalities in each city work with other actors in order to try and achieve their policy objectives, and the extent to which these external organisations shape decision-making processes. In order to identify which actors are influential in driving the policies of local councils, it analyses the nature of each municipality's *vertical* relationships with other tiers of government, as well as how they work with *horizontal* local stakeholders. The study analyses these governance arrangements in the context of climate change strategies, planning policy and how the municipalities use resources in their everyday corporate activities.

This introductory chapter begins by placing the investigation in the context of wider debates about the changing role of the state and how governing actors (including cities) have responded to the issue of climate change. Building on this background, it then draws out the key aims and objectives of the thesis, and how they have determined the methodology, case selection and approach to data collection. It then provides a brief overview of the remaining chapters and discusses how they relate to the key research questions – namely: how are the municipalities in Gelsenkirchen and Newcastle addressing the issue of climate change, and to what extent are their governance approaches converging towards a hybrid model?

1.1 Background and context

1.1.1 The changing role of the state in developed countries

Since the 1970s, a myriad of influences have changed the way in which governments in developed countries seek to achieve their objectives, and they have been of considerable interest to political scientists. Around this time, various academics began to express concerns that Western states had tried to undertake too many tasks and were becoming 'overloaded' (King, 1975, Hanf, 1978, Kooiman, 2003) as a result:

some even argued that their inability to deliver policy goals was making societies ‘ungovernable’ (Crozier *et al.*, 1975, Grunow, 2003). In response, governments attempted to reduce the scope of their activity, or work more closely with non-state actors to achieve political objectives, in order to try and maintain the legitimacy of state institutions. Notably, this trend was particularly apparent at the local level: indeed, municipalities in various developed countries were at the forefront of attempts to implement ‘New Public Management’ (NPM, see Hood, 1991) techniques, including outsourcing, privatisation or public-private partnerships (John, 2001).

In addition, more recent pressures (such as the growing influence of supranational actors like the European Union, rapid developments in technology, increasingly powerful global corporations and the 2007/8 financial crisis) have also shaped the ways in which democracies seek to address policy issues. These factors have challenged traditional approaches to policy-making, such as the UK’s ‘Westminster model’ and Germany’s *Rechtsstaat*, which many academics argued were becoming increasingly unfit for purpose (Hesse and Benz, 1990, Rhodes, 1997, Mayntz, 2009, 2010). In particular, they led various scholars to ponder whether political institutions and policies in different jurisdictions may be converging, as they seek to address comparable pressures in similar ways (Guillén, 2001, Jörgens *et al.*, 2014)

At the same time, the nature of policy problems that Western states seek to address has changed markedly, as governments have been confronted with an increasing number of ‘wicked issues’ (Rittel and Webber, 1973) – including obesity, social exclusion, drug trafficking, migration and environmental degradation. These issues encompass a range of stakeholders and require decision-makers to integrate policy objectives across different policy sectors, as well as engage more widely with non-state actors. Furthermore, policy-makers often have to take decisions based on incomplete or contradictory knowledge, which makes it very difficult to agree a common way forward. Indeed, some stakeholders may even disagree about the nature or extent of the problem – yet they often need to change their behaviour to address the issue effectively and therefore have to be involved in finding a solution.

Building on this, several scholars have described global climate change as a ‘super wicked problem’ or even a ‘policy tragedy’, because ‘time is running out; those who

cause the problem also seek to provide a solution; the central authority needed to address it is weak or non-existent; and... policy responses discount the future irrationally' (Levin *et al.*, 2012, p. 123). This suggests that it is likely to disrupt traditional governance processes even more than 'normal' wicked issues, and therefore policy-makers must adopt new approaches if they are to have any hope of addressing the problem effectively.

Writing before Rittel and Webber published their seminal article, Lowi (1964) argued that the nature of policy problems determines how the political system will seek to address them. Since then, wicked issues have presented policy-makers with new and increasingly complex challenges, because functional and sectoral Western states were not designed to embrace a range of potential actors in decision-making processes. Indeed, we might expect contemporary governing actors to be constrained by the traditional institutions within which they operate, and therefore find it difficult to seek out new and more effective ways of addressing complex policy problems.

Alternatively, they may be able to break free from their historical legacy and adopt more appropriate responses to wicked issues, regardless of pre-ordained views or structures that might favour a particular technique. This potential tension between institutionalised structures and the most appropriate political response to complex policy problems lies at the heart of this thesis.

As this discussion has indicated, various factors are disrupting the traditional processes that governments in developed countries have adopted to address policy problems. These include reforms to governance structures in Western countries (particularly at the municipal level), exogenous pressures such as globalisation and the financial crisis, and the complex nature of 'wicked' issues such as climate change. Moreover, this thesis focuses on two cities that have experienced significant economic upheaval and financial problems in recent decades (see section 1.3.2 and chapters 3 and 4). As a result, we might expect their councils to be facing demands and pressures that are not present in wealthier municipal areas. Overall, therefore, climate change in Gelsenkirchen and Newcastle represents a particularly potent challenge to prevailing institutional structures for policy-making. Indeed, it is perhaps more likely than other policy sectors to be challenging traditional governance approaches, which makes it a particularly interesting subject for academic analysis.

1.1.2 *Cities and climate change*

As chapter 2 will highlight in greater detail, there is an extensive literature on the evolving international regime for climate change and how governments have sought to address the issue through organisations such as the United Nations. More recently, geographers such as Harriet Bulkeley and her colleagues have stressed the important role that sub-national tiers of governance need to play in climate protection, emphasising how the issue cannot be addressed solely at the global level (Bulkeley and Betsill, 2003, Bulkeley and Betsill, 2005, Bulkeley and Kern, 2006, Bulkeley and Casta'n Broto, 2011). Organisations such as the World Bank (2010) have echoed these concerns. Indeed, Agenda 21, which refers explicitly to local government's role in reducing global greenhouse gas emissions, was agreed at the 1992 Earth Summit in Rio, thereby illustrating how policy-makers recognised the important part that the municipal level would need to play in dealing with the problem over two decades ago. Such a view also chimes with other academic perspectives, which point out that sub-national institutions play a crucial role in delivering a range of public goods and services (Ostrom, 1990, Putnam *et al.*, 1993, Savitch and Kantor).

However, there is remarkably little analysis from a political science perspective about how municipalities are seeking to address climate change, and what their approaches might say about the nature of local democracy in Western countries. This is particularly important, given that local authorities tend to work more with external actors than central government and are therefore perhaps even more vulnerable to the changes in the institutional environment detailed in section 1.1.1. This thesis will fill some of this gap by focusing on two comparable municipalities in Germany and England.

1.2 *Aims and objectives of the thesis*

The above discussion has highlighted how various factors could be changing the ways in which Western cities seek to address policy problems. With these observations in mind, it is crucial to note that this thesis will examine the *governance approaches* of each case study city (in other words, the processes involved in making and

implementing policy) - *not* the outcomes of these processes. Therefore, it will not attempt to assess the level of ambition or perceived ‘effectiveness’ of particular solutions, but rather focus on which actors influence these policies and – by extension – the power dynamics within these stakeholder relationships.

Chapter 2 will discuss the trend away from individual state organisations being solely or largely responsible for public policy and the increasing degree of interdependence between governance actors. These developments raise important democratic concerns, because they make it more difficult to identify which stakeholders are exerting most influence over decision-making. Furthermore, the potential involvement of private actors in policy-making (from lobbying right through to the delivery of public services) can reduce the level of accountability. This has led critics to point out that such ‘new’ modes of governance tend to be ‘exclusive’ rather than democratic, and argue that they need to operate under the shadow of elected political institutions in order to be legitimate (Bellamy *et al.*, 2011).

At the same time, however, this trend can increase the state’s capacity to implement policy – particularly in wicked sectors such as climate change, where a range of stakeholders need to act in order to achieve policy goals. This has led some to argue that there is a ‘trade-off’ between the ‘representativeness’ and ‘influence’ of elected bodies (Shepsle, 1988), and that policy-makers need to get this balance right in order to address problems effectively whilst remaining accountable to voters. In short, therefore, any changes to governance approaches would alter how public policies are made and power is distributed (Capano *et al.*, 2012), which raises important concerns about democratic oversight and accountability.

Crucially, however, this thesis will not address such normative issues directly, or try to construct arguments about the value of ‘trading off’ democracy in return for increasing the state’s ability to deliver public goods. Such deliberations sit in the realm of applied political theory and are therefore outside the scope of this empirical investigation. Nonetheless, this study’s research findings are likely to raise such concerns, because the pressures outlined in section 1.1.1 are challenging the tradition of hierarchical government in Western European cities and leading to greater interdependence between policy-making actors. Instead, this thesis will concentrate

on the (changing) nature of governance in two comparable cities, and focus particularly on how their respective councils are responding to these challenges. Since the project concentrates on the municipal level, it will examine both vertical and horizontal relationships (in other words, how each city council works with ‘higher’ tiers of government and with other local actors), and the changing nature of these arrangements as decision-makers try to identify the most effective way of addressing climate change.

As chapter 2 will demonstrate, scholars such as Herrschel and Newman (2002) have used Hooghe and Marks’ (Hooghe and Marks, 2003) typology of multi-level governance to characterise Germany and England as having contrasting structures for sub-national government. Indeed, Germany’s federal structure has been embedded in the country’s constitutional system for some time, whereas England is a unitary state in which central government has historically restricted the activities of local authorities. Similarly, Jordan and Richardson (1982), Dyson (1982), Knill and Lenschow (1998) and Wurzel (2002) have highlighted how Germany and England differ in terms of policy style, in that the former has tended to operate more hierarchically and legalistically than the latter, as well as opt for more ambitious policy solutions. These contrasting characteristics formed the initial basis for the empirical fieldwork, which sought to identify the extent to which governing arrangements in each case study city resembled these typical models, and whether they might be changing and/or converging towards a ‘hybrid’ arrangement due to the adoption of previously ‘foreign’ techniques or approaches.

Whilst the thesis does still undertake this mapping exercise, it soon became apparent that these typical characterisations do not provide the tools to analyse relationships between key stakeholders in each city. As such, they did not help to identify which actors are most influential in decision-making processes – something that is core to the discipline of political science. To address this problem, chapter 2 develops a new framework for examining *power dependencies* between governing actors, which does achieve this goal and also highlights the differences between Gelsenkirchen and Newcastle in a more analytical way. As such, chapter 3, which traces the establishment and development of local government in Germany and England, maintains a constant focus on the nature of vertical and horizontal power

dependencies in both countries throughout this period. Following on from this, the empirical part of the thesis (chapters 4, 5 and 6) adopts the concept of power dependence to identify the nature of decision-making in the case study cities. Each of these chapters addresses a separate policy sector: climate change strategy, planning, and the corporate policies adopted by the case study municipalities.

Overall, this thesis aims to investigate the nature of climate governance in Gelsenkirchen and Newcastle and identify whether it is changing in any way. Therefore, this encompasses both the ‘mapping’ of empirically-observed governance arrangements in the case study cities against the ‘ideal’ models suggested in academic literature, and also the analysis of vertical and horizontal power dependencies. For the purposes of clarification, these research questions, along with details of how chapters 3-6 will address each of them, are outlined in figure 1.1.

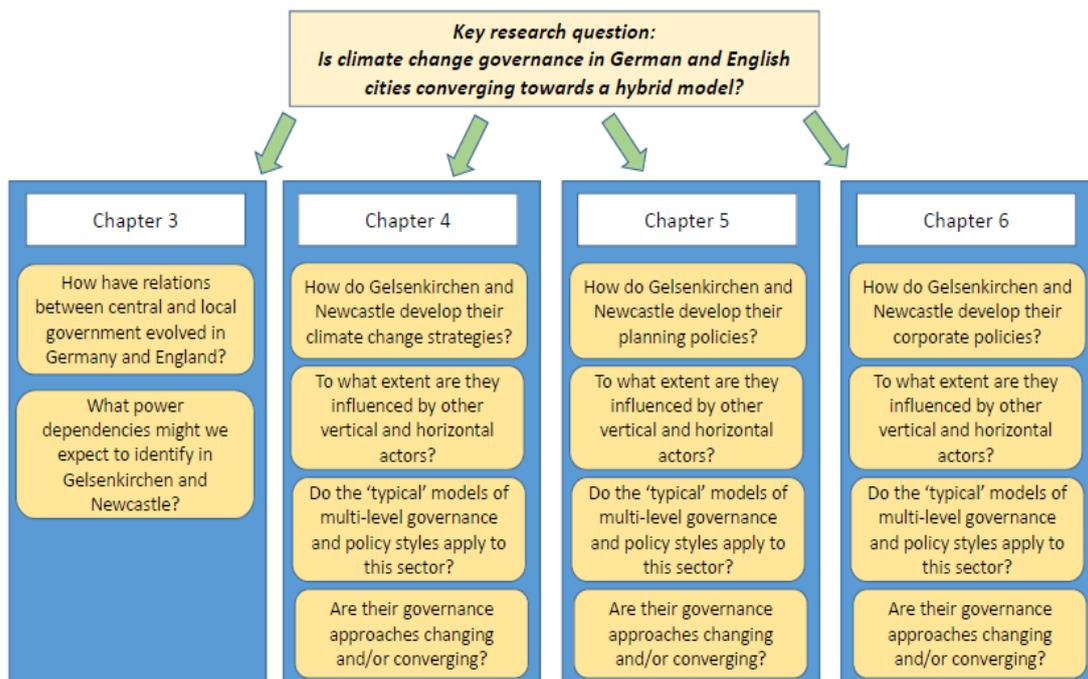


Figure 1.1: Research questions at the core of this thesis and how they will be addressed

1.3 Epistemological and methodological considerations

This subsection sets out my ontological and epistemological position and how this determined the methods I adopted for data collection and examination. As such, it

highlights how the research questions detailed above necessitate a reliance on qualitative techniques, particularly interviews with key stakeholders, and the potential limitations of this approach.

1.3.1. *The relevance and limitations of qualitative methodologies*

Crucially, because this project is concerned with analysing actor motivations, power relationships and decision-making processes, it needs to rely on qualitative methods of data collection and analysis. Quantitative approaches would do insufficient justice to these complex issues, since such interactions cannot be condensed into statistical datasets – and even if these data were available, they probably would not be relevant. Instead, these phenomena can only be identified through approaches such as interviews, focus groups or participant observation. Notably, however, that means that the findings from this thesis are not necessarily replicable or applicable in other contexts, since they cannot represent a ‘universal truth’ in the positivist tradition (Devine, 2002).

Upon consideration of the various qualitative approaches available, it becomes clear that neither participant observation nor focus groups are likely to provide the data that is required for a rigorous examination of climate governance. Both of these techniques have significant disadvantages: the former can be extremely time-consuming (Bogner *et al.*, 2009), whereas the latter may result in some participants dominating proceedings or becoming ‘conditioned’ or ‘contaminated’ by their involvement (Stopher, 2012). They also require the consent and co-ordination of significantly more people than interviews, which can be arranged at a time that need only be convenient for two or three individuals.

Indeed, anonymised interviews are the best method to adopt when trying to identify connections and relationships between actors, because their complex and nuanced nature is not expressed (and indeed cannot be captured) in other ways (Kvale, 1996). Interviews are necessary to understand the nature of these constructs (Marsh and Furlong, 2002) and therefore answer the research questions that are central to this thesis. In this way, they can provide meaning and experience to events that suggest causality, even though they cannot ‘prove’ that a single independent variable results

in a particular outcome (King and Horrocks, 2010). Furthermore, because the interviewees for this project are primarily ‘elites’ (Woods, 1998) or ‘experts’ (Pfadenhauer, 2009) in the field of study, this is likely to improve the quality of data that they provide (Bogner *et al.*, 2009).

Nonetheless, various scholars have identified other potential drawbacks of relying on interviews for research purposes. These include a lack of reflexivity on behalf of the researcher (Reed, 2012), possible bias in the answers of participants (Kezar, 2003), and the probability that semi-structured discussions will not follow a consistent format and could therefore mean that some data are misleading or taken out of context (Kvale, 1996). Many of these issues are unavoidable when relying on qualitative techniques, and they raise questions about whether the thesis will be able to obtain data of sufficient quality. Furthermore, the fieldwork for this thesis relied heavily on a snowball technique to identify interview subjects, which meant that some interviewees may have been able to shape the nature of my research by acting as gatekeepers, blocking access to certain individuals, wanting to know the content of interview discussions, or presenting a version of events that casts them in a good light (Atkinson and Flint, 2001).

‘Triangulation’ techniques are one way of responding to these issues, and, as section 1.3.3 will discuss in further detail, I relied heavily on this approach. However, since I conducted the research in collaboration with Newcastle City Council, there was also a risk that I could become too embedded in one of the organisations under investigation to draw reliable conclusions. I addressed this by keeping some distance away from the authority (for example, I only entered council buildings to undertake fieldwork interviews) and making a conscious effort to remain objective during data collection and analysis.

1.3.2 Case selection

Although I did consider examining cities in three different countries at the outset of the project, I decided to focus on two in order to ensure that they could be investigated in sufficient depth. There were also practical reasons for this choice: it makes it easier to identify and explain contrasting approaches to governance and also

increases the chances that the thesis will focus on each city to a similar extent. I selected Germany and England for various reasons, many of which are outlined in further detail in chapter 3. In particular, there are significant differences in the genesis and development of local government in these countries, which may have led German and English municipalities to address climate change in contrasting ways. For example, until a ‘general power of competence’ came into force through the Localism Act 2011, English councils could only do what was expressly permitted in statute – otherwise they would be acting *ultra vires* and could be prosecuted. This contrasts with a long-standing constitutional guarantee of *lokale Selbstverwaltung* (local self-administration) in Germany. Such contrasts are also evident in each country’s multi-level governance arrangements, as well as their preferred policy styles (see section 1.2). At the same time, both countries have highly-developed economies, are members of the European Union and have professed their willingness to reduce CO₂ emissions. As such, we might expect them to follow similar policy paths in order to mitigate climate change.

Furthermore, the study took great care to select comparable cities at the outset of the project. Indeed, Gelsenkirchen and Newcastle share many common features and therefore a study that compares them as ‘most similar systems design’ (Przeworski and Teune, 1970, Keman, 2011) is able to control for a large number of other variables and focus on the critical institutional variables that differ. Firstly, they are very similar in size: Newcastle has a population of 270,000 and Gelsenkirchen has 260,000 inhabitants, and both are situated within larger conurbations – the Tyne and Wear region and *Ruhrgebiet* area of north-western Germany respectively. Secondly, they were both strongly associated with heavy industry between the eighteenth and mid-twentieth centuries – coal mining was a major employer in both cities, Gelsenkirchen had a large steel sector and Newcastle was a big shipbuilding centre during this period. Thirdly, this shared history has left a common legacy of deindustrialisation and economic decline since the late 1960s, which both cities have sought to address by re-branding themselves as forward-looking, sustainable locations to attract investment from the low-carbon sector (see also chapters 4 and 6). Indeed, the fact that both cities have also been suffering from economic decline in recent decades could mean that their governance arrangements are even more dynamic than those of wealthier areas elsewhere in Germany and England. This is because they are

more likely to have changed to reflect new political priorities – particularly given the relatively recent arrival of climate change on the political agenda. Finally, both countries are members of the European Union, and are therefore subject to the same supranational agreements for mitigating climate change. Considering the similarity between the two cities, it is unsurprising that they agreed a ‘twinning’ arrangement in 1947 – in spite of the fact that the experiences of the World War II were still raw at this point.

Bulkeley & Betsill (2005) highlight another potential drawback of comparing how local authorities in different countries attempt to address policy problems. In particular, they stress how privatisation and outsourcing have reduced the ability of English municipalities to shape their local areas – both in the way services are delivered and how people in the community pursue everyday activities (see also Bulkeley and Kern, 2006). Indeed, Collier (1997) cautions that direct comparisons between local authorities in different countries should take account of the fact that they may have significantly different responsibilities, and therefore some will have more power to effect change than others. As such, I selected three sectors (namely climate change strategy, planning and corporate policy), for which the case study municipalities have comparable responsibilities. In addition, because each of these sectors is likely to require the involvement of external actors to varying degrees, we might expect the municipalities to adopt different policy-making approaches for each one. Therefore, by examining areas where we might expect to find both ‘horizontal’ and ‘hierarchical’ modes of governance, the thesis should provide a more rounded view on the way in which the case study councils address climate change.

For example, chapter 4 analyses climate change strategy in the two cities: an issue over which municipalities have only limited control, since they are largely unable to direct the activities of other actors within the locality. As a result, we might expect both cities to engage more with external stakeholders to develop and implement their policy objectives in this sector. Chapter 5 examines planning policy, one of the few areas that have an impact on climate change over which councils in both countries maintain significant control (Bulkeley and Betsill, 2003), and – notably – a sector in which German and English local authorities have comparable nominal powers. Therefore, the empirical research into this policy area may find that Gelsenkirchen

and Newcastle councils are exerting a greater degree of hierarchical influence over other local actors in governance arrangements. Finally, chapter 6 investigates the corporate policies of the case study municipalities, such as their energy and water consumption, and their approaches to procurement and corporate transport. This is something over which individual authorities have very significant control, which suggests that they would be in a position to adopt hierarchical modes of governance if they so wished.

By examining different policy sectors in two comparable municipalities in this way, it should be possible to address the research question at the centre of this thesis, namely whether governance structures in Gelsenkirchen and Newcastle are different and/or changing, and what might be causing these differences. Indeed, if climate change does result in contrasting governing solutions at the local level, then this suggests that policy-making processes are institutionalised to some extent – and this can then trigger further investigation into *why* they vary between the two cities. In addition, if there has been little or no change in decision-making styles or institutional structures in a sector where this is perhaps most likely, then this suggests that local policy-making has not been as affected by globalisation or Europeanisation to the degree that some scholars claim.

1.3.3 *Methodology for this thesis*

Overall, the study involved 34 semi-structured interviews with a total of 37 people. Fifteen of the discussions, which covered 19 individuals, were in Gelsenkirchen and the surrounding area, and the remaining 19 interviews involved 18 different people in Newcastle. Alongside searching each council's website to find the names and contact details of relevant individuals, I also adopted a snowball technique to identify potential interviewees. With one exception, every person I asked to participate did agree to participate and respond to my questions – and this single individual suggested that I speak to a colleague instead, who was happy to oblige. The interviewees worked in a range of council departments, including environment, planning, economic development, corporate procurement and policy, and included some very senior managers in both municipalities. I also spoke to staff in a number of

other public bodies, as well as representatives from the local voluntary sector in each city.

In order to ensure that interviewees responded in an unbiased manner, the conversations relied on neutral, restrained and open questions (Kvale, 1996), and their answers were never taken out of context. Furthermore, on several occasions I contacted participants after the interview in order to clarify their comments or follow-up some responses with additional questions. All participants were guaranteed anonymity, in order to ensure that their individual interests were secured and to encourage more honest and open discussions. A list of interviews, dated and numbered in chronological order, is provided in the appendix.

The Newcastle fieldwork was conducted in English between January 2012 and May 2015, and the Gelsenkirchen interviews were held in German between June and September 2013.¹ Twenty-seven of the 34 conversations were recorded: in each of these cases I noted down some points that related to key themes of my research during the interview itself and then transcribed more detailed passages later whilst listening to the audio file. Three of the individuals with whom I spoke face-to-face did not want our conversations to be recorded, and in these instances I took detailed notes during the course of the discussion. I also adopted this approach when speaking to two Gelsenkirchen interviewees on the telephone. Finally, I conducted one interview in each case study city by email, which ensured that I captured these data electronically at source.

Although software programs such as NVivo and Atlas have been developed to help with qualitative data analysis, I decided not to use them for two main reasons. Firstly, these programs were originally designed for scholars who employ grounded theory to explain their findings (Welsh, 2002). I already had a clear idea of my theoretical approach and research question before conducting the interviews, which meant that such software programs may have been less useful for my project than they might be for others. More importantly, however, I did not want to distance myself from the data

¹ All translations from these German discussions into English are my own, as indeed are translations from the German-language literature.

and rely on software to undertake this important task, in case the technology would not analyse the text rigorously enough or code it appropriately. As Seidel (1991) argued, this would carry a risk that the software determines the focus of analysis, instead of acting merely as a support tool. Indeed, Brown *et al.* (2008) found that software programs sometimes fail to identify where interviewees may have used different words to describe similar phenomena, which could have a significant impact on how the data are coded and – ultimately – analysed.

Instead of relying on software, and in order to retain personal control over this crucial part of the project, I created separate files for each individual interview and coded the interview data according to the specific themes and sub-themes of my research question that they addressed. For example, if an interviewee mentioned the role of other vertical actors in shaping Newcastle Council’s planning policy, then I coded their response accordingly and copied and pasted the relevant text into subsection 5.2.2.1, the part of the corresponding chapter that covers multi-level governance. Similarly, if an individual from Gelsenkirchen talked about how the council sought to invest in high-end sustainability features in its office buildings, then I incorporated this into my analysis of the German municipality’s preference for ‘state of the art’ solutions in its corporate policies (section 6.3.1.2). I then analysed each dataset individually to ascertain the extent to which they suggested each council was adopting a typically ‘German’ or ‘English’ approach to policy-making (and the extent to which their position had changed in recent years) and plotted them on illustrative diagrams accordingly. I adopted a similar approach to my analysis of power dependencies in terms of each municipality’s vertical and horizontal relationships.²

Furthermore, as section 1.3.1 outlined, interviewing as a research methodology has its own potential drawbacks. To mitigate against these risks, I also sought out a range of other sources, including academic analyses, statistics on carbon emissions and building standards, ‘grey’ literature such as audit or think tank reports, minutes from meetings, policy documents, legislation, and interviewees outside the municipalities

² See figures 2.1, 2.2, 2.4 and 2.5 for examples of these illustrative diagrams, and chapter 2 more generally for a more detailed explanation of how they relate to the research question under investigation.

of Gelsenkirchen and Newcastle. In addition, the collaborative nature of my PhD studentship with Newcastle City Council meant that I had access to some documentation concerning the English case study that was not available to the wider public. ‘Triangulating’ various perspectives in this way can result in a more reliable version of events (Webb *et al.*, 1966) and therefore enable the researcher to draw more satisfactory conclusions. Indeed, taking all of the above discussion into account, I am confident that the empirical analysis in chapters 4, 5 and 6 represents an accurate account of climate governance approaches in Gelsenkirchen and Newcastle.

1.4 Overview of the following chapters

The previous sections of this introductory chapter have explained the context for the rest of the thesis and the methods that it will adopt to address the research questions. All that now remains is to set out how each of the remaining chapters will contribute towards responding to these questions. This is represented diagrammatically in figure 1.2, and explained in further detail below.

Chapter 2 draws on various academic literatures to develop two complementary theoretical frameworks that shape the empirical analysis later in the thesis. The first of these frameworks utilises perspectives of multi-level governance and policy styles, and it sets out two dimensions of typically ‘German’ and ‘English’ local governance accordingly, based on the approaches that we might expect to find in each country. In keeping with the title of the thesis, this framework hypothesises that governance approaches are converging towards a hybrid model, in response to the exogenous and endogenous pressures discussed in section 1.1.1. The second framework allows for a more in-depth investigation into power relationships and decision-making within municipalities, by characterising them as broadly *independent of*, *interdependent with*, or *dependent on* other governing actors – along both vertical and horizontal dimensions.

Chapter 3 traces the evolution of local authorities in Germany and England and uses the power dependency framework to analyse the changing nature of central-local government relations during this period. In particular, it highlights the contrasting genesis of modern local authorities in both countries, and how this legacy is still

relevant today, with the result that most German councils have significantly more autonomy and capacity than their English counterparts. In this way, the chapter sets out a ‘baseline’ scenario that we might expect to find from empirical research in the case study cities.

Chapters 4, 5 and 6 set out the empirical findings of the study into Gelsenkirchen and Newcastle councils. Chapter 4 focuses on the governance arrangements for climate change strategies, chapter 5 covers planning and chapter 6 concentrates on the municipalities’ corporate policies. Each of these chapters maps the councils’ policy-making approaches against the characteristically ‘German’ and ‘English’ models and also analyses their relations with other stakeholders using the power dependency framework.

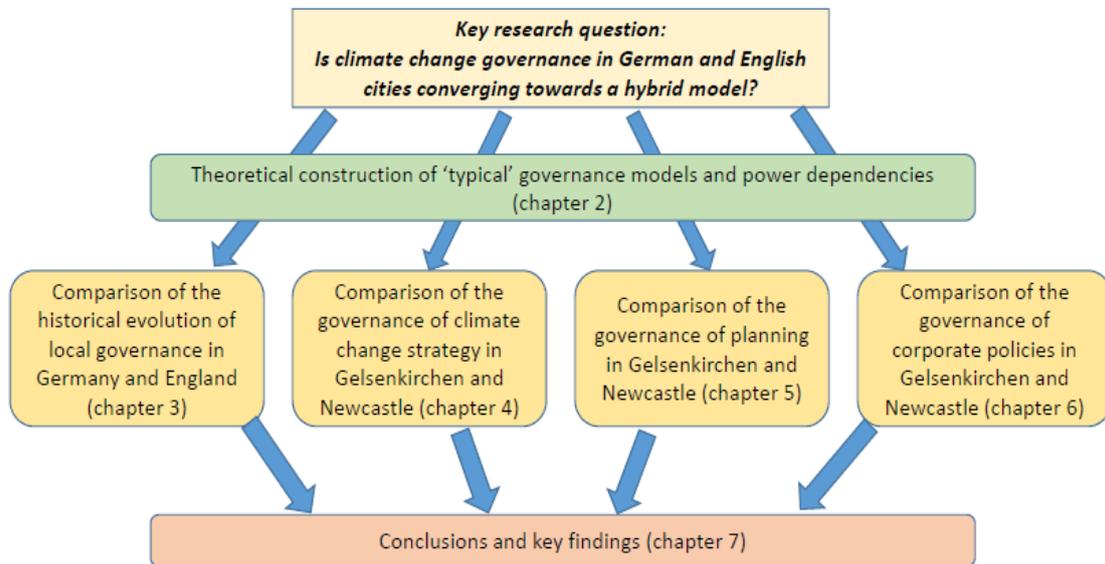


Figure 1.2: Overview of chapters 2-7 and how they address the research question

Overall, these chapters find that governance approaches in the two cities differ, and are also changing along the dimensions of multi-level governance and policy styles. This is primarily due to the case study municipalities adopting coping strategies in which they seek out sources of additional capacity in order to achieve their policy objectives. However, their approaches are not always converging – and in many cases they are actually *diverging* in terms of the multi-level governance typology. In other words, these chapters do not support the hypothesis that both cities are moving towards a hybrid model of local governance that incorporates a combination of ‘English’ and ‘German’ approaches.

The empirically-based analysis of power dependencies in the case study cities is more illuminating. In particular, chapters 4, 5 and 6 identify the key role that vertical relationships play in determining municipal capacity, and how greater *interdependence* along this dimension in Germany has meant that Gelsenkirchen Council is able to act more *independently vis à vis* other horizontal actors. In contrast, Newcastle Council's greater *independence* from central government means it has less internal capacity and is more *dependent* on other organisations in the area to implement policy. Crucially, therefore, these vertical power dependencies shaped the nature of councils' horizontal relationships, which then influenced the governance arrangements within each city. As a result, the empirical chapters are able to identify the most influential actors in Gelsenkirchen and Newcastle across each policy sector, and thereby highlight the key contrasts between the case study cities in a manner that multi-level governance and policy styles cannot.

Following on from the empirical analysis, chapter 7 concludes the thesis with an overview of its key arguments. As such, it reiterates the contrasting nature of local climate governance in Gelsenkirchen and Newcastle, and how vertical relationships have shaped each council's capacity to act *independently* of other horizontal actors in the locality. The chapter also explains how these findings raise a number of normative questions associated with democratic accountability, sets out various avenues for future research and draws attention to how the power dependency framework could be applied in a range of other empirical contexts. Indeed, this framework represents the central theoretical contribution of this thesis and could prove to be a useful tool for other scholars of sub-national government. After reviewing a range of other relevant literatures, the next chapter will set out the framework and discuss its applicability for analysing local climate governance arrangements.

Chapter 2: A new framework for analysing local climate governance

2.1 Introduction

As chapter 1 clarified, this thesis focuses on governance approaches in the two cities of Gelsenkirchen and Newcastle, as illustrated by how each municipality seeks to address the problem of climate change. Therefore, the theoretical perspectives that might support this analysis are not solely concerned with examining environmental policy – instead, they seek to explain broader dynamics associated with public policy, governance and power relations. Nonetheless, climate change interpretations are useful, because they help to frame the research question and highlight the link between purely environmental perspectives and broader theoretical approaches to public policy.

With that in mind, this chapter introduces a variety of relevant literatures and analyses how each of them relate to the research questions set out in chapter 1. As such, it will cover the following academic perspectives in turn: international attempts to address climate change; governance; multi-level governance; policy implementation; policy networks; new public management; organisational capacity; environmental policy integration; policy styles; and urban governance. As will become apparent, each individual perspective by itself is insufficient to help explain all of the phenomena associated with local climate policy-making. Instead, a combination of various approaches is necessary to understand governance arrangements in English and German cities, particularly considering the wicked nature of the sector. Therefore, the chapter pulls these perspectives together to develop an integrated hypothesis that frames the empirical analysis in chapters 4, 5 and 6. This relies largely on multi-level governance typologies and ‘policy style’ perspectives, and therefore draws in particular on the work of Hooghe and Marks (2003), Richardson *et al.* (1982), Wurzel (2002), and Knill and Lenschow (1998).

As will become clear however, this hypothesis will not provide a sufficient theoretical basis for explaining the reasons *why* each city takes a particular approach to climate governance, or indeed why it might be changing. To fill this gap and provide more

support for the empirical analysis, the chapter will build on Rhodes' (1981) theory of power dependence in central-local relations. In particular, it will show how Rhodes' concepts can help to understand the root causes behind the development of local climate governance approaches in Gelsenkirchen and Newcastle. Moreover, it will set out how Rhodes' theory can be integrated with multi-level governance perspectives to illustrate the extent to which municipalities are *independent of*, *interdependent* with or *dependent* on other governance actors – and how the nature of these relationships may be shaping policy styles. Crucially, this model can be applied to both the *vertical* and *horizontal* context within which local authorities operate – in other words, the relationships between central and local government on the one hand, and municipalities and other local actors on the other. In this way, it is able to identify the most powerful decision-makers within local governance arrangements, and therefore which actors are shaping and/or changing existing approaches to climate change in each case study city.

2.2 Relevant theoretical perspectives on local climate governance

This section discusses a range of literatures that are relevant for analysing climate change policy in Western European cities. It begins with a discussion on international relations perspectives, since the global nature of climate change means that governments from across the world need to work together to address the issue. It then goes on to highlight how international relations theories are related to the idea of 'governance', and its importance for understanding public policy at the domestic and sub-national level. As such, the discussion then segues into an overview of multi-level governance, before addressing policy implementation, policy networks, new public management, organisational capacity, environmental policy integration, policy styles and urban governance in turn. The review illustrates how each theory intersects with another in some of its interpretations. At the same time, it highlights the shortcomings of each perspective, and how the subsequent literature can help to fill in the gaps that remain.

2.2.1 *International relations perspectives*

A substantial body of literature focuses on the global nature of climate change, and how states have tried to respond to the challenge through international initiatives such as the Kyoto Protocol (see Bodansky, 2006 for an overview of what he refers to as 'the international climate change regime'). This research tends to use the traditional tools of international relations (IR) scholars and theories such as neo-realism to analyse decision-making processes. For example, they identify how states with similar concerns often coalesce into groups and negotiate agreements based on their enlightened self-interest (Grubb and Brack, 1999, Luterbacher and Sprinz, 2001), highlight how domestic interest groups shape governments' bargaining positions (Böhmelt, 2013), or seek to identify a workable solution to the apparent impasse (R. Eckersley, 2012). This research is of course extremely valuable from a normative perspective, because co-ordinated international action is essential to prevent global temperatures from rising to a level where 'runaway' climate change becomes a reality. Indeed, it highlights how various global agreements have set targets to reduce anthropogenic greenhouse gas (GHG) emissions, and EU member state also pledged to cut them by 20% by 2020 against the 1990 baseline. Such initiatives provide a useful background reference point for the thesis, because they stress the fact that there is broad agreement globally about the urgency of the issue, and that co-ordinated action is necessary to deal with the problem.

However, global agreements have failed to curb the volume of GHGs released into the atmosphere, because world leaders have not been able to change the behaviour of businesses, other organisations and private individuals (Auer, 2000). Indeed, the UK and Germany – the two countries that this thesis will investigate at the local level – are the only two Western European states to have made significant progress on reducing greenhouse gas emissions since 1990. In both cases there are specific reasons for this – there has been a 'dash for gas' as a fuel source in Britain following the closure of many coal mines, whereas the de-industrialisation of the former GDR resulted in a large drop in the use of fossil fuels across post-unification Germany (Wurzel, 2002, Collier, 2002). Thus, although IR perspectives may help to understand decision-making processes at the global level, they do not assist with interpreting policy outcomes within individual countries or cities. International relations scholars

would probably contend that examining approaches to policy implementation requires a completely different set of tools. Indeed, by only dealing with agreements at the ‘highest level’, they neglect a range of influences ‘lower down’ the policy chain that prevent objectives from being achieved (Auer, 2000).

Furthermore, and as chapter 1 highlighted, many environmental problems tend to be classic ‘wicked’ issues (Rittel and Webber, 1973, Nilsson *et al.*, 2009a): they defy resolution ‘because of the enormous interdependencies, uncertainties, circularities, and conflicting stakeholders implicated by any effort to develop a solution’ (Lazarus, 2009, p. 1157). They are difficult to describe and address easily and there is no agreed view on the ‘public good’. In some cases, ‘green’ interest groups might even disagree with each other about whether a potential solution would benefit the environment – such as constructing wind turbines or hydroelectric power stations in areas of natural beauty. Thus, important stakeholders can often have significantly different perspectives on how to solve specific problems, or what the key concern may be, or even whether addressing it would be desirable. Yet they must be incorporated into the process if the policy is to have any degree of success. Any attempt to reduce pollution, for example, requires polluters to change their behaviour – by choice or compulsion.

Levin *et al.* (2012) highlight how climate change is even more complex and challenging than other wicked issues, and therefore describe it as a ‘super wicked’ problem, or ‘policy tragedy’. Indeed, as Bodansky (2006) points out, its direct relevance to the vast majority of human activities means that it encompasses a range of other social, economic and development issues. This means that individuals across the world have become *subjects* as well as *objects* in public policy, because their everyday actions have implications for the rest of humanity (Grunow, 2003). However, because key stakeholders often disagree about the best way to reduce fossil fuel consumption, the governing system is unable to develop effective strategies to mitigate climate change – with the result that GHG emissions increase unabated.

As this suggests, any attempt to understand climate change policy needs to study the behaviour of a plethora of governing actors. These stakeholders include interest groups and private citizens, as well as national and sub-national governments, which

can result in extremely complex policy-making processes. In order to make sense of these arrangements, we need to adopt theoretical perspectives that can disentangle decision-making processes at all levels of governing. Moreover, since this thesis focus on cities as the unit of analysis, it should use theories that are particularly applicable to municipal government – and therefore IR perspectives are not very applicable to the study.

2.2.2 *Governance*

Nonetheless, the IR concept of ‘governance’ – the idea that states require input and support from a range of other actors in order to achieve their policy objectives (Rosenau, 1992) – is very relevant for analysing environmental policy in general (Biermann *et al.*, 2009, Wurzel *et al.*, 2013) and local responses to climate concerns in particular (Bulkeley and Betsill, 2003). As Rosenau argued, governments no longer govern alone (if indeed they ever did). Instead, various state and non-state actors cooperate to try and control events in the international arena. Countless scholars have since identified its importance at national and (particularly) sub-national levels, especially since wicked issues became more prevalent. For example, Rhodes (1997) explains how these phenomena are clearly apparent in the UK, and how various pressures are eroding the traditional ‘Westminster model’ (see also Weale, 1997, Miller *et al.*, 2000, John, 2001, Stoker, 2003, Pierre and Peters, 2012). Instead of hierarchical *government*, public bodies now work together with non-state actors to shape and implement policy together in *governance* arrangements, and the dynamics of their relationships often play a crucial role in determining policy outcomes.

For some, ‘the involvement of society in the process of governing’ (Hill and Hupe, 2002, p. 14) is what characterises the idea of governance. Although there is some debate about when private actors became more influential in decision-making, Héritier and Lehmkuhl (2011) argue that the shift towards these arrangements was a logical consequence of the process of ‘state retreat’ that has occurred across the developed world since the 1970s (see also Mayntz, 2009, and section 1.1.1 of this thesis). This view holds that politicians have actively sought to involve other stakeholders in decision-making processes – partly because they felt that the state was unable to continue delivering a wide range of high quality public goods and services,

and partly because they recognised the crucial role that non-state actors need to play in addressing wicked issues.

Indeed, the idea of ‘governance’ has been widely accepted within academia, and many scholars have since identified similar trends within other countries through comparative studies (for example John and Cole, 1999, Bulkeley and Betsill, 2005, Bull and Jones, 2006). In the specific area of climate change, Bulkeley and Betsill (2003) have pointed out that ‘authority for making decisions related to the mitigation of greenhouse gas emissions has been redistributed upwards, to international organizations and transnational networks, downwards to cities and regions, and outwards to non-state actors’ (Bulkeley and Betsill, 2003, p. 189). Similarly, Auer (2000) has stressed the importance of a range of state and non-state actors to any study of problems that are both global and local, with climate change as a prime example.

Therefore, this research project assumes that all state and non-state actors that are involved in climate change policy have some influence over how that policy is developed and delivered. However, the sheer number of actors makes identifying independent variables and causal links extremely difficult (Benz *et al.*, 2007): in other words, governance perspectives make it more difficult to focus on what is being done where, at which level, and by whom (Hill and Hupe, 2002). This poses problems for scholars who wish to study policy-making; it also raises issues about the nature of democratic accountability, since it becomes increasingly difficult to identify decision-makers and citizens often have no direct recourse to potentially influential actors from the private sector.

With this in mind, the explosion in ‘governance’ literature has led many scholars to differentiate between three different types of democratic legitimacy: a traditional type that focuses on citizen ‘inputs’ through the ballot box; one that corresponds to ‘throughputs (which relates to decision-making processes); and a third that relates to the idea of ‘outputs’ and the effectiveness of the policy-making process (Scharpf, 1999, Risse and Kleine, 2007, van Kersbergen and van Waarden, 2004). Indeed, although some have argued that the participation of different societal actors in governance arrangements means they are potentially more democratic and legitimate

(Héritier and Rhodes, 2011), critics of the exclusive and elitist nature of pluralism (Schattschneider, 1960, Lehman Schlozman *et al.*, 2012) would challenge this perspective. Such normative questions are not central to the empirical nature of this project. However, the thesis will revisit them at regular intervals to highlight how changes in the way that state actors seek to address policy problems can have significant implications for traditional democratic processes.

Some scholars argue that the state only needs to exert hierarchical authority if societal actors are reluctant to get involved in policy-making (Biermann, 2007). In contrast, others hold that the ‘shadow of hierarchy’ ensures that private companies and individuals will co-operate to avoid being subjected to binding regulations and/or direct state control (Héritier and Lehmkuhl, 2011). Indeed, although the participation by private actors in governance arrangements is by definition voluntary, the costs of not being involved can be very high. Similarly, the agreements that ensue ‘are very often the second-best option for everybody’ (Bartolini, 2011, p. 9), but many academics accept that governance approaches offer the most workable solution. This is because actors are more likely to implement policies if they consent to them during the decision-making process (Heinelt, 2002).

2.2.3 *Multi-level governance*

Implicit in the above discussion is the idea of ‘multi-level’ or ‘multi-tiered’ governance – the notion that governance ‘happens’ within local, regional, national and international jurisdictions. This term was first coined by Gary Marks (1993) to describe the workings of the European Union (EU) and its member states, before gaining wider currency as other scholars began to emphasise how different tiers of government shape and implement policy, often in collaboration with societal actors (Kohler-Koch and Eising, 1999). Indeed, the emergence of supranational institutions such as the EU, the decentralisation of power within nation-states and structural reforms associated with New Public Management (NPM, see section 2.2.6) have made the term increasingly relevant to Western democracies (Peters and Pierre, 2001). Crucially, not only does it assume that governance is an important *horizontal* factor across each of these levels, but it also takes account of *vertical* arrangements that result in policy priorities being shaped and delivered both ‘downwards’ (e.g.,

from central to local government) and ‘upwards’ (in the opposite direction). In other words, multi-level governance arrangements reject traditional ‘top-down’ hierarchies by recognising that policy-making processes are complex and involve a range of different stakeholders.

Due to the numerous state and non-state actors involved in environmental policy, and the ‘wicked’ nature of the issue, many scholars have sought to use multi-level governance perspectives to understand this sector (see for example Lenschow, 1999, Auer, 2000, Bulkeley, 2005, Bulkeley and Betsill, 2005, Schreurs, 2008). Indeed, the multi-level perspective can help to provide a more holistic analysis of policy processes and implementation strategies in a variety of scenarios. For example, the EU (through the regional development funds), or central or state/*Land* governments might impose specific targets on municipalities, or attach strings to funding grants to try and ensure that policy objectives are achieved. Alternatively, they may provide additional capacity and resources to help local authorities to achieve their objectives fairly autonomously of other horizontal actors. For their part, private actors could exercise significant influence over decision-making, with the result that policies do not reflect the ambitions of public officials.

Together with Lisbet Hooghe, Marks developed the initial idea further by characterising two different types of multi-level governance: Type I, which consists of relatively static, multi-purpose jurisdictions where a single public body has direct responsibility for a range of services; and Type II, where more *ad hoc*, specific governance arrangements are more common (Hooghe and Marks, 2003). Table 2.1 summarises these differences.

Hooghe and Marks (2003) acknowledge that the two theoretical types are ideal models and normally overlap in the real world, and that neither is demonstrably more effective than the other. Moreover, they stress that most (if not all) countries are positioned somewhere along a spectrum between the two models and do not conform to either ‘ideal’ type. Nonetheless, they provide a useful distinction for the purposes of comparative politics. In particular, Germany is a federal country that allocates specific responsibilities to the multi-functional *Länder* (states) and local authorities. Since these institutions are also anchored into a rigid constitutional framework, it

resembles a Type I environment. In contrast, England (though not necessarily the other constituent parts of the United Kingdom following devolution to Scotland, Wales and Northern Ireland) has much more of a Type II unitary structure, because institutional arrangements are flexible and dynamic, and sub-national government is much weaker than the centre. In addition, the state is fragmented because a range of other functional agencies, such as quasi-autonomous non-government organisations (quangos), play important roles in various policy sectors (Alexander, 1991, Goldsmith, 2012). This contrast has led Herrschel and Newman (2002) to characterise Britain and Germany as representing two extremes in terms of state structures – and this has been the case especially since the 1980s, when local government in England underwent significant horizontal fragmentation (Miller *et al.*, 2000).

Row	Type I	Type II
1	general-purpose jurisdictions	task-specific jurisdictions
2	non-intersecting memberships	Intersecting memberships
3	jurisdictions organized in a limited number of levels	no limit to the number of jurisdictional levels
4	system-wide architecture	flexible design

Table 2.1: Type I and Type II multi-level governance (source: Hooghe and Marks (2003))

Building on the ideas of Hooghe and Marks, this thesis is particularly interested in the contrasts between Type I and Type II multi-level governance in terms of vertical and horizontal relationships with other policy-making actors. However, the empirical research found three ways in which this typology needed to be refined. Firstly, it revealed a key contradiction in table 2.1 – between row 2 on the one hand, and rows 3 and 4 on the other. Crucially, it found that the greater the degree of vertical interaction between tiers of governance, the more structured and fixed these structures became. Indeed, as chapters 4, 5 and 6 will demonstrate, the mutually-supportive nature of interdependent vertical relationships in Germany actually *reinforced* the system-wide architecture, since all tiers of government recognised that collaboration could increase their capacity to achieve policy objectives. In other words, Gelsenkirchen is involved in intersecting vertical relationships (a Type II characteristic), yet these strengthened

the existing structures and fixed number of jurisdictions within which the council operates (attributes that would normally be associated with Type I multi-level governance).

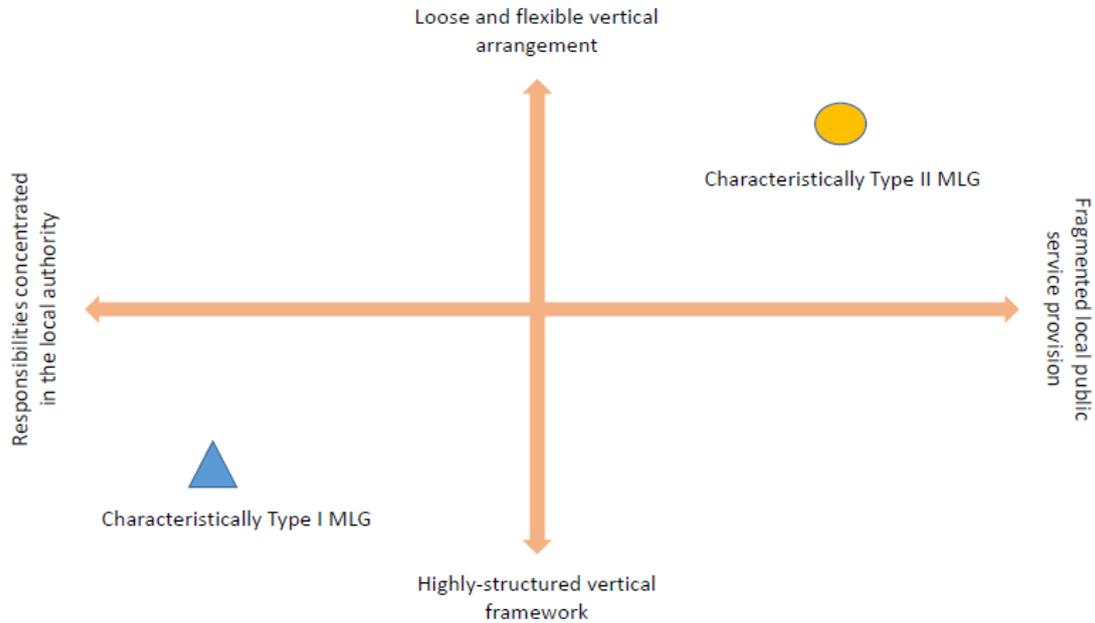


Figure 2.1: Vertical and horizontal dimensions of Types I and II multi-level governance arrangements (adapted from Hooghe and Marks, 2003)

To address this issue, the thesis condensed the Type I and Type II characterisations into two sub-dimensions: *the extent to which municipalities exist within a structured vertical framework*; and *the degree to which the local state has been fragmented and other horizontal actors undertake public functions*. Figure 2.1 provides an overview of these sub-dimensions of multi-level governance, whilst emphasising the fact that they exist on a spectrum and jurisdictions may exhibit characteristics associated with one type horizontally but the other along the vertical sub-dimension. This diagram will act as a template for illustrating the different structural arrangements that operate in Gelsenkirchen and Newcastle (see chapters 4, 5 and 6). As it suggests, a municipality in a characteristically Type I jurisdiction would be located in the bottom left quadrant. This is because it operates within highly-structured vertical arrangements and responsibility for a wide range of local functions is concentrated within the council, in what Hooghe and Marks call a ‘multi-purpose’ authority. In contrast, Type II arrangements in the top-right quadrant are loose and flexible along the vertical sub-dimension, and the local state is fragmented horizontally. As section

2.3 will explain, these two contrasts form a key part of the central hypothesis in this thesis.

A second problem with Hooghe and Marks' typology relates to their descriptions of governance actors. Although the very term 'governance' implies that private firms and voluntary bodies have a role to play in decision-making, Hooghe and Marks suggest that their typology only extends to those organisations that help to provide public services within the jurisdiction under investigation. For example, their description of a Type II arrangement, in which the local state is fragmented into various task-specific organisations, only appears to cover those bodies that have responsibility for delivering or deciding on public services. Such a characterisation ignores the crucial role that private actors need to play in climate change mitigation and illustrates how the typology has limited applicability in wicked policy sectors, particularly along the horizontal dimension. Indeed, since any jurisdiction's governance approach to climate change could theoretically encompass every organisation and private citizen within its boundaries, it might be argued that Type II arrangements must apply because the actors involved in addressing it must by definition be fragmented. To overcome this second problem, the thesis only considered *those actors that the municipalities in Newcastle and Gelsenkirchen have actively sought to involve in their governing arrangements*. Although this may simplify the analysis to a certain extent, it ensures that the investigation is manageable from a practical perspective.

Thirdly, and most importantly, although the typology might help to *illustrate* how different jurisdictions have adopted contrasting governance arrangements, it does not *explain* the reasons for these differences or provide theoretical tools that could predict the ways in which they may change. Indeed, the overall idea of '(multi-level) governance' is more descriptive than analytical: it highlights the fact that numerous stakeholders are involved in making and implementing policy, but does not act as a tool to help understand *why* things turned out the way they did (see Smith, 2003, Zito, 2013 for more comprehensive critiques). As such, it is a useful reference point when discussing the fact that different actors are involved in decision-making, but it is not an explanatory tool, and certainly not a comprehensive theoretical framework. Crucially, the typology does incorporate tools to analyse the nature of power relations

between tiers of government, and therefore it cannot help to identify which actors are most influential in governance arrangements. As a result, this thesis also draws on Rod Rhodes' theory of power dependency (Rhodes, 1981) in order to provide the necessary theoretical support to explain how climate change policy is made and implemented in Gelsenkirchen and Newcastle. Section 2.4 will show how this theory is applicable to the case study cities, and also expand on Rhodes' original model to provide even greater insight into policy-making processes.

2.2.4 Policy implementation

One consequence of the shift towards governance interpretations is that scholars need to focus more on management and policy 'delivery' in order to analyse decision-making processes (Hill and Hupe, 2002). Although this increases the number of potential variables that require examination, it is undoubtedly the case that policy is *influenced* (and therefore 'made') at all stages of its development – from the initial idea or proposal to its practical implementation. As a result, theoretical perspectives on implementation are also of relevance to any analysis of public policy, including this thesis.

There is a wealth of literature discussing the concept of *policy implementation* or *delivery*, and the extent to which it can be divorced from *policy-making* or *formulation*. Policy implementation emerged as a separate, though related, field from the 1960s onwards, primarily as a result of Pressman and Wildavsky's seminal work on *How great expectations in Washington are dashed in Oakland; or why it's amazing that federal programs work at all* (Pressman and Wildavsky, 1984). Their study, which looks at policy from a classical 'top-down' perspective, aimed to track the extent to which federal policy objectives were implemented at the local level. They highlight the myriad of agencies and other governmental institutions that can block the path between Congress and citizens, and express amazement at the fact that some priorities survive this journey to take effect 'on the ground'.

Pressman and Wildavsky's work led to numerous other commentators offering their own perspectives. Some broadly agreed with their overall analysis (van Meter and van Horn, 1975), whilst others argued that a top-down approach is too simplistic to

explain complex policy areas with multiple stakeholders (for a comprehensive overview of the literature see Hill and Hupe, 2002). In particular, critics stressed that top-down perspectives failed to account sufficiently for policy *failure*, which had become a major issue within many Western democracies during the post-war period. This referred to a general frustration that the outcomes of policy were not what governments had hoped for or expected, and one reason for this was the poor *performance* or *effectiveness* of public bodies – an argument that has echoes of the ‘overloaded state’ perspective (King, 1975, Birch, 1984, see also chapter 1 of this thesis). As a result, many academics and practitioners recognised that other tools and theories would be necessary to help explain why some policies did not deliver what their architects wanted.

With these considerations in mind, Michael Lipsky turned Pressman and Wildavsky’s approach on its head by emphasising the role of ‘street level bureaucrats’ (Lipsky, 1971) in the policy process. These ‘front-line’ workers often have to use their professional judgement to decide how to deliver political objectives, due to the high-pressure situations they find themselves in and the fact that many directives may not be relevant to specific contexts. As a result, they are often responsible not only for *implementing* policy, but also for *making* it. Indeed, their experiences are sometimes channelled back ‘up’ the chain to politicians and incorporated into thinking about how future policy could be more effective in delivering desired outcomes. Given the range of stakeholders involved throughout the ‘policy chain’, Lipsky’s arguments are particularly relevant for wicked issues such as climate change.

Overall, however, some kind of balance between ‘top-down’ and ‘bottom-up’ perspectives is likely to be necessary when analysing local climate governance. Purely ‘top-down’ perspectives appear too simplistic, given the plethora of actors who have an interest in wicked policy sectors – whereas ‘bottom-up’ explanations are unlikely to reflect the fact that climate protection is a widely-held goal at all levels of government, or take sufficient account of dependency relationships between actors. For example, central governments might introduce targets for municipalities to reduce CO₂ emissions and perhaps ‘reward’ them with financial incentives if these objectives are achieved. In this scenario, there is less likely to be ‘dilution’ of overall policy goals throughout the chain.

Indeed, a number of commentators have sought to find common ground between both ends of this spectrum. For example, Barrett and Fudge (1981) found that negotiation and compromise occur throughout the policy process, as various actors seek to implement ideas in the most effective manner. In other words, there is rarely (if ever) ‘perfect implementation’ of a policy that has been designed at the ‘top’. Similarly, Ripley and Franklin (1982) stressed that any judgement of policy effectiveness should take account of the extent to which it has the ‘desired performance and impacts’, rather than the degree to which it complies with the original policy aims. Therefore, this perspective also recognises that there is a degree of flexibility within the policy chain, which allows ‘street level bureaucrats’ to exercise discretion – provided their activities will deliver the type of result that elected politicians are seeking.

Similarly, Sabatier (1986) also sought to balance ‘bottom-up’ with ‘top-down’ interpretations in his idea of ‘advocacy coalitions’. He argued that these coalitions comprise key stakeholders (including elected representatives, public officials, interest groups and other influential figures), who are located at all points in the policy chain. These actors held together by ‘core beliefs’ and seek to ensure that initial objectives remain pre-eminent from formulation to implementation. According to the theory, they compete with other coalitions to try and influence policy in line with their core beliefs, and this process generates policy learning. Generally speaking, dominant coalitions benefit from stable institutional arrangements and the way in which resources are distributed, but they may come under pressure from volatile external factors, such as changes in socio-economic conditions or the governing majority (see also Sabatier, 1998). Hajer (1995) echoed much of Sabatier’s thinking, but argued that coalition members need not always share the same ‘core beliefs’, provided they have a common understanding of the policy issue and ways in which it can be addressed. His idea of the ‘discourse coalition’ was subsequently used by Bulkeley (2000) to illustrate how various groups in Australia may have conflicting interests, but nonetheless agree on how policy objectives can be achieved.

One advantage of Sabatier’s framework is that its holistic perspective allows for analysis of the input and role of various actors throughout the process. Indeed, since action to mitigate climate change is generally supported across different tiers of

government in both Germany and the UK, it could provide a useful perspective on Gelsenkirchen and Newcastle's policy-making approaches in this sector. However, neither advocacy nor discourse coalition approaches provide sufficient tools to disaggregate the institutional roles of various stakeholders involved in decision-making. In particular, the policy subsector specific theory is not really designed to support the analysis of multi-level governance processes involving complex institutional layering and interactions – something that is a key focus of this thesis. Instead, as section 2.3 will show, other perspectives are more helpful in identifying power relations between governance actors, and therefore the extent to which different stakeholders may be influencing policy-making processes.

Nonetheless, the overall implementation literature does make a convincing case that 'top-down' policy-making interpretations tend to be too simplistic, especially in the era of wicked issues. In particular, although policies may be communicated initially in a 'top-down' manner, actors at the 'bottom' may develop their own implementation strategies to achieve broadly similar objectives – but perhaps in a different way than was originally intended. This could be particularly likely in situations when those at the 'top' set out the policy goals but do not provide the means for those at the bottom to achieve them. Notably, Capano (2011) distinguished between situations where actors at the top establish both the policy objectives and the means of achieving them, and scenarios where they determine only one or neither of these factors. Indeed, as the empirical chapters of this thesis will demonstrate, the extent to which central or state governments support municipalities in the delivery of political objectives plays a key role in shaping governance arrangements.

2.2.5 *Policy networks*

As Smith (2000) has pointed out, the idea of 'policy networks' is reminiscent of Sabatier's advocacy coalition framework: both perspectives argue that groups of similarly-minded actors play a vital role in agreeing on and implementing policy. Indeed, various scholars have investigated their role in policy-making at the national and EU levels, and in the environmental sector (Weale, 1996, Lees, 2005). The idea fits comfortably into a governance perspective, because it recognises that a variety of state and non-state actors are now responsible for governing Western countries, and

priorities are developed, refined and implemented throughout the policy chain. This is particularly the case for ‘Type II’ multi-level governance interpretations, as these jurisdictions have less hierarchical and more flexible structures, and tend to be more open to interest group participation (Rhodes, 1997).

After the concept became popular during the 1980s and 1990s, Tanja Börzel (1998) argued that this was creating a ‘Babylonian’ effect, because the ambiguity inherent in the term meant that it was often used in different ways. In particular, Börzel contrasted the ‘governance’ interpretation of policy networks, which was primarily associated with German scholars, with that of the ‘interest intermediation’ school, which was much more prominent in the Anglo-American literature. She argued that scholars in the Anglo-American school used ‘policy network’ to describe any kind of relationship between the state and private actors, which strips the term of its usefulness, as it is no more valuable than previous characterisations of corporatism or pluralism.

This is somewhat simplistic, as various scholars did recognise that there are different types of network, and several have sought to categorise them by their degree of integration (see for example Atkinson and Coleman, 1992, Marsh and Rhodes, 1992, Jordan and Schubert, 1992). Depending on where they sit on this continuum, networks may also be operating at different levels and across sectors. For the purposes of this thesis, however, it is very unlikely that the multitude of stakeholders that are involved in climate change could form a cohesive network, considering that they would have potentially conflicting and complex objectives and cross over multiple traditional policy sectors (see Schout and Jordan, 2005). More pertinently, by categorising networks based on their degree of integration, *the focus of this school is primarily on the type of relationship between state and non-state actors, rather than how this may influence policy-making*. As such, this ‘Anglo-American’ interpretation of ‘policy networks’ is not particularly helpful as an analytical tool: like ‘multi-level governance’, it is more of a descriptive term. Indeed, it suggests that almost any relationship between policy-making actors could be described as a ‘network’ arrangement, without providing any kind of insight into how that might affect public policy.

Börzel's (1998) insights comes into their own at this point, since she characterises policy networks as a 'mode of governance' that is distinct from hierarchy and the market. As such, this helps to focus analysis on *processes and activities*, rather than just trying to identify which actors are involved in decision-making (see also Scharpf, 1991, Mayntz, 1993). In other words, it stresses the importance of understanding the power relationships and structures that operate within networks, and therefore the key drivers involved in policy-making processes – not the members of the network and how closely they work together (Kenis and Schneider, 1991, Kooiman, 1993). For example, Grote (2007) stresses how the influence of hierarchical or civil societal norms will vary according to the network and sector, often depending on the strength of state actors in negotiating processes.

Therefore, as with multi-level governance, network characterisations need to be complemented with a theory of power in order to identify which actors are influencing decision-making and why policies develop in a particular way. Indeed, as Marsh and Rhodes (1992) acknowledge, policy networks interpretations cannot explain or predict policy decisions, because these will depend on power relationships and how resources are distributed within the network. As such, although Börzel's characterisation of networks as a *mode of governance* helps to pinpoint the key focus of analysis for this thesis, these perspective do not provide all of the theoretical tools that are necessary to analyse decision-making in the case study cities.

2.2.6 *New public management*

Governance and network perspectives have become particularly relevant over the last three decades due to real-world changes in the way the state is structured and managed (Rhodes, 1994, Miller *et al.*, 2000, Pierre and Peters, 2012). In the UK this began with the Thatcher Government's public sector reforms in the 1980s, which aimed to deal with the problem of 'policy failure' whilst simultaneously 'rolling back the state'. Hood (1991) showed how her reforms to state organisations were based on principles borrowed from the private sector, and was the first to coin the term 'New Public Management' (NPM) to describe them – although the phrase caught on extremely quickly (Heinrich, 2003). Key characteristics of NPM included the introduction of market mechanisms into public services, privatisation, outsourcing,

and an emphasis on monitoring and improving the performance of government organisations. Overall, these changes represented a major challenge to the traditional Weberian model of hierarchical public administration, and were particularly prevalent at the local level (Wollmann and Thurmaier, 2012).

Another important aspect was the belief that single-purpose delivery (or ‘Next Steps’) agencies should be responsible for implementing policy. In keeping with this perspective, the UK Government ‘hived off’ a range of these agencies from existing civil service departments, which continued to exist but were now largely responsible for policy formulation and liaising with ministers (Rhodes, 1997, Wollmann, 2003). These structural changes were accompanied by new approaches to managing public bodies, in an attempt to ensure they focused more explicitly on political objectives. As a result, many introduced techniques such as objective-setting, ‘agencification’, performance monitoring, benchmarking, performance-related pay and bonuses.

Successive UK governments have embraced NPM ideas since the late 1970s, with the result that Britain has a plethora of specific functional agencies – including, but not limited to, various quasi-autonomous non-governmental organisations (quangos) that are responsible for delivery. As chapter 3 will discuss in greater detail, ministers have subjected English local government to a range of initiatives to implement NPM ideas, including ‘compulsory competitive tendering’ of local services (Painter, 1991, Jones and Stewart, 2002) and the ‘right to challenge’ existing service providers (Eckersley *et al.*, 2014). These have led to councils outsourcing the delivery of a range of functions and services, after setting out policy objectives in detailed contracts with private sector companies. Indeed, English local government is often seen as being at the forefront of these developments compared to other countries in the developed world (Andrews *et al.*, 2005).

For its part, there have been a number of attempts to implement NPM ideas in Germany (Reichard, 2003, Löffler, 2003, Goetz, 2005, Kuhlmann, 2008). As Kuhlmann (2010) notes, these have also been led largely by municipalities, many of which bought into the idea of developing a *neues Steuerungsmodell* (‘new steering model’) for local government. However, NPM ideas have not always been properly implemented due to the legalistic and traditionally Weberian bureaucratic culture that

is prevalent within the German public sector (Wollmann and Thurmaier, 2012). Moreover, and in contrast to the UK, these changes were not imposed on local authorities by *Land* governments, which resulted in a much more piecemeal and patchwork pattern of implementation across the country. Indeed, a large study into administrative practices in local government across the country found that only a minority of authorities had introduced comprehensive reforms and there had been no ‘paradigm shift’ towards NPM techniques (Bogumil *et al.*, 2006, Kuhlmann *et al.*, 2008). Notably, therefore, the German public sector has not been restructured and reformed to the same extent as its British counterpart.

However, in spite of Germany’s perceived laggardness, some of the key characteristics of a NPM approach have actually been in place for decades. Most notable amongst these are its reliance on ‘parapublic organisations’ such as the *Bundesbank*, social insurance providers or the *Bundesanstalt für Arbeit*, which bridge the gap between the public and private sectors and carry out important policy functions. Katzenstein (1987) was the first to emphasise the importance of these bodies, which he identified as one of three ‘political shock absorbers’ that constrained democratic governments and meant that West Germany was a ‘semi-sovereign state’ – at least during the Cold War. A parallel can be drawn with quangos in the UK, although quangos can be set up (and abolished) by ministers or governments, whereas parapublic organisations are embedded in the institutional system. Nevertheless, the presence of these bodies suggests that some aspects of policy-making are fragmented across different institutions in both countries, which could have implications for local climate governance in Gelsenkirchen and Newcastle. Indeed, they show that ideal models such as Type I multi-level governance do not necessarily apply, even to federal countries such as Germany.

Overall, NPM has evolved from being a set of ideas about how public services should be managed and delivered to become a practical reality in many Western democracies. As such, critics do not dispute that these changes have taken place, but rather focus on the democratic implications of outsourcing, risk transfer and service privatisation. This is because private companies are now responsible for many public services, but they are accountable to their shareholders rather than to citizens – and many of their activities are shrouded in secrecy due to the confidential nature of

commercial contracts (Rhodes, 1997, Funnell, 2000, Broadbent *et al.*, 2003). Indeed, the vast majority of studies have criticised NPM reforms, even if they may have agreed with the overall objectives of improving the efficiency and effectiveness of public services (see Pollitt, 1986 for an early discussion of their political implications, Rhodes, 1994 for a detailed critique, Talbot, 2003 for an assessment of their inherent contradictions, and Hood and Dixon, 2015 for a comprehensive analysis of whether they have been 'successful' in the UK). Furthermore, as Rathgeb Smith (2003) has identified, NPM has actually constrained front-line professionals more than ever, in spite of its rhetoric to 'free-up' street-level bureaucrats to ensure that decisions are taken by local experts. This is because their roles need to be set out in detailed and often inflexible contracts, and they are subjected to significantly more inspections, performance monitoring, targets and market-based competition through contracting-out and privatisation.

Such debates are beyond the scope of this thesis, which seeks only to identify how power dynamics and institutional structures shape local policy-making. However, NPM reforms have undoubtedly had a significant impact on the structure and capacity of municipalities in England and Germany, and therefore they will have influenced governance approaches. In addition, these initiatives have resulted in the collection and reporting of a huge amount of data on public bodies. Although the quality of this data is sometimes questionable (Audit Commission, 2009), it has helped researchers to understand what is happening in public bodies much better. As a result, various scholars have analysed whether we can measure and compare how different states or municipalities are 'performing' (Lockwood and Porcelli, 2011, Pickel and Pickel, 2012) in terms of delivering political objectives, and some of these studies have focused on environmental policy (Hammond *et al.*, 1995, Jahn, 1998, Fiorino, 2011).

This project will investigate whether concerns about the effectiveness of public bodies have led Gelsenkirchen and Newcastle to consider reforming their institutional structures or changing management approaches – and therefore bought into the traditional arguments in favour of NPM techniques. Implicitly, this relates to issues of institutional capacity (see section 2.2.7) and the extent to which traditional local authorities are able to deliver policy objectives. At the same time, however, although NPM-inspired reforms may have helped to cement England's place as having a

typical Type II multi-level governance structure, they also raise questions about its capacity to co-ordinate and implement policy effectively – both horizontally across sectors and also vertically throughout the policy chain (see Wollmann, 2003 for a detailed discussion). Therefore, the empirical analysis will also investigate whether these concerns have resulted in any structural or institutional reforms to improve policy co-ordination or bring public services back ‘in-house’, thereby running counter to classical arguments in favour of NPM (see Osborne and Gaebler, 1992). Section 2.3 will illustrate how these pressures are incorporated into the overall theoretical approach.

2.2.7 *Organisational capacity*

As section 2.2.6 suggests, a core driver for the creation of task-specific public agencies such as quangos (a central feature of NPM ideas) was the belief that they would be better-placed to focus on policy implementation than multi-functional government departments or municipalities. This view held that managers could be presented with a set of objectives and largely left to get on with the task of delivering them on behalf of their political masters.

As section 2.2.4 suggested, however, divorcing formulation from delivery in this way could lead to outcomes that are not congruent with policy-makers’ objectives, because it gives street-level bureaucrats more freedom to adapt solutions to the local context. Therefore, it is somewhat ironic that NPM ideas were largely introduced in an attempt to improve the ‘performance’ or ‘effectiveness’ of public bodies – the extent to which they are able to achieve desired outcomes (de Montricher, 2003). Furthermore, this fragmentation of the local state may have affected the longer-term success of particular initiatives, because sub-state governments no longer have as much internal *capacity* to achieve policy objectives (Alexander, 1991, Stewart, 1993).

In other words, the disaggregation of public functions that forms a core part of NPM approaches may actually be counterproductive, because it could mean that state actors are less able to implement policy effectively. Indeed, stronger and more centralised government structures ‘have enjoyed better environmental performance’ than more pluralist systems where policy-making is more difficult to co-ordinate (Scruggs, p.

13). In addition, others have pointed out the need for fragmented governing actors to ‘join back up’ in order to address policy problems more effectively (Dunleavy and Margetts, 2006), and emphasised how contracting out public services reduces the level of central control over implementation (Stewart, 1993).

Overall, these analyses suggest that fragmented public bodies have less capacity than more concentrated political systems – and this is particularly the case when they seek to deal with wicked issues, given the need for a holistic and comprehensive approach to these cross-cutting problems. Indeed, as chapters 4, 5 and 6 will demonstrate, the concept of capacity is crucial to the empirical findings of this thesis, because the case study municipalities responded to their perceived inability to address climate change by changing the nature of their horizontal governance arrangements.

The OECD has defined a society’s capacity for environmental protection as its ‘ability to identify and solve environmental problems’ (cited in Jänicke, 2002, p. 1). This thesis will adapt this definition for the local government context, and therefore work on the basis that a municipality’s capacity to address climate change refers to *its ability to achieve its policy objectives*. Building on the observations of (Jänicke *et al.*, 1997) and Kern (2013), it will show how the capacity of Gelsenkirchen and Newcastle councils is shaped by their access to resources such as knowledge, money, expertise, skills and democratic legitimacy, and that this access is largely determined by the institutional and legal framework within which they operate. Crucially, it will demonstrate that municipalities seek out external capacity if they lack the internal resources to achieve policy objectives, and explain how this changes the nature of decision-making processes (see section 2.3).

2.2.8 *Environmental policy integration*

A related issue concerns the co-ordination and integration of these additional sources of capacity, which can also play a key role in determining how effectively public bodies are addressing wicked issues. For example, Schout and Jordan (2005) found that the EU was having to rely increasingly on networks to ‘self-organise’ in order to deliver policy objectives, but achieving this was extremely challenging in a cross-cutting sector such as the environment, due to the plethora of different interest groups

involved. More generally, a school of literature has developed on environmental policy integration (EPI), which stresses the importance of incorporating environmental considerations into other sectors, including energy, agriculture, transport or planning (Lenschow, 2002, Lafferty and Hovden, 2003, Jacob and Volkery, 2004, Nilsson and Eckerberg, 2009). As these analyses point out, the political system needs to address the root causes of environmental problems in order to deal with them effectively. This often requires co-ordination across policy areas to ensure that other sectors are not pursuing initiatives that conflict with environmental objectives.

The idea of EPI has gained common currency amongst decision-makers since the late 1990s, and it has become especially relevant in NPM-inspired fragmented governing contexts (Jordan, 2002, Nilsson *et al.*, 2009b). Indeed, it poses a particular challenge for municipalities that are directly responsible for a reduced scope of public functions, because they may lack the necessary capacity to co-ordinate the activities of external actors that deliver services on behalf of the council. Nonetheless, it is a crucial factor in determining whether governments are able to address issues such as climate change effectively. As such, chapters 5 and 6 of this thesis will investigate sectors that influence Gelsenkirchen and Newcastle council's overall sustainability approach (namely their planning and corporate policies), in addition to their climate change strategies. This provides an opportunity to analyse the extent to which each municipality's climate and other environmental priorities are integrated into other policy sectors and therefore covers their decision-making arrangements in a more comprehensive manner.

2.2.9 *Policy styles*

Another factor that might influence local governance arrangements could be the preference for specific national 'policy styles' that Jeremy Richardson (1982) argued existed within various Western European states. For example, Richardson showed that some countries were much more likely than others to involve interest groups in policy-making, adopt certain types of policy instrument or try to ensure that policy is co-ordinated horizontally and vertically. He argued that distinct 'standard operating procedures' within national institutions shape how decision-makers will address a

specific policy issue – in contrast to Theodore Lowi’s argument that policy problems determine the way in which the political system operates (Lowi, 1964, O’Riordan and Jordan, 1996).

The idea of national policy styles echoes the historical institutionalist view that traditional procedures and structures will endure unless there is a ‘radical shock’ in the external environment that ‘punctuates the equilibrium’ and results in the emergence of new institutions (True *et al.*, 1999). In the context of this thesis, such a perspective suggests that governing actors in Germany and the UK would try to address environmental problems in different ways because of how institutions and behaviours within the two countries have developed and become embedded over time. Indeed, as various scholars have shown, historical legacies are likely to influence policy outcomes significantly (Hall and Taylor, 1996, Ostrom, 1986, Thoenig, 2003, Lodge, 2003). This is because behaviours, attitudes and working cultures – as well as physical organisations – shape decision-making processes in a ‘path-dependent’ manner, sometimes long after they have achieved their original purpose (Pierson, 2000). Moreover, these institutions prove very difficult to change, because actors within the system seek to prolong the status quo – either because they benefit from it individually and collectively (Mayntz and Scharpf, 1995, Scharpf, 1997), or because it appears to produce satisfactory policies (March and Olsen, 1989).

Nonetheless, mindful of the idea that external pressures on national policy styles could result in a new institutional paradigm, Richardson was interested in investigating how factors such as European Union membership might be influencing the standard operating procedures of various countries. His work spawned a number of empirical studies, many of which aimed to outline the distinctive characteristics of individual national styles in order to identify contrasting approaches (Vogel, 1986, Jänicke and Weidner, 1997, Weale, 1997, Knill and Lenschow, 1998, Carter and Lowe, 1998, Wurzel, 2002, Lees, 2007). Notably, several analyses focused on environmental policy and identified clear distinctions between the British (or English) and German styles – and a number of them did find that EU membership was affecting some standard operating procedures (Wurzel, 2002, Lees, 2005).

The differences between typically ‘English’ and ‘German’ environmental policy styles are quite stark and cover a range of areas. For example, in keeping with its *Rechtsstaat* (‘legal state’) traditions, environmental policy in Germany has traditionally been made by high-ranking officials and legal experts, and resulted in laws that penalise polluters, most of which are enforced by the *Länder* and local authorities (Jänicke and Weidner, 1997, Pehle and Jansen, 1998). This contrasts sharply with the pragmatic reliance on ‘soft’ law and discretion that is typically associated with the UK and England. Britain’s more flexible and consensual approach also means that state actors include a range of other stakeholders in policy-making processes (sometimes the very same polluters who are penalised in Germany) in order to increase the chances that they will adhere to the resulting legislation (Weale, 1997).

Furthermore, German policy-makers are more likely to opt for the ‘best available technology’ or ‘state of the art’ (SOTA) solution to address an environmental problem, whereas their English counterparts prefer to rely on the ‘best practicable means’ (BPM) to deal with an issue (Knill and Lenschow, 1998). Interestingly, Armbrüster (2005) has noted how wider societal attitudes in Germany and the UK appear to mirror these preferences, which he attributes to the different philosophical traditions in the two countries. Regardless of the reasons for the contrast, few doubt that the German perspective has enabled its federal government to stimulate domestic green manufacturing businesses at the same time as addressing environmental concerns (Lütkenhorst and Pegels, 2014, Wüstenhagen and Bilharz, 2006). Although Wurzel (2002) found that EU agreements settled on a compromise position between the two extremes (the ‘best available technology not entailing excessive costs’), this contrast nonetheless represents a worthwhile line of enquiry at the municipal level.

Another key difference is associated with whether policy-makers are concerned with measuring the *quantity* or the *consequences* of pollution. For example, Héritier *et al.* (1994), and Butt Philip (1998) have distinguished between the traditional German focus on reducing the *emissions* or *inputs* of environmental ‘bads’ into the air, soil or water and the British reliance on monitoring *immissions* or their *outcomes* (the concentration of harmful pollutants in living organisms, particularly humans). Notably, Wurzel (2002) attributes this difference partly to the geographic nature of

the two countries: in direct contrast to Germany, the UK is an island with fast-flowing rivers, rough seas and high winds, which means that pollutants disperse much quicker.

	Germany	UK
Regulatory style	Interventionist	Mediating
Traditional principles	<i>Sachlichkeit</i> (objectivity) <i>Ressortprinzip</i> (ministerial and departmental independence) Uniform standards	Professionalism Generalism Discretionary approach
Focus of concern	Level of pollution emitted (<i>emissions</i>)	Impact on human health of pollutants (<i>immissions</i>)
Preferred solutions	State of the art ('Best Available Technology')	Flexible and cost-effective (best practicable means)
State intervention	Hierarchical Substantive Low flexibility/discretion	More self-regulation Procedural High flexibility/discretion
Consultative approach	Formal Legalistic (<i>Rechtsstaat</i>) Hard law More adversarial	Informal Pragmatic Soft law Consensual
Regulatory structure	Functional decentralisation Sectoral Hierarchical co-ordination	Sectoral decentralisation Sectoral Lacking hierarchical co-ordination of local activities

Table 2.2: Contrasting styles of environmental policy in Germany and the UK (adapted from Knill and Lenschow, 1998, Weale et al., 1991, H eritier et al., 1994, and Wurzel, 2002)

Table 2.2, which draws on the comprehensive typology of Knill and Lenschow (1998), but also incorporates perspectives from Weale *et al.* (1991), H eritier *et al.* (1994) and Wurzel (2002), summarises some of the main contrasts between the typical policy style of each country. Although Knill and Lenschow do an admirable job in diagnosing these differences, there is substantial overlap between their six categories of contrasting characteristics (namely: regulatory style; traditional

principles; focus of concern; state intervention; consultative approach; and regulatory structure). For example, the focus of concern will dictate which preferred solutions may be desirable, and these would be shaped by the typical degree of state intervention. This in turn relates closely to the regulatory style and consultative approach, which are strongly influenced by traditional principles (and vice-versa).

Notably, these contrasts overlap with the analysis of Treib *et al.* (2007), who map state-society relations against various dimensions of policy, politics or polity. Table 2.3, which is based on their analysis, shows how policy styles that are associated with the UK or England are more characteristic of *governance* arrangements, whereas the typical German style sits closer towards the *government* end of the spectrum. More importantly for the purposes of this thesis, there is a clear parallel between these contrasting regulatory approaches and Hooghe and Marks' two typologies of multi-level governance (see section 2.2.3). These similarities reflect the connection between a policy-making approach and the institutional and structural context: one is likely to influence the other, and vice-versa (Stone, 2005).

However, the sheer number of contrasting features that both Knill and Lenschow and Treib *et al.* identify, together with their overlapping nature, means that using them as the basis for any comparison risks getting lost in issues of definition and categorisation. Therefore, although their characterisations of typical policy or governance styles do shape this research project, it will not investigate each individual dimension as a separate line of enquiry. Instead, the thesis will draw particularly on two aspects that are relatively straightforward to identify. The first of these is a preference for either state of the art (SOTA) solutions or the best practicable means (BPM) for addressing a problem, which are associated with Germany and England respectively. This should indicate the extent to which each municipality is demonstrating leadership and ambition in climate protection – and, by illustrating whether the local state is investing significant resources in the sector, may also indicate its importance *vis à vis* other actors in decision-making processes. The second line of enquiry will investigate the extent to which each municipality relies on hierarchical state regulation or horizontal stakeholder engagement in policy-making. As with the typologies of multi-level governance, these national characterisations are ideal models, and therefore we would not necessarily expect any state or municipality

to fit neatly into any particular category. Nonetheless, figure 2.2, which will act as a template to illustrate each city’s approach in chapters 4, 5 and 6, shows how jurisdictions that adopt strategies typical of the ‘German’ and ‘English’ policy styles might be located against these two sub-dimensions.

	State intervention ('government')	Societal autonomy ('governance')
Policy dimensions	Legal bindingness	Soft law
	Rigid approach to implementation	Flexible approach to implementation
	Presence of sanctions	Absence of sanctions
	Material regulation	Procedural regulation
	Fixed norms	Malleable norms
Politics dimension	Only public actors involved	Only private actors involved
Polity dimensions	Hierarchy	Market
	Central locus of authority	Dispersed loci of authority
	Institutionalised interactions	Non-institutionalised interactions

Table 2.3: The government-governance spectrum as it applies to policy, politics and polity (adapted from Treib et al., 2007)

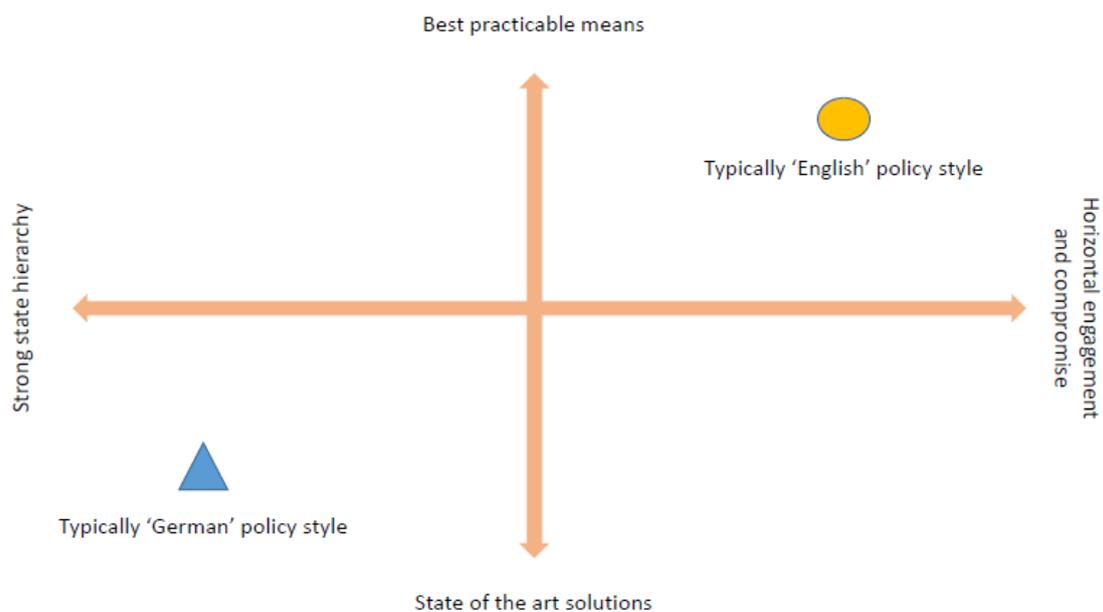


Figure 2.2: Vertical and horizontal dimensions of German and English policy styles

When combined with the analysis of multi-level governance types discussed in section 2.2.3, investigating these two factors will illustrate the overall *governance arrangements* within the case studies and therefore bridge the (small) gap between some of the governance literature and policy styles perspectives. This is because each line of enquiry will study the relationship between the state and private actors, focusing particularly on how these stakeholders seek to govern climate change at the local level together.

2.1.10 *Urban governance*

As a result, the theory and associated empirical research on policy styles and governance will help to shape the analysis of Gelsenkirchen and Newcastle. Thus far, however, the vast majority of comparative studies using these perspectives have focused at the national level – and several have been somewhat inconclusive about the extent to which convergence is taking place (see for example Richardson, 1982, Hanf and Jansen, 1998). This national focus might be expected, given that the concept of policy styles assumes that different countries adopt distinct approaches to addressing similar policy problems. However, not only does it neglect important actors in policy formulation and delivery, but it may also be the case that municipalities are more vulnerable to changes in policy style, because they face more complex exogenous challenges than national governments (see chapter 1).

Nonetheless, there is a growing literature on local climate policies. For example, some commentators have investigated the impact of climate change issues on specific urban planning or transport policies (Bulkeley and Betsill, 2003), or focused on how municipalities have sought to work with private actors on adaptation initiatives (Mees, 2014). There have also been numerous investigations into how economic development goals have shaped climate policy at a local level (Dierwechter, 2010, Lundqvist and von Borgstede, 2008, Wesselink and Gouldson, 2014). Another recent study has focused on how policy-makers in three German cities have taken account of their local contexts and priorities to develop very different approaches to climate policy (Heinelt and Lamping, 2015). There have even been comparisons of climate change policy in German and English cities, such as Bulkeley and Kern (2006), which highlights four useful different ‘modes’ of governing locally. These are:

- ***Self-governing*** – when municipalities seek to achieve political objectives by governing their own corporate activities (such as installing energy efficiency initiatives in public buildings, or purchasing green energy).
- ***Governing by provision*** – when municipalities seek to shape the behaviour of local actors through services and resources (for example, by providing a public transport infrastructure or recycling scheme).
- ***Governing by authority*** – when municipalities introduce traditional regulations or directions (like planning policies, road-charging, or pedestrianisation), which are enforced by sanctions.
- ***Governing through enabling*** – when municipalities try to facilitate and encourage action through partnerships, engagement, incentives and persuasion (this includes running advertising campaigns, providing loans to private individuals for green initiatives, or guidance to planners, architects and transport companies).

Bulkeley and Kern highlight the trend towards governing through enabling in both countries, which fits comfortably with multi-level governance interpretations, the increasing involvement of non-state actors in policy-making, and the increasing trend for municipalities to engage horizontally with other governance actors in order to achieve their objectives. It also suggests that one sub-dimension of the typically ‘English’ policy style is becoming dominant in both countries, and the ‘German’ preference for hierarchy is less prevalent. To investigate this further, this thesis will analyse three policy sectors over which local authorities are able to exert different levels of control (see section 1.3.2 in chapter 1). Indeed, we might expect the case study municipalities to rely on each of Bulkeley and Kern’s modes of governing to achieve their climate change objectives. For example, climate change strategies are likely to involve both ‘governing by provision’ and ‘governing by enabling’, due to the need for local authorities to involve other actors in policy-making and also persuade them to behave in a more environmentally-friendly manner. In terms of planning policies, the fact that municipalities can set out specific rules for new building developments means that they have an opportunity to ‘govern by authority’

in this sector. Finally, the analysis of corporate policies on resource use fits neatly into the ‘self-governing’ mode.

Bulkeley is one of many geographers who analyse climate change in cities, although her colleagues in the discipline tend to focus more on how municipalities have used sustainability to try and address economic problems in post-industrial areas (Pasquinelli, 2014). Indeed, this idea of the ‘sustainability fix’ (While *et al.*, 2004), which involves cities trying to solve problems of urban decline by re-branding themselves as being ‘green’ and ‘forward-looking’ undoubtedly plays a role in policy development at the local level (see also Keil and Whitehead, 2012). This thesis will take account of such perspectives as a way of trying to understand the strategies adopted by the case study cities. Indeed, it is particularly relevant when analysing the reasons why Gelsenkirchen or Newcastle may have opted for state of the art solutions to climate change: such ambitious investments may well suggest that the municipality is keen to present the city in a new, sustainable light. However, it highlights how most scholars of local climate governance come from a geographical perspective (see Hoornweg *et al.*, 2011 for a comprehensive overview of the literature): political scientists have largely neglected this important research field.

Another key factor likely to shape policy styles is the institutional and political context within which each local authority operates. This includes its relationships with other policy-making actors and – crucially – the power dependencies within these relationships. Notably, many local (or ‘urban’) governance typologies identify significant differences between the local government systems of Germany and the UK/England (Goldsmith and Page, 1987, Hesse and Sharpe, 1991, Bennett, 1993, Norton, 1994, Pierre, 1999, John, 2001, Hulst and van Montfort, 2007). In particular, they highlight contrasts in their legal or constitutional status, functions, size, and reliance on central government for financial and other resources. Therefore, even though the socioeconomic and historical contexts of Newcastle and Gelsenkirchen are very similar, their local authorities are likely to have different levels of capacity to achieve their policy objectives (see section 2.2.7).

For the purpose of this thesis, therefore, it is crucial to analyse the evolving nature of local governance in England and Germany, because this will shape the capacity of

Gelsenkirchen and Newcastle councils to act on particular issues. Indeed, Chapter 3 will focus particularly on the nature of horizontal and vertical relationships involving municipalities, and set out a number of significant differences in the genesis and development of local government in Germany and the UK. For example, sub-national governments in Germany have enjoyed greater political freedom than their English counterparts for most of the last two centuries, in accordance with the constitutional guarantee of *lokale Selbstverwaltung* (local self-administration).

Crucially, however, we should not confuse the concepts of autonomy and capacity. For example, a council that enjoys significant freedom from central direction may be substantially constrained by a lack of resources, an unclear constitutional status or a reliance on unpredictable revenue streams. In other words, although some authorities may be quite autonomous of higher tiers of government, they might have limited ability to achieve their objectives independently of other actors. Alternatively, local authorities that ‘surrender’ some of their freedom by partnering with external actors may find that they are better placed to deliver policy goals than municipalities that jealously guard their independence. This is particularly the case in sectors such as climate change, given the importance of an inclusive and holistic approach to addressing such wicked issues (Wollmann, 2004).

As this suggests, a municipality’s internal level of capacity is likely to shape its governance approach, because decision-makers will probably try to identify and adopt the most realistic and effective way of implementing policy. In other words, a council may be able to exercise its hierarchical authority in some areas, but in other sectors it might need to compromise with external actors in order to achieve its objectives (see Sellers and Lidström, 2007). This principle may also apply across jurisdictions, because the institutional context may mean that councils in one country are more constrained than their counterparts elsewhere. For example, local authorities in the US have far less capacity in the area of environmental policy than municipalities in Germany – and therefore they have to rely much more on external actors in governance arrangements (Sellers, 2002). Similarly, in his famous study of the city of Atlanta, Stone (1989) found that public bodies had to work extremely closely with private businesses in order to address racial tensions effectively. Indeed, Stone argued that the municipal authority formed a semi-permanent ‘regime’ with private

businesses, and emphasised how it sought to increase its ‘power to’ achieve policy objectives – rather than its ‘power over’ other actors in the city.

Overall, the literature on urban governance confirms the general shift towards governance and away from state hierarchy. It also shows how the desire of municipalities to increase their capacity is a key driver of this process, as local authorities seek out resources from other actors in order to achieve their policy objectives. Crucially, however, it highlights how the institutional context within which municipalities operate is likely to affect their level of capacity – and therefore shape the nature of their policy-making arrangements. Indeed, as the remaining chapters of this thesis will illustrate, differences in the genesis and evolution of local government in Germany and England has meant that councils in these countries tend to rely on contrasting governance approaches – with the former more likely to rely on hierarchy and the latter preferring greater horizontal engagement and compromise. Of course, such characterisations fit with the typical policy styles that have been attributed to both countries at the national level – something that also represents an important finding for the purposes of this thesis.

2.3 Towards a hybrid governance model?

As chapter 1 outlined, a myriad of influences have exerted pressure on traditional governance approaches in both Germany and the UK over recent decades – from concerns about ‘state overload’ in the 1970s right up to the 2007/8 financial crisis and ensuing period of austerity. At the same time, the cross-sector and ‘wicked’ nature of climate change has required decision-makers to consider whether they need to change their approach to policy-making in order to achieve their objectives. Moreover, the cities of Gelsenkirchen and Newcastle have tried to deal with economic decline throughout this period, which could also be disrupting traditional governance structures in their respective municipalities. In fact, since cities tend to be more vulnerable to changes in the exogenous environment than nation states (because they are more likely to rely on a homogenous economic sector and are subject to a wider range of institutional constraints (Pierre and Peters, 2012)), we might expect their existing policy-making processes to be coming under particularly severe strain.

As this suggests, both case study councils are facing comparable pressures, and these challenges are significant. This thesis will investigate if they are responding in similar ways, and therefore whether their traditional approaches to multi-level governance and policy styles might be converging towards some kind of hybrid model. Indeed, this hypothesis, which is set out in figure 2.3, forms the basis for much of the empirical inquiry in chapters 4, and 5 and 6. It proposes that Gelsenkirchen has traditionally adopted a characteristically ‘German’ policy style and operated within a Type I multi-level governance arrangement, whereas Newcastle has relied on a typically ‘English’ approach within Type II structures. In this way, Gelsenkirchen’s typical approach would be considered ‘foreign’ to Newcastle, and vice-versa. Yet, if the cities are responding to their comparable challenges in similar ways, they will have ‘imported’ some of these ‘foreign’ characteristics into local climate governance arrangements, and a *hybrid model* of policy-making will be emerging. Therefore, the thesis will first identify the extent to which these ideal-type models exist within the two cities, and then examine whether they are changing and/or converging in any way. As such, it has echoes of recent academic debates about the long-term viability of different economic models in Western European countries. In particular, several scholars have questioned whether global and European pressures might encourage state and private sector actors to reject some aspects of the German model of ‘coordinated’ or ‘Rhineland’ capitalism and move towards a more Anglo-American or hybrid economic approach (Dyson and Padgett, 2005, Busch, 2005).

The oval shapes at the top and bottom of figure 2.3 highlight the typical contrasts between England and Germany that this thesis will investigate as sub-dimensions of policy style and multi-level governance type. As Hanf and Jansen (1998), (Peters and Pierre, 2001) and (Stone, 2005) have argued, there is a link between policies and institutions, with structures influencing policy outcomes and vice-versa. Therefore, to recognise the fact that these concepts are not necessarily easy to distinguish (because institutional structures almost certainly influence policy style, and vice-versa), they are separated by a dotted line.

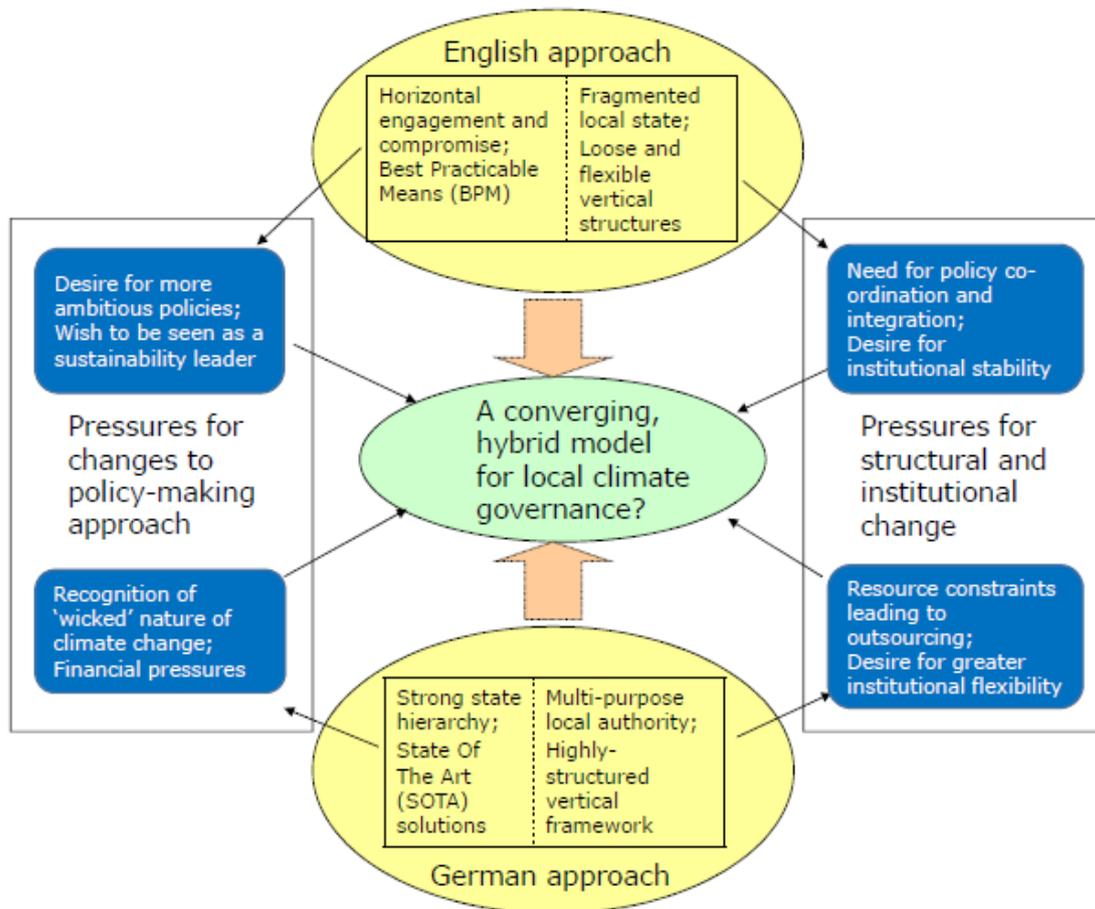


Figure 2.3: Hypothesis of converging governance approaches in Gelsenkirchen and Newcastle

The diagram suggests a number of factors that may be causing traditional approaches to change, based on the discussion above. Of course, governance models may be static, or they may be shifting for different reasons than those set out in the diagram, both of which would be worthwhile findings. However, these potential drivers helped to frame the data collection process, and therefore they feature in figure 2.3 and the empirical chapters. They have also been selected on the basis of logical assumptions. For example, Newcastle council might have previously adopted an English policy style (according to the two sub-dimensions analysed in this thesis), but may no longer prefer to rely on the best practicable means for addressing a problem because of its desire to re-brand the city as a forward-looking location and leader in sustainability. Similarly, any preference for engaging and compromising with other governance actors may be affected by an increasing desire for more ambitious policies, which could mean the authority seeks to adopt a more hierarchical approach to achieve its

climate protection goals. In terms of the multi-level governance dimension, the fact that climate change concerns need to be integrated into other policy sectors could lead to the council reappraising its reliance on task-specific organisations and the degree of state fragmentation. Finally, a desire for a more stable institutional environment for making and implementing policy might result in policy-makers deciding against regular tinkering with the vertical structures within which Newcastle operates.

As far as Gelsenkirchen is concerned, any preference it may have had for state of the art policy solutions could be threatened by its financial situation, particularly in the aftermath of the 2007/08 crisis. In a similar way, the wicked nature of climate change, which means that a range of stakeholders need to alter their behaviour in order for policies to be effective, might mean that Gelsenkirchen can no longer rely on a typically 'German' preference for state hierarchy to achieve its objectives. In terms of multi-level governance, the city may no longer have the resources to maintain all of its services in-house and might therefore be shifting away from the traditional model of a multi-functional local authority. Finally, the rigid vertical structures that are characteristic of a Type I multi-level governance arrangement may be threatened by a desire for greater flexibility. This could manifest itself in the creation of additional channels for policy-making and implementation that operate in parallel to 'official' institutions.

In this way, the framework draws particularly on the work of Richardson *et al.* (1982) and Hooghe and Marks (2003) to analyse the relevant policy styles and institutional structures respectively. However, the other perspectives discussed above will also help to understand the nature of governance approaches in Gelsenkirchen and Newcastle. For example, those concerned with environmental policy integration (see section 2.2.8) will inform the extent to which climate concerns have been incorporated into each city's climate change strategy, planning and corporate policies, which are examined in chapters 4, 5 and 6 respectively. Furthermore, the literatures on NPM (section 2.2.6) and urban governance (2.2.10) will assist in analysing the nature of state fragmentation in each city, and especially its corresponding impact on horizontal governance structures and societal engagement strategies. In addition, this fragmentation (as well as other resource constraints) may have reduced organisational capacity within the case study municipalities, and therefore the discussion in section

2.2.7 should be instructive. Theories of policy implementation (section 2.2.4), policy networks (2.2.5) and governance (2.2.2) are also relevant, particularly considering the importance of all actors along the policy chain when addressing wicked issues such as climate change. Finally, analyses of the attempts to negotiate some kind of international agreement on climate protection (section 2.2.1) will provide the overall context for the seemingly intractable nature of this crucial global issue.

2.4 A new approach to analysing governance relationships

As the previous section has highlighted, the case study cities may exhibit various national characteristics in their governance arrangements, and various factors might be causing them to change and/or converge. However, it has also demonstrated how both the multi-level governance typology and the policy styles perspective are overwhelmingly descriptive and therefore unable to help explain the processes involved in policy-making.

Various scholars have sought to overcome this problem by highlighting the importance of ‘meta-governance’: the broad principles and framework within which governance arrangements operate (Jessop, 2002, Kooiman, 2003). Indeed, changes to this framework (such as in the relationships between key actors) would help to explain differences in policy outputs. Nonetheless, meta-governance perspectives suffer ultimately from the same problem as governance interpretations: they do not include useful tools for analysing power dynamics, which means it is difficult to identify which actors are influencing policy. In a similar way, various models of federal-state relations, such as those suggested by Wright (1988), do not help to analyse *who is playing which role* in decision-making and therefore *what* might change policy outcomes. Indeed, although Wright’s three different perspectives on federalism in the USA (which he terms ‘co-ordinate’, ‘inclusive’ and ‘overlapping’) can be used to illustrate varying levels of integration between tiers of government, it nonetheless remains overwhelmingly descriptive rather than analytical.

In contrast, although some of the earlier work on intergovernmental relations tends to focus on single countries rather than be employed to support comparative analyses (Goldsmith, 2012), this literature is much more helpful. In particular, it stressed the

importance of understanding power dependencies between different tiers of public administration – principles that can also be applied to *horizontal* relationships between bodies at the same level. These ideas have roots in organisational sociology, most notably Aldrich's (1979) theory that high levels of interdependency between companies makes them more likely to survive economic downturns. Although the Darwinian nature of Aldrich's argument is not particularly relevant to public sector bodies that cannot go out of business, the importance of resource interdependency is nonetheless useful in intergovernmental relations.

Indeed, scholars such as Benson (1982) have adapted it for state institutions, by stressing the interdependency of sub-national and central governments. For example, although the centre normally allocates some funding to the periphery, sub-national governments usually provide relevant information and implement central policy in return. In a similar way, various studies in the 1970s found that local and state governments in Germany had access to crucial sources of local information and technical expertise (Baestlein *et al.*, 1978, Garlich and Hull, 1978, Mayntz, 1978) that eluded the federal government. Coupled with the understanding that all stakeholders have a preference for 'conflict avoidance' (Scharpf *et al.*, 1976), the fact that sub-national governments have access to these essential resources has enabled them to exercise significant influence over federal policy programmes.

Of course, the extent to which local actors can shape decision-making is likely to vary from country to country. This might depend on how resources are distributed within these relationships (sub-national actors that can raise additional revenues are in a stronger position than those who have no access to extra funding), or the degree of local discretion over policy directives. Nonetheless, by focusing on such variables within interdependent relationships we can begin to identify which actors are exerting most influence over decision-making.

For example, scholars such as Scharpf (1978) have used game theory to model how policy-making actors might behave within certain contexts. The nature of these relationships is based on the importance of the resources they each hold and whether these resources could be substituted with an alternative. This allows researchers to identify the extent to which two actors are mutually interdependent, and therefore

whether one might be in a position to exploit the other, and/or whether co-ordination would be in both parties' interests. However, various studies have highlighted the drawbacks associated with applying game theory approaches to social situations (see Ostrom, 1998 for an overview), or pointed out how they are limited by focusing on only two actors (Kooiman, 2003). In addition, it is very difficult to identify what actors actually want to achieve from the game, since individuals may have different objectives from the organisations they represent in negotiations. This makes it even harder to ascertain the extent to which any particular actor has achieved its goals, and therefore the power it is able to exercise during bargaining processes.

Nonetheless, Rhodes (1981) adopted the idea of power-dependence very effectively in the context of central-local relations in the UK. Central to his analysis was the importance of identifying the nature of the interdependent relationship, namely *which* resources each tier of government is dependent upon and *who* can provide those resources. These resources are not solely financial: they may also be constitutional or political, shaped by the hierarchical nature of intergovernmental relations, or associated with particular expertise or access to information. Rhodes recognised that power dependencies are rarely symmetrical, but he stressed that different tiers of government *are always* interdependent to some extent and their reciprocal relationships are not necessarily a zero-sum arrangement. Therefore, to return to the definition of organisational capacity set out in section 2.2.7, greater interdependence between two or more actors can increase the ability of all stakeholders to achieve their policy objectives. Such a view reflects traditional arguments about the benefits of countries 'pooling' sovereignty through institutions such as the European Union.³ Since the municipalities in both Newcastle and Gelsenkirchen have experienced severe financial pressures in recent years, their ability to implement policy objectives is likely to be an influential factor in shaping governance arrangements. Indeed, to return to section 2.2.1, the shift towards governance is often viewed as the result of state actors seeking to increase their political power and institutional capacity by

³ Some might argue that greater interdependence weakens the autonomy of nation-states (or indeed municipalities). However, since this project seeks to identify the nature of governance structures through empirical investigation, it will not attempt to construct normative arguments about the democratic implications of 'pooling sovereignty' at either the local or supranational level.

working with other stakeholders, rather than exerting formal hierarchical authority (Peters and Pierre, 2001, Davies and Trounstone, 2012). As a result, incorporating capacity-building into the theoretical framework will provide a way of explaining why traditional governance approaches might be changing.

In later works, Rhodes (1985, 1986, 1988, 1997) suggests that interdependent governance relationships have become so embedded that they constitute vertical *networks* comprising central and local government bureaucrats and outside experts. However, as section 2.2.5 argued, the cross-cutting and complex nature of climate change means that the development of a highly cohesive network on this issue is unlikely – and therefore this thesis will not take this approach. Nonetheless, it *will* use the concept of power-dependency as a tool to help explain changes in the relationships between governance actors in both cities. This is because the theory can explain how a change in the availability of resources or in the importance that a stakeholder attaches to any particular resource will affect power relationships. For example, changes in the resource requirements of local and/or central governments will influence power dynamics along the *vertical* dimension. In addition, although Rhodes focused on central-local relations, his theory is equally applicable to *horizontal* relationships between government bodies and other actors within the same jurisdiction.

Although he does not address this explicitly, Rhodes implies that *dependency* is the converse of high levels of *interdependency*. In other words, if the power relationship between two organisations is asymmetrical, one would be much more *dependent* on the other. However, if each organisation pursues its own objectives largely autonomously (in other words, there is limited reciprocity between the two), they would actually both be more *independent* of each other. This would also be the case if one actor would like to source additional capacity from others, but the support is not forthcoming and therefore no *interdependent* (or even *dependent*) relationship develops. Such eventualities cannot be illustrated easily using Rhodes' framework, but it is there are nonetheless perfectly possible. Indeed, to return to Hooghe and Marks (2003), Type I multi-level governance structures suggest that municipalities operate relatively autonomously within their localities because they have retained responsibility for a wide range of public functions.

In order to incorporate all three potential scenarios (*interdependence*, *dependence* and *independence*) into the empirical analysis, chapters 4, 5 and 6 of this thesis will use tri-polar diagrams based on figures 2.4 and 2.5 to illustrate the power relationships involved in each policy sector, along the vertical and horizontal dimensions respectively. This tri-polar representation has the additional benefit of incorporating the characteristically ‘German’ and ‘English’ multi-level governance types into the empirical analysis. The diagrams take the municipality’s perspective; in other words, where an organisation has been plotted close to the ‘dependence’ pole, this is because the local authority relies more heavily on other actors than they do on it.

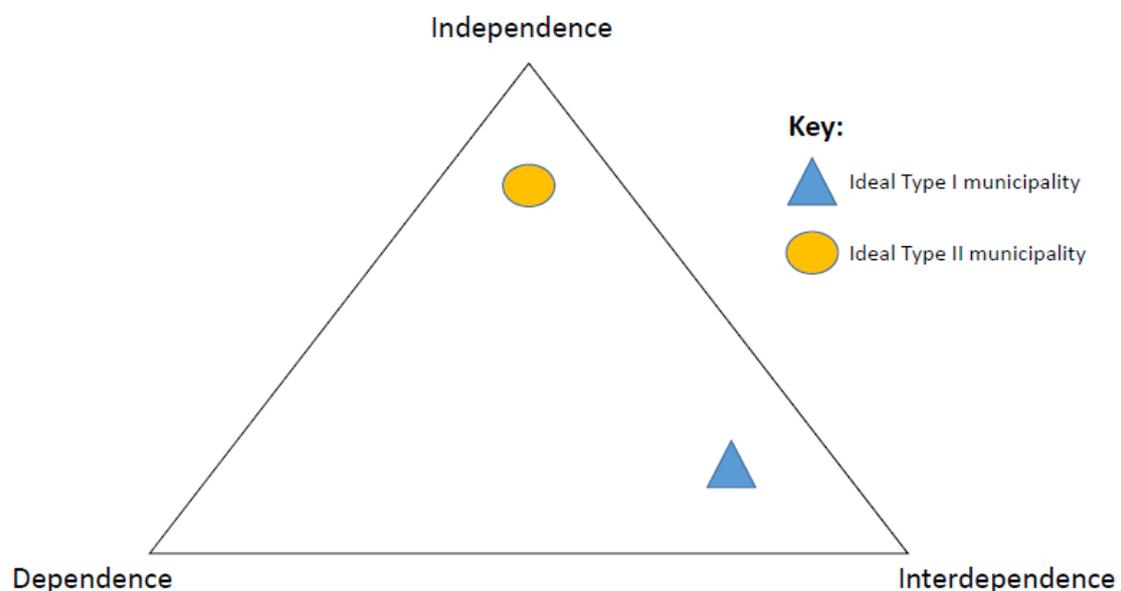


Figure 2.4: Vertical power dependency relationships in Types I and II multi-level governance arrangements

Figure 2.4 illustrates the vertical dependency relationships within ideal Type I and Type II arrangements. Along the vertical sub-dimension selected for this thesis, it shows how councils and higher tiers of government in an ideal Type I jurisdiction are highly *interdependent*, because the structured institutional architecture indicates that all levels are involved in making and implementing policy. In contrast, since vertical Type II arrangements are flexible and dynamic, local authorities in these jurisdiction operate much more *independently* of higher tiers of government.

In a similar way, figure 2.5 plots the power dependencies of municipalities in ideal Type I and Type II jurisdictions along the horizontal dimension. Since Type I arrangements suggest that responsibilities are concentrated into ‘multi-purpose’ jurisdictions, these local authorities have responsibility for a wide range of functions and do not have to rely on other agencies to achieve their objectives. As such, they exist largely *independently* of other horizontal actors and are positioned close to the *independence* pole. In contrast, municipalities in Type II structures rely heavily on task-specific jurisdictions such as special-purpose vehicles, external contractors and functional agencies. The local authority can only achieve its objectives by working with these other bodies, but this relationship is *interdependent* because the council might provide democratic legitimacy, funding or other resources in return. As such, Type II municipalities are positioned towards this pole along the horizontal dimension.

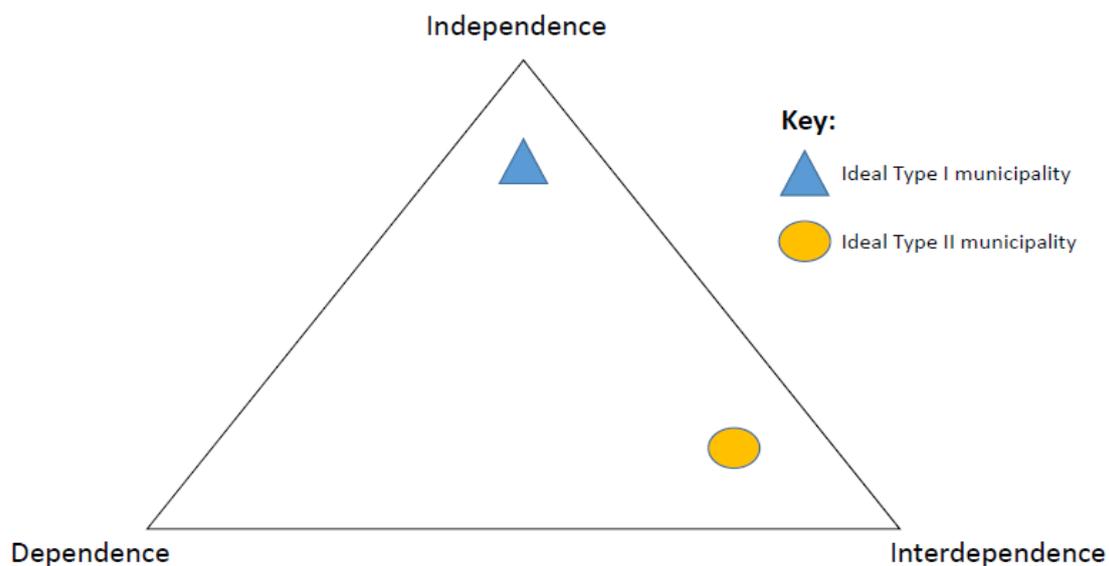


Figure 2.5: Horizontal power dependency relationships in Types I and II multi-level governance arrangements

In this way, figures 2.4 and 2.5 show how Hooghe and Marks’ typologies of multi-level governance interlock with Rhodes’ theory of power dependence, and also provide a means of illustrating the nature of institutional structures in the case study cities. Furthermore, they can also help to examine power relationships within these governance arrangements by highlighting the nature of resource dependencies

between actors. This also makes them extremely useful tools for analysing why the dimensions of policy styles adopted for this thesis might apply or be changing. For example, if a municipality is highly *interdependent* with (or *dependent on*) other horizontal actors it may need to adopt a strategy of engagement and compromise – whereas greater *independence* might allow it to act more hierarchically. Alternatively, it may be better placed to invest in state of the art solutions if it works *interdependently* with external technical experts or funders, or if it has significant autonomy (*independence*) to raise its own revenue. By extension, therefore, any changes in the nature of these power dependent relationships could affect the multi-level governance arrangements and policy styles exhibited by the case study municipalities.

2.5 Conclusions

This chapter has explained the relevance of various academic literatures to studying climate governance in English and German cities, and shown how they can be pulled together into a framework for analysis. Drawing particularly on ideas of multi-level governance (Hooghe and Marks, 2003) and national policy styles (Richardson, 1982), it has set out a hypothesis that is central to the rest of this thesis. This posits that Newcastle and Gelsenkirchen have sought to govern climate protection policy in different ways in the past, but a range of exogenous and endogenous pressures are causing these traditional approaches to change and converge. To complement and enhance this ‘mapping’ of governance styles, the chapter has also demonstrated how Rhodes’ (1981) theory of power dependence in central-local government relations might identify the reasons behind this evolution of governance approaches. Indeed, by building on Rhodes’ theory, it has shown how the nature of power dependence relationships might determine multi-level governance arrangements and policy styles within any given jurisdiction. Central to this new theoretical perspective is an assessment of the extent to which each city is *dependent on*, *interdependent* with or *independent* of other actors, in both vertical and horizontal governance relationships.

Figures 2.4 and 2.5 illustrate how these relationships can be represented in diagrammatic form. Chapters 4, 5 and 6 will use these diagrams to highlight the nature of governance structures for climate change strategy, planning and corporate

policies in the case study cities. By plotting additional points and arrows to indicate a ‘direction of travel’, they will also illustrate how these structures might be changing. Any shifts may be in response to the pressures outlined in figure 2.3 (see page 53) and chapter 1, or they may not – but they will be notable phenomena, regardless of the cause.

Furthermore, in order to address the central hypothesis more explicitly, this tri-polar analysis will inform a set of two-dimensional diagrams based on figures 2.1 and 2.2 (see pages 28 and 46). These will plot the position of each city’s approach to all three policy sectors using the selected sub-dimensions of multi-level governance and policy styles. As with the power dependency diagrams, they will also include an arrow to signify each municipality’s direction of travel, and therefore indicate whether it is moving away from, or towards, its ‘typical’ location on each sub-dimension. In this way, chapters 4, 5 and 6 will illustrate the extent to which these ideal models apply in Gelsenkirchen and Newcastle, whether traditional governance models are changing or converging, and the key reasons why each city addresses these three policy sectors in the way that it does.

Prior to this empirical analysis however, the next chapter will focus on the historical development of local government in England and Germany, particularly in those regions encompassing Newcastle and Gelsenkirchen. It will analyse the evolution of central-local relations – especially the extent to which municipalities are *interdependent* with, *independent* of, or *dependent* on external actors – and conclude with an assessment of where a ‘typical’ local authority in each area might be located on the tri-polar diagrams in figures 2.4 and 2.5. In this way, it will also highlight the extent to which the characteristics of Types I and II multi-level governance might apply to the ‘average’ municipality in each country and therefore assess the relevance of the hypothesis set out in figure 2.3. Even if Types I and II are not particularly accurate representations of the institutional arrangements that operate within Germany and England, the diagrams in chapter 3 will nonetheless act as a useful benchmark for the empirical analysis of Gelsenkirchen and Newcastle. They may also demonstrate whether the governance arrangements in the case study cities might be representative of municipalities elsewhere in Germany and England, and therefore indicate how applicable the findings of this thesis may be to other local authorities.

Chapter 3: Local governance in England and Germany – the historical context

3.1 Introduction

This chapter outlines how sub-national governance has developed in England⁴ and Germany and thereby sets the context for the empirical analysis in chapters 4, 5 and 6 of the thesis. It focuses particularly on changes in the power dependency of local government in both countries, and highlights how these shifts have resulted in German councils having more capacity to implement their objectives compared to their counterparts in England. As a result, municipalities in the two case study countries now differ substantially in terms of how they are able to address major issues such as climate change.

Although both Germany and England have a long tradition of what we might term ‘local government’, (Bennett and Krebs, 1991), the kind of multi-functional bodies that contemporary observers would recognise as local authorities only began to develop after the French Revolution. Therefore this chapter focuses largely on the period since 1800, and highlights how the evolution of local government in each country has shaped its capacity and perceived role in the local community right up to the present day. In order to highlight specific phases of development, it splits the evolution of municipalities into three eras: the period up to 1900; between 1900 and the early 1970s; and the 1970s to the present day. These specific eras represent key shifts in vertical and horizontal power dependency relationships involving local government in both countries, and have therefore shaped the extent to which individual municipalities have the ability to achieve their policy objectives.

The first period begins in the early 1800s with the creation of modern local authorities in both countries, and it traces how local government increased its power and

⁴ Until devolution at the end of the twentieth century, the British government was responsible for local authorities across the United Kingdom. Most of the changes discussed in this chapter affected councils in England and Wales; generally speaking, local government in Scotland and Ireland (and Northern Ireland after 1918) was administered differently throughout this period.

influence during the Victorian era. From around 1900 onwards however, central government began to take over responsibility for many local functions as ministers sought to standardise welfare state provision at the national level. Finally, the period since the early 1970s has been characterised by attempts to rein in council spending and influence, whilst a trend towards state fragmentation (particularly in England) led to major changes in horizontal relationships between individual municipalities and other local actors. Therefore, these decades constitute the final section of this chapter.

As chapter 2 discussed, the multi-level governance typologies proposed by Hooghe and Marks (2003) are insufficiently nuanced to explain (or even describe) the nature of policy-making processes in each city. Nonetheless, since Hooghe and Marks' model (along with the idea of national policy styles) is central to the hypothesis under investigation, the chapter will touch on this issue by mapping governance arrangements against the typology as accurately as possible. However, its main focus will be on changes to power dependency relationships during the three periods outlined above, and it concludes with an overview of how we might expect these arrangements to operate in Gelsenkirchen and Newcastle.

3.2 Local governance up to 1900

3.2.1 Local governance in Germany up to 1900

German cities have a history of autonomy from higher tiers of governance that dates back to the Middle Ages, long before Germany became established as a modern nation state (Conradt, 2001). This was largely because most of what is now Germany was part of the East Frankish part of the Holy Roman Empire that was created following the death of Charlemagne in AD 843. This empire, which some Germans later termed the *First Reich*, was not a 'state' in the modern meaning of the term, but rather a loose grouping of territories held together by some confederate features (Gunlicks, 2003). Crucially, its lack of a centralised structure meant that large cities were very powerful and largely autonomous actors. This legacy, together with the fact that much of the empire's territory was outside the contemporary borders of 'Germany', illustrates how the historical development of a German nation state differed markedly from either that of England or the wider United Kingdom.

The Holy Roman Empire lasted until the Napoleonic Wars, when the occupying French introduced a much more centralised system of government administration in their new Kingdom of Westphalia – including what was then the tiny village of Gelsenkirchen. However, following Napoleon’s defeat, the Congress of Vienna awarded Westphalia and the Rhineland to Prussia and its new governor, Baron Ludwig Vincke, set about organising the province’s administration along Prussian lines (Engel, 1969). Notably, Prussia’s eighteenth-century ruler Frederick II (‘the Great’) had introduced various reforms that bore Napoleonic hallmarks – such as giving many property-owning men the right to vote, establishing state-funded universities, liberalising commerce, developing a highly-trained army of conscripts and instituting a legal code (Acemoglu *et al.*, 2011, Gildea, 1987, Bogumil and Holtkamp, 2006). Crucially, however, Prussian leaders were much less keen to adopt the French model of local administration. Indeed, Baron Karl vom Stein, the Prussian First Minister for much of this period, sought to construct a ‘system of urban government in accordance with a philosophy contrary to that of Napoleon’ (Norton, 1994, p. 238). This meant decentralising power to the grass roots, rather than developing a strong central authority that nurtured nationalistic fervour.

As a result, a Civic Ordinance of 1808 gave the towns and cities responsibility for overseeing economic modernisation and nurturing civic pride, and extended the franchise for local councils to all male property owners and salaried professionals. It also introduced a powerful (albeit collegial) executive in each city in the form of a *Magistrat* that was appointed by elected councillors. From 1831 onwards the *Magistrat* was able to veto council decisions (Bogumil and Holtkamp, 2006), in contrast to the system of committees and ceremonial mayors that existed in England. This meant that Prussian municipalities were able to take decisions much easier than their English counterparts, and had substantial capacity to shape the local area during this period (Wollmann, 2004).

Some have argued that Stein introduced a decentralised system so that the central Prussian state would not have to finance the rebuilding process after the Napoleonic Wars (Naßmacher and Naßmacher, 2007). Indeed, the extent of devolution to the local level is all the more surprising considering the otherwise authoritarian nature of

nineteenth-century Prussia (Edwards and van der Meer, 2000, Passant *et al.*, 1962). However, regardless of the reasons behind the Civic Ordinance, it meant that municipalities derived their legitimacy from *local communities* (rather than the centre), because they were responsible for instilling civic pride and modernising the country from the bottom-up. Indeed, it is important to note that councils became firmly established in Prussia at a time when the country was still overwhelmingly rural, and that Stein believed local government would be best placed to oversee a strategy of industrial and economic development.

In order to achieve this, the 1808 Ordinance granted municipalities a *power of general competence* to undertake any function that they considered to be in the interests of the locality, unless that task was specifically assigned to another government body in law (Norton, 1994, Wollmann, 2004). Crucially, this power eluded their English counterparts for another two centuries, which meant that local authorities in England could only undertake activities that were expressly permitted in legislation. In Germany, the power of general competence has since become almost synonymous with the idea of *lokale Selbstverwaltung* (local self-administration), which ensures that municipalities not only have ‘a high degree of autonomy in decision-making, but also a corresponding flexibility in terms of income and expenditure’ (Scherf, 2010, p. 373). This power was enshrined in the post-1945 *Grundgesetz* (Basic Law), and continues to provide legal authority and legitimacy for local authorities in the present day. In particular, it puts them in a strong position in local governance arrangements and ensured they have retained significant control over revenues.⁵

Prussia’s governors were helped by being able to tap into a tradition of civic pride that was much stronger than in England (Palmowski, 2002). Furthermore, the introduction

⁵ In fact, as this chapter will demonstrate, the German concept of *lokale Selbstverwaltung* actually results in what Anglophones might more accurately term ‘local self-government’, because it gives municipalities substantial autonomy to take decisions rather than merely administer policy on behalf of other organisations. Ironically, ‘local government’ in England is actually more concerned with administration and implementation – to the extent that scholars such as Copus (2010) have argued that it is neither ‘local’ nor ‘government’.

of a wide-ranging – and much admired⁶ – public education system helped to nurture communal identities and equip people with the skills necessary to help transform Prussia from a feudal to an industrial country (Gerlach, 2010, Gildea, 1987). In addition to education, Prussian municipalities began to provide an increasing range of other services, including parks and recreation, sanitation, infrastructure, utilities, refuse collection, public transport, sports facilities, hospitals, cemeteries, slaughterhouses and cultural services. These services were overwhelmingly ‘municipalised’ – that is, owned and delivered by the local authority – which provided the council with significant revenue streams. Not only were some of these functions necessary from a public health perspective, but they also facilitated the process of industrialisation, since they ensured that cities had sufficient housing, transport, sanitation, education and other services to support their rapidly increasing populations (Bogumil and Holtkamp, 2006). More importantly for the purposes of this thesis, they demonstrated the degree of capacity within local authorities to deliver these services ‘in-house’, largely *independent* of central government and non-state actors. To use Hooghe and Marks’ characterisation, nineteenth-century German councils were archetypal Type I ‘multi-purpose authorities’, because responsibilities for policy-making and service delivery were concentrated within the municipality.

As the role of Prussian local government expanded considerably, so did municipal expenditure – to the extent that spending per head doubled between 1883 and 1902 (Palmowski, 2002). The vast majority of this money was borrowed, on the assumption that economic growth and continued industrialisation would lead to higher levels of revenue from business taxes (*Gewerbesteuer*) in future years. As we shall see later in the chapter however, this debt became increasingly difficult to manage and contributed towards local government losing influence in the early twentieth century. Nonetheless, Prussian councils enjoyed a large degree of fiscal autonomy. From 1820 onwards, they were permitted to levy the *Gewerbesteuer*, and from 1891 each municipality was also able to decide whether to tax a local company according to its

⁶ Victorian reformers in England were amongst these admirers. British Liberal governments under William Gladstone tried to adopt the Prussian secondary education system as a model but were blocked by established interests keen to continue with the elitist and limited nature of schools at the time (see Gildea 1987).

annual revenue, capital holdings or number of employees (Rehm and Matern-Rehm, 2010).

As the nineteenth century progressed, Prussia became the pre-eminent state in the German Confederation (*Deutsche Bund*) (Passant *et al.*, 1962, Conradt, 2001, Roberts, 2000, Carr, 1991). This meant that most other German states adopted Stein's philosophy of civic governance and efficient bureaucracy in order to try and emulate its economic, political and military success (Bogumil and Holtkamp, 2006). Indeed, Prussia became so dominant within the confederation that its rulers were essentially able to dictate the terms of the 1871 unification that created the *Second Reich* (Carr, 1991, Conradt, 2001). As a result, the Prussian King Wilhelm I became Germany's first *Kaiser* (a term meaning 'emperor' that derives from the Latin *Caesar*), and he appointed the Chancellor (the Prussian prime minister Otto von Bismarck) as head of the government. Crucially, although the other states (or *Länder*) retained many of their previous institutions (not least their monarchies) following unification, the new *Reich* constitution incorporated the Prussian principle of *lokale Selbstverwaltung*. As a result, municipalities from across Germany developed their own approach to delivering utilities, health care and other social services.

In keeping with this principle, the Prussian government passed legislation in 1893 that confirmed local government's power to levy all 'material taxes' (*Realsteuer* – those that concerned property and businesses), as well as introduce surcharges on the amount of income tax or excise duty that applied within the *Land*. The law also enabled municipalities to raise taxes if their revenue from direct grants, fees and charges did not cover their expenditure. Indeed, councils were responsible for 40% of all taxation in the *Second Reich* right up until 1913 (Elsner, 1979). This gave them significant capacity to raise revenue and undertake activities *independently* of central government.

Although this situation has changed to some extent over the last hundred years, the legacy of Prussia's preference for *lokale Selbstverwaltung*, civic pride and bottom-up development is still relevant in contemporary Germany. Indeed, as chapters 4, 5 and 6 of this thesis will demonstrate, this legacy has helped to ensure that German municipalities have a higher status in local governance arrangements than their

English counterparts, and have consequently been able to exercise greater hierarchical authority in decision-making processes.

3.2.2 *Local governance in England up to 1900*

In England, as in most other European countries, royal charters granted cities additional privileges before local ‘government’ became established in the way that we would recognise it today. In particular, urban areas were outside the jurisdiction of counties (Seeley, 1978, Norton, 1994), which meant that they enjoyed greater autonomy than rural areas. As a result, many established *ad hoc* municipal corporations to oversee public facilities such as turnpikes and street lighting, as well as the police and fire services. By 1800 there were around 200 of these single-purpose public authorities, which were not very well co-ordinated and overseen by an elite group of prominent men elected on a very limited franchise (Skelcher, 2003). In addition, since Britain’s constitution was (and remains) uncodified, the role of elected bodies in the overall governing framework was unclear. For example, these bodies had no legal basis to promote general well-being, and were established primarily to control the various *ad hoc* institutions that had developed over previous centuries (Norton, 1994).

The industrial revolution, which resulted in serious public health problems in urban areas, stretched this piecemeal system to breaking point (Norton, 1994, Aidt *et al.*, 2010). In particular, the rapid migration of large numbers of people from the countryside to the towns placed unbearable pressure on the rudimentary services that were in place at the time. For example, only six of the 50 largest towns in England and Wales had a pure water supply in 1845, meaning that ‘living conditions were filthy and squalid, with a consequent danger of cholera and the plague’ (Seeley, 1978, p. 5). Alongside these public health concerns, the Reform Act of 1832 increased pressure for elected representation at the local level, and the development of the railways led to growing demand for better roads and other transport infrastructure.

In response to these pressures, the Municipal Corporations Act of 1835 set out a model for elected town councils that became widespread throughout England and Wales. This gave municipalities responsibility for policing (though not justice),

lighting, the management of corporate property and local bye-laws to prevent what would now be described as anti-social behaviour. The Act applied to 178 larger towns and cities (excluding London), many of which were granted additional powers later in the century (for example the Museums Act 1845 gave larger boroughs the right to establish museums (S. Eckersley, 2012)). The franchise was limited at first, but authorities had a reasonable amount of autonomy over the services for which they were responsible.

Crucially, the 1835 Act established the founding principles for modern English councils, and these shaped the nature of local government for well over a century thereafter. They included a reliance on committee-based decision-making (in contrast to the strong *Magistrat* in Prussia) and – crucially – the status of municipalities as ‘creatures of Parliament’, which meant that ministers could reform or abolish them quite easily. Indeed, the lack of a codified constitution meant that English municipalities were in a much weaker legal position than their Prussian counterparts.

	1800	1850	1871	1911
England & Wales	9.7	22.6	32.6	43.8
Prussia	1.8	3.1	4.8	21.3

Table 3.1: The percentage of the population in Prussia and England & Wales who lived in cities of over 100,000 inhabitants, 1800-1911 (adapted from Gildea, 1987)

In addition, English local authorities were primarily established in order to deal with perceived social problems of behalf of the centre – largely the sanitation and crime concerns associated with rapid industrialisation. Indeed, legislation such as the 1848 Public Health Act gave municipal corporations specific responsibilities for providing water supply and drainage. Since urbanisation occurred much later in the German confederation than in England and Wales (see table 3.1), Prussian cities did not face the same challenges of overcrowding and poor sanitation as their English counterparts – at least initially. Yet Prussia established modern local authorities several decades before Britain, thereby illustrating that German municipalities were not created to respond to the negative externalities of the industrial revolution. Instead, as section

3.2.1 discussed, Stein and his disciples felt that empowering the local level would stimulate economic development and promote civic pride. As such, they viewed municipalities as a means to accelerate the process of industrialisation, rather than a necessary response to its negative consequences.

Related to this, municipalities were only permitted to undertake those activities that were expressly set out in legislation. If a council stepped outside this framework, even if it was demonstrably to the benefit of its residents, it would be acting *ultra vires* (outside the law) and could be prosecuted and fined. Together with their status as ‘creatures of Parliament’, this meant that English municipalities were more *dependent* on the whims of central government ministers than their Prussian counterparts. Indeed, the constitutional guarantee of *lokale Selbstverwaltung* gave local government in nineteenth-century Prussia a much higher status and stronger position *vis à vis* the centre than in England – and this difference between the two countries still applies in the present day.

Nonetheless, English councils were able to extend their activities into a range of areas, often working on the legal basis that they were dealing with public health concerns. As a result, they provided services such as clean water, public transportation, gas works, electricity, sewage systems, cemeteries, highways, waste management, public toilets and housing. This activism led to the late nineteenth century being described as the ‘golden age’ of local government in England and Wales (Norton, 1994), due to the scale of public services that authorities were able to deliver and the differences they made to citizens’ lives. The city of Birmingham, particularly under the leadership of Joseph Chamberlain between 1873 and 1876, is often cited as the prime example of a municipality that was able to transform the urban environment and consequently the health of its inhabitants (Skelcher, 2003, Palmowski, 2002) – and it was certainly not the only borough to do so (Norton, 1994). Moreover, as was the case in Prussia, these services were all delivered by the municipality (rather than any contracted external provider), and therefore Victorian local government in England demonstrated its capacity to implement policy objectives *independently* of other horizontal governance actors.

Although central government set out a number of national standards for sewage disposal and clean water, there were few other obligations on the municipalities. In addition, the differentiated impact of the industrial revolution across England led to a general acknowledgment that municipalities were best placed to respond to the issues that arose in their own jurisdictions. This meant that local representatives were allowed to decide on the extent of service provision within each area, and some cities were more inclined than others to increase local rates to fund public amenities (Doyle, 2001). Since central grants only constituted about 5% of municipal revenues up until 1888, any decision to spend money on local infrastructure projects or public health initiatives would have significant implications for local taxation or lead to higher charges for municipal services such as public transport or utilities (Aidt *et al.*, 2010). The result was significant variation across the country and a situation that led Bulpitt (1983) to describe Britain as a ‘dual polity’, since local and central government operated largely *independently* of one another. Indeed, the Victorian model of local authorities as multi-functional, politically strong entities was much admired elsewhere in Europe (Wollmann, 2004, Norton, 1994, Page and Goldsmith, 1987).

This variation, together with the very fact that the local franchise differed so much from city to city (Wollmann, 2006a, Aidt *et al.*, 2010), suggests that English municipalities *were* able to operate largely autonomously during the nineteenth century. In other words, although ministers may have established local authorities for overwhelmingly functional reasons, councils were able to exercise a large degree of *independence* for most of the rest of the century, and they had sufficient internal capacity to achieve their political objectives alone. Such a characterisation appears to reflect a Type I approach to multi-level governance, rather than the Type II model that would normally be associated with England.

However, the seeds of greater *dependency* were sown in the 1835 Act, because municipalities remained creatures of Parliament and were therefore subject to the whims of government ministers. In addition, the Local Government Act 1888 began a process of local authorities becoming increasingly *dependent* on central government for resources, by establishing the ‘assigned revenues’ system of grant funding that meant councils would be allocated 40% of specific national taxes (Seeley, 1978). Another Local Government Act in 1894 clarified that the different tiers of council

were responsible for distinctly separate functions, and therefore districts did not need to interact very much with counties in order to co-ordinate service delivery. This functional separation has continued to the present day – at least in those parts of England where two-tier local government has survived. Notably, the lack of an integrative culture means that English authorities are much less likely to co-operate vertically than their German counterparts (see section 3.3.1 for a discussion of the prevalence of *Politikverflechtung* in Germany’s public sector). Indeed, this lack of support and capacity from vertical governance actors has meant that English municipalities need to rely more on horizontal stakeholders to achieve their policy objectives – as chapters 4, 5 and 6 illustrate in the context of climate policy in Gelsenkirchen and Newcastle.

Furthermore, the 1894 Act increased the size of councils significantly and therefore increased the distance between local communities and their elected representatives to a scale unmatched elsewhere in Western Europe. Indeed, subsequent restructures since the 1970s have meant that municipalities have become bigger still (see Norton, 1994, section 3.4.2 of this thesis). As a result, the lowest statutory tier of government in England now caters for an average of seven times the number of people of its German counterpart. This illustrates how central government ministers illustrated a preference for administrative units that are perhaps more likely to deliver services effectively and efficiently, rather than authorities that reflect ‘natural’ community and local boundaries. In other words, English councils were viewed increasingly as *agencies* with a responsibility for overseeing *public service delivery* rather than the democratic embodiment of their local communities.

These developments do suggest that the two tiers were becoming more *interdependent*: ministers expected councils to implement policy on their behalf, and the municipalities were becoming increasingly reliant on central funding to finance their activities. However, the lack of an embedded constitutional relationship between central and local government, together with the increasingly asymmetrical nature of resource dependencies, meant that ministers were in a much stronger position than municipalities. As figure 3.1 shows therefore, although English councils had significant *de facto* freedom during the nineteenth century along the vertical sub-dimension, their *de jure* autonomy was largely determined by central government in

an increasingly *dependent* relationship. In contrast, Prussian councils were integrated into the constitutional framework and had the right to do anything that was not expressly prohibited by legislation. This reflects the different geneses of local government in both countries (see table 3.2) – and, as section 3.4.2 of this chapter will demonstrate, has allowed the UK Government to restrict the capacity of English municipalities significantly since the 1970s.

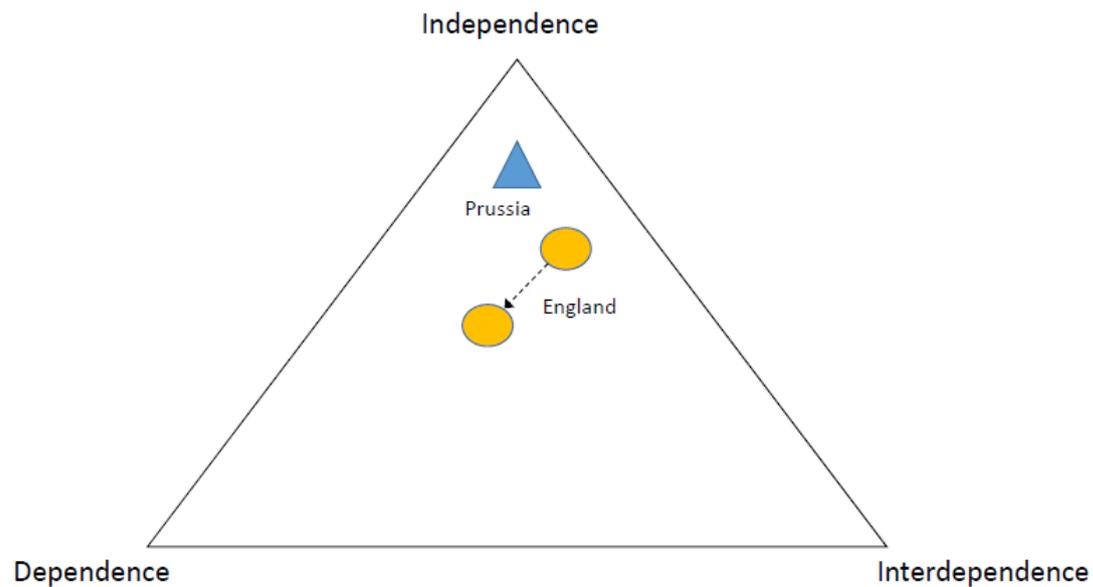


Figure 3.1: Vertical dependency relationships for nineteenth-century local government in England and Prussia

Notably, however, local government in both countries during the Victorian era had significant capacity to achieve their policy objectives *independently* of other *horizontal* actors (see figure 3.2). Municipalities were archetypal Type I ‘multi-functional authorities’ along this sub-dimension, since they provided a whole range of different services directly to residents, and did not have to rely on other organisations for support. Although this fits with the ‘typical’ characterisation of German local government, we might have expected English municipalities to be located closer to the *interdependence* pole because this better reflects Type II arrangements (as illustrated in figure 2.5 on page 59). However, as later sections of this chapter will demonstrate, they did move in this direction as the twentieth century progressed.

	England	Prussia
Primary reason for establishing local government	To respond to the public health crisis caused by the Industrial Revolution	To provide civic representation and modernise from the bottom-up
Legal/constitutional status	Creatures of statute subject to <i>ultra vires</i>	Embedded into Prussian and <i>Second Reich</i> constitutions
Extent of <i>de jure</i> autonomy of local government	Limited	Significant
Capacity to act in the interests of the locality	Significant	Significant

Table 3.2: Contrasting characteristics in nineteenth-century English and Prussian local government

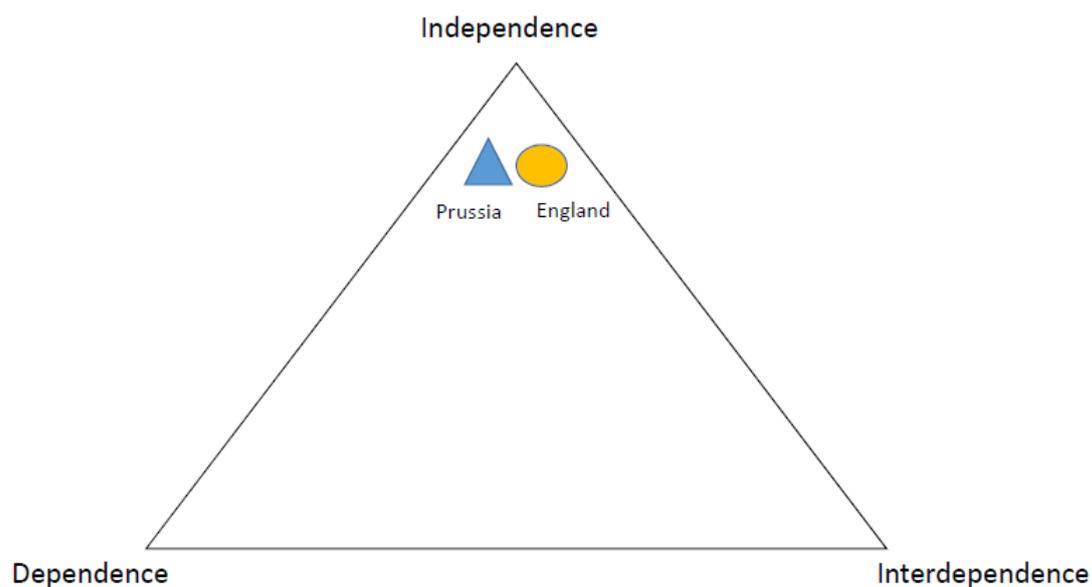


Figure 3.2: Horizontal dependency relationships for nineteenth-century local government in England and Prussia

3.3 Local governance between 1900 and the early 1970s

As we have seen, municipalities in both countries had significant internal capacity during the Victorian era, and – particularly in Prussia – were able to act largely *independently* of other actors. However this situation changed from around 1900 onwards, as national and state governments began to assume responsibility for many

of their functions, and/or introduced legislation to ensure that municipalities were statutorily required to deliver basic services.

In England this happened gradually as the national welfare state developed, although it accelerated in the years immediately after 1945. Progress in Germany was far less smooth, largely due to the four different political systems that operated during this period: the last years of the *Second Reich*; the Weimar Republic; the Nazi era; and the immediate post-WWII decades in West Germany.⁷ Nonetheless, as this section will show, the overall trend during this period in both countries was towards local government working more *interdependently* with the centre, particularly in Germany. Along the horizontal dimension however, local authorities in both countries remained fairly autonomous and were therefore able to continue operating largely *independently* of other local stakeholders.

3.3.1 *Local governance in Germany between 1900 and the early 1970s*

By the end of the nineteenth century, most German liberals felt that leaving welfare and public health programmes to the discretion of local authorities would mean unequal provision across the country – and that this was unfair (Palmowski, 2002). As a result, the *Länder* and *Second Reich* governments expanded the range of statutory requirements on municipalities, in order to ensure minimum standards of welfare provision and social protection for citizens (Hennock, 2007). This trend towards increasing centralisation continued after World War I, when the new Weimar constitution gave the federation some significant new powers, including the sole right to levy direct taxes (Passant *et al.*, 1962, Elsner, 1979, Carr, 1991). Municipalities were now only permitted to raise taxes if they did not conflict with the constitution or mirror existing federal taxes, and they had to gain *Land* approval for any surcharges on other forms of taxation (Elsner, 1979). As a result, local government became increasingly dependent on direct grants from the federal and state levels, particularly after legislation was passed in 1920 that introduced a system of financial redistribution across the federation to try and prevent unequal economic development.

⁷ Since Gelsenkirchen is not located in the eastern part of unified Germany, this chapter does not cover sub-national government in the former German Democratic Republic (GDR).

However, Article 127 of the Weimar constitution did include a formal guarantee for local self-government (*lokale Selbstverwaltung*) and thereby ensured that Stein's legacy endured. Indeed, in spite of the upheaval of the war, subsequent revolutions and the new constitution, the structure of the German state was largely unchanged from the pre-1914 situation (Norton, 1994). This continuity was also apparent at the local level: as Bogumil and Holtkamp (2006) have identified, council boundaries continued unchanged and the ideal of 'municipal socialism' returned to many German cities during this period, as a number of authorities invested in large infrastructure projects.

Nonetheless, the Great Depression did lead to major shifts in power dependency relationships, because its consequences included an increasingly polarised party system, social instability, cities with unmanageable levels of debt and – ultimately – the Nazi dictatorship. During the Weimar era, local government was responsible for paying state benefits, and the number of welfare claimants in Germany doubled between 1930 and 1932 at a time when municipal revenues from business taxation plummeted. To respond to the crisis, emergency federal legislation was passed in 1931 that enabled *Länder* governments to intervene directly in the financial affairs of individual municipalities. Amongst other things, the *Länder* now had the power to stipulate where an authority should reduce spending, including by making staff redundant. Over 600 Prussian municipalities had been subjected to this treatment by the beginning of 1933 – at a time when they also had to deal with the social impact of the Depression. In other words, by the time the Weimar Republic collapsed, local authorities had significantly less capacity to achieve their policy objectives and were much more *dependent* on higher tiers of government – particularly the *Länder* – than had previously been the case (Bogumil and Holtkamp, 2006, Norton, 1994, Gunlicks, 2003).

These events proved a precursor for the rapid emasculation of local government after the Nazis took power in 1933. In line with the policy of *Gleichschaltung*⁸, virtually all

⁸ *Gleichschaltung* is normally translated as 'co-ordination', but in the context of the *Third Reich* might be better understood as 'synchronisation', 'assimilation' – or Layton's (1992) term of 'honeycombing'.

aspects of German state and organised society were brought under the influence of the ruling party. This included sub-national governments: the Nazis subsumed municipal representative bodies into the *Deutsche Gemeindetag* (the German Council of Municipalities) to ensure *Gleichschaltung* between councils and the *Reich* ministries and remove any policy ‘discrepancies’ across Germany (Gruner, 1999). Then, following the Municipal Government Act of 1935, local government essentially ceased to exist, since this legislation abolished local elections and replaced the constitutional right of *lokale Selbstverwaltung* with an obligation for all municipalities to implement the will of the *Führer*. The Act also introduced a uniform system of local governance across the *Reich* and stipulated that local officials would be appointed by higher-level Nazi party or governmental agencies (Conradt, 2001).

Within a very short space of time, therefore, the Nazis had completely abolished autonomous decentralised government and the principles that extended back well over a century to Stein’s Prussia. Indeed, as Passant *et al.* (1962) have argued, the *Third Reich* was centralised to a similar extent as Napoleonic France – the very model that Stein had rejected so consciously. Local government was able to recover some capacity in the late 1930s as the economy began to grow again, but councils remained totally *dependent* on the *Reich*, because they were not permitted to shape their localities as they saw fit. Instead, local government was now *de facto* and *de jure* part of the central state and limited to a functional purpose – the implementation of *Reich* policy.

As a number of scholars have noted however, West Germany’s post-war municipal and state structures developed to become very similar to those of the early Weimar Republic, almost as though the Depression and Nazi era had never happened (Norton, 1994, Roberts, 2000, Conradt, 2001). One reason for this was the ‘heroic’ role played by local authorities in rebuilding the country immediately after the war (Wollmann, 2000), which meant they were able to recover a large amount of influence and status. Another key factor was the determination of the Allies (particularly the USA) to ensure that the new Federal Republic had a decentralised political system, in order to prevent the return of dictatorship (Conradt, 2001). This meant that Stein’s principle of *lokale Selbstverwaltung* and the ability of municipalities to act freely in the interests of the local area were enshrined in Article 28 of the post war *Grundgesetz* (Basic

Law). The *Grundgesetz* also gave local authorities the right to levy taxes and committed the federal Government to the idea of subsidiarity (Deutscher Bundestag, 2003), and individual *Land* constitutions also confirmed the wide role that municipalities could play within their localities. The codified nature of these principles have ensured that German municipalities have remained very strong actors within local governance arrangements over the last 70 years.

Notably, since municipalities were created before the establishment of the Federal Republic, their political systems were heavily influenced by the various occupying powers. This meant that Gelsenkirchen, together with other cities in the British zone of occupation in the north of the country, was governed by the traditional British model of a non-executive ceremonial mayor and a non-political town clerk (or *Stadtdirektor*) heading the local administration. Furthermore, instead of having a strong executive along the Prussian *Magistrat* model, which the British feared could represent a potential threat to local democracy, municipal statutes were designed so that most decisions would be taken by council committees (Wollmann, 2004). In fact, the local council as a whole (rather than the mayor or a Cabinet) was given full competence in the British zones. Similarly, a British regulation from August 1945 stipulated that municipal administration should be conducted separately from politics, to try and avoid a repeat of the Nazi-era system in which the party's influence over local public officials was very strong (Holtmann, 1985). In contrast, most cities in the southern American zone adopted powerful directly-elected executive mayors to fit with the US system, whilst municipalities in the French-occupied areas to the west were established with council-elected executive mayors along French lines.

However, one aspect of the British local government model that was not introduced into northern Germany was the size of municipality. In the years immediately after the war, there were over 7,000 local authorities in North Rhine-Westphalia (Roberts, 2000) and more than 24,000 across the entire Federal Republic (Wollmann, 2000). This contrasted with a total of around 1,300 municipalities in the whole of England at the time. The size of each municipality is likely to have a direct impact on its ability to shape the local area, and therefore individual authorities in Germany may have had less capacity than their English counterparts. However, it did mean that German

councils had a greater claim to democratic legitimacy than their English counterparts, which could increase their authority *vis à vis* other actors in the locality.⁹

Four additional factors changed the nature of power dependency relationships significantly after the war. First, the government of North Rhine-Westphalia (NRW) established another tier of administration (the *Bezirk*, or district) in between the municipal and state levels. The five *Bezirke* were set up to represent the *Land* government but work very closely with local authorities by supporting their applications for EU, federal and *Land* funding, approving council budgets and co-ordinating conflicting interests in planning policy (Dahme and Wohlfahrt, 2003). As such, they were deliberately designed to increase the degree of vertical *interdependence* between government bodies in the state. Second, in 1949 the municipalities themselves created a body to support and build capacity in local authorities – the Centre for Streamlining Local Government Administration (*Kommunale Gemeinschaftsstelle für Verwaltungsvereinfachung*, or KGSt). This aimed to share ideas, techniques, management approaches and other resources between municipalities, and thereby resulted in more horizontal *interdependency* across local government. Third, the *Grundgesetz* gave every municipality in the Federal Republic a formal dual role as both a deliverer of central government services and as the democratic embodiment of the local community – something that is unique to authorities in Germany and Austria (Norton, 1994, Herrschel and Newman, 2002, Wollmann, 2004). This requires local authorities to work closely with federal agencies to administer unemployment benefit and other services and thereby increases the degree of vertical *interdependency* between tiers of government.

Most importantly, however, the *Grundgesetz* required the federal government to ensure that all citizens enjoy ‘equivalent living conditions’ (*gleichwertige Lebensverhältnisse*). This has resulted in a complex system of financial transfers

⁹ Interestingly, all of the *Länder* sought to rationalise the number of authorities in their territory later in the century, on the basis that this would increase capacity and reduce costs (Norton 1994). Indeed, North Rhine-Westphalia created the biggest municipalities in Germany after these reforms, although these larger authorities were still dwarfed by their English counterparts (Wollmann 2000, Wollmann 2004).

between the *Länder*, in which tax revenues from wealthier states such as Bavaria and Baden-Württemberg are redistributed to poorer areas (including NRW and, after 1990, the former GDR) in the form of federal grants. This system of *Finanzausgleich* (financial equalisation), has been controversial for several decades, with those *Länder* that are net contributors leading the calls for reform (Hesse and Ellwein, 2012). In addition, Article 106 of the *Grundgesetz* stipulates that the federation and *Länder* must provide municipalities with sufficient funding if they want local authorities to implement policies on their behalf – the principle that ‘he who orders, pays’ applies (Scherf, 2010, p. 369). These constitutional requirements have meant that poorer municipalities rely increasingly on central funding, and has therefore changed the nature of power relationships in many areas. Indeed, as a number of cities began to suffer from industrial decline from the 1960s onwards, they began to see a steep decline in income from the *Gewerbesteuer*. This contributed to local tax receipts as a proportion of municipal revenue in Germany falling from 35% to 28% between 1958 and 1966 (Hesse and Ellwein, 2012).

Overall, these factors have led to increasing *interdependence* between governing actors. Indeed, Scharpf *et al.* (1976) argued that this ‘interweaving’ of political interests (which they termed *Politikverflechtung*), was harming democratic accountability because it obscured the identity of decision-makers. In a later work, Scharpf (1988) also pointed out that it meant a range of different actors had to agree a unanimous decision in order to take action. He drew a parallel between German federalism and the process of European integration and highlighted that both jurisdictions suffer from the existence of ‘joint-decision traps’, which encourage policy-makers to focus on bargaining rather than problem-solving and result in ‘sub-optimal policy outcomes’ (Scharpf, 1988, p. 239).

In spite of these concerns, *Politikverflechtung* as a co-operative and integrative philosophy of governance has become part of the political-administrative culture within post war Germany (Hesse and Benz, 1990). Put simply, it means that different government bodies work together to agree approaches to policy and implementation through negotiation, in recognition of their mutual interdependence and based on the principle that closer co-operation will be a positive-sum game. Therefore, although the law may attribute powers and responsibilities to a specific tier of government, in

reality there is ‘a high degree of interdependence between the Bund, *Länder* and local government and between them and other sectoral interests’ (Norton, 1994, p. 259).

There is some debate about the extent to which *Politikverflechtung* is a function of the constitutional framework (Scharpf *et al.*, 1976, Scharpf, 2009) or a pragmatic response by state institutions to increase their capacity for policy implementation (Männle, 1998, Kropp, 2010). However, regardless of which perspective is the best interpretation of this phenomenon, they all acknowledge the extent of integration involving public bodies between and across tiers of government: they only disagree about the factors that have driven greater collaboration. Indeed, federal legislators recognised how *Politikverflechtung* made it difficult to identify clear roles and responsibilities within state institutions, with the result that they passed two constitutional amendments to try and address questions about democratic accountability. However, *Politikverflechtung* has endured in spite of these reforms (Scharpf, 2009, Hesse and Ellwein, 2012), perhaps due to a general view within the German civil service that it enhances the state’s ability to achieve its objectives (Benz, 2007). The result is a high (and increasing) level of *interdependence* between government institutions, particularly along the vertical dimension (see figures 3.3 and 3.4 on page 85).

3.3.2 *Local governance in England between 1900 and the early 1970s*

Between 1900 and the 1970s, local government in England gradually became less *independent* of the centre. Increasingly, national politicians recognised that the negative effects of urbanisation and industrialisation were so extensive that they could no longer be addressed at the local level. As a result, they sought to provide much more comprehensive and uniform welfare provision across the country – particularly after 1945.

The process of centralisation began in earnest with the 1906 ‘People’s Budget’, which introduced pensions and sickness insurance for workers. It continued after World War I with the House and Town Planning Act in 1919, which placed a statutory requirement on local authorities to provide council-owned housing to their residents. However, various reforms to funding arrangements changed the nature of the central-

local relations more fundamentally. For example, the 1929 Local Government Act replaced the assigned revenues system with a formula grant, which calculated how much funding each authority should receive from central government according to the perceived demand for their services. It also gave the Minister for Health the power to reduce an authority's block grant to provide public health services, 'if he considered that the expenditure of the council had not been effective' (Seeley, 1978, p. 13).

This growing *interdependency* conflicts with the popular characterisation of Britain as a 'dual polity' (Bulpitt, 1983). At the same time, however, ministerial control over local authority finance meant that central-local relations became increasingly asymmetric as the century progressed – in contrast to the more balanced situation in Germany. Indeed, only 45% of municipal revenue came from local taxes by 1974, compared to 94.5% a century earlier (Hesse and Benz, 1990). By this time, central government had assumed a dominant position in the relationship, partly due to the plethora of legislation that was introduced shortly after World War II. Some of these Acts meant that councils had to provide additional statutory services (such as education), a number introduced new legal requirements (for example, all new building developments now needed planning permission), and others gave central government responsibility for functions that were previously administered at the local level (including hospitals). Finally, many services that had previously been owned by local authorities – including gas, electricity, telecommunications, railways and many airports – were nationalised. Not only did these nationalisations deprive municipalities of revenue streams, but they also reduced their capacity to shape their localities *independently* of other actors. Notably, the post war German government did not nationalise utilities: instead, the vast majority of authorities retained their municipal *Stadtwerke* and therefore exercised more control over public service provision within their communities.

As the century progressed, changes in population distribution, technological developments and the growing welfare state led to calls for relations between levels of government to be clarified and their respective responsibilities put on a statutory footing, in order to stop the trend towards increasing asymmetry (Seeley, 1978). In response, ministers set up several commissions and published a number of proposals on the future of local government, including the Redcliffe-Maud Report of 1969. This

recommended establishing much larger local government areas (including unitary authorities in England's largest cities), clarifying functional responsibilities across tiers and abolishing the concept of *ultra vires* (Thomas, 1969). It argued that local government was unable to punch its combined weight in discussions with central departments and larger authorities were necessary in order to increase capacity, attract better quality staff and help municipalities to achieve their objectives (Garner, 1970). Notably therefore, the report did not prescribe greater *interdependence* with higher tiers of government in line with the German culture of *Politikverflechtung* (which encourages public bodies to work across and between tiers in order to achieve policy objectives – see section 3.3.1). Instead it argued that bigger municipalities would be better placed to achieve their goals because they would have the extra internal capacity that was necessary to operate more *independently* of the centre.

However, the UK Government implemented neither the recommendations of Redcliffe-Maud nor those of several other commissions on the future of the municipalities. Together with the lack of a codified constitution – which meant that ministers could decide to abolish or create new authorities quite easily – this meant that the drift towards greater asymmetry in central-local relations continued. There were of course powerful arguments in favour of central control, not least that a growing proportion of municipal spending was funded by central government, and that people across the country should benefit from services of broadly similar quality (Seeley, 1978, Norton, 1994). Yet, as section 3.4.2 will illustrate, it resulted in a situation where local authorities lacked the capacity to achieve their objectives alone – and where higher tiers of government were far more reluctant to provide support than was the case in Germany.

Indeed, principles such as *Politikverflechtung* have been almost entirely absent from central-local relations in England, despite the fact that ministers have recognised the important role that municipalities play in implementing policy. As a result, English councils were far more *dependent* on the centre than their German counterparts by the early 1970s: they were still subject to *ultra vires* and ministers still viewed them primarily as functional agents rather than local democratic bodies. Although the growth of national welfare states in both countries meant that the centre had assumed responsibility for many services that were previously delivered by local authorities,

German municipalities became much more integrated with higher tiers of government than English councils. This meant that they could call on a much larger pool of state support, co-operate with other bodies to develop consensual solutions and increase their capacity as a result. The contrast between the two countries is still relevant in the present day, as the empirical chapters will demonstrate in the cases of Gelsenkirchen and Newcastle.

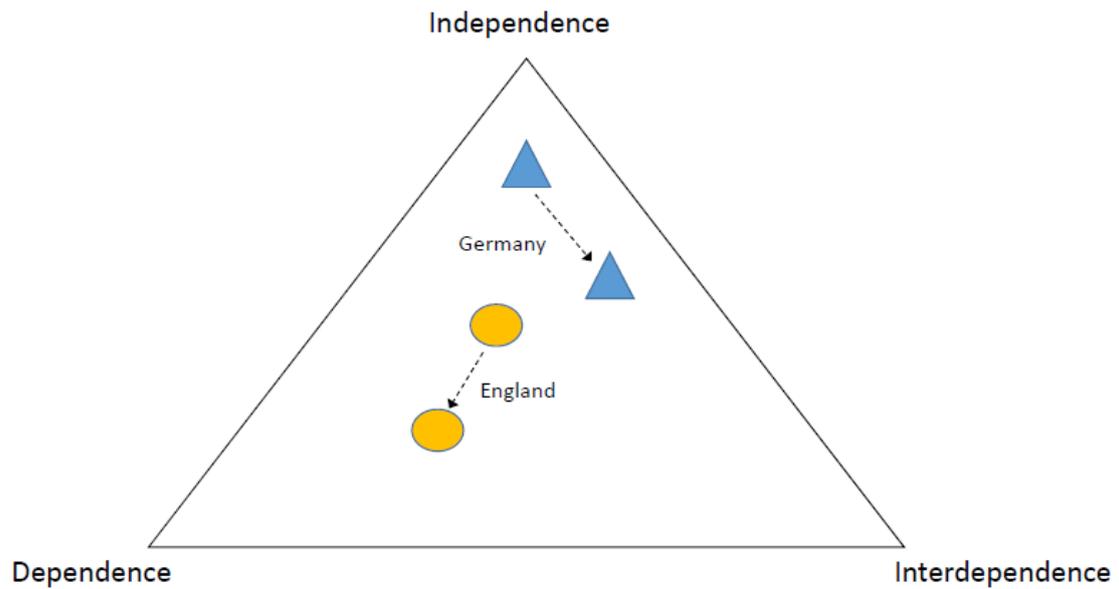


Figure 3.3: Shifts in vertical dependency relationships for local government in England and Germany, 1900-1970s

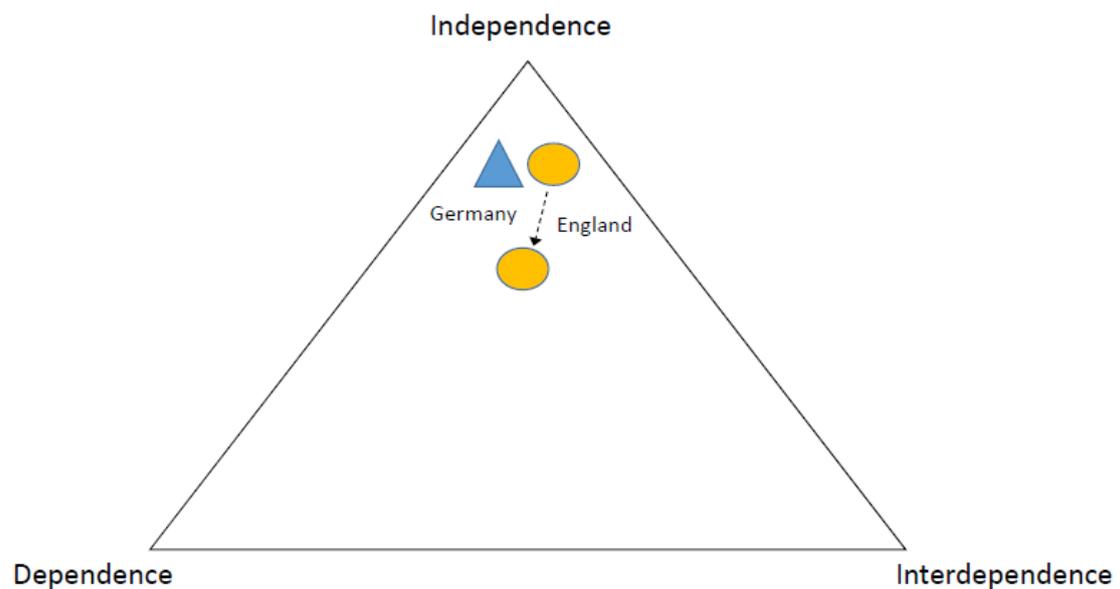


Figure 3.4: Shifts in horizontal dependency relationships for local government in England and Germany, 1900-1970s

Figures 3.3 and 3.4 show how power dependencies shifted between 1900 and the early 1970s in both countries and along both dimensions. They illustrate the increasing degree of vertical *interdependence* across tiers of government in Germany, which contrasts with English councils' greater *dependence* on the centre for resources. There was less change along the horizontal dimension, in that German municipalities retained control over utilities and other local services and, as powerful local institutions, continued to act largely *independently* of other actors. In England, developments such as the utility nationalisations reduced local government's horizontal influence to a greater degree than in Germany and therefore increased their *dependence* on other actors – but not to a significant degree. Nonetheless, as the next section will demonstrate, this trend away from horizontal *independence* began to accelerate rapidly from the late 1970s onwards, particularly in England, as municipalities sought to work with other actors to increase their capacity to achieve policy objectives.

3.4 Local governance since the early 1970s

The 1970s saw a paradigmatic shift in political economy across Western democracies, with many academics and politicians rejecting Keynesian theories in favour of more neoliberal market economics. This complemented their increasing concerns about 'state overload' or even 'ungovernability', which meant that public institutions were less able to achieve policy objectives due to the plethora of demands placed upon them (Grunow, 2003). Amongst other things, it resulted in politicians introducing various New Public Management (NPM) reforms to try and ensure that public bureaucracies focused on fewer policy goals and could improve their efficiency and effectiveness.

These changes, along with factors such as the increasing influence of the global economy and decline of traditional industries, have had a significant influence on power dependencies in both Germany and England. Horizontally, the NPM reforms have weakened and fragmented many municipalities, and therefore meant that they need to work much more *interdependently* with other actors in the locality in order to have sufficient resources to implement policy. This is because local public services

have been subjected to market mechanisms such as privatisation, agencification, contracting-out and competition. Ironically, these initiatives aimed to improve the effectiveness of policy delivery and address the problem of ‘state overload’, but they have actually reduced the overall capacity of public institutions to address complex issues (Hesse and Benz, 1990, Mayntz, 2009, Hood and Dixon, 2015).

Notably, NPM reforms were implemented much more quickly and comprehensively in the UK compared to Germany, with the result that English municipalities have become much more *interdependent* with other horizontal governance actors than their German counterparts. Along the vertical dimension, the influence of *Politikverflechtung* has resulted in greater *interdependence* between tiers of government in Germany, although in some areas this relationship is more symmetrical than others. The situation in England has been more dynamic: initially councils became more *dependent* on central resources, then ministers introduced elements of *interdependency* to try and co-ordinate policy better. Finally they have begun to operate increasingly *independently* of other tiers since 2010, because support from the centre to implement local policies has not been forthcoming.

Therefore, unlike the previous two eras, there have been major shifts in both vertical and horizontal relationships since 1970. As a result, this section analyses changes in power dependencies along each sub-dimension separately. The discussion then informs an overall assessment of where we might expect ‘typical’ German and English municipalities to be located on the tri-polar diagram of power dependencies developed in chapter 2. In this way, it provides a useful baseline against which we can map the findings from the empirical research that are detailed in chapters 4, 5 and 6.

3.4.1 *Local governance in Germany since the early 1970s*

3.4.1.1 *Vertical power dependencies in Germany since the early 1970s*

In accordance with the principles of *Politikverflechtung*, changes to power relations in Germany have largely been the result of negotiated, consensual and pragmatic discussions involving different tiers of government. This is in sharp contrast to the UK, where ministers have often imposed their will in the teeth of local opposition

(Hartmann, 2013) – and it highlights how German councils work *interdependently* along the vertical dimension, whereas their English counterparts are much more vulnerable to central government decisions. Indeed, the degree of interdependence between municipalities, the *Länder* and the federation meant that German policy-makers could not have emulated the UK by adopting ‘a simple, streamlined, top-down approach’ to reforming state institutions in recent decades (Herrschel and Newman, 2002, p. 126). Instead, public bodies sought to agree on reforms by ‘muddling through’ and ‘minimising conflict’ with other agencies (Scharpf *et al.*, 1976, Hesse and Benz, 1990).

For example, the North Rhine-Westphalian *Land* government reduced the total number of municipalities in the state from 2,277 to 393 between 1968 and 1978. This drop of over 80% was more than in any other *Land* and meant that NRW had the largest units of local government in the Federal Republic – although they were still substantially smaller than their English counterparts. However, Norton (1994) stresses the overwhelmingly consensual nature of this reorganisation, which contrasts sharply with the imposed abolition of metropolitan authorities and the Greater London Council in England during the 1980s (see section 3.4.2). In other words, because German municipalities were able to contribute to discussions around local government reorganisation, they were not as *dependent* on the whims of central ministers as their English counterparts.

In addition, the *Land* and *Bund* have asked municipalities to administer an increasing number of policies since the early 1970s, in response to public pressure and criticisms of a ‘postcode lottery’ of service provision (Norton, 1994). Since state and federal levels are required to provide local government with the necessary resources to implement policy on their behalf (see section 3.3.1), municipal reliance on central grants has increased markedly during this period (Rehm and Matern-Rehm, 2010). Indeed, in reflection of the fact that municipalities were asked to administer a growing range of *Bund* and *Land* policies, total local government spending tripled in cash terms between 1970 and 1978. Indeed, by 2012, local authorities in NRW spent 48.2% of their budgets on implementing *Land* activities (Hartmann, 2013), highlighting the interdependent nature of vertical governance arrangements.

However, some municipalities have come to rely much more heavily on central grants than others, due to the fact that many poorer areas do not have a large business sector and therefore receive less income through the *Gewerbesteuer*. Although the *Gewerbesteuer* was the most important source of municipal revenue up until the 1990s, councils cannot predict exactly how much money it will generate in any given year – because if a business ceases trading, the local authority suddenly loses a source of income (Hartmann, 2013). In addition, cities that have traditionally relied on a relatively homogenous business sector (including Gelsenkirchen) are particularly vulnerable to structural economic changes (Pierre and Peters, 2012). Up until the late 1970s, some of the *Länder* (including North Rhine-Westphalia) had allowed their municipalities to levy payroll taxes (*Lohnsummensteuer*) to try and meet any shortfall in revenue caused by sudden economic shocks. Firms that were not in business for very long, as well as those that did not make large profits, were largely exempt from the *Gewerbesteuer*, but they did have to pay the *Lohnsummensteuer*. However, payroll taxes were outlawed by federal legislation in 1979, and therefore this affected deprived areas particularly badly (Rehm and Matern-Rehm, 2010). Indeed, in common with many other municipalities in NRW, Gelsenkirchen's combined income from *Gewerbesteuer* and *Lohnsummensteuer* fell between 1977 and 1983, in spite of an overall rise in revenue and spending (Karrenberg, 1985).

In order to reduce the unpredictable nature of municipal revenues, as well as reduce inequalities across the *Länder* in accordance with *Finanzausgleich* requirements, the federal government introduced a range of financial reforms from the early 1970s onwards (Hesse and Benz, 1990). These resulted in each tier of government receiving an agreed percentage of the total revenue from sales, income and business taxes, and this amount was then shared out horizontally to individual *Länder* and municipalities according to a needs-based formula (Scherf, 2010). In other words, the reforms increased the degree of vertical interdependence and *Politikverflechtung*, because the different tiers of government now shared the income from various taxes. They also serve as a useful illustration of how the *Bund*, *Land* and municipal levels collaborated to try and increase the reliability of revenue sources, and thereby increased the ability of local authorities to plan and allocate resources for the future. However, it is crucial to note that the needs-based formula began a process in which deprived municipalities such as Gelsenkirchen became more dependent on the *Land* and *Bund* than was

previously the case, since they now received a much greater proportion of their revenue in direct grants.¹⁰ In contrast, vertical relationships involving those wealthier cities that still generated substantial revenues from the *Gewerbesteuer* were not so asymmetric.

This situation was exacerbated following the fall of the Berlin Wall and subsequent German unification in 1990. The ‘new’ *Länder* in the east were substantially poorer than their ‘old’ counterparts in the west, and therefore it became clear that they would need to receive significantly bigger grants in order to adhere to the principle of *Finanzausgleich*. As a result, western municipalities transferred 3% of their annual income to the east during the 1990s – in a period of deep recession that also led to a sharp drop in *Gewerbesteuer* revenue. At the same time, the federal government had to reduce public spending in order to meet the Maastricht criteria and thereby enable Germany to join the single European currency. In an echo of the last days of the Weimar Republic, these factors meant that local government experienced a deep financial crisis and numerous municipalities racked up large debts (Wachendorfer-Schmidt, 1998, Bogumil and Holtkamp, 2006).

Cities in North Rhine-Westphalia were particularly badly affected, to the extent that the *Land* government introduced legislation targeted at those municipalities that were unable to generate sufficient annual income to fund their expenditure. As a result, since 1991 each indebted municipality has had to submit a plan (the *Haushaltssicherungskonzept*, or budgetary assurance programme) to the *Bezirk* authorities setting out how it would be able to deliver a balanced budget within the next five years. If the plan is approved, the council can receive additional financial help from the *Land* government via the *Bezirk* – but if it is not, the municipality may only borrow up to one-quarter of the amount borrowed in the previous year for capital

¹⁰ Interestingly, such grants are known as the ‘golden reins’ (*goldene Zügel* in German (Norton, 1994, p. 262)), which suggests that the recipients are sentient beings – even if their riders would like them to travel in a particular direction and at a certain speed. It contrasts with the common English expression of having *strings attached* to funding, which implies that the donor can direct the actions of an unconscious recipient in the same way as a puppeteer controls a marionette. This illustrates how German municipalities are viewed as more autonomous actors than their English counterparts, which are tasked largely with implementing policy on behalf of the central state.

investment and restrict revenue spending to essential or statutory services. The depth of the financial crisis meant that dozens of authorities in NRW had to agree programmes with their respective *Bezirke* during the 1990s (Timm-Arnold, 2010).

Many of these plans included reforms to structures and processes in line with NPM thinking, to try and provide short-term cash injections, improve internal efficiency, scale down the scope of municipal activities and reduce overall expenditure. Indeed, a large number municipalities in NRW were in such financial straits that they viewed managerial and structural reform as essential (Timm-Arnold, 2010). However, it is crucial to note that neither the *Bund* nor the *Länder* required local authorities to introduce any of these programmes (Bogumil and Holtkamp, 2006) – even if they did remove some of the legal barriers to such reforms (Gerlach, 2010, Kost, 2010). Instead, councils initiated them on a voluntary basis, albeit in response to financial externalities over which they had little control and with strong encouragement from the KGSt advisory body and its idea of a ‘new steering model’ for local government (Banner, 1991).

In spite of introducing these reforms, however, municipalities in NRW continued to experience severe financial problems (Timm-Arnold, 2010, Eckersley and Timm-Arnold, 2014), particularly after the federal government reduced the number of businesses who had to pay the *Gewerbesteuer* in 2001 (Wehling and Kost, 2010). By 2005, 194 of the 427 councils in the *Land* were unable to produce balanced budgets – and 105 of these municipalities did not have their *Haushaltssicherungskonzepte* approved by the *Bezirk* authorities (Bogumil and Holtkamp, 2006). More recently, the 2008 financial crisis prevented councils from recovering quickly, despite the fact that Germany did not experience economic problems on a scale comparable with other European countries (Hesse and Ellwein, 2012). As a result, local government across the country owed €7.7 billion by 2013, and the NRW state government agreed an ‘aid package’ of €5.85 billion for its most impoverished councils (Timm-Arnold, 2013).

Overall, these financial problems (and the associated *Land* instrument of a *Haushaltssicherungskonzept*) have created three classes of authority, each of which has a different type of power dependency relationship with the *Bezirk* and *Land*. The first group are in a relatively strong financial position and therefore have not needed

to enter into a balanced budget programme – which means they have retained more *independence* from other vertical actors. Those in the second category have agreed a financial consolidation plan with the *Bezirk* to balance their books within three years and therefore receive additional grants to fund their expenditure – making them more *interdependent* with the district and state levels. Finally, the third set have had their plans rejected and are therefore subjected to very tight restrictions on their spending – so they are largely *dependent* on the *Bezirk* for financial resources.

At this point it is important to note that these characterisations do not necessarily translate into a holistic assessment of vertical power dependencies, because these relationships are also determined by the availability and location of non-financial resources. Nonetheless, Gelsenkirchen Council agreed a *Haushaltssicherungskonzept* with the *Bezirk* in 2012, in which it agreed to balance its budget within three years. As a result the municipality's fiscal policy was highly *interdependent* with the district and state tiers during this period. For example, the *Bezirk* monitored its expenditure closely to ensure that the authority remained on track to deliver a balanced budget by the end of the programme. Indeed, if the municipality deviated significantly from its financial projections, the *Bezirk* retained the power to intervene and restrict its spending autonomy in future years. To demonstrate the reciprocal nature of the relationship however, the municipality received additional funding support and advice in return for adopting its plan for fiscal consolidation.

Overall, however, although *Land*-municipal power dependencies across NRW are very uneven and often asymmetric, local authorities have become much less *independent* of other vertical actors since the early 1970s. Federal attempts to address the accountability concerns inherent in *Politikverflechtung* have largely failed to tackle this issue effectively, with the result that different tiers of government work collaborate even more closely in order to increase the public sector's ability to achieve policy objectives. Furthermore, in spite of the fact that the *Bezirk*, *Land* and *Bund* have all asserted greater control over local taxation and spending, these other tiers of government now rely more on municipalities to implement state and federal policies and also provide councils with additional funding and advice to help them address their financial problems.

Nonetheless, the constitutional guarantee of *lokale Selbstverwaltung* remains in place, and (with the exception of the Nazi era), Prussian and German municipalities have been able to exercise significant autonomy from higher tiers of government for over two centuries. Councils are still considered to be the ‘schools’ or even ‘cradles’ of democracy for budding German politicians (ironically a concept initially proposed by the British philosopher John Stuart Mill (1946)), and residents view them primarily as representative civic institutions rather than local service providers or ‘commissioners’ (Blair, 1991, Bogumil and Holtkamp, 2006, Schieren, 2010). Indeed, although a declining share of the electorate are voting in local (and general) elections in both the UK and Germany, the average turnout for a municipal election in North Rhine-Westphalia since 1979 is 60.5% (compared to the German average of 65.5% (Wilson and Game, 2011, p. 252)). As figure 3.5 illustrates, this is significantly higher than the corresponding UK level of 38.5%. This suggests local councils are held in a higher regard in Germany than the UK – in line with the claims of scholars such as Norton (1994).

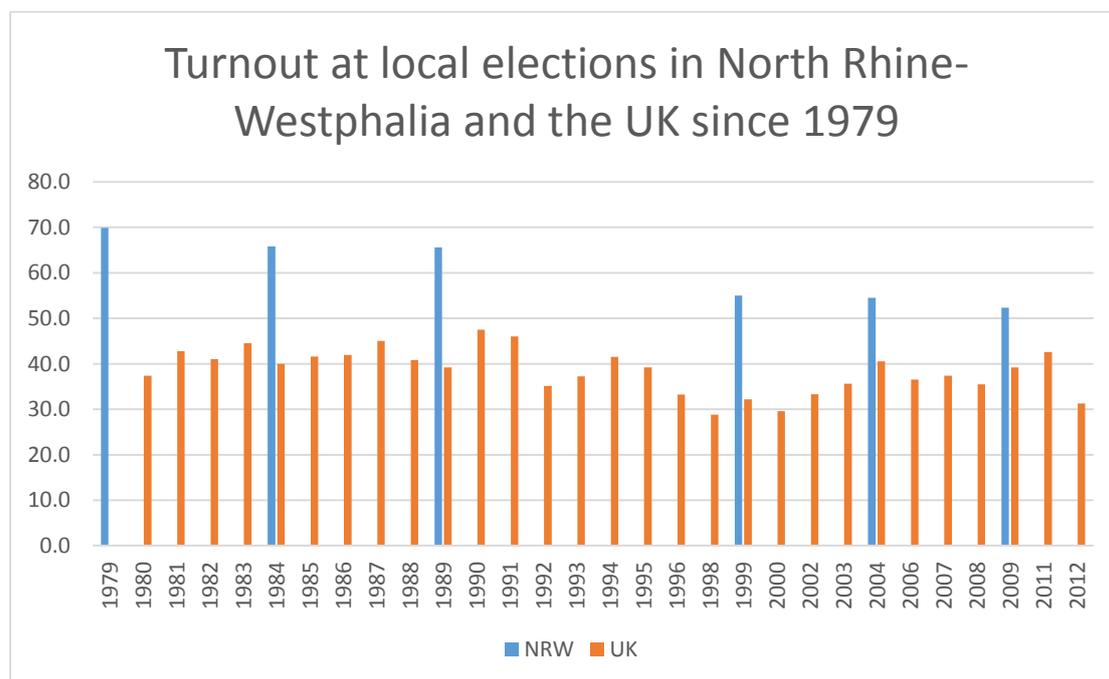


Figure 3.5: Levels of turnout in local elections in the UK and North Rhine-Westphalia since 1979¹¹ (adapted from Rogers and Burn-Murdoch, 2012, Kost, 2010)

¹¹ Note that local elections occurring on the same date as national or federal polls have been excluded to prevent the results from appearing skewed. In addition, local elections in England appear to occur

Crucially, however, German councils have this higher status within their communities partly due to the resources they receive from higher tiers of government, in accordance with the principles of *Politikverflechtung*. This may appear paradoxical, but the extent of vertical *interdependence* actually enables councils to exercise greater autonomy, because other tiers respect the constitutional principle of *lokale Selbstverwaltung* and therefore provide support to help municipalities achieve their objectives. For example, the *Finanzausgleich* requirements ensure that poorer municipalities are not unduly disadvantaged in terms of revenues, and still have sufficient capacity to undertake their activities. Furthermore, where authorities such as Gelsenkirchen have agreed a *Haushaltssicherungskonzept* with the *Bezirk*, they receive significant additional resources to address financial and capacity problems (although, as noted above, this relationship is much more asymmetric if the council and *Bezirk* cannot agree a package to balance the revenue budget). In other words, the mutually-supportive nature of these relationships means that most German councils operate within a predominantly *interdependent* vertical context. This buttresses their constitutional position and status as civic democratic bodies and, as the next subsection will demonstrate, means they have significant capacity to act autonomously and pursue their objectives within local communities. Overall therefore, we would expect the empirical research to find that Gelsenkirchen is located towards the *interdependence* pole on the triangular diagram for vertical power relationships (see figure 2.4 on page 59).

3.4.1.2 *Horizontal power dependencies in Germany since the early 1970s*

In addition to the trend towards greater *Politikverflechtung* along the vertical dimension, recent decades have also seen an increase in informal regionalisation and horizontal municipal interdependence within Germany. In most cases these initiatives have developed in response to resource constraints, but it is notable that they have not

more frequently than in NRW, partly because metropolitan, unitary, district and county councils, as well as London Boroughs, hold polls according to different timetables. Furthermore, many municipalities have multi-member wards and individual councillors are up for re-election on a rolling basis, which means that separate polls take place in three years out of every four in these areas.

been mandated or incentivised by higher tiers of government. Instead, they have developed from the bottom up, as officials and elected representatives in different municipalities have sought to work together to achieve common objectives (Herrschel and Newman, 2002). As such, a key driver for greater collaboration – namely a desire to increase the state’s capacity to implement policy – shapes the nature of interdependence along both the vertical and horizontal dimensions.

Notably however, these informal partnerships are dominated by *municipalities* working with each other: the private and voluntary sectors are either not involved at all or play a very subordinate role. As the subsection 3.4.2.2 will highlight, this contrasts significantly with the situation in England, where private and ‘third sector’ organisations are much more prominent and influential. Therefore, although cities in both countries have become more interdependent with other horizontal actors over recent decades, it is crucial to note the differences between these other actors in each country.

A key factor in both vertical and horizontal integration is the strength and extent of party political ties within German public administration (Wonka and Rittberger, 2014). Political parties are subsidised by the state to a greater extent than in the UK and have a more defined role in the political system (Hague and Harrop, 2013). This reinforces the principle of *Politikverflechtung* by facilitating co-operation across tiers of governance and thereby ensures that representative bodies at all levels are able to pull in the same direction (Hesse and Benz, 1990).

These party-political links are particularly close in those parts of North Rhine-Westphalia (such as the *Ruhrgebiet*, which includes Gelsenkirchen), where the Social Democratic Party (SPD) dominates. For example, Timm-Arnold (2010) found that party politics was much more important in this *Land* compared to Baden-Württemberg, partly due to the fact that local politicians in NRW have been trying to address similar problems related to the decline of heavy industry in recent decades. Indeed, in 1951 the *Ruhrgebiet* produced 98% of Germany’s coal and 80% of its steel, and every third worker in the area was employed in one of these industries. Yet the country’s coal exports halved between 1981 and 1988, by which time the unemployment rate in NRW had risen to 11% (compared to less than 1% in 1960).

Gelsenkirchen, as a centre of coal mining and steel production, was no exception – the closure of its huge Graf Bismarck plant in 1966 is often cited as a key turning point in Germany’s industrial history (all figures from Woyke, 1990). In other words, party-political links within the SPD facilitated the development of a collaborative approach to shared socio-economic challenges in the *Ruhrgebiet*, in line with the principles of *Politikverflechtung*. One notable example was a shared initiative to create the international Emscher Park exhibition, which showcased the regeneration, re-use and heritage value of former industrial locations on a large brownfield site and involved 19 different municipalities (Technische Universität Dortmund, 2008).

At the same time, the introduction of NPM-inspired reforms in many municipalities led to a greater need for *internal* collaboration within localities. This was particularly the case in poorer areas, which were more likely to outsource or privatise public service provision because they tended to have more severe financial problems. Héritier (2001) has argued that jurisdictions that relinquish direct control over public services have less capacity to exert hierarchical influence and shape local outcomes due to the fragmented nature of state institutions. As a consequence, they have to try and persuade external actors to collaborate in order to deliver policy objectives – whilst at the same time these actors rely on the public body for the revenue streams that are agreed in outsourcing contracts. Therefore, the state institution and service provider become *interdependent* along the horizontal dimension. Since Gelsenkirchen is a highly-indebted municipality that has been affected particularly badly by industrial decline, we would expect it to have relinquished direct control of many functions in an attempt to improve its financial situation. This would also mean it has developed an *interdependent* relationship with contracted service providers in order to increase its capacity to achieve policy objectives.

However, although there has been a broad movement away from traditional administrative structures, there is no clear shift towards service outsourcing and contracting within German local government. Indeed, a comprehensive study of municipalities in the country found that although 76% of them had introduced NPM-style reforms, only 15% had embraced the concepts in full (Bogumil *et al.*, 2006). For example, although a significant minority have outsourced energy provision and waste disposal, water privatisation has proved extremely controversial and public transport

remains overwhelmingly in municipal hands (Bogumil and Holtkamp, 2006). Generally speaking, Germany still has ‘multi-purpose “unitary” local government’ and single-purpose quangos are virtually non-existent at the municipal level (Herschel and Newman, 2002). Similarly, as Geißel (2007) has found, civil society groups play only a marginal role in policy delivery – in contrast to the UK’s shift towards using the third sector in ‘co-production’ activities (Bovaird, 2007, Bovaird and Löffler, 2012).

In other words, the German municipal model closely resembles Type I multi-level governance along the horizontal sub-dimension (Wollmann, 2001, p. 151) – in contrast to England, where central government imposed NPM ideas on municipalities and all local authorities became much more fragmented. This has enabled German councils to co-ordinate policies and interests much more effectively than in the UK (Wollmann, 2006b). Indeed, there has been a trend towards the ‘re-municipalisation’ of services in some cities, as decision-makers have recognised the advantages of being able to exert direct control over local utility provision (Burgi, 2009, Einhellig and Kohl, 2010, Becker *et al.*, 2015).

In addition, various other reforms have attempted to improve local accountability and therefore ensure that German councils retained their pre-eminent status in horizontal governance arrangements (Wollmann, 2004). For example, federal legislation in 1971 required municipalities to involve citizens in planning decisions (Bückmann and Oel, 1981), and various initiatives in the 1990s meant it became compulsory for councils to discuss and hold a binding vote if a certain proportion of residents had signed a petition on any local issue. Furthermore, the NRW *Land* government abolished the *Doppelspitze* model of a ceremonial mayor running the municipality alongside the head of the administration and replaced it with a single directly-elected position. Academics and politicians had criticised the previous system, arguing that the division between administration and policy was not clear (Ellwein, 1976, Norton, 1994, Wehling and Kost, 2010). In addition, councils in those states that were led by a single individual appeared to be more effective at implementing policy (Wollmann, 2005), and therefore it was argued that the change would increase municipal capacity. The result was that legislation to introduce directly-elected *Monospitze* executive mayors was passed in North Rhine-Westphalia in 1994, and votes for the first

Bürgermeister were cast five years later (Eckersley and Timm-Arnold, 2014).¹² In autumn 2007 the direct link between executives and citizens was strengthened further when additional legislation enabled citizens to recall their mayor if they were dissatisfied with his or her performance.

These reforms led one prominent academic to describe Germany as a ‘frontrunner’ in local direct democracy (Wollmann, 2000), and they undoubtedly bolstered the democratic credentials of local government. Some scholars have even argued that citizen petitions contributed towards a systemic change in local governance in Germany (Wehling, 2010). However, other studies found that municipalities were very reluctant to encourage resident participation and often did the bare minimum to comply with legal requirements (Gerlach, 2010). Indeed, only 506 petitions were initiated in the first fifteen years of operation in North Rhine-Westphalia, 37% of which failed to gain the level of support required to be debated by the council (Kost, 2010). Considering that the state has a population of 18 million, this does not suggest that citizens have embraced the idea with enthusiasm.

Moreover, although the introduction of directly-elected executive mayors reinforced the municipality’s status as the democratically accountable actor in local governance arrangements, it did not necessarily mean that residents exerted greater influence over decision-making. A key reason for this is that local government has retained an aura of professionalism and competence within Germany (Kost, 2010), and citizens of that country are more likely to respect decisions that are made by the ‘*Expertokratie*’ – certainly compared with the UK (Armbrüster, 2005). Indeed, since German councils now had greater democratic legitimacy than before, they were perhaps even better placed to punch at a higher weight in horizontal governance arrangements than their English counterparts. As a result, they do not need to work as *interdependently* with other local actors in order to achieve their objectives.

Furthermore, a number of other factors have actually driven authorities away from greater interdependence with other municipalities. For example, many were keen to

¹² Notably, every *Land* that had inherited the British *Doppelspitze* model also decided to introduce directly elected executives at around the same time.

try and attract business investment and *Gewerbesteuer* revenue – potentially at the expense of neighbouring authorities. This led to a number of cities seeking to re-brand themselves to try to attract external investors and boost economic growth – and, by definition, stress how their area might be a more attractive location than others (Baeten, 2012). As with English councils, many of them viewed the increasing importance of climate change as one area in which they could specialise – and Gelsenkirchen was no exception (Jung *et al.*, 2010). However, these developments essentially encouraged local authorities to compete with each other (for example, over the rate of *Gewerbesteuer* (Herrschel and Newman, 2002)), and therefore did not create an environment that facilitates inter-municipal collaboration.

As this subsection has shown, therefore, most German municipalities have retained a significant amount of *independence* along the horizontal dimension and maintained their pre-eminent position in local governance arrangements. In Hooghe and Marks' terms, they remain overwhelmingly Type I 'multi-purpose authorities', because the municipality continues to have direct responsibility for a wide range of local services and functions. However, various factors (not least the economic problems in some parts of the country that resulted in lower tax revenues) have led to some councils working more *interdependently* with one another in order to increase capacity. Indeed, recent decades have seen the emergence of a patchwork situation in which power dependency relationships vary across the country. This is because many municipalities have had to divest themselves of some of their responsibilities and therefore become much more reliant on other actors within the locality. This is particularly the case in NRW (and therefore Gelsenkirchen), where the threat of a *Haushaltssicherungskonzept* hangs over severely indebted authorities and has encouraged them to privatise or outsource various functions. In other words, we would expect Gelsenkirchen to be located slightly closer to the *interdependence* corner of the tri-polar diagram than a 'typical' German council (see figure 3.6 on page 107).

3.4.2 *Local governance in England since the early 1970s*

3.4.2.1 *Vertical power dependencies in England since the early 1970s*

As mentioned in section 3.3.2, in 1969 the Redcliffe-Maud Committee recommended that local government be reorganised to increase the size of municipalities and introduce a single tier of authorities in larger cities. However, the Conservative Government that took office in 1970 opposed many of its proposals (Seeley, 1978), which meant that the resulting reorganisation set out in the 1972 Local Government Act bore little resemblance to the report's recommendations, particularly in rural areas (Jones, 1973).

Nonetheless, this Act did have substantial implications for municipal capacity and power dependencies, not least because it created new metropolitan county councils in England's six largest conurbations outside London. One of these conurbations was Tyne and Wear, which incorporated the city of Newcastle. The Act also reduced the number of lower-tier councils in these areas significantly to ensure that they would each have populations of at least 250,000 and therefore (theoretically) sufficient capacity to deliver education and social services. For example, the new metropolitan county of Tyne and Wear consisted of just five boroughs (Newcastle, North Tyneside, South Tyneside, Sunderland and Gateshead), whereas 19 municipalities were previously wholly within its territory and parts of a further five were also incorporated into the new county.

Indeed, the Act reduced the number of directly-elected municipalities in England from 1,300 to just 401 (Jones, 1973). This meant that although authorities would be significantly smaller than those suggested in the committee's report, they were still many times bigger than their German counterparts. Although much of the re-drawing of boundaries was undertaken in response to population movements and continued urbanisation, the most important reason for the legislation was to reduce the number and increase the size of municipalities. This is important because ministers argued that larger municipalities would have more capacity to achieve their policy objectives *independently* of the centre than their smaller predecessors. However, the reorganisation actually *increased* the degree of central influence, because the very act

of abolishing hundreds of councils served as a reminder to local authorities that their very existence was subject to the whims of central Government. Moreover, as one notable critic argued shortly after the reorganisation took effect, it became much easier for ministers to monitor and control the activities of fewer municipalities (Dearlove, 1979). In other words, the Act represented an important step towards greater *dependence* in local-central relations.

As section 3.3.2 discussed, central government had increased the level of funding it provided to local authorities after World War II, in order to finance functions such as education, policing and social services. However, from the early 1970s onwards, and particularly after the 1973 oil crisis, ministers sought to reduce the size of the state, which had risen from around 33% of GDP in 1959 to 38% by 1970 (Pearce and Stewart, 2002). Since ministers now controlled a large proportion of local government revenue, they were able to cut central grants and reduce overall public expenditure as a result (Ferry *et al.*, 2017). Indeed, this was a much more attractive option than agreeing lower budgets for central departments, because it meant councils (rather than ministers) were responsible for implementing potentially unpopular cuts to services. Although the 1974 Layfield Report had argued for a binding framework to clarify the nature of central-local relations (particularly regarding revenue and expenditure), ministers ignored its recommendations and were therefore able to cut municipal funding without too much difficulty (Jones and Stewart, 2002). The result was that municipal revenues fell by 7.3% in real terms between 1978 and 1985 (Norton, 1994), and local government spending fell from 17.2% of GDP to 14.6% between 1975 and 1979 (Hesse and Benz, 1990).

Indeed, by the end of the 1970s a constitutional convention had become established that ministers could exercise hierarchical control over local spending, and that municipalities would need to report back to central government departments informing ministers of how grants had been spent (Jones and Stewart, 1983). This contrasts starkly with the situation in Germany, where the principle of *lokale Selbstverwaltung* and clauses within the *Grundgesetz* guarantee that municipalities have control over certain taxes and areas of expenditure. Moreover, the new arrangement in England was imposed by central government, whereas conflicts between central and local government had previously been resolved through

negotiation (Rhodes, 1985, Hesse and Benz, 1990) along the German model. This contrasts starkly with the continued preference for consensus and mutually-beneficial *Politikverflechtung* in Germany, and highlights how central-local power relations in England were becoming increasingly asymmetrical and antagonistic.

The hierarchical approach strengthened during the 1980s, as ministers increased their control over local government finances (Ferry and Eckersley, in preparation). For example, a new law passed in 1980 stipulated that central government could withhold some direct grants from overspending local authorities as a penalty. The 1980 Housing Act then required council landlords to sell their homes to those tenants who wanted to buy them, and at a significant discount if the tenants had lived there for some time. Shortly afterwards, the 1982 Local Government Finance Act prevented municipalities from levying 'supplementary' rates on their residents to plug budgetary gaps in the middle of the financial year (Pearce and Stewart, 2002), and a 1984 Act gave ministers the power to 'cap' rates increases that they felt were excessive (Hesse and Benz, 1990). Eventually, the 1988 Local Government Finance Act abolished the rates altogether and replaced them with the Community Charge, which became known as the 'Poll Tax'. Under the new system, every adult within the locality received a bill for the same amount (although students and the unwaged were given a discount), rather than the level of their contribution being determined by the rental value of their property. Its champions proclaimed that it would lead to greater transparency of local government finance (and thereby expose high levels of spending), because every resident would have a clearer picture of the amount they were being asked to contribute every year.

Although the Government subsequently replaced the Community Charge with the Council Tax (which was calculated according to the purchase value of a property, and thereby differed from the rates), other aspects of the 1988 Act that increased central control over local government finance have remained largely unchanged. For example, it required councils to produce balanced revenue budgets every year, regardless of the economic circumstances. The Act also gave ministers the power to set a uniform national level of non-domestic rates (the local business tax, which subsequently became known as NNDR), thus removing this discretion from individual municipalities. Local authorities were still responsible for billing and

collecting NNDR from businesses based in their areas, but central government determined how much the bills would be for (with annual increases capped at the level of inflation) and collected all of the revenue before redistributing it across the country according to a needs-based formula. This meant that central government now controlled the level of direct grants, NNDR, and (after capping was introduced in 1984) household taxation – which together accounts for the vast majority of municipal revenue. As a result, English municipalities became much more *dependent* on the centre to fund their expenditure than their counterparts in other large European countries (Ferry *et al.*, 2015).

Other developments confirmed central government's dominant position *vis à vis* the local level. For example, the UK was the only member of the Council of Europe not to sign up to its 1985 European Charter of Self-Government, which committed national governments to enforce 'basic rules guaranteeing the political, administrative and financial independence of local authorities' (Council of Europe, 1985, Norton, 1994). In 1986, ministers once again exercised their ultimate power over municipalities by abolishing the urban metropolitan authorities and Greater London Council – and other reforms in the 1980s removed various functions from local government, including training, skills and further education (Wilson and Game, 2011). Indeed, when taken together with the fact that English authorities cover a significantly larger geographical area than their counterparts anywhere in the Western world, it is perhaps not surprising that some have described the municipal tier as being 'neither local, nor government' (Copus, 2010).

Furthermore, it is notable that ministers re-organised local government at the same time as introducing economic reforms to try and re-orient the UK economy away from traditional manufacturing and mining industries and towards an increased reliance on the service sector. Newcastle's history of mining dated back to the sixteenth century, and much of its later wealth was built on the development of manufacturing and heavy engineering during the Industrial Revolution (Heald, 2011). The city's economy fared particularly badly once these industries began to decline more rapidly from the 1980s onwards, which resulted in widespread unemployment, deprivation and social problems (Mah, 2010). These developments increased demands for council services such as benefits advice and housing at a time when the

municipality's capacity to mitigate the economic decline was extremely limited. In other words, Newcastle Council was in a very weak position to shape the future of the city *independently* at this stage, because it was heavily focused on dealing with the consequences of economic policy decisions taken by central government.

Following the election of a Labour Government at the national level in 1997, ministers were more explicit about the need for central-local *interdependence* – even though relations remained asymmetric. As such, a series of comprehensive monitoring frameworks, performance targets and inspections were introduced to ensure that central government priorities were delivered at the local level (Eckersley *et al.*, 2014). As chapters 4 and 6 will show, many of these targets related to climate change, GHG emissions and other sustainability issues – and therefore they highlight how ministers sought to improve the vertical co-ordination of environmental policy. In addition, central government increased the size of direct grants to local authorities by 56% in real terms between 1997/98 and 2006/07. Notably, most of this additional money was 'ring-fenced' for spending on schools or other specific services (Travers, 2006), which illustrates how ministers recognised the need to work with local authorities in order to implement policy effectively. In other words, central government recognised the importance of vertical *interdependence*, and gave councils the means to deliver policy objectives by increasingly their funding.

However, it is important to note that these additional resources could only be spent on implementing central policies, which did not always reflect local needs. Indeed, the UK Government incentivised local authorities to focus on its priorities through the concept of 'earned autonomy'. This exempted those municipalities who performed well against central targets from some future performance inspections, and/or meant that they received smaller additional grants to spend as they wished (Hatter, 2005). This contrasted with the situation in Germany, where respect for the principle of *lokale Selbstverwaltung* meant that public bodies at all tiers of government helped municipalities to implement policies that reflected local priorities. Therefore, both the policy ends and also the means of achieving them were determined in a 'top-down' manner in England, whereas German municipalities could set their own objectives and still receive the means to help with implementation (see Capano, 2011 for a discussion of these distinctions). This shows how a relatively short period of vertical

interdependence in the English context was still much more hierarchical than in Germany.

However, by the late 2000s the idea of ‘localism’ was gaining momentum, and after taking office in 2010 the Coalition Government introduced a number of initiatives that increased municipal *independence*. For example, the 2011 Localism Act finally allowed councils to undertake any activity that was not forbidden in law and abolished centralised performance management frameworks – including most of the sustainability targets that councils had been asked to meet. Ministers also reduced the total number of ‘ring-fenced’ grants from over 90 to just 10 (Pickles, 2010). In theory, these reforms meant that municipalities had much greater freedom to act in the interests of their residents, because they could decide how to spend most of their revenue and would no longer be accused of acting *ultra vires*. However, the changes went hand-in-hand with significant funding reductions for local government, which totalled 27% in real terms across the country between 2010 and 2014 (Ferry and Eckersley, 2011, Lowndes and Pratchett, 2012). Moreover, these cuts affected deprived areas in the north of England particularly badly, which meant that cities such as Newcastle saw much larger reductions in their revenue than more affluent boroughs (Woods, 2014, Hastings *et al.*, 2015). Indeed, central grants for Newcastle were reduced by £289 per head between 2010 and 2015, more than double the English average (Newcastle City Council, 2015b).

Furthermore, it is worth remembering that English local authorities are unable to raise income from other sources to compensate for these reductions. Ministers control the level of NNDR and can require any municipality that proposes an ‘excessive’ increase in Council Tax to organise a binding local referendum to endorse its decision. Notably, the Localism Act expressly forbids councils from levying additional taxes, and since 1988 they have been statutorily required to deliver balanced revenue budgets every year. This constrained financial situation suggests that English councils are perhaps more *dependent* on central government resources and ministerial decisions than ever.

Crucially, however, *this vertical support is not forthcoming*: indeed, ministers appear increasingly disinterested in and detached from the activities of local government. In a

complete reversal of the tentatively interdependent situation in the late 2000s, the UK Government neither determines municipal policy goals (because centralised performance frameworks have been abolished) nor provides councils with many resources to help with implementation (because funding has been reduced significantly). This is especially the case in deprived cities such as Newcastle, which have suffered particularly deep funding cuts. In other words, English councils actually operate largely *independently* along the vertical sub-dimension, albeit within a very constrained financial context.

To compensate for this situation, municipalities may need to seek out additional sources of capacity along the horizontal sub-dimension (see section 3.4.2.2), or accept that their previous policies are too ambitious and potentially undeliverable in the new context. Indeed, given that resources are scarcer and municipalities no longer need to adhere to central performance frameworks and sustainability targets, it is probably not coincidental that climate change has slipped down the political agenda of many councils since 2010. One survey found that 28% of English municipalities were narrowing their focus on climate mitigation (to focus purely on energy saving, for example), and a further 37% were either placing less emphasis on the issue or stated that it was never a priority for the authority in the first place (Scott, 2011).

Overall, therefore, vertical power dependencies in England have shifted significantly since the early 1970s. At the beginning of this period, local government was largely *dependent* on the centre for resources, a situation that was exacerbated in the 1980s as ministers increased their control over municipal activities. However, the Labour Government of 1997-2010 introduced various mechanisms to improve policy coordination between tiers of government, resulting in a more *interdependent* (albeit still hierarchical) arrangement. Finally, the Coalition and Conservative Governments have given local authorities much greater political freedom and enabled them to operate largely *independently* of the centre. Notably, the dynamic nature of these vertical arrangements, together with the fact that central and local government act relatively autonomously, is highly characteristic of Type II multi-level governance. Indeed, since the regional tier has also undergone significant reform since the late 1990s (Elcock, 2014), this suggests that the typically ‘English’ governance structures dominate along the vertical sub-dimension.

Nonetheless, it is important to note that although councils now have more *de jure* political *autonomy* than at any point since their creation in the early nineteenth century, they actually have very limited *de facto capacity* to achieve their political objectives. This is due to the constrained financial context within which they operate and the lack of support from other vertical actors. In other words, the lack of *interdependence* along the vertical sub-dimension has resulted in weaker municipal government. This is particularly the case for deprived cities such as Newcastle, which have experienced steeper drops in their revenue than wealthier boroughs due to cuts in central grants.

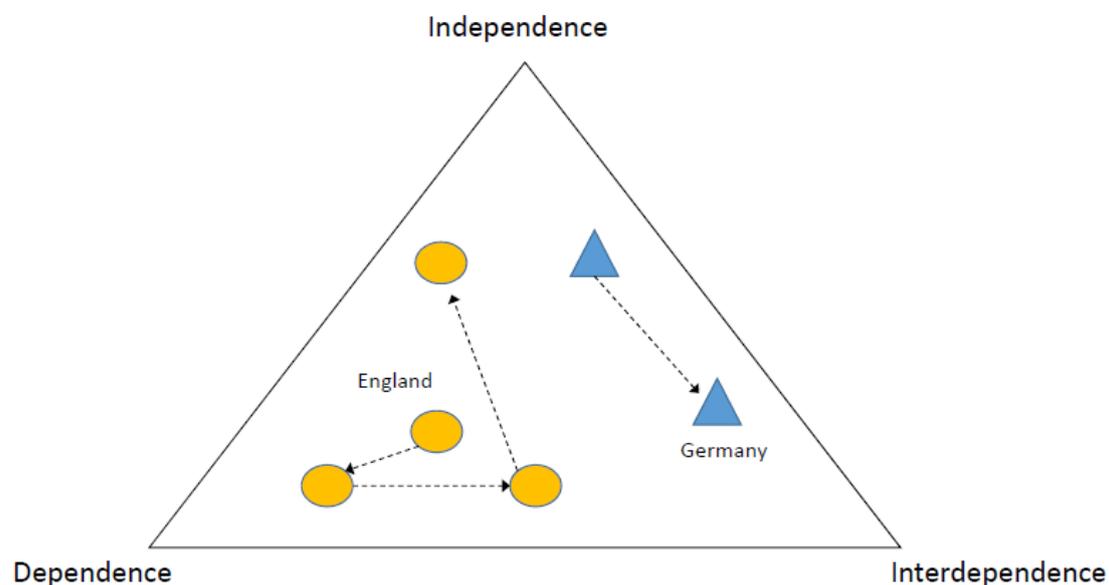


Figure 3.6: Shifts in vertical dependency relationships for local government in England and Germany since the early 1970s

This process has been out of step with most other European countries (particularly Germany), which have empowered sub-national actors and encouraged greater policy co-ordination along the vertical dimension (Norton, 1994, Wilson and Game, 2011). It is also notable that reforms such as reorganisation, abolition and the gradual centralisation of local government finance were imposed by the centre rather than negotiated with municipalities (Brenner, 2004). Indeed, this contrasts with the German experience and highlights the more antagonistic nature of central-local relations in the UK. As figure 3.6 illustrates, the German phenomenon of *Politikverflechtung* has meant that municipalities in this country have become more

interdependent with other levels of government, particularly the *Bezirk* and *Land*. It is also important to note that vertical *interdependence* in Germany is also much more symmetrical and consensual than in the UK – even under the 1997-2010 Labour Government. Crucially, the *Bezirk* and *Land* governments work with municipalities to help them achieve *local* objectives – whereas English councils in this period only received additional support from vertical actors to implement *central* policies.

3.4.2.2 *Horizontal power dependencies in England since the 1970s*

Notably, English councils have become much more *interdependent* with other horizontal actors since the 1970s. This is partly because they cannot draw on the same degree of vertical support as their German counterparts, as section 3.4.2.1 demonstrated. However, it also reflects the fact that various reforms resulted in municipalities having direct responsibility for fewer local public functions, which means they have had to work with other organisations to achieve policy objectives.

These reforms began with the 1972 Local Government Act, which divested local authorities of responsibilities for public health and water conservation and supply, allocating these to the National Health Service and new regional bodies respectively (Seeley, 1978). It accelerated during the 1980s, however, as central government removed a range of other functions from municipalities and allocated them to new quasi-autonomous non-governmental organisations (quangos). As a result, councils were also divested of responsibility for training and enterprise, economic development, further education and (in many cases) primary and secondary schools (Wilson and Game, 2011). Furthermore, the Compulsory Competitive Tendering (CCT) initiative required all local authorities ‘to assess whether their services could be delivered more cheaply by private providers’ and put them out to tender if this proved to be the case (Eckersley *et al.*, 2014). Ultimately, this package of reforms led to the outsourcing of services such as local public transport, waste collection, school meals provision and street cleaning. As such, the ‘hollowing out of the state’ (Rhodes, 1994) meant that municipalities had much less direct responsibility for public functions, and had to work *interdependently* with external contractors in order to try and ‘join-up’ services at the local level (Dunleavy and Margetts, 2006).

In addition, developments at the European and global levels further strengthened the position of private companies and weakened the position of municipalities in local governance arrangements. For example, many urban areas were affected by the drive to stimulate market forces and cross-border competition through agreements like the 1985 Single European Act. This led to many municipalities working with private businesses in order to re-brand themselves as innovative ‘entrepreneurial cities’ and thereby secure economic investment and prestige events (Herrschel and Newman, 2002). Like Gelsenkirchen – and indeed many other cities that sought a ‘sustainability fix’ (While *et al.*, 2004) – Newcastle tried to reinvent itself as a centre for science, technology, retail and green jobs, as a way of suggesting that it had recovered from the decline of older, ‘dirtier’ industries such as coal mining and manufacturing (Bulkeley and Betsill, 2003). This strategy of reinvention required much closer co-operation with other local actors than had previously been the case.

Indeed, the UK Government actively encouraged councils to work closer with private companies and voluntary groups as a way of increasing local capacity, particularly from the late 1990s onwards. For example, ministers offered additional funding to those municipalities that established Local Strategic Partnerships (LSPs) to develop strategies for regeneration and sustainability with other horizontal actors (Johnson and Osborne, 2003). Similarly, the Coalition Government replaced Regional Development Agencies (RDAs, public bodies that worked with municipalities to promote sustainable economic development) with Local Enterprise Partnerships (LEPs) in 2010. Although some senior councillors sit on the boards of LEPs, they are dominated by local businesspeople rather than public officials or elected politicians. In other words, public sector organisations such as municipalities are not the pre-eminent actors within these institutions, despite the fact that they are funded by the taxpayer (Liddle, 2013).

Furthermore, local authorities now worked much closer with each other in order to respond to capacity constraints – in spite of attempts by central government to stimulate performance improvement through market-based initiatives that encouraged competition between councils. Indeed, municipalities in the North East (including Newcastle) pooled their resources to establish the Association of North East Councils (ANEC) in 2009. After the Coalition Government encouraged the development of

such collaborative arrangements in ‘city regions’ around England, ANEC evolved into the North East Combined Authority (NECA), which now provides leadership on transport, skills development and planning across the region. Along with the other four combined authorities in England, NECA has developed from the ‘bottom-up’, as groups of councils agreed to work together to increase their capacity to address these strategic issues. Although central government needs to approve the establishment of combined authorities, the fact that they are essentially platforms for inter-municipal collaboration means that this thesis will treat them as horizontal rather than vertical governing actors.

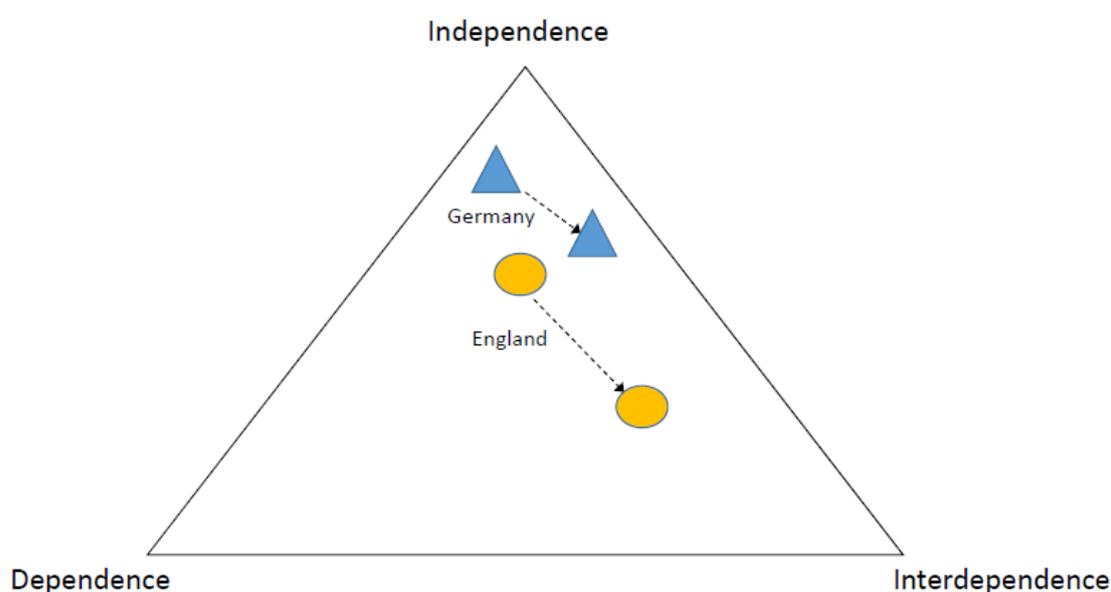


Figure 3.7: Shifts in horizontal dependency relationships for local government in England and Germany since the early 1970s

With this in mind, it becomes clear that English municipalities operate much more *interdependently* than their German counterparts in horizontal governance arrangements (see figure 3.7). Moreover, they work much more closely with private and voluntary actors within their localities, as well as other councils at the regional level, whereas German councils only tend to collaborate with other public bodies. Notably, these characterisations map quite closely on to the types of multi-level governance that are often ascribed to each country. For example, the fact that German municipalities have retained responsibility for a wider range of public functions

means that they could be described as ‘multi-purpose’ local authorities in line with Type I characterisations. By way of contrast, the dynamic and fragmented nature of horizontal arrangements in England resembles Type II structures, in which *ad hoc* bodies assume responsibility for specific public functions and can be created and abolished relatively easily.

In part, English councils have become more *interdependent* along the horizontal sub-dimension because central government has encouraged closer collaboration (for example, by providing funding to LSPs). However, a more important driver has been their realisation that they lack the capacity to achieve their objectives alone. There are two main reasons for this. Firstly, the higher degree of local state fragmentation *requires* English councils to work with external organisations to ensure that services are provided to the public. Generally speaking, German municipalities have retained direct responsibility for far more public functions than their English counterparts, and this enables them to operate more *independently* of other horizontal actors. Secondly, a lack of *interdependency* along the vertical sub-dimension means that English councils receive far fewer resources from higher tiers of government than German municipalities and are therefore in a much weaker position *vis à vis* other horizontal actors. Indeed, although many German councils have become more fragmented in recent decades (particularly those – such as Gelsenkirchen – that have been beset by financial problems), they remain largely *independent* of other local actors. This is because of the extra support they receive from other tiers of government, in accordance with the institutionalised principles of *Politikverflechtung* and *lokale Selbstverwaltung*.

3.5 Conclusions

This chapter has traced the evolution of power relationships involving local government in Germany and England since the early nineteenth century. It has stressed how German councils are now working more *interdependently* with other vertical actors (especially the *Bezirk* and *Land*), due to the culture of *Politikverflechtung* and *lokale Selbstverwaltung*, which result in different tiers of government collaborating to help municipalities achieve their objectives. As far as England is concerned, however, municipalities are now more *independent* of central

government (see figure 3.6 on page 107). Ministers appear detached from local activities, have reduced the resources they provide to councils and abolished performance frameworks that sought to co-ordinate policy-making along the vertical sub-dimension.

Crucially, although English councils (especially those in deprived areas such as Newcastle) may be more *independent* of the centre, this autonomy does not necessarily translate into greater capacity to implement policy. Indeed, it is important to note that English municipalities operate within a very tightly constrained financial context and do not have the power to generate much revenue. As a result, we would expect Newcastle (and indeed any ‘typical’ English municipality) to be a much weaker actor in vertical power relationships than Gelsenkirchen and other German councils. To illustrate this contrast, local government restructures and reforms in Germany have proceeded on the basis of consensus and *Politikverflechtung*, in that councils were keen to work closer with higher tiers of government as a way of increasing capacity. The situation in England was very different, because the UK Government has imposed a range of changes on local authorities since the early 1970s, often in the teeth of opposition. These have included abolishing and reorganising municipalities and exercising an increasing amount of control over revenue and expenditure.

As the previous chapter suggested, closer examination of central-local relations in Germany and England suggests that some of Hooghe and Marks’ characterisations of Type I and Type II multi-level governance are contradictory. In particular, the institutionalised nature of *Politikverflechtung* within Germany suggests that it sits closer to a rigid Type I structure; however, the fact that different tiers of government collaborate in policy-making processes conflicts with the Type I idea that functions are clearly divided across levels and memberships do not intersect. However, the simplified and condensed typologies set out in chapter 2 do appear more relevant. For example, German municipalities operate within a more fixed vertical context (in line with the Type I characterisation), whereas these relationships are much more dynamic and flexible in England (thereby fitting a Type II description). Therefore, we might expect the empirical investigations to find that Gelsenkirchen sits closer to a

characteristically Type I arrangement along the vertical sub-dimension in figure 2.2 (see page 46), whilst Newcastle would be more akin to Type II.

In terms of their horizontal relationships, cities in both countries are shifting closer towards a Type II characterisation, because an increasing number of different organisations have responsibility for public services. Crucially, however, German councils have retained a wider range of local public functions ‘in-house’ when compared to their English counterparts, and therefore have not moved as far towards the *interdependence* pole. Furthermore, the identity of other horizontal actors, and the influence that they are able to exert over decision-making, differs between the two countries. In Germany the council remains the pre-eminent organisation in local governance arrangements, and it is able to draw upon its status as the legitimate democratic embodiment of the local community to exercise authority over other actors. In contrast, English municipalities engage with other local organisations on a much more equal basis. In addition, the private sector has a much more prominent role through bodies such as Local Enterprise Partnerships, which raises questions about democratic accountability (see chapter 2).

Overall, however, local governance approaches in the two countries do not appear to be converging, particularly along the vertical dimension. German municipalities are becoming more *interdependent* with higher tiers of government, whereas their English counterparts are increasingly *independent* of the centre. Although cities in both countries are collaborating more along the horizontal dimension, and therefore operating more *interdependently* with other local actors, English municipalities are further down this road than their German counterparts, and also work much closer with the private and voluntary sectors. The following three chapters will demonstrate the extent to which these general findings apply in the specific empirical contexts of climate change policy in Gelsenkirchen and Newcastle.

Chapter 4: Climate change strategy in Gelsenkirchen and Newcastle

4.1 Introduction

As chapter 1 clarified, this thesis aims to study governance approaches rather than the specific policies of each case study city or their ‘effectiveness’ in addressing climate change. As a result, this chapter (along with the other empirical analysis in chapters 5 and 6) will focus on the role and influence of governance actors in policy-making and implementation, rather than any particular policies that emerge from these processes. Nonetheless, occasionally it will refer to specific policies, not only to provide context for the discussion, but also to illustrate how some actors may have proved more influential than others in determining policy outcomes.

The chapter will focus particularly on how Gelsenkirchen and Newcastle councils develop and implement their strategies for combating climate change. These strategies comprise the cities’ explicit political objectives on mitigation and adaptation, which both municipalities have set out in policy documents, namely the *Integriertes Klimaschutzkonzept der Stadt Gelsenkirchen* (Stadt Gelsenkirchen, 2011) and the *Citywide Climate Change Strategy & Action Plan 2010-2020* (Newcastle City Council, 2010) respectively. Both of these documents include explicit targets to reduce the level of carbon dioxide emitted from each city by over 20% between 2005 and 2020, and break down this overall figure into various work streams, each of which has its own target for carbon reduction. As such, it will draw heavily on these documents, as well as interviews with key stakeholders, other internal policy literature and media reports.

Drawing on the theoretical discussion in chapter 2, the chapter maps each city’s approach against the vertical and horizontal sub-dimensions of multi-level governance and policy styles. These sub-dimensions, which are summarised in table 4.1 for ease of reference, will inform two illustrative diagrams based on figures 2.1 and 2.2 in chapter 2. By depicting each city’s arrangements for governing climate change strategy, this mapping process will show the extent to which these ideal types apply in practice and may have evolved in recent years.

However, as chapter 2 mentioned, this mapping of multi-level governance and policy styles will only help to describe the way in which jurisdictions address policy problems: it does not assist with explaining *why* certain arrangements are in place, or indeed why they might be changing. Therefore, the chapter complements this mapping process by employing the illustrative tripolar diagrams from chapter 2 (figures 2.4 and 2.5) to identify the nature of vertical and horizontal power dependencies within each city. This enables us to ascertain which organisations are driving climate change strategies, as well as the reasons why they may be more influential than other actors. As such, this approach provides a much more holistic picture of the governance arrangements associated with climate change strategy in Gelsenkirchen and Newcastle. It also contributes towards the overall analysis of why these governance arrangements have developed in the way that they have, and what might be forcing them to change.

		Typically ‘German’ characteristics	Typically ‘English’ characteristics
Multi-level governance dimension	Vertical sub-dimension	Highly-structured vertical framework	Loose and flexible vertical arrangements
	Horizontal sub-dimension	Responsibilities concentrated in the local authority	Fragmented local public service provision
Policy styles dimension	Vertical sub-dimension	Strong state hierarchy	Horizontal engagement and compromise
	Horizontal sub-dimension	Reliance on state of the art (SOTA) technological solutions	Preference for best practicable means (BPM) and cost-effectiveness

Table 4.1: Dimensions and sub-dimensions of ‘ideal type’ multi-level governance and policy styles in Germany and England

4.2 Multi-level governance and climate change strategy

4.2.1 *Gelsenkirchen*

This section addresses the two sub-dimensions of multi-level governance in the context of Gelsenkirchen. As table 4.1 suggests, it begins by identifying the extent to which the city's develops its climate change strategy within a structured vertical framework that involves other tiers of government. If a characteristically 'German' Type I arrangement applies, then we would expect these vertical structures to be static and rigid. It then analyses the council's relationships with other local actors on the horizontal sub-dimension, where Type I characterisations would suggest that responsibility for determining and delivering public services are concentrated within the municipality, rather than in fragmented, task-specific organisations.

4.2.1.1 *Vertical governance structures*

The Type I model suggests that institutions are fixed within a system-wide architecture, and organised into a limited number of levels. In terms of the functions assigned to jurisdictions, the city of Gelsenkirchen sits within the *Land* (federal state) of North Rhine-Westphalia (NRW). Unlike Germany's other fifteen *Länder*, NRW also has an intermediate tier, the *Bezirk* (region), which sits in between municipalities and the state: there are five *Bezirke* within North Rhine-Westphalia, and Gelsenkirchen is located within the Münster region. In addition, the larger cities in NRW that sit outside county boundaries (including Gelsenkirchen) have yet another tier of governance below the municipal level – the *Stadtbezirk*, or city district – which maintains local public facilities and provides democratic representation below the city level, whilst also working closely with the municipality (Erichsen, 2011). The *Stadtbezirke* were created in the 1970s, but every other vertical jurisdiction affecting Gelsenkirchen has remained virtually unchanged since the 1950s. As such, the institutional structure appears to fit with a 'Type I' characterisation of multi-level governance, whereby each general purpose jurisdiction fits neatly into the other and remains largely static and rigid.

There is some evidence to suggest that this ‘Russian doll’ image of nested institutions operates in practice and can be applied to the development of climate change strategy in Gelsenkirchen. Indeed, officials in Gelsenkirchen certainly view themselves as operating within a Type I multi-level governance framework. Several interviewees mentioned the importance of United Nations or EU initiatives in raising the profile of climate protection and encouraging Gelsenkirchen to act (interviews 14, 19 and 20), whilst others stressed the importance of local governance for policy implementation:

I would say that climate protection takes places at various levels – global, EU, federal, and state... And then there is the execution of laws, which we have to implement as municipalities (interview 24).

More recently, even though hundreds of German municipalities have experienced severe financial difficulties since the early 2000s (Timm-Arnold, 2010), the vast majority have retained a reasonable degree of autonomy over spending, including in relation to climate protection. This is in spite of the fact that local government has had to rely increasingly on funding from the federal and *Land* levels (see chapter 3), much of which is distributed to individual municipalities in NRW through the *Bezirk* authorities. For example, Gelsenkirchen received funding from the federal government to cover 90% of the budget for implementing its climate protection strategy, the *Klimaschutzkonzept*, which sets out how the city aims to reduce carbon dioxide emissions by 20% by 2020 (interview 21). This money has to be spent on climate protection initiatives, and government auditors will assess the extent to which it has been effective both mid-way through the programme and at the end of the decade. Importantly, however, the municipality is able to determine the nature, timing and type of projects that it wishes to undertake (interview 14).

Indeed, closer inspection reveals that the ideal Type I model does apply to the real-life context within which Gelsenkirchen operates. Most notably, the fieldwork research revealed that the notion of *Politikverflechtung* (see Scharpf *et al.*, 1976, and also chapter 3 of this thesis) is very much a reality within the city and wider *Land*. This concept describes the ‘political integration’ of state institutions that has developed within Germany since the 1950s. It is characterised by close co-operation between public bodies at all levels of government, and by senior individuals moving from one

institution to another but nonetheless still working on the same policy initiatives. Crucially, although Hooghe and Marks (2003) argue that ‘intersecting memberships’ of this nature are associated with Type II multi-level governance, chapter 2 highlighted how they actually reinforce the static vertical arrangements that are characteristic of Type I jurisdictions. In other words, *Politikverflechtung* across tiers of government fits with this study’s condensed definition of vertical Type I structures, and appears to apply in the context of Gelsenkirchen’s climate change strategy.

Indeed, *Politikverflechtung* in the climate and energy sectors has been further encouraged by the *Energiewende* narrative, which stresses how Germany needs to move away from a reliance on fossil fuels and nuclear power, and towards renewable sources (Mautz *et al.*, 2008, Wyman, 2015, Moss *et al.*, 2015). The *Energiewende* concept has its origins in the federal government’s decision to introduce feed-in-tariffs for small-scale electricity producers, as well as the (SPD-Green) federal government’s decision to phase out nuclear power by 2021.¹³ In parallel with these environmental goals, politicians have also emphasised the potential economic benefits of linking climate protection objectives with an active industrial policy that promoted green businesses (see chapter 5).

Notably, the policy has provided a common language around which governance actors from various sectors and organisations can coalesce, as well as a clear strategy for developing policy across the country. In this way, it has facilitated even closer working between public bodies at different tiers on energy and climate change initiatives, and increased the degree of integration and *interdependence* between state actors (interview 21). Indeed, both the *Energiewende* and *Politikverflechtung* were cited by a number of interviewees in Gelsenkirchen as a pervading influence over climate protection policy in the city (interviews 16, 19 and 21). They stressed how

¹³ Although the CDU-CSU-FDP coalition that took office in 2009 initially wanted to prolong the life of existing nuclear reactors by an additional 12 years, ministers reversed this decision after the Fukushima disaster in 2011. Nuclear power provided Germany with one-quarter of its electricity in 2011 (Wyman 2015), which means that a significant investment in renewables is required to ensure that supply will continue from 2022 onwards.

both concepts contributed towards a culture of mutual support and co-operation that increased the capacity of all public bodies and made it easier to implement policy.

In a similar way, interviewees within the *Bezirk* authority saw their role as being primarily to help municipalities to bid successfully for *Land* funding and deliver local policy objectives – rather than stipulating what the money should be spent on, or auditing specific projects. As such, their relationship with local government is more akin to that of consultant-client rather than master-servant (interview 26). Such an image does not fit with the Type I model, which suggests a hierarchy of nested jurisdictions that operate largely *independently* of each other. Instead, it is much more reminiscent of the *interdependence* between tiers of government that Rhodes identified in his theory of power relations. Crucially, however, this interdependence actually reinforces existing vertical structures and thereby ensures that local authorities operate within a much more stable and rigid institutional context – in line with the Type I characterisations selected for this thesis.

Furthermore, as chapter 3 outlined, Gelsenkirchen works even more interdependently along the vertical sub-dimension than many other municipalities in North Rhine-Westphalia. This is due to it agreeing a *Haushaltssicherungskonzept* (budgetary assurance programme) with the *Bezirk*, which sets out how the council will be able to balance its revenue and expenditure within three years and how the *Bezirk* will help them to achieve this. In contrast, those authorities that have not experienced serious financial problems often operate more *independently* of higher tiers of government, because the *Land* has not required them to develop a plan for fiscal consolidation. Furthermore, many other councils have had their plans rejected, and are subjected to very tight restrictions on their spending as a result – this means they *depend* more on the *Bezirk* for financial and advisory resources.

Overall, therefore, Gelsenkirchen Council is actually operating in a more rigid and structured (albeit interdependent) vertical context than was previously the case. Generally speaking, the enduring nature of *Politikverflechtung*, as well as the more recent emergence of the *Energiewende*, has encouraged actors within the *Land* to operate across jurisdictions to increase their capacity to implement policy. More specifically, the nature of Gelsenkirchen's collaboration with the *Bezirk* authorities

means that it is closer to this Type I ideal than some of its neighbouring municipalities in NRW (see figure 4.1 on page 134).

4.2.1.2 *Horizontal governance structures*

Chapter 3 showed how most German municipalities have retained a greater degree of control over local utilities and other public services than their English counterparts. This suggests that Gelsenkirchen's horizontal structures are more likely to fit with Type I multi-level governance characterisations and the idea of a 'multi-purpose local authority', because responsibilities are more concentrated within a single organisation. Furthermore, the relatively rigid and self-reinforcing nature of vertical relationships (see section 4.2.1.1) suggests that German councils may be less likely to 'step outside' these official channels and collaborate horizontally with other municipalities or public bodies.

However, Gelsenkirchen does work with various partners outside the formal, hierarchical state framework. Indeed, one interviewee suggested that Germany's more positive attitude towards inter-authority collaboration was one reason why municipalities in the country had greater capacity than their English counterparts (interview 24). Interestingly, the officer also argued that these local perspectives mirror the prevailing attitudes at the national level, since German ministers are more likely to see the benefits of working with other EU member states than their British counterparts (see section 2.4 in chapter 2 for a short overview of the implications of 'pooling' sovereignty to achieve policy objectives).

Internationally, Gelsenkirchen subscribes to two cross-border networks for municipalities that aim to reduce CO₂ emissions: the Covenant and Mayors and Climate Alliance. However, these networks have not really influenced the city's policies – primarily because resource constraints made it very difficult to attend conferences or discuss ideas with colleagues in other countries (interview 14). Instead, the authority has worked very closely with various other organisations at the regional level, both within and outside the scope of structured state institutions.

For example, the state of NRW has five *Bezirke*, all but one of which cover some part of the heavily-industrialised *Ruhrgebiet* area. In other words, there is no statutory regional body to oversee this territory – in spite of its shared history, economy and demographics (interview 22). Instead, the municipalities within the region work across *Bezirk* boundaries on various initiatives related to climate change (such as transportation and planning),¹⁴ in recognition of the fact that they have more in common with each other than with many of their neighbours in the same *Bezirk* (interviews 14, 21 and 22). This began in the 1990s with the re-development of some of the *Ruhrgebiet* into the international Emscher Park exhibition (Technische Universität Dortmund, 2008), and this collaboration subsequently evolved into the *Regionalverband Ruhr* (interview 20). As such, council officers bypass traditional jurisdictional boundaries and engage in *Politikverflechtung* horizontally as well as vertically, in order to increase their municipality's capacity to achieve its objectives. This partnership working has resulted in the creation of new public organisations that are charged with delivering political objectives in each participating municipality. Therefore, although it involves greater integration of state institutions at the *regional* level, it also represents a shift towards the fragmented *local* state that is characteristic of Type II multi-level governance arrangements.

This fragmentation is also evident within Gelsenkirchen, where the municipality created various task-specific organisations to develop and implement its economic development strategy. For example, since the mid-1990s the council has been keen to nurture the generation and consumption of renewable energy (particularly solar power) within the city (Jung *et al.*, 2010). Together with the single-purpose state development corporation that was established to promote economic development across the *Land* (*Landesentwicklungsgesellschaft Nordrhein-Westfalen*), Gelsenkirchen established a new science park that aimed to attract low-carbon energy companies to the city. In 2004, the council and the science park, together with representatives from Emscher Lippe Energie (ELE, the privatised energy utility), the local chamber of crafts, a housing company and the solar industry, founded a separate

¹⁴ BOGESTRA, a partnership between the municipalities of Gelsenkirchen and Bochum, provides public transport services in the two cities, in spite of them being situated in different *Bezirke* (Münster and Arnsberg respectively).

company, *Solarstadt Gelsenkirchen* (Solar City Gelsenkirchen), to promote and encourage the use of photovoltaic panels in the area. In 2013 the company evolved into a climate alliance with the neighbouring borough of Herten, and it aims to pursue joint projects to help reduce carbon emissions in both cities (interview 20). Although the science park became a wholly-owned subsidiary of the municipality in 2007, these developments nonetheless illustrate an increasing reliance on specific-purpose bodies to achieve public policy objectives and therefore suggest a shift towards Type II multi-level governance.

Moreover, and as chapter 3 outlined, many municipalities also sought to sell off or outsource services as a way of generating revenue and avoiding the threat of *Land* intervention through the imposition of a budgetary assurance programme. This was certainly the case with Gelsenkirchen's privatisation of its *Stadtwerke* (local utility provider):

It was about the money. It's that banal (interview 24).

The result has been the creation of a number of additional task-specific organisations that carry out public functions, including ELE (which is jointly owned by Gelsenkirchen, two other municipalities and the energy giant RWE) and the water company Gelsenwasser. This fragmented institutional arrangement, which requires local government to liaise with external organisations on issues related to climate protection, suggests a move towards Type II multi-level governance. However, it is worth noting that 49.9% of the shares in ELE are owned by local authorities, and therefore Gelsenkirchen and two neighbouring municipalities are able to exert some control over the organisation's strategy. Indeed, the organisation is led by two executives, one of which is employed by RWE and the other by the three authorities combined – and any major decisions must be approved by both of these individuals. As the following subsection on Newcastle will illustrate, this gives the German council much more influence over local energy provision than its English counterpart and highlights how some aspects of Type I multi-level governance have persisted.

Notably, as with the city's horizontal engagement with other *Ruhrgebiet* municipalities, a lack of capacity played a crucial role in Gelsenkirchen's decision to

outsource its utility provision. On this occasion, these capacity constraints related to financial resources – whereas creating the *Regionalverband Ruhr* was driven primarily by a recognition that existing institutional structures were unfit for the purpose of delivering effective services across the former industrial region. Nonetheless, it is clear how capacity concerns have led to Gelsenkirchen becoming increasingly *interdependent* with other governance actors, and thereby adopt more Type II characteristics than was previously the case.

Finally, and perhaps most crucially, the wicked nature of climate change has meant that the council cannot rely solely on public bodies to make and implement policy. As chapters 1 and 2 outlined, a huge range of human activities have some kind of climate impact, which means that policy-makers need to persuade businesses, citizens and voluntary groups to change their behaviour in order to address the issue effectively. Effecting such behavioural change is not easy – it may well be the case that traditional resources, such as money, knowledge, information or contacts are unable to persuade stakeholders to act in a different manner. Nonetheless, it means that a variety of private actors, particularly businesses and citizens, need to be involved in horizontal governance arrangements in order to try and achieve this change. In this sense, Lowi's argument that the nature of the policy problem dictates the way in which the state will try to address it, appears to apply (Lowi, 1964).

For example, and as section 4.3.1.1 will illustrate in more depth, Gelsenkirchen council has engaged with major landlords in order to try and improve the energy-efficiency of homes and non-domestic properties in the city. The authority has also involved large employers in its plans to increase the use of low-carbon modes of transport, such as cycling, walking, buses and trams. For their part, these private sector actors have been happy to participate in governance arrangements and help the municipality implement its objectives by retrofitting buildings and encouraging more sustainable commuting. Interviewees attributed this willingness to the council's dominant position as the city's democratically elected body, which means that other actors feel compelled to respect its policies (interviews 14 and 21). Indeed, the overall impression from conducting fieldwork in both countries was that municipalities in Germany are held in higher esteem than their English counterparts, and that this status enables them to cast a larger 'shadow of hierarchy' over other actors in local

governance arrangements (Héritier and Lehmkuhl, 2011). Yet, it still illustrates a shift towards more fragmented governance arrangements, since policy-making and public functions are no longer concentrated within Gelsenkirchen Council.

Regardless of the relative status of the municipality in local policy-making processes, wicked issues do not map particularly well on to Hooghe and Marks typologies of multi-level governance because they require the involvement a range of external actors (see section 2.2.3 in chapter 2). Crucially, these typologies do not explain how to treat those organisations and individuals that have no responsibility for delivering or deciding on public services yet still influence policy outcomes. Since private businesses, citizens and voluntary groups need to play a key role in addressing climate change, and may not liaise directly with the council about the issue, this questions how applicable such typologies are for this policy sector.

Nonetheless, if we adopt the definition of governance actor set out in section 2.2.3 (namely, an organisation or individual that the municipality has actively sought to involve in its governing arrangements), Gelsenkirchen appears to be moving away from a characteristically Type I multi-level governance arrangement along the horizontal sub-dimension. Although the council still retains responsibility for a greater scope of public functions than its English twin, recent developments are weakening official state structures in the city and challenging the idea of the ‘multi-purpose local authority’. For example, Gelsenkirchen Council’s collaboration with neighbouring authorities in the *Ruhrgebiet* has by-passed traditional state channels, and it has also created task-specific organisations to foster economic development and tackle the problems associated with de-industrialisation. Similarly, the outsourcing of its *Stadtwerke* means that a broader range of organisations are now responsible for public services in the locality, and the authority has to try and work with them to achieve its policy objectives. Most importantly, the fact that climate change requires a co-ordinated response that includes non-state actors in decision-making has also led to a situation where governance arrangements are fragmented horizontally.

Fundamentally, these developments have been caused by a lack of capacity within the council to achieve its political objectives *independently* of other organisations. These capacity constraints are partly financial (this was certainly the key driver behind

privatising the *Stadtwerke*), partly due to the fact that pre-existing state institutions were unable to respond effectively to industrial decline (this was a crucial reason for the creation of the *Regionalverband Ruhr* and *Solarstadt Gelsenkirchen*), and partly a function of the fact that wicked issues need to be addressed by both state and societal actors. As figure 4.3 on page 137 illustrates, the result is that Gelsenkirchen now works increasingly *interdependently* with other horizontal governance actors. In particular, as section 4.3.2.1 will demonstrate later in this chapter, the municipality has also engaged more closely with private companies – in recognition of the fact that it needs to change their behaviour to achieve the city’s climate objectives.

4.2.2 *Newcastle*

This section provides a counterpoint to the analysis of multi-level governance in Gelsenkirchen by examining the extent to which Type II arrangements apply to Newcastle. As table 4.1 on page 115 suggests, Type II structures are flexible and loose along the vertical sub-dimension (in that jurisdictions can be created and abolished relatively frequently), whilst municipalities also operate fairly autonomously of central government. In addition, a range of organisations are involved in public services and policy-making along the horizontal sub-dimension, because these functions are not concentrated in ‘multi-purpose’ jurisdictions.

4.2.2.1 *Vertical governance structures*

Since the UK is not a federal country, the national (rather than *Land*) government is directly responsible for local authorities – and its relationship with municipalities has undergone significant change in recent decades (see section 3.4.2.1). The most recent shift has been away from tentative *interdependence* along the vertical sub-dimension and towards greater *independence* for municipalities – albeit within a tightly constrained financial context. As this section (and indeed the other empirical findings in chapters 5 and 6) will demonstrate, this has had significant implications for local governance, particularly in terms of Newcastle Council’s relationships with other horizontal actors.

Whilst it was in office between 1997 and 2010, the Labour Government introduced various mechanisms to facilitate greater co-ordination of central policy. These included providing municipalities with funding to implement ministerial objectives, setting targets to track their progress and offering various incentives to encourage councils to implement policies effectively (Jas and Skelcher, 2014). Notably, the Comprehensive Performance Assessment (CPA) framework included several indicators to monitor how local authorities were implementing the UK Government's policy of cutting the country's carbon dioxide emissions by 80% by 2050 (as set out in the 2008 Climate Change Act). For example, each municipality was required to measure and report the level of *per capita* greenhouse gas emissions from the local area every year, as well as its own consumption of natural resources – and these data contributed towards an overall performance score for the authority. As chapter 3 discussed, this attempt to provide a more structured and *interdependent* framework for central-local relations suggested that England was shifting towards Type I multi-level governance arrangements, even if the intention was only to improve the implementation of central (rather than local) policy priorities.

However, there was little awareness of centralised performance frameworks amongst staff at Newcastle, especially the way in which the municipality was assessed on its consumption of natural resources (see chapter 6 for more details). Several officials were keen to stress that the council developed its policies largely *independently* of central government priorities (interviews 1, 3 and 5). As a result, although the relevant national indicators are mentioned in the city's climate change strategy, they did not influence its overall content significantly. Instead, they acted more as a reference point to provide additional support, context and legitimacy for the council's policy (Newcastle City Council, 2010). Moreover, any strategy to address climate change would seek to make progress against the relevant national indicators anyway, since they monitor the level of carbon dioxide equivalent emissions from the local area and from local authority operations, as well as the way in which the municipality is seeking to adapt to extreme weather events. Therefore, Newcastle Council's climate change strategy was developed and implemented largely *independently* of central government in a largely Type II context even before 2010, in spite of attempts by ministers to co-ordinate policy more effectively along the vertical sub-dimension.

In keeping with its rhetoric of ‘localism’, the Conservative-Liberal Democrat coalition that came to office in 2010 abolished central performance frameworks for English local government. Although some targets have survived in different guises, they no longer contribute towards an overall performance score for individual municipalities. Together with the fact that councils are not required by statute to combat climate change, this has given them more explicit *independence* to develop their own arrangements for addressing and monitoring progress on climate change. Moreover, these reforms happened at a time when local government funding was reduced significantly, which has led most (if not all) municipalities to re-consider their spending priorities (Ferry and Eckersley, 2015). As a result, many councils now focus fewer resources on climate protection than was previously the case (Scott, 2011).

As one of the councils that has seen its funding reduce by more than average, Newcastle has been particularly hard hit by these developments. Indeed, although the city continues to attach great importance to environmental issues, the funding cuts have led the council to reorganise its service directorates and incorporate its climate change strategy into other priorities:

There has been some evolution of our climate change or sustainability policy. It [now] has to have a far greater focus on how it can deliver on tackling inequalities... and I think that’s a good thing (interview 30).

As a result, the council is now much more concerned about issues of fuel poverty (and how to tackle this problem in a way that also benefits the environment) than was previously the case. In other words, because there are no mechanisms to co-ordinate policy along the vertical sub-dimension, Newcastle Council’s climate change strategy has become even more *independent* of the centre since 2010 (figure 4.2 on page 136 illustrates this using the tri-polar diagram of power dependencies). Unlike the *Energiewende* in Germany, there is no clear narrative around which governance actors can coalesce that also relates to those based outside the environmental policy sector. Therefore, even though different tiers of government agree about the need to combat climate change and reduce carbon emissions, there is less leadership and direction from the centre than was previously the case.

In terms of multi-level governance, the abolition of centralised performance frameworks meant that Newcastle moved closer towards ‘ideal’ Type II arrangements, which stress the *independence* of different tiers. The reforms also provide a clear illustration of the flexible nature of state institutions, which is another key feature of Type II structures. This lack of stability, in which ministers can create and abolish institutions relatively easily, contrasts with the relatively static and fixed structures that operate in Gelsenkirchen.

Some channels to facilitate central-local *interdependence* have continued to exist. For example, Newcastle is one of many councils that have sought out central government grants to fund the installation of charging points for electric vehicles (EVs) and thereby encourage their take-up. One interviewee felt that the authority would not have been able to do this without central government funding:

Charge Your Car was grant-funded – and they were able to offer discounts or free installation of electric vehicle charging points throughout the region. So, you know, it is very much led by national government policy and what is available, and if things are available then you’d be incredibly foolish not to take these opportunities (interview 8).

This suggests that ministers recognise the importance of policy co-ordination and are prepared to support local authority with delivery. In other words, some elements of vertical *interdependence* remain – albeit largely to help with implementing ministerial priorities, rather than those of the council, in an echo of the Labour Government’s approach. However, the *Charge Your Car* scheme is a notable exception: there are very few other central funding streams available that support municipal attempts to combat climate change (interviews 8 and 12). In part this reflects the ‘un-ringfencing’ of many grants, in that the vast majority of central government funding is no longer earmarked for councils to spend on specific services or functions. More generally, it reflects the austerity cuts to overall public spending that ministers have introduced since 2010, which have meant that municipalities have the unenviable task of choosing which local public services should be scaled down or stopped altogether (Lowndes and Pratchett, 2012, Ferry and Eckersley, 2015).

Crucially, therefore, although Newcastle Council may not possess significant internal resources to implement its climate change strategy, the authority cannot be described as being highly *dependent* on other vertical actors because central government does not provide much additional capacity either. This means that the two tiers actually operate largely *independently* of each other, even though the council has to cope with severe financial constraints imposed by the centre. As figure 4.2 on page 136 points out, the current situation marks something of a shift from the 1997-2010 period, where vertical actors worked more *interdependently* – albeit primarily to implement central objectives rather than local priorities. To return to the multi-level governance characterisations, the changing nature of these power dependencies also illustrates how vertical relationships are loose and dynamic and therefore reminiscent of Type II structures (see figure 4.1 on page 134). Moreover, as the next subsection will show, these vertical arrangements have played a key role in determining the city’s horizontal governance relationships, due to the impact they have had on municipal capacity.

4.2.2.2 *Horizontal governance structures*

As Chapter 3 outlined, various central government reforms between the early 1970s and 2010 took functions away from English municipalities and restricted their room for manoeuvre. At the same time, however, initiatives such as the Community Charge, Compulsory Competitive Tendering, Best Value and Comprehensive Performance Assessment (CPA) encouraged a climate of competition both within and between authorities, in an attempt to reduce costs (and therefore taxes) and improve service outputs (Ferry and Eckersley, in preparation). This conscious attempt to encourage councils to be more *independent* of each other contrasts sharply with the situation in Germany, where the principle of *Politikverflechtung* predominates both vertically and horizontally and facilitates greater co-operation between municipalities. It also led to more outsourcing and privatisation of local services, thereby fragmenting the municipality. Such a scenario is highly characteristic of Type II multi-level governance.

In spite of this prevailing culture, however, Newcastle Council has sought to collaborate with other municipalities on policies related to climate change. At the

international level, it subscribes to a number of cross-border municipal networks for climate protection, although – like Gelsenkirchen – they do not appear to have influenced policy to any great extent (interview 12). More importantly, the city has developed particularly close links with neighbouring Gateshead as a way of increasing state capacity on both banks of the River Tyne. For example, the two councils produced a shared local development strategy (Newcastle City Council 2013), have liaised very closely on issues of sustainable development (interviews 1, 2 and 12) and even created a joint brand of NewcastleGateshead to promote the area (Pasquinelli, 2014).

Furthermore, Newcastle Council played a key role in the development of the North East Combined Authority (NECA), which comprises council leaders and elected mayors from all seven municipalities in the region. As section 3.4.2.2 in chapter 3 discussed, this thesis treats combined authorities as horizontal governance actors (rather than a higher tier of governance), because they are essentially inter-municipal fora that aim to increase the capacity of individual councils to implement policy. Indeed, NECA operates largely virtually, in that its administrative staff have largely come from municipal payrolls and often continue to work in the offices where they are currently based (interview 30). This means that officers and elected representatives from across the region act on behalf of both their local council and the combined authority. Interestingly, these interlocking memberships are characteristic of Type I, rather than Type II multi-level governance, and therefore NECA's creation signifies a shift away from those arrangements that might normally be associated with the UK. Furthermore, they also suggest greater horizontal *interdependence*, as Newcastle Council seeks to increase its capacity to achieve its policy objectives by working with neighbouring municipalities.

NECA was created officially in 2014 and took some significant decisions related to climate change within a few months of being established. In particular, the combined authority has decided to abolish the contracted-out system of public transport provision across the North East. The Leader of Newcastle City Council, Nick Forbes, is NECA's regional transport lead and he argued that greater public control would help in the creation of a single, integrated system with transferable 'smart' tickets that are valid across different transport providers in all seven municipal areas

(Wearmouth, 2014). NECA argued that this would increase passenger numbers, protect less profitable bus routes and make public transport easier to use (North East Combined Authority, 2014). Therefore, if the decision results in fewer people using private cars, it would help every municipality in the region (including Newcastle) achieve its climate change targets, as well as contribute towards other policy objectives on improving social inclusion and reducing traffic congestion.

In this way, we can see how the region's municipalities have sought to reverse the fragmentation of local public services that is characteristic of Type II multi-level governance arrangements in order to try and increase the use of public transport. Indeed, it illustrates how decision-makers, upon realising that NPM-inspired reforms had weakened the influence of state bodies and hampered the co-ordination of policy, sought to 'join-up' state institutions again in order to increase their capacity to implement policy. In other words, horizontal governance arrangements have become more *interdependent* in response to concerns that individual local authorities were unable to achieve their policy objectives *independently* of each other. This serves as a useful illustration of the local state re-asserting its authority *vis à vis* market actors in order to try and achieve its climate change, social inclusion and mobility objectives more effectively.

However, because water, electricity and gas were nationalised in the late 1940s (and then privatised in the late 1980s), Newcastle City Council is unable to exert much influence over public utilities in the city. Unlike many other UK councils, the authority does run some small district heating networks (in the housing estate of Byker and the shopping centre at Eldon Square, for example), but these only account for a very small amount of the energy consumed in the city. More recently, the council has investigated various ways of re-asserting greater control over energy provision, by extending these heating networks or working with other large cities to re-establish municipal power companies (interview 12). Indeed, several English municipalities have begun to generate their own energy, albeit largely for use in council buildings and housing and therefore on a small scale (Hetherington, 2013). As of 2015, however, the authority had not taken this step: instead it has focused on aggregating demand amongst residents to negotiate cheaper prices with private energy companies, in line with its policy priority of reducing fuel poverty (Newcastle City

Council, 2015a). Instead, as chapter 5 will discuss, Newcastle *University* has actually taken a lead on local power generation and smart grids within the Science Central development.

Therefore, because the council does not have significant influence over any power generating company, it has to try and encourage greater energy efficiency and use of renewables in an environment that is dominated by the ‘Big Six’ companies – British Gas, Npower, SSE, Scottish Power, E.On and EDF. Together, these firms supply around 95% of domestic gas and electricity in the UK (BBC, 2014), yet local authorities and other public bodies have failed to influence their behaviour. This means that Newcastle Council is almost entirely *dependent* on the goodwill of power companies and private customers (which are perhaps unlikely to purchase more expensive green energy without being incentivised or forced to do so) to take decisions that might help to reduce carbon emissions in the city. Other than favouring renewable sources through its own procurement policies, the council can offer very few incentives that might encourage external actors to generate and consume energy in more sustainable ways. In contrast, and as this chapter outlined earlier, Gelsenkirchen and three neighbouring municipalities in the Ruhr *can* influence decision-making at ELE, and indeed they have been able to persuade the local energy provider to increase its reliance on green electricity (see section 4.3.1.1 in this chapter). This is because they have a more *interdependent* relationship with the dominant power supplier in the area – whereas Newcastle is highly *dependent* on the behaviour of its energy providers and citizens.

In addition, Newcastle’s increasingly precarious financial situation has had a significant impact on internal capacity and increased the pace of state fragmentation within the city. Along with a number of other municipalities for example, it has sought to devolve responsibilities for environmental and cultural services (including libraries and leisure centres) to non-state organisations (interview 30). As one of the Newcastle interviewees acknowledged, this has potentially significant implications for policy delivery:

I think increasingly we’ll be faced with situations where the Council simply cannot deliver certain aspects of services that we have in the past, perhaps even whole

services. So the funding will not be there, and increasingly our partnership working will be about working with organisations who can and want to maintain services, either in a particular area or across the city. And we will be working with them in an enabling, facilitation-type role, but not as a funder. And I think that's a very new way of working, because in a sense we will not be in control (interview 30).

The above quote highlights how the council has had to rely on other organisations in the area to implement policy, including on climate change mitigation. This approach fits with the authority's wider strategy of involving residents and local businesses more in policy-making. For example, in 2011 the council replaced its climate change partnership, which incorporated mainly public sector bodies from within the city, with a 'Greening Newcastle' group that had a broader membership (interview 12).

Although this group was fairly short-lived, following its demise the council has made a conscious effort to create an even wider coalition of local actors to assist with its environmental policy. This manifests itself in open 'Green Cabinet' meetings at least once a year, which involve businesses, voluntary groups, academics and citizens, who debate and contribute towards the city's environmental strategy. In addition, the municipality has provided strong support to grassroots projects such as 'Greening Wingrove', a community co-operative aimed at encouraging residents to live more sustainably and improve their local environment (interview 31, see www.greeningwingrove for further information). This approach fits with the council's wider strategy of developing a dialogue with residents and voluntary groups to try and ensure that they support the authority's decisions on how to cope with funding cuts (Ahrens and Ferry, 2015).

As the previous subsection illustrated, Gelsenkirchen Council is also becoming more fragmented along the horizontal dimension, primarily due to resource constraints that led the council to sell some of its shares in local utilities to raise revenue and thereby retain some control over its budget. In addition, the municipality recognised (perhaps somewhat belatedly) that the wicked nature of climate change required it to work more closely with other local actors (see sections 4.2.1.2 and 4.3.1.2). In spite of this increased *interdependence*, however, Gelsenkirchen Council has retained more control over public services within the locality than its counterpart in Newcastle. This is because far fewer services have been outsourced, privatised or 'hived off' to arms-

length bodies – and where shares have been sold, the state has often retained a significant stake in the controlling organisation. In addition, it has not had to rely on the voluntary or community sectors to act on its behalf along the Greening Wingrove model – partly since third sector bodies just do not exist to the same extent in Germany (interview 27), but also because there is a much stronger belief that state bodies should provide public services and not divest themselves of these responsibilities (interview 24). As such, the horizontal governance arrangements for Gelsenkirchen’s climate change strategy remain closer to a Type I arrangement than the structures that are in place at Newcastle. The only exception to the shift towards an even purer Type II situation in Newcastle is public transport, where the combined authority has re-asserted some control over local provision and strategic planning.

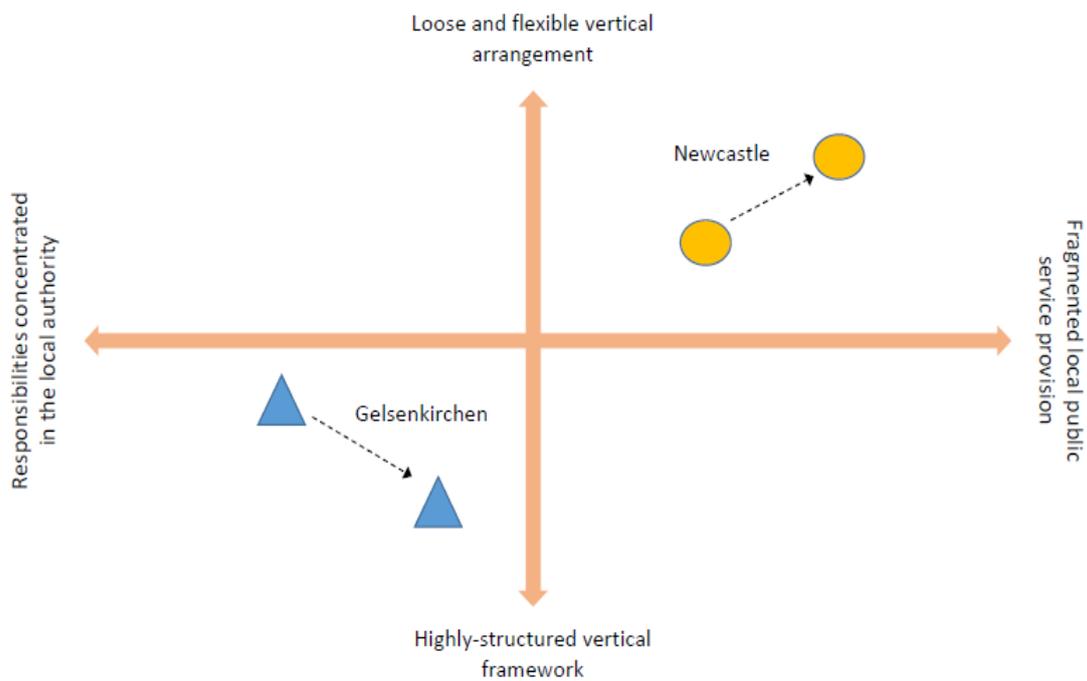


Figure 4.1: Changes in the sub-dimensions of multi-level governance types as applied to climate change strategy in Gelsenkirchen and Newcastle

As far as the vertical arrangements are concerned, Newcastle’s situation has changed markedly over the last fifteen years. During this period, various institutions have been created and then abolished, officials and organisations have changed responsibilities and ministers have restructured the arrangements for facilitating policy co-ordination on numerous occasions. In contrast, Gelsenkirchen is moving away from this model,

thereby suggesting that the hypothesis set out in chapter 2 does not apply. Crucially, the *Energiewende* narrative and the tradition of *Politikverflechtung* ensure that different vertical actors coalesce and co-ordinate policy-making and implementation, resulting in a more rigid institutional framework. The situation is much different in England, where central government appears increasingly detached from municipalities. These shifts in the vertical and horizontal arrangements in both cities are illustrated in figure 4.1 and table 4.2.

	Gelsenkirchen	Newcastle
Vertical sub-dimension	Fixed institutions at all levels	Flexible and dynamic structures
	<i>Politikverflechtung</i> and the <i>Energiewende</i> result in significant vertical <i>interdependence</i>	Increasing <i>independence</i> from central government since 2010, due to funding reductions and the abolition of performance frameworks
Horizontal sub-dimension	Some fragmentation of service provision	Significant fragmentation of service provision
	Some collaboration with neighbouring councils in the <i>Ruhrgebiet</i>	Increasing collaboration with neighbouring councils through the combined authority
	More <i>independent</i> of other local actors	More <i>dependent</i> on other local actors

Table 4.2: Contrasting multi-level governance structures for climate change strategy in Gelsenkirchen and Newcastle

Crucially, however, figure 4.1 demonstrates that multi-level governance can only help us to describe what arrangements are in place for governance to ‘happen’ within particular jurisdictions. Although it may suggest potential units of analysis, it does not assist with undertaking that analysis. This is because it cannot help us examine institutional capacity, and even the two typologies presented do not give an indication about power relations and/or the extent to which municipalities are able to operate autonomously from other tiers of governance. In other words, it does not provide the theoretical foundations for supporting the fact that the municipalities of Newcastle and Gelsenkirchen can call upon different levels of resources for developing and

implementing policy. By identifying the reasons why they have different levels of internal capacity, we can begin to understand which actors are most influential in their respective governance arrangements.

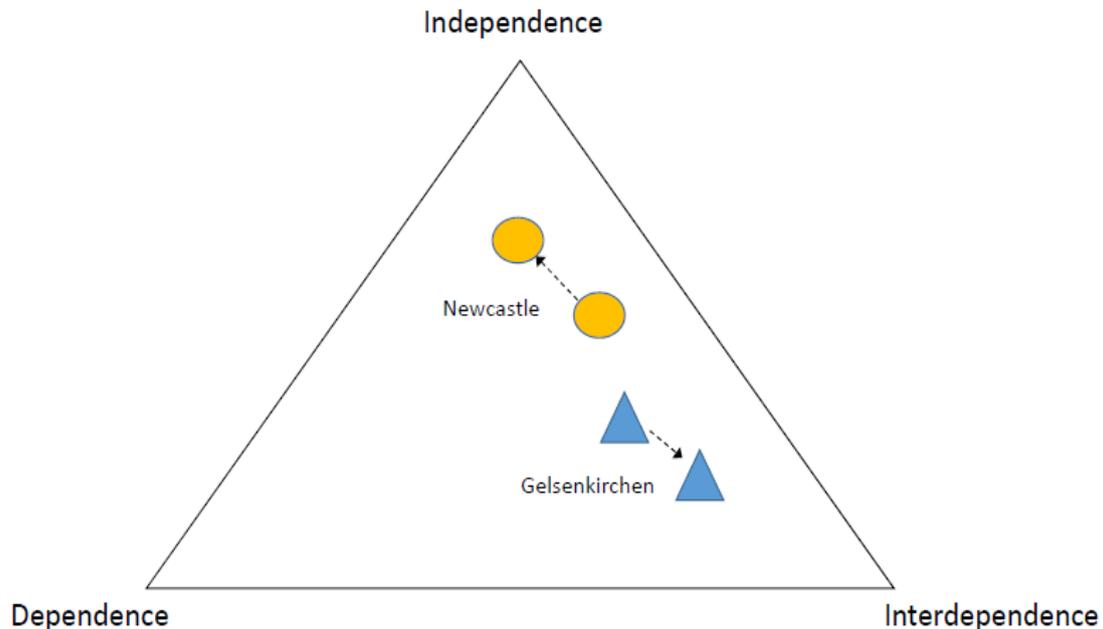


Figure 4.2: Vertical power dependency relationships for climate change strategy in Gelsenkirchen and Newcastle

As such, the tri-polar diagrams in figures 4.2 and 4.3 give us a better indication of power relations in the two cities, and how these have changed in recent years. For example, figure 4.2 shows how Newcastle has become more *independent* of central government since 2010, after local authorities no longer needed to report their progress against central targets to government ministers, and also received much less funding through the grant system. This is in spite of the fact that it operates within severe financial constraints imposed by ministers in London.

In contrast, the common narrative of the *Energiewende* in Germany helps to ensure that all tiers of the state coalesce around common policy goals and collaborate to achieve them. Combined with the endemic nature of *Politikverflechtung* in government institutions, this serves to ensure that municipalities have a high degree of interdependence with those jurisdictions ‘above’ them – despite the constitutional guarantee of *lokale Selbstverwaltung*. Indeed, the precarious nature of

Gelsenkirchen's finances has actually increased the degree of interdependence, since the *Bezirk* level of government makes a special effort to support the city in implementing its climate protection strategy within the budgetary constraints that apply. Figure 4.2 illustrates how the vertical relationships involving both cities have shifted in recent years, and highlights the fact that they are *diverging*, rather than *converging*, along this dimension.

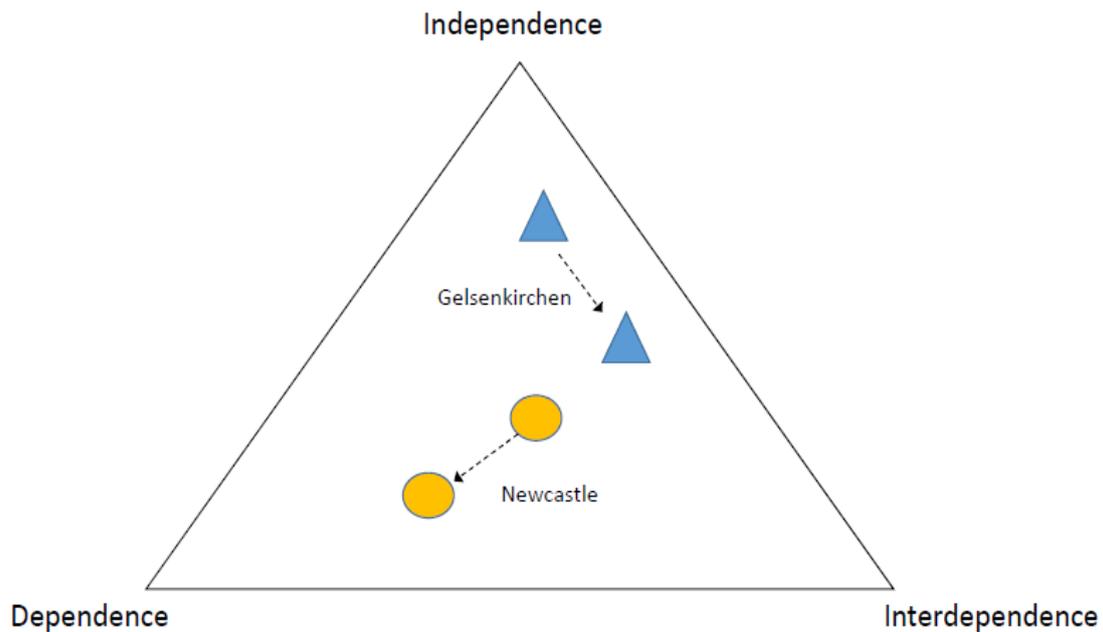


Figure 4.3: Horizontal power dependency relationships for climate change strategy in Gelsenkirchen and Newcastle

Along the horizontal dimension, Newcastle Council has been more *dependent* on private energy companies than its Gelsenkirchen counterpart for several decades. On top of this, recent decisions to allocate an increasing number of public functions to voluntary groups such as Greening Wingrove will mean that its climate change strategy is increasingly *dependent* on other actors within the city. This is because the municipality will no longer be directly involved in an increasing number of activities that relate to climate change and sustainability in the city. Interestingly, the council has sought to regain some of its influence by taking a leading role in the creation of the combined authority, which resulted in greater *interdependency* with other municipalities in the region. It also seeks to work with other private and voluntary actors in the city through the Green Cabinet initiative and has considered taking a more direct role in generating and providing energy to local residents. However, its

financial situation and lack of internal capacity to implement policy means that it is increasingly *dependent* on the decisions and actions of other local stakeholders (see figure 4.3).

By comparison, Gelsenkirchen Council operates more *independently* in climate change policy development and implementation along the horizontal sub-dimension. This is because it can exercise more control over public services in the city, and also because councils in Germany have a higher status within their local communities. Nonetheless, the municipality has begun to realise that the actions of organisations outside the local authority will play a key role in the success of its climate protection initiatives, and this has led to it working more *interdependently* along the horizontal sub-dimension. As figure 4.3 shows, therefore, the councils are moving towards different poles in terms of their power relations with other local actors. Indeed, when combined with figure 4.2, which shows how they are *diverging* along the vertical sub-dimension, it highlights how their approaches to climate change strategy cannot be interpreted as converging towards a hybrid model.

The next section will highlight how these institutional arrangements and power dependencies for climate change strategy have shaped the policy styles of Gelsenkirchen and Newcastle councils. In particular, it will demonstrate how both municipalities rely more on horizontal engagement than was previously the case, in recognition of the fact that they need to collaborate more with other actors to address climate change effectively. Nonetheless, Newcastle Council is significantly further down this road than its German counterpart. Furthermore, it will show how financial constraints have tempered Gelsenkirchen Council's enthusiasm for state of the art solutions, although it is still less likely than Newcastle to choose the best practicable means for addressing a policy problem.

4.3 Policy styles and climate change strategy

This section analyses the climate change strategies of Gelsenkirchen and Newcastle in the context of typical policy styles that are associated with Germany and the UK. Based on the fieldwork investigations, it examines two sub-dimensions of policy style: the extent to which the council relies on hierarchy rather than engagement; and,

its preference for state of the art (SOTA) solutions instead of relying on the best practicable means (BPM) to address a problem. The chapter maps Gelsenkirchen and Newcastle against these sub-dimensions to illustrate the empirical findings and then analyses the reasons why each city follows a particular approach.

As will become apparent, there is some evidence to show that the two municipalities have followed policy styles that are ‘typical’ of their respective countries. For example, Gelsenkirchen Council has been more likely to adopt a hierarchical approach to other societal actors, whereas its counterpart in Newcastle sought to engage with them more in policy-making processes. Similarly, Gelsenkirchen has invested in state of the art solutions for climate protection (partly due to a belief that this would also help to support economic development in the city), whereas Newcastle has placed greater emphasis on cost-effectiveness and the best practicable means for achieving policy objectives.

However, the fieldwork also found that both cities are shifting towards the ideal ‘English’ policy style along both sub-dimensions. Both authorities have recognised that public bodies need to work more closely with non-state actors to achieve climate objectives, because they do not have the internal capacity to deliver them independently. Therefore, they are seeking to engage more with other organisations instead of relying on more hierarchical techniques. In addition, Gelsenkirchen’s financial situation has reduced its ability to fund exemplar SOTA initiatives and it is therefore moving towards BPM approaches for dealing with a problem. For its part, Newcastle is also operating in an increasingly pragmatic way by focusing more on adaptation, and thereby directing scarce resources at climate initiatives where the municipality is able to have the greatest impact. As the chapter will demonstrate, this illustrates how the council prefers to adopt the best practicable means rather than invest in state of the art solutions.

4.3.1 *Gelsenkirchen*

4.3.1.1 *Hierarchy versus engagement*

The fieldwork revealed that officers at Gelsenkirchen expected the municipality to take a strong leadership role in the city's climate protection strategy. In particular, the hierarchical process that the authority followed to develop its *Klimaschutzkonzept* illustrated the extent to which it relied on a traditional 'German' policy style along this dimension. This document was drafted by an advisory body of municipal officers and politicians, together with some managers from the local energy supplier ELE – other businesses and voluntary groups in the city were not involved in these discussions (interviews 14 and 21). Some staff have since engaged with other local stakeholders to try and persuade them to play their part in achieving the planned reductions in carbon emissions, for example by reducing their reliance on road transport. However, it is notable that this only happened *after* the strategy was adopted formally by the council. Furthermore, prior to the development of the *Klimaschutzkonzept*, the municipality had adopted a hierarchical approach when it sought to develop and promote the city as a centre for solar energy in the 1990s. In both cases, municipal decision-makers felt that the authority had a responsibility to provide local leadership in response to climate change and industrial decline (interview 25).

Interestingly, some interviewees suggested that other German cities would take a more consensual approach to climate protection policy than Gelsenkirchen. Indeed, these views chime with a recent empirical study that compared climate policy in Frankfurt, Munich and Stuttgart (Heinelt and Lamping, 2015). Gelsenkirchen Council's approach reflected the political realities in a city that has struggled economically for many years, and where most residents have more pressing concerns. Nonetheless, this contrast with other, more affluent, municipalities only serves to underline the fact that its strategy was very hierarchical:

Politically, it can be useful to speak about the issue of climate protection. But, as opposed to Freiburg or Tübingen, a large part of the people of Gelsenkirchen have completely different concerns (interview 25).

Freiburg is more ‘bottom-up’ ... and here with us it’s more ‘top-down’ (interview 19)

Furthermore, neither public officials nor other stakeholders in Gelsenkirchen questioned the municipality’s leadership role and authority within the city. This highlights the fact that the authority has the capacity to exert very strong influence over other local actors. Indeed, as section 4.2.1.2 explained, German councils can operate more *independently* of other actors in the locality compared to municipalities like Newcastle. One interviewee, who had extensive knowledge of local government in both Germany and the UK, agreed that the status of the municipality in governance arrangements differs significantly between the two countries. Crucially, this plays a key role in shaping relationships with other horizontal actors, because it means German councils can employ more traditional hierarchical approaches to policy-making:

Municipalities in Germany have a very, very much stronger position than in Great Britain and therefore do not have to do so much with civil society. They don’t have to work with other actors – at least at the moment (interview 27).

This analysis fits with the argument made in chapter 3 about the historical evolution of local government in England and Germany and how this has shaped its perceived role in both countries. The legacy of German municipalities as more overt *political* actors than their English counterparts has continued to the present day, and this helps to explain the different governance approaches taken by Gelsenkirchen and Newcastle.

However, the traditional German reliance on state hierarchy is beginning to change, partly in response to the increasing importance of wicked policy issues. For its part, Gelsenkirchen Council has taken a more active role in involving additional actors in its approach to climate protection, largely because decision-makers have acknowledged that they need to persuade residents and businesses to change their behaviour in order to reduce carbon emissions (interviews 14 and 15). Indeed, the municipality recognised the importance of public engagement in the mid-1990s, when it tried to mobilise support for the city’s regeneration plans (interview 19). By

promoting the development of solar housing estates, the authority sought to include citizens in its plans for taking the city forward (Jung *et al.*, 2010). Indeed, once the housing estates were completed, their residents created a local citizens' association to represent the area and work with the council on supporting similar developments elsewhere (Jeromin and Karutz, 2010).

Nonetheless, several interviewees felt that the municipality should have taken an even more collaborative approach to developing this solar strategy. These officers recognised that the demographic make-up of Gelsenkirchen meant most residents do not consider the environment to be a priority, and therefore argued that the municipality should have done more to promote its vision to nurture civic pride and local identity:

I think that is one of the things that we have learnt in the last twenty years or so – that you always need allies... There are some people who would say, 'Oh, yes, solar city! At least we're leading on that!' But it is a difficult task to communicate this issue to people who are outside leadership circles (interview 19).

As the above quote suggests, officers were aware of the need to persuade local residents to support the council's objectives. In line with this, the municipality's *Klimaschutzkonzept* recognises the importance of other governance actors in the implementation of its climate change strategy. Indeed, it notes how the municipality is only responsible for 2% of the city's CO₂ emissions, and therefore private households and businesses need to make a significant contribution to the overall target of reducing GHG emissions by a quarter between 2010 and 2020. Yet, although the council relies heavily on these other actors to achieve its climate objectives, it cannot use many hierarchical tools to force them to operate in a more sustainable manner. Therefore, by adopting an 'enabling' mode of governance rather than relying on 'governing by authority' (Bulkeley and Kern, 2006), officers in the municipality have increasingly sought to persuade local actors to engage with the *Klimaschutzkonzept*, rather than introduce binding regulations.

For example, the council has provided advisory 'helpline' services to local businesses and residents to help them reduce carbon emissions since 1987 (interview 15). In

recent years it has begun to take a more active approach to initiating behaviour change, including marketing campaigns to inform households and businesses that they would benefit from feed-in tariffs if they installed PV panels (interviews 19 and 24). In 2012 and 2014 it organised climate conferences and invited key actors from across the city to share ideas on carbon reduction (interview 20). Furthermore, the *Klimaschutzkonzept* lists numerous other examples of how the municipality is hoping to persuade stakeholders within Gelsenkirchen to change their behaviour. They include: encouraging cycling through a rent-a-bike initiative; a more co-ordinated campaign to encourage people to use public transport and car-sharing schemes; real-time updates to bus, train and tram timetables; and a tool on the municipal website that allows householders and businesses to calculate the financial viability of installing solar panels on their properties (Stadt Gelsenkirchen, 2011). These all illustrate a growing reliance on horizontal governance tools, as the municipality recognises that it needs to work with other societal actors in order to achieve its climate objectives. Indeed, interviewees stressed that they viewed the *Klimaschutzkonzept* as a living document: if external actors were to suggest other initiatives that would contribute towards climate protection, then the council would seek to incorporate them into the strategy (interview 20).

As the section 4.2.1.2 mentioned, Gelsenkirchen Council has also sought to persuade housing landlords to retrofit their properties in order to increase energy efficiency. The authority faces a particular challenge in this area, because only 16% of homes in the city are occupied by their owners – a significant proportion belong to hedge funds or companies listed on the stock exchange (interview 14). In addition, population decline has resulted in a surplus of housing, which has reduced market rents and meant that landlords are reluctant to invest in property improvements that may not deliver a financial return. As a result, the council faces a significant challenge in persuading these landlords – many of whom are legally required to act in the interests of their shareholders rather than the city of Gelsenkirchen – to insulate their buildings more effectively and/or install more efficient heating systems.

As of summer 2013, however, most of the major landlords were engaging with the council and seeking to improve the energy efficiency of their housing stock. Officers at the municipality attributed this to the council's status and its authority as the

democratic voice of local residents, pointing out that private companies often look to the state for leadership and are willing to follow (interview 14). Indeed, council staff were not particularly surprised that these landlords agreed to participate in governance processes, in spite of the fact that the city was not in a position to coerce or incentivise them in any way. This illustrates the high regard in which municipalities are held in Germany: Gelsenkirchen is not even able to cast a ‘shadow of hierarchy’ (Héritier and Lehmkuhl, 2011) over large private companies, yet it could still use its democratic resources and status as the *local authority* (in every sense of the term) to persuade them to invest in building retrofits.

In addition, the council is able to exert its hierarchical authority more formally in some areas – albeit to a lesser extent than in the past. Most notably, the outsourcing of municipal utilities has led to it needing to collaborate with the other ELE partners in order to achieve climate change objectives (see section 4.2.1.2). Notably, Gelsenkirchen Council worked with the other two municipalities that have a share in the energy provider (Bottrop and Gladbeck) to include a clause in the most recent energy contract that requires ELE to generate up to 20GwH of Gelsenkirchen’s annual electricity provision from renewable sources by 2020 (interview 20). Although the risks associated with re-municipalising energy provision may be very high (interview 24), it can still be raised as an option during contract negotiations and thereby serve as an example of the state casting its ‘shadow of hierarchy’ over market actors to achieve policy objectives. In contrast, the UK energy sector has been almost wholly privatised and the prospect of local (or even national) government asserting significant control over gas and electricity provision is extremely unlikely. Therefore, although Gelsenkirchen’s capacity for hierarchical climate governance may have been reduced in recent decades, it remains in a much stronger position to instruct other actors than Newcastle.

As this subsection has demonstrated, Gelsenkirchen is moving slowly away from an ideal ‘German’ approach of state hierarchy and towards greater flexibility and stakeholder engagement. This is largely because the municipality has recognised that it needs to persuade other actors to change their behaviour in order to reduce the city’s carbon emissions. In other words, the council has acknowledged that it lacks the capacity to achieve its policy objectives alone and has therefore sought to work more

interdependently with other organisations in order to deliver its climate protection strategy. In Bulkeley and Betsill's (2005) terms, it has had to adopt a mode of governing by 'enabling' rather than 'authority' to try and co-ordinate the behaviour of actors across the city, although the municipality can resort to the 'shadow of hierarchy' to exercise some control over local energy provision. These developments also show how the authority responded to events by developing a pragmatic *coping strategy* (Salomon and Mokhtarian, 1997) that involves changing traditional processes and styles to deliver more effective policy. At the same time, however, it is crucial to note that Gelsenkirchen Council still exerts more hierarchical authority over other horizontal actors than its counterpart in Newcastle (see figure 4.6 on page 157).

4.3.1.2 *State of the art solutions versus best practicable means*

This subsection examines the extent to which Gelsenkirchen adopts state of the art (SOTA) solutions or prefers to rely on the best practicable means (BPM) in its climate change strategy. It highlights how the city has shown preference for the former in the past, but that this commitment has weakened in recent years, primarily due to financial pressures. Nowadays, the council considers wider economic and financial benefits to be a more important (and demonstrably deliverable) part of any policy initiative on climate change, which has changed the way in which officers make the case for investing in strategic projects. In this way, the subsection highlights once again how capacity constraints have shaped policy styles, because the municipality has had to be more pragmatic in trying to achieve its climate change objectives with limited resources.

Gelsenkirchen's most notable examples of SOTA solutions date from the 1990s, when the municipality sought to re-brand itself as a location for solar power. Council officers sought to promote the idea of Gelsenkirchen as the *Stadt der tausend Sonnen* ('city of a thousand suns'), in direct contrast to its previous image of *Stadt der tausend Zehen* ('city of a thousand pits', (Jung *et al.*, 2010)). This was exemplified by the installation of what was then the world's largest solar power station of its type (210 kW) on Gelsenkirchen's new science park in 1996 (interview 19, see also figure 4.4). Notably, the science park pre-dated the German federal government's decision to introduce feed-in-tariffs for renewable power generation. At the time of installation,

therefore, it appeared that the PV panels would not produce enough energy to pay for themselves, and indeed officers in the municipality did not expect them to make a profit. This led to some criticism of the council's decision:

The renewable energy law came a few years' later and quite a few people ridiculed us at the time... especially in the established energy industry (interview 19).

Instead, the municipality believed that an ambitious approach, which sought to put renewable energy at the heart of the city's regeneration strategy and nurture these 'industries of the future' (interview 19), could help to prevent Gelsenkirchen's economic decline. As a result, it invested in the PV panels as a symbolic way of showing how the city was embracing the emerging low-carbon sector by investing in state of the art technologies rather than the best practicable means.



Figure 4.4: The PV panels on Gelsenkirchen's science park (Wissenschaftspark, photograph taken in July 2013)

Alongside the PV panels on the science park, the council also supported local businesses that manufactured products in the renewable energy supply chain, including solar cells. Building on the *Stadt der tausend Sonnen* idea, its ultimate objective was to transform the Gelsenkirchen area into a 'Solar Valley', which would draw on the *Ruhrgebiet's* legacy of energy production but place it in a modern, renewable context (interview 19). Indeed, the municipality initiated several more high-profile projects to demonstrate its commitment to this strategy, most notably around the development of solar housing estates. These included the *Ruhrgebiet's* first such project in the Bismarck area of the city, which was constructed between 1999 and 2001 (see figure 4.5). Although the council's ambitious and interventionist

approach was adopted initially for overwhelmingly economic reasons as part of Gelsenkirchen's re-branding strategy, it chimed subsequently with the authority's policies on sustainability and climate protection (interview 19).



Figure 4.5: Homes in the Solarsiedlung in the Bismarck suburb of Gelsenkirchen (photograph taken in July 2013)

Unfortunately for the city, however, Gelsenkirchen's nascent solar manufacturing industry did not take off to the extent that was initially hoped. Although Shell opened a solar cell factory in the city in the late 1990s, as a global company it relied much more on its existing multinational supply chains than on local businesses (interview 19). Eventually, due largely to the lower labour costs of Chinese competitors, the last solar module manufacturer left the city in the summer of 2012. As a result the municipality reappraised its strategy, but nonetheless still sought to exploit the idea of Gelsenkirchen as a forward-looking 'city of a thousand suns':

We have to reinvent and reinterpret that [brand image]. And I think the best interpretation would be that we can't be an *industrial* cluster at the moment – in fact, the whole of Germany or the whole of Europe can't be an industrial cluster. Instead we could be an *applications* cluster, in particular with these solar housing estates, and we now have four of them (interview 19).

In addition, the municipality's budgetary situation has worsened considerably since the mid-2000s, with the result that all projects now require a robust business case before they are approved by the finance department. For example, the environment and climate change team had to bid for €750,000 from the council's central budget in

order to secure the remaining 90% of the necessary funding to implement the *Klimaschutzkonzept* from the federal government. Crucially, they were conscious that this bid needed to emphasise how the strategy would benefit the city's economy. Indeed, they feared that the application would not be granted and the money would not be forthcoming if they argued solely from an environmental or sustainability perspective:

The evidence to support the funding bid was important. We didn't rely on the climate protection arguments, instead we said 'basically, climate protection is also economic development'. Why? Because if we invest in building retrofits, for example, or new heat pumps, or energy efficiency programmes in other areas, then that means, basically, a certain proportion of that money will flow into the local economy (interview 20).

This pragmatic approach also reflects the increasingly constrained political environment, which is unlikely to be sympathetic to radical climate protection policies. Interestingly, officers were keen to stress their concerns about the electoral impact of ambitious policies, emphasising that they felt the council should reflect voters' concerns:

A politician who came out strongly on climate protection here would not do well at the next election... The policy is always a bit more advanced than the average voter, but it cannot lose touch from them. I think the policy in Gelsenkirchen is where it is able to be... That means that we don't prevent people from driving into the city centre. But we do do other things: we promote cycling and we provide very good local public transport (interview 24).

The above quote highlights the fact that the council felt it should respond to *citizens'* concerns – not to the demands of large companies or other powerful actors in the area. This reflects the fact that private and voluntary organisations play a subordinate role in the city's governance arrangements, and how other horizontal actors view the municipality as the pre-eminent, democratically legitimate institution that reflects and operationalises public preferences. In addition, however, it illustrates how Gelsenkirchen is having to take a pragmatic approach to climate protection, in

response to the limited enthusiasm of its residents. Such an approach is more consistent with BPM principles than a preference for state of the art solutions.

Therefore, in spite of the high-level of concern for climate protection issues amongst both officers and politicians (interview 24), Gelsenkirchen is moving towards the characteristically English style along this sub-dimension. This represents a significant shift away from the 1990s preference for SOTA technologies, as exemplified by the *Stadt der tausend Sonnen* initiative and its associated science park and solar housing estates. Although the municipality's promotion of solar industries may have had explicit regeneration objectives, it did not require the officers involved to spell out how specific projects would benefit the city's economy or deliver a financial return. Indeed, a combination of Germany's relatively cloudy climate, a technology that was still evolving in the mid-1990s and the lack of feed-in tariffs to subsidise renewable energy production meant that officers would not have managed to develop a business case in favour of investing in PV panels anyway. Instead, Gelsenkirchen Council poured significant resources into (what were then) state of the art solar power facilities because officers felt that associating the city with this emerging industry would deliver economic benefits and (subsequently) support its climate protection strategy.

However, after global economic forces crushed the idea of a Solar Valley in the Ruhr, the city is no longer in a financial position to be so strategically ambitious. As a result, it now relies more on pragmatic, cost-effective solutions that represent the best practicable means for addressing environmental concerns (see figure 4.6 on page 157). This is partly due to financial constraints, which have meant that officers need to demonstrate the additional benefits that any climate protection initiative would deliver. However, it also reflects political realities, because decision-makers feel that voters do not want the council to take a more radical approach. Overall therefore, Gelsenkirchen's policy style is shaped by its capacity to deliver its climate change strategy, which in turn is determined by the resources (financial and political) at the municipality's disposal.

4.3.2 *Newcastle*

As might be expected, Newcastle Council's strategy for climate protection has included many more characteristics associated with the typical English policy style than that of Gelsenkirchen. The council takes a much more inclusive approach to governance and solutions have been overwhelmingly flexible and pragmatic in recent decades. For example, along the horizontal sub-dimension of policy style, Newcastle has sought to develop a broad coalition of actors from across the city to help in developing its strategy and overseeing its implementation. Indeed, as section 4.2.2.2 demonstrates, it has moved further in this direction in recent years, rather than relying on the sort of hierarchical approach that is more typically associated with the Germany.

Similarly, the council has recognised that its low levels of capacity and financially-constrained environment mean it can only have a very limited impact on climate *protection*. As a result, it has begun to focus more on *adaptation* measures over which it can exercise more control. Such a pragmatic approach bears many hallmarks of the 'English' policy style, not least a preference for the best practicable means for addressing a problem. As this subsection will demonstrate therefore, a lack of resources has meant Newcastle is moving even closer towards the ideal 'English' position in its climate change strategy, at least in terms of the two sub-dimensions under investigation for this thesis.

4.3.2.1 *Hierarchy versus engagement*

From the outset, Newcastle adopted a much more inclusive approach to the development of its climate change strategy than Gelsenkirchen. Although council officers drafted the original document, they incorporated ideas and input from other members of the city's climate change partnership, including the universities, hospitals, police force, transport authority and some community groups. The drafting process also included formal consultations, with senior officers considering which ideas from the public might be included in the final document (interview 31). The council did not adopt all of the public's suggestions, but Newcastle's process for developing the strategy nonetheless contrasts sharply with that of its twin town in the

Ruhr. In the latter, the only contributors to the *Klimaschutzkonzept* were either employees of the municipality or the energy supplier ELE – other non-state actors did not even get to see the plan until after it was published. Although council staff led the development of Newcastle’s strategy, the authority’s preference was undoubtedly for Cabinet-style government (in which other actors held ministerial roles) rather than ruling by decree.

Indeed, the Newcastle’s relationship with other local actors has become even more horizontal since the late 2000s. For example, the municipality replaced its climate change partnership with a broader ‘Greening Newcastle’ body following the election of a Labour council in 2011 (interviews 12 and 31). This panel involved senior executives from a range of public, private and voluntary bodies, whom the council felt would be much better placed to shape the city’s strategy. However, it has since become less significant than the public ‘Green Cabinet’ meetings mentioned in section 4.2.2.2. These discussions allow individuals from across the city to listen to and question local politicians about the council’s environmental policy (Newcastle City Council, 2013a). Indeed, the authority is able to invite a much broader group of stakeholders to this forum than its predecessors, and thereby involve some actors that were previously excluded from formal governance arrangements.

In addition, the council has engaged actively with major employers in the city to encourage more sustainable travel, and sought to facilitate behavioural change where necessary. For example, it has installed electric vehicle charging points near to large offices, in response to demand from some businesses (interview 8). It is also working with retail, business and commercial units to develop a shared courier service for delivering goods into the city centre (interview 4). The council’s support for voluntary sector initiatives, such as the ‘Greening Wingrove’ community co-operative, also highlights this continuing trend away from state hierarchy (see section 4.2.2.2).

One officer at the authority felt that nurturing these relationships and involving societal actors ‘in the tent’ of policy-making at the outset made it easier to disseminate the city’s climate protection strategy to a wider audience. This was because the partnering organisations were more likely to support and promote a document that they helped to create (interview 31). Indeed, Newcastle Council gives

voluntary and other groups explicit responsibilities to encourage local citizens and businesses to change their behaviour. For example, the Tyne and Wear metropolitan area (a conurbation of over one million people that also includes the municipalities of North Tyneside, South Tyneside, Gateshead and Sunderland) received £4.9m through the UK Government's Local Sustainable Transport Fund (LSTF) to try and persuade people to leave their cars at home when travelling to work. Notably, however, third sector organisations will undertake most of the marketing and engagement work for this initiative. One interviewee argued that the involvement of these wider bodies was particularly beneficial, because it enabled the council to use the expertise and resources of other like-minded organisations and therefore increase policy-making capacity:

Because of LSTF, it brings everybody together, all the partners. Because it's not just local authorities, it's companies like Sustrans, BikeRight, Living Streets, [and] Nexus – the integrated transport authority. It's everybody who has a vested interest in transport, all are a partner within the mix. We've got... a framework contract where we can call-off advice from everyone (interview 8).

In contrast, staff at Gelsenkirchen Council emphasised the importance of promoting their *Klimaschutzkonzept* only *after* it was published, and took sole responsibility for this task rather than contracting it to other bodies (interview 14). This is partly due to key decision-makers in Germany and the UK having different views on the role that the state should play in wider society. For example, staff in Gelsenkirchen were keen to stress that municipalities should try to retain control over local public services, whereas their counterparts in Newcastle were much happier to allow external organisations to deliver them on behalf of the council (interviews 23, 25 and 30). Yet, it also reflects the fact that the municipality in Gelsenkirchen has a higher status in the local community, which enables it to act as the genuine local *authority* in horizontal governance arrangements. This means that private sector actors are more influential in Newcastle Council's decision-making processes, and therefore the municipality is not able to exert as much hierarchical authority as its German counterpart. One interviewee recognised how this has resulted in Newcastle's policy style being more consensual and horizontal:

I think at a very basic level, we can't tell the big partners what to do... There are certain strategic powers that we can use around transport planning and cycling and planning generally, and we're seeking to do that, and all of that has an impact on partners. But that's something that, particularly given the very fragile state of the recovery of our economy locally and nationally, we can't just go in very heavy-handed on that. So there's a real balancing challenge there around how we use our strategic powers to further the green agenda, whilst at the same time taking businesses with us and making sure that the recovery that we're starting to see in the city is not just killed off by some very heavy-handed policies (interview 30).

The language used by interviewees in the two cities is also instructive. As the above quote illustrates, officers at Newcastle referred consistently to local 'partners' that help to develop and implement climate protection policies. This term was noticeably absent from discussions in Gelsenkirchen, where interviewees would instead refer to specific organisations by name or mention the general economic sector within which they operated. This illustrates the extent to which Newcastle Council staff subscribe to the view that their horizontal relationships with other actors are helping to deliver shared objectives.

As chapter 3 highlighted, the financial situation is also extremely tight for many English municipalities – particularly for those in the north that have smaller tax bases and therefore are more dependent on central grants (Ferry and Eckersley, 2012, Butler, 2015, Hastings *et al.*, 2015). This has accelerated the process of Newcastle devolving responsibility for some public services to voluntary groups – and thereby represents another way in which the wider community is involved in the city's climate change strategy. Indeed, Newcastle's objective of developing a 'broad coalition' across the city for climate protection and sustainability fits very closely with the traditional 'English' style and contrasts with Gelsenkirchen's more hierarchical approach. Interestingly, leading politicians in Newcastle's Labour group were keen to develop this coalition before they took office, at a time when they were unaware of the full extent of the financial problems they would face:

It was very much a core part of their manifesto when they were fighting to take over the council in the 2011 elections... We knew there were big financial challenges, but... at that point we didn't fully realise how big they were... This would have been

core Council policy, whatever the financial challenges. It's something that the Leader and the Cabinet believe in very much. The budget challenges mean that we have to increase the pace around this. And the budget challenges mean that we simply don't have a choice – this isn't something that we'd like to do, this is something that we must do if we're going to preserve public services, because the Council simply won't have the money to do all of those things. It just necessitates getting local residents more involved (interview 30).

The above quote shows how Newcastle Council's decision to create a broad coalition for climate change policy was made for political reasons, as well as in response to financial constraints. However, in reality these political preferences reflected a belief that greater interdependence with societal actors would also increase the council's ability to achieve its objectives, because pooling resources with other organisations would increase the overall level of capacity to implement policy. Once again therefore, this shift towards a more 'ideal' English policy style along the horizontal dimension reflects how the council has had to respond to events and the perceived ineffectiveness of previous approaches. As such, it shows how – like Gelsenkirchen – Newcastle has adopted a pragmatic coping strategy to try and achieve policy objectives in spite of significant capacity constraints. Figure 4.6 on page 157 illustrates how both cities have shifted along the two sub-dimensions of policy style in recent years, largely in an attempt to increase their ability to make and implement effective policy.

4.3.2.2 *State of the art solutions versus best practicable means*

Along the vertical sub-dimension for policy styles, Newcastle has also exhibited many typically 'English' characteristics, in that it shows a marked preference for the best practicable means to address a problem, rather than investing in state of the art solutions. The recent financial pressures have brought this preference into starker relief, as initiatives require even more robust business cases to be approved and the council is increasingly reluctant to spend money on non-statutory services such as climate protection (interview 1).

However, the authority is keen to portray Newcastle as a forward-looking investment location that embraces science, sustainability and technology, and thereby move away from its image as a declining, post-industrial city. Such a strategy requires key actors in the city to invest in ambitious projects to convince outsiders that the re-branding exercise is based on something real and substantial. As chapter 5 will illustrate in much greater detail, the council has put the Science Central development at the forefront of its plans, and indeed this is an ambitious project that will feature a number of state of the art sustainability features (interviews 6, 11 and 31). Other initiatives also show how Newcastle Council is trying to use sustainability as a tool for local economic development. For example, the Nissan plant in nearby Sunderland manufactured over 17,000 electric Leaf cars for sale across Europe in 2014 (Ford, 2015), and the council is encouraging residents to purchase these vehicles by offering free-to-use charging points at various locations around the city (see section 4.2.2.1). Indeed, the overall strategy of sustainability-led regeneration has distinct echoes of Gelsenkirchen's solar power policies in the 1990s.

Crucially, though, many of these initiatives would not have been possible without external funding and support. Science Central is a joint project with Newcastle University, which has taken the lead on its more ambitious sustainability features (see chapter 5), and the initiative is also supported by the UK Government's Regional Growth Fund and the EU's Economic and Regional Development Fund (interview 6). The council retains significant control over what will be built on the site and officers have stressed the centrality of sustainability to the whole project. However, staff within the municipality are comfortable that the university is the more ambitious partner in terms of sustainability. Indeed, this is a pragmatic and understandable strategy, given that the academic institution has significantly more resources and capacity to integrate climate change considerations into the overall design of the development. In a similar way, the council would not have been able to support electric vehicles had it not received central government grants to install charging points across the city (interview 8).

Moreover, as central government funding streams for climate *protection* have diminished, Newcastle has begun to place a greater emphasis on *adaptation*, where more money is available (interviews 12 and 32). This illustrates how Newcastle's

(and also the UK Government's) climate change strategy is increasingly pragmatic and reliant on the best practicable means for addressing a problem. In addition, the city's relatively recent experience of extreme weather – over 50mm of rain fell in the area in the space of two hours on 28th June 2012, a day that became known locally as 'Thunder Thursday' – made adaptation an even more urgent priority for the council. Flooding caused by this unprecedented rainfall affected over 1,200 properties, and the council faced a bill of £8m to repair infrastructure such as roads and public buildings (Newcastle City Council, 2013b). In response to these events, both the council and local voluntary bodies have stressed the importance of improving climate *resilience* to enable organisations and households to deal with the impact of flash floods:

It is very much about adaptation and building resilience, about making the North East a resilient place to live, to work... It's like the insurance mentality isn't it? You wouldn't buy a house and not get buildings insurance would you? (interview 32).

Indeed, although decision-makers in the municipality accept that the climate is changing, they recognise that individual local authorities have almost no capacity to influence the level of global GHG emissions. Instead, they feel that the best way for the authority to respond is to equip residents and businesses with the tools to manage its impact. As one individual from the voluntary sector pointed out, this approach also de-politicises the issue of climate change, which can make it easier to persuade businesses and citizens to act – even if they may be sceptical about the science upon which predictions about the future of the climate are based:

The whole climate change thing, we don't get involved in that debate any more. We just say, we can see the weather, the impact of flooding, we can see the heatwaves, the number of deaths, we've got all the evidence here. Whether you believe it's man-made, or whether you believe it's a natural cycle, it doesn't matter – you've still got to do something about it (interview 32).

Such pragmatism is also highly consistent with a preference for BPM. By helping property owners, businesses and individuals to cope better with extreme weather events, Newcastle's focus on adaptation also addresses the potential *impact* of climate pollution on human wellbeing, rather than the *amount* of pollutants that are emitted.

This shows how BPM relates to another characteristic supposedly typical of the UK policy style: the focus on *immissions* (the extent to which pollution affects human health) rather than *emissions* (the type and quantity of pollution released into the air, soil or watercourse – see table 2.2 on page 44). Although this thesis does not address this particular dimension of German and UK policy styles, such an illustration nonetheless helps to identify the context within which Gelsenkirchen and Newcastle decide their strategic priorities.

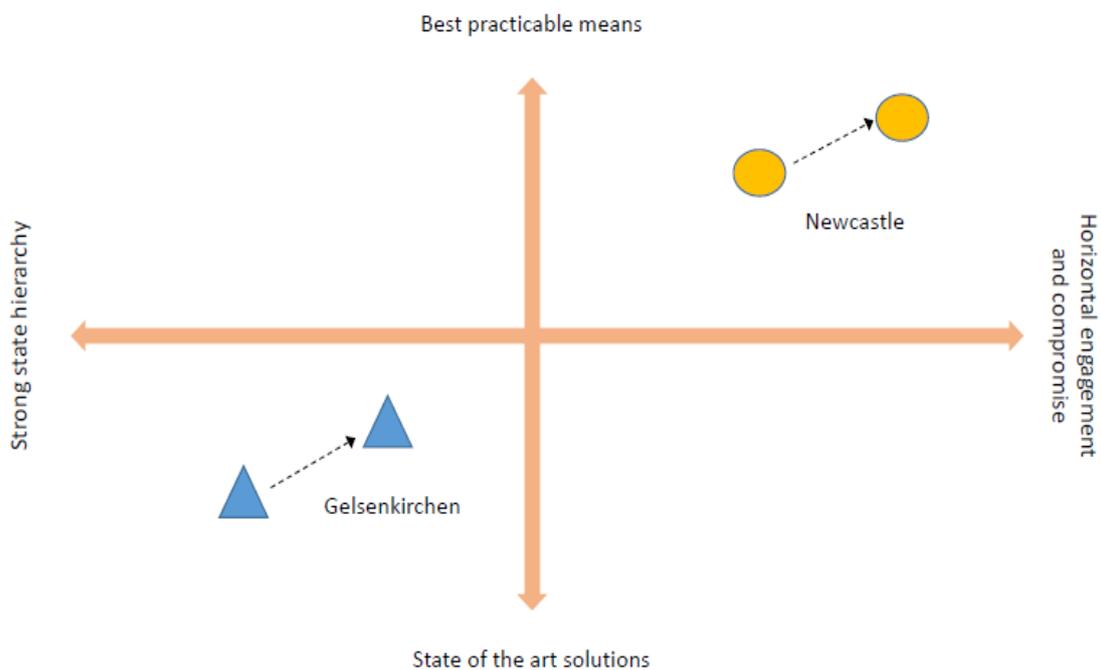


Figure 4.6: Changes in the sub-dimensions of policy styles as applied to climate change strategy in Gelsenkirchen and Newcastle

Overall, therefore, Newcastle has shifted further towards an ‘ideal’ English policy style along both of the two sub-dimensions under investigation (see figure 4.6 and table 4.3). The municipality now seeks to engage even more with other actors in the city, to the extent that voluntary groups have taken responsibility for local environmental initiatives and contribute regularly to council policy-making. The council also takes a very pragmatic approach to its climate strategy, reflecting a reliance on the best practicable means for achieving policy objectives. This is illustrated by the fact that it now focuses more on adaptation than was previously the

case, and is also happy to tweak its climate priorities if this means it might be able to draw on external resources.

As the figure and table show, Gelsenkirchen is also moving towards a more ‘English’ policy style. However, it began from a different starting point and still has considerably further to travel in this direction before it reaches the top-right quadrant. Nonetheless, the German council now recognises the need to engage more with local businesses and residents in order to achieve policy objectives, and this has led to a weakening of its previously very hierarchical position *vis à vis* other governance actors. Similarly, its budgetary situation has meant that the council is no longer able to invest in state of the art solutions, because potential environmental projects need to be justified in terms of their wider economic benefits as well as their contribution towards climate protection. Nonetheless, a preference for adaptation and building community resilience to extreme weather events are not (yet) as important in Gelsenkirchen as they are in Newcastle, and therefore the German city is still some way away from the ideal ‘English’ policy style along both sub-dimensions.

	Gelsenkirchen	Newcastle
Hierarchy vs engagement	Lower but increasing level of horizontal engagement to reflect the ‘wicked’ nature of climate change	Higher level of horizontal engagement to mobilise a broad coalition of actors from across the city
	Council’s higher status and capacity means it exerts significant hierarchical authority in local governance arrangements	Council’s lower status and capacity means it needs to engage with other local actors in governance arrangements
SOTA vs BPM	Financial constraints mean the previous preference for SOTA is weakening	Increasingly strong preference for BPM – SOTA initiatives rely on external resources
	Continued prioritisation of mitigation over adaptation	Focusing more on adaptation rather than mitigation

Table 4.3: Contrasting policy styles for climate change strategy in Gelsenkirchen and Newcastle

Crucially, both municipalities have changed their previous approaches after realising that they do not have the capacity to achieve their policy objectives *independently* of other organisations. As figure 4.3 in section 4.2.2 demonstrated, the result is that Gelsenkirchen now works more *interdependently* with other horizontal actors and Newcastle is increasing *dependent* on local stakeholders, since they need to encourage businesses and citizens to change their behaviour in order to reduce carbon emissions. Similarly, both municipalities are taking a much more pragmatic approach to their climate change strategies, in line with the principle of best practicable means rather than a preference for ambitious state of the art solutions. To a large extent this reflects the budgetary constraints within which they now operate, and which require them to demonstrate how investments will deliver wider financial and economic benefits to their respective cities. For Newcastle Council specifically, it also illustrates how decision-makers feel they can make a bigger difference to the lives of local residents by focusing on climate adaptation rather than mitigation.

4.4 Conclusions

In the area of climate change strategy, both Gelsenkirchen and Newcastle have operated within institutional frameworks and have adopted policy styles that are sometimes associated with their respective national approaches. Notably, however, both cities are changing their governance arrangements in order to address capacity constraints and try to address the issue of climate change more effectively. In particular, both cities now take a more horizontal and pragmatic approach, in order to try and persuade societal actors to support council objectives, provide additional resources and facilitate behavioural change amongst local businesses and citizens. These changes were necessary to address the complex and unprecedented challenge of climate change, which means that the state has to work much more interdependently with other societal actors than in traditional ‘non-wicked’ policy sectors.

Nevertheless, as far as the multi-level governance dimension is concerned, Gelsenkirchen operates within a more structured vertical framework, which is increasingly characteristic of ‘ideal’ Type I arrangements. This is primarily due to the tradition of *Politikverflechtung* and the common policy narrative of the

Energiewende, both of which encourage collaboration and *interdependence* across different tiers of government. In recent years the city has also worked increasingly closely with neighbouring municipalities in the *Ruhrgebiet* and, following the outsourcing of some local services and utilities, now has to co-ordinate policy with a greater number of task-specific agencies. As such, it has shifted slightly towards the Type II characterisation along the horizontal sub-dimension, due to its greater degree of interdependence with other governing actors in the locality. Nonetheless, the council's high status in the community as the legitimate democratic local *authority*, means that it is still comfortably the most important player in governance arrangements. Furthermore, its strong position is buttressed by the high level of vertical *interdependence* and mutual support, which provides the council with additional capacity and therefore enables it to operate more *independently* of other local actors.

The sub-national governance framework in England has been more dynamic – partly due to the lack of a codified constitution to guarantee the continued existence of any public body. Together with the abolition of local government performance frameworks and a significant reduction in central grants, this means that Newcastle operates within a very flexible and loose vertical arrangement, and more *independently* of the centre than was previously the case. Notably, this characterisation strongly resembles Type II multi-level governance. The authority has also shifted further towards an ideal Type II arrangement along the horizontal dimension, as the local state has become increasingly fragmented and municipal decision-makers have sought to mobilise a broad coalition of local stakeholders on the issue of climate change in order to try and address it more effectively. Furthermore, its collaboration with neighbouring authorities through the combined authority is also characteristic of Type II structures.

Notably, the lack of support from higher tiers of government contributed towards Newcastle Council becoming a weaker local actor, because resources have not been forthcoming that could have helped the authority implement its climate policy objectives. As a consequence, the municipality has had to rely much more on other local actors to fill the capacity gap – for example, it has given voluntary groups responsibility for delivering some environmental services. In other words, the

increasing vertical *independence* has resulted in more horizontal *dependence*, because the council is no longer able to undertake certain public functions.

These multi-level governance arrangements have influenced the policy style of both cities, particularly along the horizontal dimension. In previous years, decision-makers and bureaucracies in Gelsenkirchen and Newcastle relied more on the ‘standard operating procedures’ (Richardson 1982) that are associated with their respective countries. In other words, the German municipality operated more hierarchically than its English counterpart and also expressed a stronger preference for state of the art (SOTA) solutions rather than the best practicable means (BPM) of addressing a problem. However, the increasing fragmentation of the local state, coupled with the realisation that climate change is a ‘wicked problem’ that the state cannot solve alone, has led both councils to engage more with other local governing actors in order to draw on their resources and address the issue more effectively. Since financial pressures caused by industrial decline and the austerity agenda have also weakened municipal capacity, they have accelerated this trend towards greater horizontal engagement – with the result that Newcastle and Gelsenkirchen are travelling in the same direction along this sub-dimension (see figure 4.6 on page 157).

Nonetheless, Gelsenkirchen Council has a higher status in the local community and greater democratic resources than Newcastle, due to the way in which local government in the two countries has evolved over the last two centuries (see chapter 3) and the additional support it receives from higher tiers of government. As a result, the German authority can (and does) take a more hierarchical approach to its climate change strategy than its English counterpart. For its part, capacity issues, coupled with political convictions about the most effective way to achieve strategic objectives, have resulted in Newcastle Council building a broader coalition of stakeholders to contribute towards decision-making.

As far as the vertical sub-dimension is concerned, both municipalities are also showing a greater preference for BPM to address the issue of climate change. Although Newcastle Council does have ambitious plans to promote the city as a location for low-carbon industry, it is relying on the university to invest in SOTA sustainability solutions. In addition, the authority has been prepared to tweak its

climate change priorities to fit with grant funding requirements, which means it is focusing increasingly on adaptation rather than mitigation for pragmatic reasons.

Gelsenkirchen Council is also moving towards the ideal 'English' position of BPM, largely because an increasingly tight budgetary situation means that officers have to show how any large project would deliver wider economic benefits. However, this authority did begin from a different starting point, due to its ambitious 1990s strategy of investing in the emerging solar industry to try and regenerate the city's economy. In addition, the fact that the adaptation agenda is not such a high priority in Gelsenkirchen means that the German council is still located some distance away from Newcastle on figure 4.6 (see page 157).

Table 4.3 on page 158 summarises the key characteristics and changes to policy styles in each city. Together with table 4.2, it illustrates that the councils still adopt different approaches to climate change strategy, although they are moving in the same direction along most of the sub-dimensions of multi-level governance and policy styles. To a large extent these different approaches reflect their respective legacies: Gelsenkirchen Council has more democratic resources and can draw on increasing levels of support from higher tiers of government than Newcastle, which means that it is more powerful actor in local governance arrangements. As such, the German council can behave more hierarchically *vis à vis* other governance actors than its English counterpart.

This highlights how each city's governance approach is largely determined by its council's ability to achieve policy objectives. Decision-makers have sought to identify the most effective way of implementing policy and adopted this as a coping strategy in order to increase the chances of success. As such, although both municipalities recognise that they need to work with other organisations to deliver their climate change strategies, Newcastle has to collaborate more closely with horizontal actors than Gelsenkirchen because it does not receive as much support from higher tiers of government. Overall, the English authority has less capacity than its German counterpart: not only does it have fewer democratic resources, but it also has very little control over revenue streams. This puts it in a weaker position in horizontal governance arrangements, and means it needs to rely more on the resources of non-state actors to achieve its aims. In contrast, Gelsenkirchen Council is able to exercise

a greater degree of authority within the locality, because it receives more support along the vertical sub-dimension and therefore does not have to rely on other horizontal actors to the same extent as its English counterpart.

In other words, although Gelsenkirchen and Newcastle councils have adopted characteristics that resemble their respective national policy styles, *this is due to the resources, capacity and institutional contexts within which they operate*. These contexts may indeed shape the ‘standard operating procedures’ that municipal decision-makers apply to policy problems, but (at least in the case of these two cities) they almost certainly precede them. As such, their policy styles in the area of climate change strategy are influenced primarily by the level of municipal capacity available to address particular problems, rather than any prevailing institutional culture.

Chapter 5 will take this analysis further by investigating how issues of capacity and resource dependency apply in the specific area of planning policy. It will do this by analysing flagship development projects in each city: the redevelopment of the Ebertstraße area in Gelsenkirchen (particularly the refurbishment of the Hans-Sachs-Haus building, which subsequently became the Town Hall), and the design of the Science Central site in Newcastle (with a special focus on the council-owned Core Building). In keeping with this chapter’s findings, it will investigate how resource and capacity dependencies have shaped the planning policies of Gelsenkirchen and Newcastle and how these major projects have developed.

Chapter 5: Planning policy in Gelsenkirchen and Newcastle

5.1 Introduction

Following the high-level analysis of climate change strategy that features in chapter 4, this thesis now delves into a specific example of municipal decision-making, namely planning policy. Planning is often viewed as a policy sector over which local government has retained significant autonomy – even in England, where municipalities have lost responsibility for many other functions in recent decades (Bulkeley, 2005, Bulkeley and Kern, 2006). Indeed, because regional, *Land* and national tiers of government have relatively limited influence over this policy sector, we might expect planning decisions to reflect the political nature of individual municipalities in England and Germany quite closely.

Furthermore, there are not many differences between planning procedures in the two countries. Both Germany and England rely heavily on regulation and legal processes in order to ensure that municipalities are seen to treat every application on its own merits, and the potential appeals processes that property owners or developers can pursue if applications were unsuccessful are also very similar (Heidenreich, 2008). For example, developers can challenge councils in the courts if they are refused permission to build, and are often successful. In 2007/08, around 18% of all applications that were refused in England were appealed by developers or other interest groups, and the planning authority's decision was overturned in approximately one-third of these cases (Killian and Pretty 2008). On occasions, council committees even turn down their own authority's planning applications, because granting permission could set a precedent for similar developments in future (*News Guardian*, 2008).

This regulatory aspect suggests that a more rigid and hierarchical 'German' approach to decision-making might be more widespread in planning policy than the flexible and horizontal 'English' style. Indeed, as Bulkeley and Kern (2006) have pointed out, planning is one sector in which councils might still be able to 'govern by authority' (rather than 'through enabling'), since they can institute regulations or directions to

ensure that the activities of other actors help to achieve policy objectives. As such, we might expect councils to assert their position more readily when taking planning decisions, particularly when compared to climate change strategy for example. This means it represents another useful policy sector for studying governance arrangements, since they may contrast with those in the previous chapter.

The analysis of planning policy focuses in particular on two comparable development projects: the complete refurbishment of Hans-Sachs-Haus and the adjacent public square (Heinrich-König-Platz) in Gelsenkirchen (which is henceforth termed the Ebertstraße redevelopment); and the construction of the Core Building and regeneration of the wider Science Central site in Newcastle. Both projects are located in ‘brownfield’ city centre sites, and both councils view them as a highly symbolic developments that seek to convey the message that they are forward-thinking and sustainable locations. The Hans-Sachs-Haus refurbishment was completed in August 2013 and the Core Building was finished in September 2014. Each building was designed and developed by the respective local authority, and the two councils were heavily involved in decision-making processes. Hans-Sachs-Haus now serves as Gelsenkirchen’s new town hall, housing the council chamber and around 300 municipal employees. Newcastle City Council still owns the Core Building, but it is occupied by various small businesses and some staff from Newcastle University.

This means that, in contrast to private sector planning applications (for new private homes, supermarkets, office blocks or factories, for example), neither local authority had to enter into lengthy discussions with external actors over the design of the development. Indeed, they had significant control over the design and construction of each building. As a result, we might expect the completed projects to embody potentially progressive local policies on climate change by including sustainability features such as renewable energy installations, water recycling, high levels of thermal efficiency and low levels of electricity demand. This is because both municipalities have set out ambitious targets to reduce carbon emissions by 20% before 2020, and view themselves as important leaders in local efforts to improve sustainability and mitigate climate change (see chapter 4).

The next section of this chapter will explain the background to each development project. It will then analyse how decision-making processes associated with planning policy in general, and the specific construction projects under investigation in particular, relate to the theoretical framework outlined in chapter 2. In this way, it addresses the two sub-dimensions of multi-level governance and policy styles in turn (see table 5.1), and assesses whether these arrangements are converging or changing in any way. As with chapter 4, it also puts this analysis into the context of power dependency relationships within the two cities, and therefore identifies the extent to which each municipality operates *independently* of or *interdependently* with other actors, or *depends* more on external capacity to achieve its policy objectives. Notably, it echoes one of the key findings from chapter 4, which highlighted how these dependency relationships shape the institutional policy framework in both cities, and then influence the policy style that each municipality is able to adopt.

		Typically ‘German’ characteristics	Typically ‘English’ characteristics
Multi-level governance dimension	Vertical sub-dimension	Highly-structured vertical framework	Loose and flexible vertical arrangements
	Horizontal sub-dimension	Responsibilities concentrated in the local authority	Fragmented local public service provision
Policy styles dimension	Vertical sub-dimension	Strong state hierarchy	Horizontal engagement and compromise
	Horizontal sub-dimension	Reliance on state of the art (SOTA) technological solutions	Preference for best practicable means (BPM) and cost-effectiveness

Table 5.1: Dimensions and sub-dimensions of ‘ideal type’ multi-level governance and policy styles in Germany and England

5.1.1 Background to Hans-Sachs-Haus and Heinrich-König-Platz

Gelsenkirchen Council began a major programme of regeneration and urban renewal in 2004, particularly in the city centre (interview 17). The municipality sought to

replace or refurbish many post-war buildings, expand the pedestrian precinct and re-use a number of derelict brownfield sites. At the centre of the plans was the redevelopment of Hans-Sachs-Haus and the adjacent public square (Heinrich-König-Platz), which are located at the south-eastern end of Ebertstraße, a street which runs from this site to the famous Musiktheater (see figure 5.1).



Figure 5.1: Picture of the Heinrich-König-Platz redevelopment project in July 2013. Hans-Sachs-Haus is in the background (partly obscured by the tree)

The council viewed the redevelopment of Ebertstraße as important for various reasons. Many buildings in the area were in a poor state of repair, which meant that

businesses were reluctant to base themselves in the city centre. In addition, Gelsenkirchen's population was around 400,000 when the square was built in the 1960s, and the council had expected it to continue growing at a rapid rate. As a result, the main underground station at Heinrich-König-Platz was designed to cope with far more people than the 260,000 who now live in the city (interview 17). The station's large sunken entrance dominated the square (see figure 5.1) and the council decided to reduce it in size significantly, cover over the sunken entrance and reclaim the space above it for the wider public (interview 17). As such, it advertised for a contractor in March 2009 through the EU's procurement process, and work began on redeveloping the square in January 2013.

The refurbishment of Hans-Sachs-Haus was part of the same regeneration programme, although its history was somewhat different. This building dates from the 1920s and is one of the few remaining examples of neo-gothic brick expressionism left in the *Ruhrgebiet*. Designed by the architect Alfred Fischer, it was one of the first buildings to incorporate the developing ideas of the iconic Bauhaus group, which was a famous modernist design and architectural movement in inter-war Germany (interview 23). It was originally styled as a multi-functional building, and hosted local carnivals and conventions, although some of it was soon occupied by council officials. After World War II it also housed the council chamber and registry office, but these functions were slowly dispersed around the city. By the mid-1990s Hans-Sachs-Haus lay empty. Aware of the architectural value of the building and its local popularity, the council contracted a private investor to refurbish it and turn it into office space. However, after the costs of this project increased tenfold the city 'pulled the plug' and the project was stopped (interview 23).

At this point, a number of politicians and officers in the council argued that the building should be demolished to accommodate something else on the site, particularly because this would have been cheaper than refurbishing it (interview 17). The council was even given permission to do so by Germany's *Denkmalschutz* system that protects historical or important buildings. However, there was significant local opposition to such a move. This manifested itself in a local campaign and pressure group (the *Hans-Sachs-Haus Bürgerforum*), which organised a petition to 'rescue' the building. The group's campaign ensured that its future became a major issue at the

2004 local elections (Hans-Sachs-Haus Bürgerforum, 2006). In response to this public pressure, the Social Democrat (SPD) mayoral candidate promised to retain the building were he to be elected, and he narrowly defeated the incumbent Christian Democrat (CDU) mayor in a run-off. As one interviewee commented, this meant that the building became a major political issue in the city:

The history of Hans-Sachs-Haus around the end of the last century, in the mid-1990s, was characterised by arguments and quarrels... The council hasn't been very sensible when it comes to old buildings... the architectural damage during the war was actually exacerbated by some of the rebuilding. People destroyed quite a lot after the war: their preferences for cheap 1960s architecture and poor consideration for town planning made a mess of many a place... In that respect, Hans-Sachs-Haus has a particular importance for this city, because local people succeeded in convincing the political class to keep it and to refurbish it (interview 23).



Figure 5.2: Hans-Sachs-Haus shortly before it was reopened (photograph taken in July 2013)

By the mid-2000s, after the building had been empty for over a decade and covered by a provisional façade, the council launched a competition to refurbish it. At the end

of a drawn-out procurement process, the municipality awarded the contract to the architectural firm Gerkan, Marg und Partner (GMP), which started work in 2009 and continued until the refurbished building opened in August 2013. Notably, the project was so politically controversial that councillors set up a specific, *ad hoc* committee to oversee the first few months of work, before transferring its scrutiny to the transport and buildings committee. Since then, the brick expressionist exterior has been fully restored in keeping with its original design (see figure 5.2). However, this façade was separated from the interior of the building, which was completely re-designed to incorporate a central atrium and smaller rooms around the outside for its new occupants. It now houses the council chamber and political party groups (including the elected mayor and his staff), as well as various ‘non-technical’ officers – a total of 320 people.

The controversy over the future of Hans-Sachs-Haus ran in parallel with the decline of traditional heavy industry in Gelsenkirchen and the city’s attempts to re-orient the local economy around newer technologies, particularly solar energy (see chapter 4). Indeed, because the political nature of the building meant that it became an even more prominent local landmark, the council sought to ensure that any redevelopment would project the idea of Gelsenkirchen as a forward-looking and sustainable city. Furthermore, the building’s location in the centre of town, and the council’s desire to re-brand the area around Ebertstraße as ‘the heart of the city’, ensured that Heinrich-König-Platz and Hans-Sachs-Haus would symbolise the city of Gelsenkirchen in the eyes of both local people and visitors (interviews 23 and 24). In this way, we might expect the council’s policies on climate change to manifest themselves in the building’s design and energy requirements.

5.1.2 *Background to Science Central*

The Science Central site in Newcastle is significantly larger than the Ebertstraße area in Gelsenkirchen: indeed, at 24 acres it was the largest city centre redevelopment project in the UK when building began (Ford, 2013). Like the Ebertstraße project, however, it is also located near the town centre and has come to symbolise how the council views the future of the city. A brewery was located on the site until its closure in 2006, after which it was bought by a consortium of Newcastle City Council,

Newcastle University and One North East (ONE, the former Regional Development Agency for North East England). Although these initial partners did not have a very clear idea about what they would do with the land after purchasing it, they were all keen to avoid it falling into disuse. For its part, Newcastle City Council was acutely aware that the site of the former Vaux brewery in the centre of nearby Sunderland had been derelict for many years after it closed in 1999, and it was keen to avoid a similar situation developing within its own city boundaries (interview 6). Alongside this, the university wanted to construct new buildings close to its existing city centre campus, whereas ONE felt that the site had significant long-term potential as a focus for urban regeneration (interview 11).

Shortly before this, in December 2004, Newcastle was designated as one of six 'Science Cities' in the UK. This was essentially a branding exercise by central government to promote the study and application of science, technology, engineering and maths (STEM) in regional economies outside London. Together with Newcastle University and ONE, the council decided to put the former brewery site at the centre of its Science City initiative, and the partners sought to identify how they could use the area to nurture new and existing businesses in the science and technology sector. The university already had a global reputation for biosciences and stem cell research, and the council wanted to build upon this by encouraging other 'knowledge' or 'future' industries (the 'new economy') to the area (interviews 6 and 13). As such, Science City chimed with the council's longer-term objective to encourage science and technology firms to invest in Newcastle and became a central plank of its economic development policy (interview 11). Similarly, the emphasis on diversifying Newcastle's economy away from a reliance on public sector and retail employment ensured that the third partner in the consortium, ONE, also supported the Science Central plans. Indeed, Newcastle's partnership has been much more pro-active and successful than those of some other Science Cities (Webber, 2008), partly because of its decision to place the former brewery site at the centre of its strategy, 'with the expressed intention of turning it into the place where the science economy would be encouraged to grow' (interview 11).



Figure 5.3: The Core Building, Science Central (photograph taken in August 2014)

Due to its importance to the overall Science City initiative, and also because of its location next to the heart of Newcastle, the site became known as Science Central. Its prominent place in the council's economic development plans meant that it assumed great importance for the city in general and the council in particular – in the same way that the area around Ebertstraße became a key part of Gelsenkirchen's regeneration strategy. In addition, Newcastle Council's objectives around science and technology chimed with the university's plans to invest in research into renewable energy, climate change and sustainability more generally. Indeed, Newcastle University has chosen sustainability as one of three 'societal challenge themes' under which its research is categorised, and created a Institute for Sustainability in 2008 to undertake work in this area (Newcastle University, 2014a). As such, these ideas assumed great significance for the overall project – in the same way as Gelsenkirchen sought to exemplify its position on solar power and renewable energies through the redevelopment of Hans-Sachs-Haus. The Science Central site comprises a total of nineteen plots, on which more than 40 buildings may be constructed by the mid-2030s. By summer 2015, work had only been completed on the Core Building (see

figure 5.3), although it has also begun on another, the university's Urban Sciences Building.

With the context for each case and their comparability now clear, the remainder of this chapter analyses how the decision-making processes in Gelsenkirchen and Newcastle for these projects relate to the sub-dimensions of multi-level governance and policy styles that we might expect to be apparent in each city. These sub-dimensions inform two diagrams (based on figures 2.1 and 2.2 in chapter 2), which show how each city has adopted different arrangements for governing planning policy. Moreover, this mapping exercise is also placed in the context of vertical and horizontal power dependency relationships using the illustrative tripolar diagrams from chapter 2 (see figures 2.4 and 2.5). As such, it identifies which actors are able to exert the greatest influence over planning policy in both cities, and highlights how these power dependencies shape the institutional context within which Gelsenkirchen and Newcastle operate. Furthermore, it highlights how these institutional structures determine the nature of multi-level governance arrangements, and ultimately the policy styles that each city is able to adopt.

5.2 Multi-level governance and planning policy

5.2.1 *Gelsenkirchen*

This subsection maps planning policy in Gelsenkirchen against the two sub-dimensions of Type I multi-level governance. As such, it begins by analysing how the city's role in planning decisions is shaped by a structured vertical framework involving other tiers of government. This is followed by an investigation into whether the council retains its position as a multi-functional body in planning policy, or has divested some of its planning responsibilities to task-specific agencies within the city. As with chapter 4, it also analyses organisational capacity and the nature of power dependencies within governance arrangements, in order to identify which actors are most influential in policy-making processes.

5.2.1.1 Vertical governance structures

There is a lot of evidence to suggest that planning policy in Gelsenkirchen, particularly in the context of the Ebertstraße development, is determined by Type I multi-level governance arrangements. For example, there is significant vertical interaction between municipalities, the *Länder* and the federation (through a process known as the *Gegenstromprinzip*, or ‘counter-current principle’) to ensure that planning policies in Germany are co-ordinated effectively and do not conflict (Oxley *et al.*, 2009). This decentralised framework relies heavily on legal instruments, which provide additional support and capacity to local authorities that want to use the planning system to further their policy objectives (Schmidt and Buehler, 2007). As a result, planning decisions in Gelsenkirchen are informed by federal legislation, *Land* regulations and a regional spatial strategy that covers six municipalities and outlines general guidelines for developments within the area. At the same time, and in accordance with the principle of *lokale Selbstverwaltung*, German councils have significant autonomy to take and implement their own decisions within this framework. This enables individual council to produce their own planning policy that could either endorse or reject some of the objectives in the regional strategy:

A political party could say ‘climate protection and adaptation are so important to us that we say “here in Gelsenkirchen we have the following objectives”’... and then the council might say ‘we will only pass something that, for example, would only consider development on this many hectares of greenfield land’ (interview 15).

Similarly, provided they are acting within the law, councils can take decisions on land use that override state or federal opinions and regulations – and also the views of their officers (interview 15). For example, there are federal, state and *Bezirk* ‘prompts’ to restrict greenfield development, but these are general in nature and therefore local authorities have significant autonomy to decide on planning applications within the overall framework. Nonetheless, planning approvals must stipulate how any proposed development is in keeping with these broader strategies – and, by the same token, developers often refer to them to support an appeal against a decision to refuse permission to build.

One important federal law that municipalities – and indeed property developers across Germany – must take account of is the *Energieeinsparverordnung* (Energy Conservation Act) of 2009. This legislation forms a key part of the German government’s aim to reduce energy demand, and helped to ensure that Germany had the world’s most energy-efficient economy in 2014 (Young *et al.*, 2014). It stipulates that new buildings need to adopt energy-efficient and climate-friendly features such as solar thermal water heating systems, renewable heat sources, more efficient boilers and thermal insulation. Crucially, these requirements do not apply solely to new developments: if any building constructed before 1990 undergoes significant refurbishment, it has to reach at least the same level of energy efficiency (EnergieAgentur Nordrhein-Westfalen, 2008). The legislation also introduced energy performance certificates for all buildings (Power and Zulauf, 2011), which describe how well they conserve energy and the extent to which they rely on renewable sources (interview 26).

These stipulations set out a ‘floor’ of standards that apply across Germany: in other words, individual municipalities can stipulate that new developments within their jurisdiction need to meet higher criteria than those required by the Act.

Gelsenkirchen’s economic situation means that it needs to attract outside investment and therefore the council is reluctant to place expensive demands on potential developers (interview 25). Nonetheless, because of this strong legal support along the vertical dimension, the authority has the capacity to demand that buildings meet high sustainability criteria. By way of contrast, councils in countries that do operate within such a structured and *interdependent* arrangement may have to agree lower sustainability standards with potential developers, which means that they find it more difficult to achieve their policy objectives (see section 5.2.2 for a more detailed discussion).

More specifically, the council was keen to ensure that the redeveloped Hans-Sachs-Haus had a very high score for energy performance, so that it would act as a ‘beacon’ of sustainable design in the city (interviews 23 and 26). As a result of this internal political pressure, the refurbished building significantly exceeds the minimum (though nonetheless ambitious) requirements of the Energy Conservation Act. Indeed, it incorporates a plethora of sustainability features, including photovoltaic panels on the

roof, rainwater toilet flushing and a geothermal heat exchange system. This illustrates how the Gelsenkirchen Council has a reasonable degree of autonomy in decision-making, but nonetheless operates within a structured and *interdependent* vertical framework – in line with Type I multi-level governance.

Indeed, the Hans-Sachs-Haus project shows how such a high degree of *interdependence* between tiers of government can increase municipality capacity. As a heavily-indebted municipality that is subject to a *Haushaltssicherungskonzept* (budgetary assurance programme, see chapters 2 and 3), 80% of the funding for capital projects in Gelsenkirchen comes from the *Land* government via the *Bezirksregierung* in Münster. In this way, the *Land* of North Rhine-Westphalia provided a significant share of the budget to redevelop Heinrich-König-Platz and Hans-Sachs-Haus (including the building's central atrium and foyer area).¹⁵ This meant that the regeneration programme had to adhere to *Land* regulations for urban development projects. These regulations accord climate change considerations the same status as statutory anti-discrimination and accessibility requirements (Ministerium für Bauen und Verkehr, 2008). Nonetheless, as long as Gelsenkirchen Council met these criteria, it was able to exercise its autonomy over the building design – and indeed the entire Ebertstraße redevelopment (interviews 17 and 23).

Therefore, although German councils do have a certain degree of local autonomy to decide on the nature of municipal development projects, they have to operate within a broader framework of state and federal regulations, particularly when they rely on funding from the *Land* or *Bund*. Indeed, other development projects that received significant support from higher tiers of government also had to meet the *Land's* strict sustainability criteria, including the *Solarsiedlung* (solar village) that was mentioned in chapter 4. This illustrates the structured nature of intergovernmental relations, in line with Type I characterisations of multi-level governance. It also suggests a high

¹⁵ The total budget for Hans-Sachs-Haus was around €60m, but the *Land* only provided 80% of the €17m that was required to refurbish those parts of the building that are now open to the general public. Gelsenkirchen Council had to pay the entire balance of €43m, because this was to finance work on areas that had no public access, such as the council chamber and offices for party groupings, council administrative staff and the mayor (interview 23).

degree of *interdependency* along the vertical sub-dimension. This is because councils are supported by a strong legal framework and financial resources that enable them to pursue their own objectives, whilst higher tiers of government have set out a range of standards that mean municipalities will help to implement central policies.

As chapter 2 outlined, the city's status as an indebted authority means that it is less *independent* of the state and *Bezirk* levels of government than many other councils in NRW. Notably, the *Land* covers only 60% (rather than 80%) of the capital for similar projects in municipalities that have not had to enter into a budgetary assurance programme. In fact, the terms of its budgetary agreement meant that Gelsenkirchen Council would have needed *Land* approval (via the *Bezirk*) for the Ebertstraße redevelopment even if it had funded the whole project internally through borrowing (interview 23). As might be expected, the *Bezirk* monitors this investment carefully, which appears to threaten Gelsenkirchen's autonomy.

The official processes for bidding, approving and monitoring the spending of *Land* funding also suggest that relations between the municipal and district tiers are becoming increasingly asymmetric. In theory, the *Bezirk* follows a transparent procedure, in which architects, project managers and financial experts examine individual grant applications on a case-by-case basis, before forwarding a limited number of outstanding proposals on to the *Land*. The state government then agrees to provide each region with the necessary funding up to an annual limit, and the *Bezirk* allocates grants to the most deserving applicants within its jurisdiction. In 2013 this limit for the Münster *Bezirk* was €24m, of which just over half was earmarked for regenerating Gelsenkirchen city centre, including the Ebertstraße area (interview 27).

Crucially, however, *this does not really happen in practice*. In particular, because the municipal and *Bezirk* levels of government co-operate on bidding for capital funds (and both tiers want proposals to be approved), this exacerbates the degree of *Politikverflechtung* between the tiers. It means that staff in the *Bezirk* view themselves primarily as consultants, whom municipalities can approach for advice, rather than people who hold tight purse strings and are reluctant to allocate funding for any projects. This involves working with local authorities to 'edit and improve' their submissions (interview 27), in order to ensure that they fit the necessary criteria for

approval. For example, one such requirement stipulates that projects must be clustered around a particular area (*Gebietsbesschluss*), in order to show how they fit into a wider strategy for regeneration. If the *Bezirk* feels that a particular submission does not meet this criterion, it might suggest that the municipality should group various separate projects into a single bid or split one proposal into two or more initiatives (interview 27). All five *Bezirke* in NRW collaborate with municipalities to a similar extent on these bids, to the extent that ‘99% are approved eventually’ – even if some proposals have to wait for a year or two because the *Bezirk* in question is approaching its allocated funding limit (interview 27). As such, there is a very high degree of *interdependency* between these tiers of government, and this mutual support and co-operation helps to ensure that municipalities have more capacity to achieve their policy objectives.

Once a funding bid is authorised, the relationship between tiers *does* become slightly more asymmetric, because officials from the *Bezirk* monitor individual projects closely and meet the responsible municipal officers at least every six months to discuss their progress (interview 17). In line with this approach, the *Bezirk* allocates the overall funding package in stages, after the project passes specific milestones that are agreed at the outset – and if the initiative does not deliver its objectives, the council could face having to pay some of the money back (interview 23). As might be expected, the progress of projects in highly-indebted municipalities such as Gelsenkirchen are observed particularly closely:

That means every bank transaction... [We] need approval for the budget and the spending from top to bottom... It's not the case that we have €10m for the city centre and can do absolutely anything with it (interview 17).

Indeed, although Gelsenkirchen Council has delivered successful capital projects before (such as a new underground line and childcare facilities), recent history has given the *Land* and *Bezirk* understandable concerns about its financial competence. One interviewee in Gelsenkirchen did feel that the extra monitoring reduced the council's autonomy in decision-making and could even exacerbate its budgetary problems:

I'm not a politician. I'm just a manager. Nonetheless, as a council we always have budgetary problems if there is a level of jurisdiction above us that has said what we can spend money on (interview 23).

However, interviewees from both the municipal and regional tiers agreed that they co-operated very closely on the redevelopment of Hans-Sachs-Haus and Heinrich-König-Platz, in line with the phenomenon of *Politikverflechtung* that has characterised German policy-making for several decades (see chapter 2). Indeed, an official in the *Bezirksregierung* characterised their relationship with the city thus:

I cannot imagine that it is possible to work any closer together than we do now (interview 27).

Similarly, although several interviewees in Gelsenkirchen were annoyed by the increased level of oversight from the state and regional tiers, they were noticeably positive about the support provided by the *Bezirk*. One manager, who had compared his situation to that of a child who has to ask his or her parents for extra pocket money, was effusive in his praise – even if he felt that his experience may have been atypical:

It's not normal that higher tiers of government understand those underneath them very well, but it has worked out wonderfully here (interview 23).

Indeed, and notwithstanding the paternalistic nature of state-municipal relations that apply to heavily-indebted councils, it is crucial to note that much of this vertical collaboration is done on an entirely voluntary basis, on the understanding that both tiers of government will be better placed to achieve their objectives if they work together. For example, both the municipality and *Bezirk* viewed the Bismarck *Solarsiedlung* and the Ebertstraße project as initiatives could put Gelsenkirchen on the map as a sustainable city. Furthermore, after funding was secured for both projects, the positive attitudes of *Bezirk* officers meant council staff could discuss issues with them in a relatively unthreatening environment.

Interestingly, one officer at Gelsenkirchen compared this voluntary pooling of capabilities with the politics of the European Union (interviewee 23). German authorities appear to be concerned primarily with increasing their *capacity* (the ability to implement their policies), whereas recent discussions around ‘localism’ in England have stressed the need for English councils to have greater *autonomy* in decision-making (the ability to take decisions for the benefit of their communities). Such a distinction has echoes of the debate around ‘national sovereignty’ in the UK’s relationship with the EU. This debate tends to view power as a zero-sum game (it either rests with ‘Westminster’ or ‘Brussels’) rather than interpret it as a country’s capacity to maximise its influence in an increasingly interdependent world (see Howe, 1990 for a discussion of this distinction). Such a contrast in perspectives also appears to be evident in how English and German local authorities view their roles *vis à vis* other state institutions.

Crucially, this preference for vertical *interdependence* in Germany reinforces pre-existing vertical structures, because it means that the municipal and *Bezirk* tiers collaborate to achieve common objectives in accordance with the principles of *Politikverflechtung*. Together with the strong legal framework within which municipalities operate (as exemplified by the Energy Conservation Act), this means that Gelsenkirchen is moving even further towards ideal Type I arrangements along the vertical sub-dimension (see figure 5.4 on page 192).

5.2.1.2 *Horizontal governance structures*

By way of contrast, there is some evidence to suggest the existence of Type II structures along the horizontal sub-dimension. For example, Gelsenkirchen Council has worked with neighbouring municipalities in its approach to planning for some time, and this has resulted in the creation of informal, unofficial governance structures to improve policy co-ordination. A key reason for this is that the *Ruhrgebiet* straddles multiple *Bezirke* within North Rhine-Westphalia (see section 4.2.1.2). This means that councils in the area face a number of administrative hurdles if they try to co-ordinate more broader regional planning initiatives through official channels:

If Gelsenkirchen wants to plan something together with Herne, two districts need to be involved – Münster and Arnsberg... I think it would be good if the *Ruhrgebiet* had its own regional jurisdiction (interview 23).

To overcome this problem, several authorities developed close relationships outside the official framework, often building on existing party-political networks. Indeed, a number of interviewees stressed that Gelsenkirchen was much more likely to work with other SPD-led authorities and mayors than collaborate with municipalities where the CDU dominates. As a result, west-east transport connections within the *Ruhrgebiet* are much better than those from north to south, since municipalities located along the latter dimension are mostly controlled by CDU mayors and councils (interviews 14, 21 and 23).

This illustrates how local politicians are bypassing the official state institutions that map onto a Type I multi-level governance model, in favour of more private networks and informal channels. Notably, Dahme and Wohlfahrt (2003) also identified this trend in their analysis of economic development policy in the area. Indeed, the absence of a *Bezirksregierung* specifically for the *Ruhrgebiet* means that official institutions are not designed to enable municipalities to co-ordinate their transport or planning policies and increase their capacity in these sectors. As a result, they have developed informal governance arrangements that sit outside official channels, whilst also continuing to work within traditional administrative boundaries. Such a characterisation sits closer towards the fragmented and dynamic arrangements associated with Type II multi-level governance, rather than the Type I ideal of a rigid ‘multi-purpose authority’.

Crucially, however, these arrangements have been in place for several decades (interviews 14 and 21). Indeed, Gelsenkirchen Council is not shifting further towards an ideal Type II position along the horizontal sub-dimension, because it has not become more *interdependent* with other *Ruhrgebiet* councils in recent years. In fact, with the exception of this informal collaboration with neighbouring municipalities, the authority operates in a predominantly Type I context along the horizontal sub-dimension, because it ensures that decision-making responsibilities are concentrated in the authority and also seeks to retain control of public projects ‘in-house’.

Indeed, the Ebertstraße redevelopment illustrates how Gelsenkirchen Council is actually moving further towards an ideal Type I arrangement. For example, the council's property and regeneration departments oversaw the entire project from start to finish, thereby illustrating its position as a 'multi-functional authority'. Although the council awarded the design and construction contracts to external companies, the project managers for Hans-Sachs-Haus and Heinrich-König-Platz were salaried employees of municipality. By way of contrast, a range of different external, *ad hoc* agencies or special-purpose vehicles have been involved in managing the Science Central project in Newcastle (see section 5.2.2.2).

This decision to maintain control and oversight of the project 'in-house' may have been a legacy of the initial, failed attempt by a private investor to redevelop Hans-Sachs-Haus on behalf of the authority (interview 23, see also page 167). Nonetheless, it illustrates the council's continued belief that it should not outsource or 'hive off' too many functions to outside agencies. This belief held firm in spite of criticism of other large public projects, such as Berlin's new international airport, Stuttgart's new 21 train station or Hamburg's concert hall – all of which were overseen by salaried council employees in other large German cities (Diekmann *et al.*, 2013). Staff and politicians in Gelsenkirchen were well aware of this general criticism of public works projects, but nonetheless stressed the importance of ensuring democratic control over planning developments:

The fewer competences we have as a council, the more people take away the story of the city, or give away the story of the city, particularly in terms of its buildings (interview 23).

Furthermore, because there is no research-intensive university in Gelsenkirchen, it was much more incumbent on the council to take responsibility for some of the technical aspects of the project – and indeed the city's climate change policy more broadly. This is an important difference between Gelsenkirchen and Newcastle, where a strategic partnership between the municipality and the university allowed the council to offload most of the responsibility for sustainability in the Science Central site (see section 5.2.2.1). Although the Ebertstraße redevelopment is undoubtedly a

smaller project than Science Central, and Gelsenkirchen Council was much keener to retain functions in-house than its counterpart in Newcastle, the German authority did not have easy access to a group of local technical experts (interview 20). Nonetheless, the fact that it still wanted to undertake the Ebertstraße project alone illustrates how it had substantial confidence in its capacity to implement policy *independently* of other horizontal actors.

Similarly, local authority staff and elected representatives became the main occupiers of Hans-Sachs-Haus upon completion of the redevelopment. This ensured that the council was able to control the project from the beginning until after its completion, and other actors were not involved in any aspect of its design and subsequent use. The only exception to this is a café space on the ground floor that is leased out to a local operator – but this represents a very small part of the overall building (interview 23). In contrast, although the Core Building in Newcastle remains the property of the local authority, it is occupied entirely by other organisations and therefore the council has much less influence over the way in which the building functions.

Notably, by taking and retaining control of Hans-Sachs-Haus, Gelsenkirchen Council completely reversed its 1990s decision to contract a private company to refurbish the building and lease it out as office space (see section 5.1.1). In terms of the multi-level governance typology, this shows how it has shifted towards a more ideal Type I arrangement along the horizontal dimension, since the council took direct responsibility for a greater number of public functions. It also highlights a shift towards greater *independence* in local governing arrangements, because the council no longer needs to rely on an external contractor to manage the project.

In other words, Gelsenkirchen's Ebertstraße redevelopment project fits comfortably within a Type I characterisation of multi-level governance along the horizontal sub-dimension. Indeed, by reversing its previous decision and taking direct control of the Hans-Sachs-Haus redevelopment, the municipality is located closer to the Type I ideal of a 'multi-purpose local authority' than was previously the case. A key driver for this was the belief that the council should retain control over public services and buildings, in order to ensure that they are subjected to traditional democratic accountability mechanisms and local residents can continue to shape the 'story' of the

city. In terms of power dependencies, this also meant that the council was able to operate almost entirely *independently* of other horizontal actors, both during the project and after it was completed (see figure 5.6 on page 194).

5.2.2 *Newcastle*

The thesis now analyses whether Newcastle operates within characteristically Type II multi-level governance arrangements along the vertical and horizontal dimensions. In this way, it discusses the vertical framework that shapes the council's planning policy and role in the Science Central project, and then investigates the extent to which planning and development functions are concentrated within the municipality. As with section 4.2.2 in chapter 4, it also provides further analysis of power dependency relationships involving Gelsenkirchen and Newcastle Councils and external actors, and highlights how these have created distinct institutional frameworks that influence how each authority governs major planning developments.

5.2.2.1 *Vertical governance structures*

The UK Government requires English municipalities to set out their planning policies and objectives in a Local Development Framework (LDF), which includes a Local Plan. These documents act as key reference points for planning decisions: if the council agrees that a proposed development is in keeping with its Local Plan, it should approve the application in question. At Newcastle, the LDF has regard to the overall economic strategy, the *IPlan*, which was developed together with neighbouring Gateshead and aims to stimulate newer industries that will help to grow the core of both cities by 'pioneering a new model of sustainable urbanism' (ING, 2010, p. 7, interview 11).

Until 2011, English councils used to prepare their LDFs within the context of Regional Spatial Strategies (RSS), but the Coalition Government abolished RSSs alongside other regional institutions shortly after it took office. As a result, LDFs are now only required to fit within the context of a National Planning Policy Framework (NPPF), which was supposed to give local authorities increased autonomy but actually required them to adhere to poorly-defined central definitions of sustainable

development in planning decisions (Department for Communities and Local Government, 2012, interviews 1 and 2). Similarly, in 2015 the UK Government abandoned its previous commitment to ensure that all new homes would be ‘zero-carbon’ by 2016 (Webster, 2015), which has weakened the overall framework for mitigating climate change through the planning system even further. Although councils in the North East of England have created a combined authority to increase the state’s capacity at the regional level (see chapters 3 and 4), this will not set out the kind of detailed planning requirements or standards that featured in RSSs or the zero-carbon homes standard.

In terms of multi-level governance, this dynamic and unstructured vertical picture illustrates the Type II nature of central-local relations. The reforms have also left a void at the regional level and threatened to trigger a ‘free for all’ in which councils could ‘race to the bottom’ to attract development and permit the construction of low-quality, energy-inefficient buildings (Hetherington, 2011). One officer at the authority was acutely aware of this problem:

Ideally, if you talk about being serious about climate change... it should be almost top-down and then you kind of get more detail as you go through it. The current government’s completely turned it on its head and said ‘ok, well, we’re not going to take it on, it’s up to you to do it’. And therefore it then throws it in the basket with all the other things you need to negotiate [with developers]. Because if the government says this and you’re going to have to build to this standard, then it’s a level playing field – everybody in the whole of England has to do it and therefore there’s no kind of advantage in going to another council or whatever... To me you really should set high-level standards at the high level and your regional standards because you have regional variation, and then your local standards at the local level (interview 2).

As this quote demonstrates, the lack of a robust vertical framework for sustainable development in England weakens the position of local authorities in planning policy. This is particularly the case in deprived municipalities such as Newcastle, which are desperate to encourage external investment and therefore very reluctant to require developers to construct more sustainable buildings.

More specifically, the institutions involved in the Science Central project also reflect Type II characterisations. For example, the closure of ONE, which was closely involved in the Science City programme from the outset until the Regional Development Agencies were disbanded in 2011, illustrates how some public bodies can be created and dissolved easily within this model. The agency's abolition represented a significant threat to the viability of the whole project: ONE had already contributed £1.2m towards developing the site and was expected to provide additional support further down the line (interviews 6 and 11). This illustrates another way in which the unstable nature of Type II multi-level governance arrangements can weaken the capacity of state institutions to achieve their objectives.

Nonetheless, after ONE was abolished, the remaining partners were able to bid successfully for £6m of European Regional Development Funding (ERDF), and thereby ensure that the initiative could continue. Notably, although the EU stipulates that ERDF projects need to meet high sustainability standards, the Science Central masterplan – a document that sets out the vision for the site, including the criteria that buildings would have to meet in order to be approved for construction – exceeded these demands significantly:

We've actually volunteered to give ourselves more of a straightjacket than was ever required of us... So a lot of what we're doing is because we've chosen to do it (interview 11).

As such, despite the fact that the EU was involved in funding the programme, it had very little influence over the design of individual buildings or their environs. An interviewee from the council was keen to stress that they did not need to 'fudge around the edges' or re-draft their bid to ensure that it would meet the EU's sustainability criteria (interview 6). Indeed, the EU's perspectives on Science Central were similar to those of the now-defunct ONE, in that they viewed it almost entirely as a driver for local economic development by nurturing the creation of new science and technology companies:

Their primary... goal was to get jobs. That's what they're buying with their money, rather than any sustainability (interview 11).

In other words, the EU exerted very little influence over Science Central from an environmental sustainability perspective. Together with the unstable nature of regional institutions and a weak National Planning Policy Framework, this means that the council and university do not have to adhere to strict vertical standards for buildings on the Science Central site. Referring back to table 5.1 on page 166, this situation highlights how Newcastle Council operates within a characteristically Type II multi-level governance framework along the horizontal sub-dimension. Furthermore, it also contrasts starkly with the Type I vertical arrangements for planning policy that apply in Germany, as exemplified by the Energy Conservation Act and the continued support from the *Bezirk* and *Land* for Gelsenkirchen's Ebertstraße initiative (see section 5.1.1.1). Crucially, as section 5.3 will demonstrate, these vertical arrangements have shaped the different policy styles of Newcastle and Gelsenkirchen, because they have influenced the capacity of municipalities to achieve their political objectives *independently* of other horizontal actors.

5.2.2.2 *Horizontal governance structures*

Newcastle also operates within a largely Type II arrangement along the horizontal dimension of multi-level governance. For example, it has worked closely with neighbouring Gateshead by developing a joint Local Development Framework (interviews 1 and 2) and an urban development company, 1NG (interview 11). Initially, 1NG was responsible for the Science Central initiative, as part of its remit to develop the infrastructure that might attract investment to both sides of the river Tyne. This company 'basically provided a development consultancy service to the project', for which the Science City partners paid the market rate: it was 'a pretty straightforward client-service provider relationship' (interview 11). Such an arrangement, in which governing actors create task-specific agencies in an *ad hoc* fashion, bears all the hallmarks of Type II multi-level governance.

Although financial constraints meant that the two councils decided to abolish 1NG in 2008 (Pearson, 2011), responsibility for overseeing the site remained with an external organisation, Newcastle Science Central. The three Science City partners had set up this specific vehicle to manage the initiative, and it was able to continue and seek

additional funding after ONE ceased to exist (interview 31). An interviewee at Newcastle Council explained the rationale for this arm's-length arrangement in the following terms:

We've appointed this external organisation really, to deliver it on the partners' behalf... we had a different model in the earlier days, where the city had a, kind of, project team that we led on, but there wasn't really the focus on the project really, where people were doing it as part of another job. Whereas [the Science Central project manager's] pure job is to deliver Science Central for us, and he's got a small team (interview 6).

Crucially, therefore, managers at Newcastle felt that salaried council employees would not have the capacity to deliver the project effectively – in direct contrast to the Ebertstraße development in Gelsenkirchen. Indeed, Science Central continued to operate separately from the council even after it was brought more definitively into the wider Science *City* programme in 2013 to try and ensure that it contributed more directly to the council's regeneration objectives (interview 31). For the purposes of this thesis, this restructure did move Newcastle slightly closer towards a Type I model of multi-level governance, in that the number of external agencies with responsibility for Science Central was reduced from two to one. Nonetheless, it contrasts sharply with Gelsenkirchen Council's reliance on in-house resources and capacity throughout the life of the Ebertstraße project, and therefore illustrates how Type II arrangements apply much more to Newcastle than its German counterpart (see figure 5.4 on page 192).

Moreover, Newcastle University's involvement in Science City illustrates the extent to which the council needs to rely on other local actors to achieve its policy goals. These two organisations worked together to develop the masterplan for Science Central (in fact, they developed two – the first document was scrapped after being deemed much too ambitious in the aftermath of the financial crisis, interviews 6 and 11). Indeed it is notable that the council and university had their own, separate objectives for Science Central, and these became apparent during the drafting process for the masterplan:

One of the interesting things is to try and balance things from both sides, because obviously the council is about delivery, it's about jobs, it's about new housing, it's about all these things. Whereas the university's maybe a little bit more interested, well they are, in maybe the academic, the research opportunities. And, obviously, research and the commercial world don't always meet in the middle (interview 31).

The same interviewee illustrated this point by explaining what it meant for housing on the site:

When we looked at it last year the university would have been interested in building houses with lime hemp, just to get an idea, and then sensor-up the building so that people living there would have been like little guinea pigs and they'd understand how the building and the fabrics work. Whereas the council would be: 'What the hell's that? We just want solid houses built that people want to buy!' (interview 31).

Nonetheless, there was widespread agreement between the council and the university on how the site could be used strategically. Both parties were excited about the opportunity to use it as a demonstrator or 'beacon' (interview 6) for sustainability ideas, and thereby boost the city's profile and help to attract science and technology investment:

I think there's a pretty strategic meeting of minds on general purpose and what that then means for actual delivery. We'll get debate on specific things that come up in the proposals, but... at the most strategic and the most vision-setting level, I would say there's a very good overlap of ambition and objectives (interview 11).

As such, the fact that Newcastle Council shares responsibility for Science Central with the university illustrates how it is trying to increase its capacity to achieve policy objectives by working with other horizontal actors. Indeed, such a strategy has echoes of the power-sharing arrangements that Gelsenkirchen has relied on through *Politikverflechtung* and its vertical collaboration with other tiers of government (see chapters 2 and 4). Newcastle Council was quite open about its desire to work closer with the university, viewing it as an institution that is more likely to share its public service ethos than private companies – and one that was not at risk of going out of business following the financial crisis (interview 6). For its part, Newcastle University

‘has a stated aim of playing a greater part in the civic life of the city’ (interview 6) and fits the description of an ‘anchor institution’ (Goddard and Vallance, 2013) that has a strategic interest in the long-term future of the locality. It might therefore be expected to have a valuable perspective on how sites such as Science Central could be developed successfully.

Indeed, if the university and ONE had been unwilling to get involved in the project at the outset, the council would not have been able to purchase the entire site and develop a coherent and realistic plan for its development (interviews 6 and 31). Since this may have resulted in it becoming derelict like the former Vaux brewery in Sunderland, the council felt it was crucial to work with the university to ensure that it had the capacity to avoid such an eventuality.

Nonetheless, it is important to note that modern English higher education institutions are largely run as private businesses and rely increasingly less on public funding. Since Gelsenkirchen Council works more with other state institutions than local companies, the analogy with vertical *Politikverflechtung* in Germany is not quite accurate. Although Newcastle Council’s partnership with the university has undoubtedly enabled the authority to increase its capacity to implement policy, it compromises the municipality’s position as *the* civic leader and raises questions of democratic accountability through traditional voting mechanisms. In other words, the council is not able to operate as *independently* of other horizontal governance actors as its German counterpart – even if it may be in a stronger position to achieve its political objectives as a result of this relationship.

Furthermore, although the Core Building remains a council asset, is occupied by university staff and local businesses, and it is operated on a day-to-day basis by an external facilities management company. This Type II-style fragmentation contrasts sharply with Gelsenkirchen Council’s in-house approach to the management, operation and occupation of Hans-Sachs-Haus. In this way, it provides a clear illustration of how each city operates within different multi-level governance contexts along the horizontal sub-dimension.

As table 5.2 shows, these contrasts between the two cities are broadly in line with the standard characterisations for England and Germany. Gelsenkirchen appears to fit with the ideal Type I model, which suggests that institutional structures remain rigid and ‘multi-functional’ public authorities retain responsibility for a wide range of services. In contrast, Newcastle operates within a flexible vertical framework and relies on a range of task-specific bodies to carry out local public functions, in accordance with Type II characterisations. In other words, we can conclude that Hooghe and Marks’ ideas do apply to planning policy in Newcastle and Gelsenkirchen, and that the two cities are not converging along this dimension.

	Gelsenkirchen	Newcastle
Vertical structures	Dominant Type I: a structured, multi-tiered vertical framework reduces local <i>independence</i> but results in strong state influence over planning policy	Dominant Type II: a dynamic and unstructured framework gives councils <i>de jure</i> autonomy but weakens the local state, especially in deprived areas
Horizontal structures	Dominant Type I: Gelsenkirchen operates as a multi-purpose local authority and has sole responsibility for the Ebertstraße redevelopment	Dominant Type II: task-specific agencies are responsible for Science Central and the university plays a key role

Table 5.2: Contrasting multi-level governance structures for planning in Gelsenkirchen and Newcastle

Indeed, as figure 5.4 illustrates, they are actually *diverging*. This is primarily because vertical structures are increasingly weak and unstable in England, whereas they have become stronger and more integrated in Germany in recent years – particularly for councils such as Gelsenkirchen that are subject to financial restrictions. Crucially, these vertical arrangements have shaped the nature of horizontal relationships, because they have ensured that Gelsenkirchen Council is a stronger local actor than its counterpart in Newcastle. As a result, the English municipality has had to work together with a range of local actors (not least the university) on the Core Building

and Science Central, and is also less able to insist that developers adhere to stringent sustainability criteria for new buildings. By way of contrast, Gelsenkirchen brought the entire Ebertstraße initiative in-house (thereby reversing a previous decision to rely on a private developer to redevelop Hans-Sachs-Haus) and can rely on a strong legal framework to ensure that new developments meet strict environmental standards.

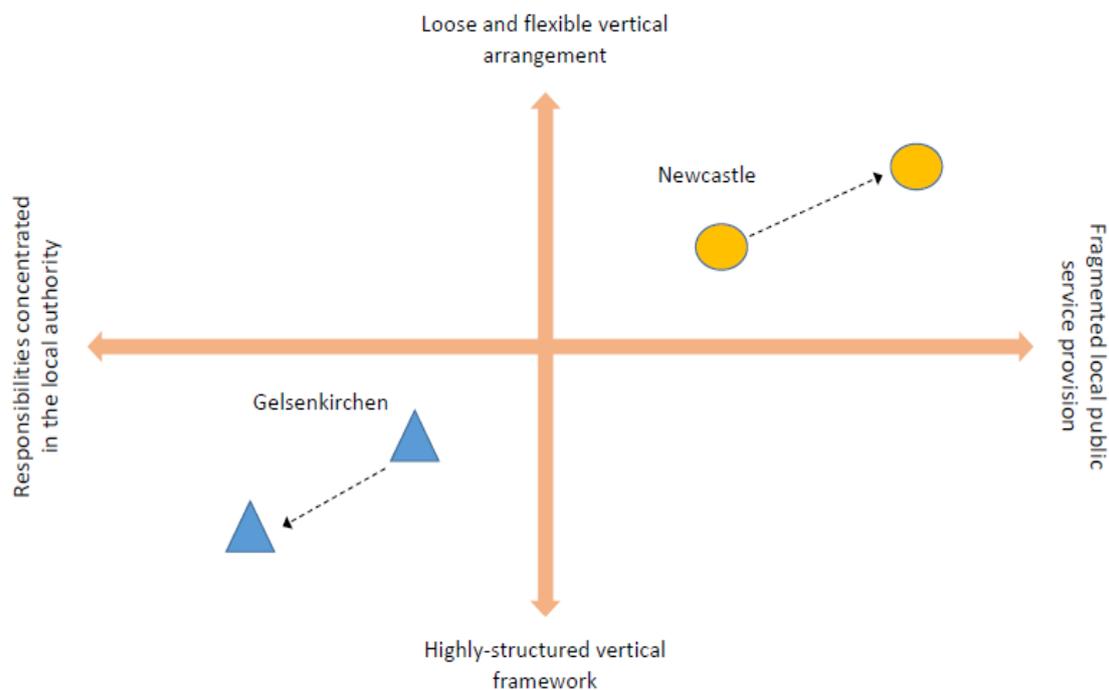


Figure 5.4: Changes in the sub-dimensions of multi-level governance types as applied to planning policy in Gelsenkirchen and Newcastle

A more detailed analysis of power dependencies helps to explain how these institutional structures developed and have been reinforced in recent years. Crucially, the UK Government has *weakened* the vertical legal framework for sustainable development in England, and also removed the regional element from planning policy. As a result, municipalities have significantly more autonomy to decide on applications *independently* of other vertical actors. In stark contrast, Germany has *reinforced* its strong legal framework to underpin planning policy across tiers of government, which means that Gelsenkirchen operates much more *interdependently* along the vertical sub-dimension (see figure 5.5). Although this has reduced municipal autonomy (since councils cannot permit any development to go ahead, regards of its environmental impact), it has helped to ensure that developments are more sustainable across the country. It has also facilitated greater co-operation

between local, regional and state institutions, which means that all tiers of government work together to help councils achieve their policy objectives. This is particularly the case in those municipalities that are subject to budgetary restrictions, such as Gelsenkirchen.

These developments have also resulted in the two cities diverging along the horizontal sub-dimension, because they have helped to make Gelsenkirchen Council a stronger local actor than its counterpart in Newcastle. In particular, the weaker legal framework for planning policy in England has increased the power of non-state actors *vis à vis* local authorities, especially in deprived areas that are desperate for development and investment. In other words, Newcastle Council's increasing *independence* from other vertical actors has actually reduced its overall capacity to use planning policy as a tool for achieving its climate and wider environmental goals.

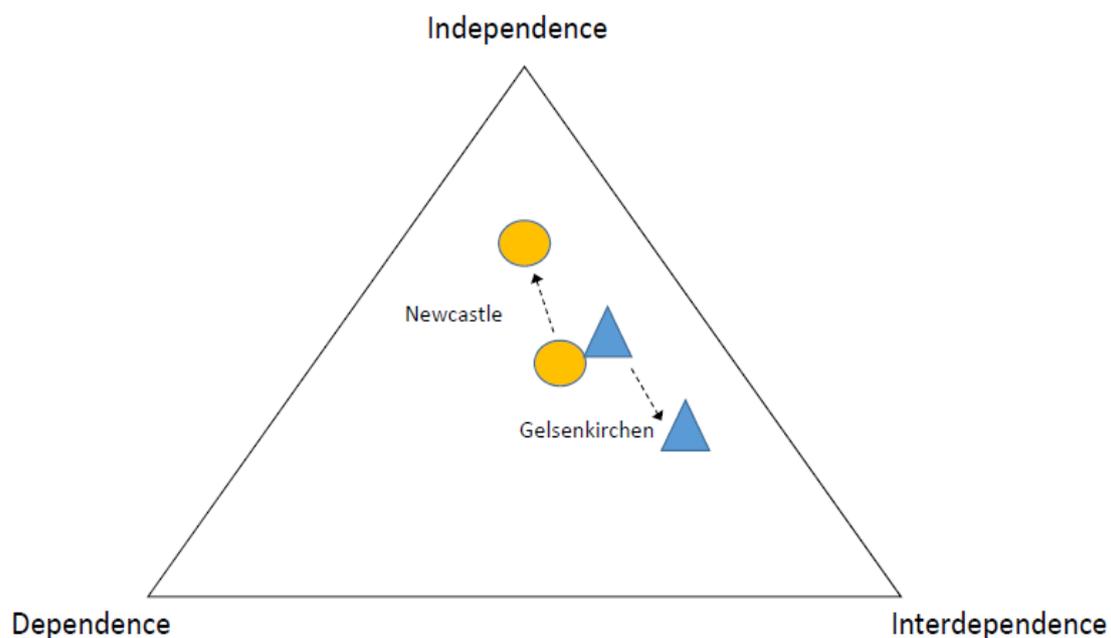


Figure 5.5: Vertical power dependency relationships for planning policy in Gelsenkirchen and Newcastle

Moreover, by outsourcing and devolving functions to a range of task-specific organisations (such as the various bodies that have been responsible for Science Central), English municipalities have weakened their position in local governance arrangements even further. The result is that Newcastle Council has to rely much

more on the capacity of other horizontal stakeholders to achieve its policy objectives. Indeed, in the specific case of Science Central, the council *depended* on the university to get the project off the ground in the first place, and the authority also relies on its academic partner to take the lead on the sustainability aspects of the project (see section 5.3.2.2 for further details). This is reflected in figure 5.6, which shows how Newcastle has shifted away from a position mid-way between *interdependence* and *independence* with horizontal actors, and towards the *dependence* pole.

For its part, Gelsenkirchen's greater *interdependence* along the vertical sub-dimension (as exemplified by the stronger legal framework for sustainable development and the support provided by the *Bezirk*) means that the German municipality has more capacity to operate *independently* in horizontal governance arrangements. In addition, the fact that it had the capacity and determination to undertake the Ebertstraße regeneration in-house (which reversed the council's previous decision to rely on a private developer to redevelop Hans-Sachs-Haus), ensured that it retained full control over the project. This illustrates how planning policy in the German authority has actually become even more *independent* of other horizontal actors than was previously the case – and much more so than its English counterpart (see figure 5.6).

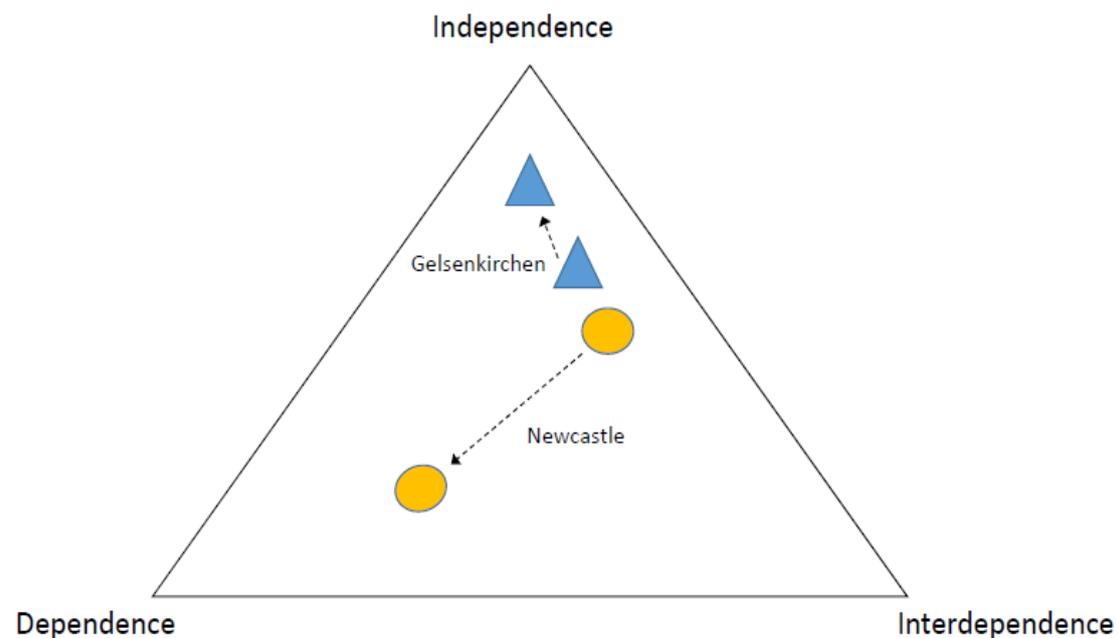


Figure 5.6: Horizontal power dependency relationships for planning policy in Gelsenkirchen and Newcastle

These shifts largely reflect the coping strategies that each council has adopted to try and increase their capacity to achieve policy objectives, and the legal context within which they operate. The strong institutional framework in Germany, together with the mayor's democratic mandate to restore Hans-Sachs-Haus to its former glory, ensured that Gelsenkirchen Council was the most powerful local actor in planning decisions. In contrast, weaker and more flexible structures in England meant that Newcastle Council was more vulnerable to private sector pressure over planning decisions. Specifically, it is heavily reliant on the capacity of Newcastle University to achieve its policy objectives for the Science Central site.

As the next section will illustrate, these power dependencies have shaped the policy style of each municipality regarding new planning developments. At one level, this is not particularly surprising: a strong *independent* council is perhaps more likely to act hierarchically, whereas a weaker municipality might need to negotiate with actors to achieve its objectives. Nonetheless, the power dependency model allows us to pinpoint a reason *why* public institutions might adopt different policy styles. Moreover, it also acts as a starting point for analysing the extent to which local decisions are democratically accountable, since the model helps to identify which actors are driving policy-making processes. For example, if a municipality has to compromise on its sustainability principles in order to persuade developers to build in the city, this suggests that private actors are able to determine council policy to some extent.

5.3 Policy styles and planning policy

This chapter now analyses the extent to which planning policies in Gelsenkirchen and Newcastle, in particular their respective projects to redevelop Ebertstraße and Science Central, exemplify the typical policy styles of Germany and England. By following the same pattern as chapter 4, it investigates the extent to which each municipality relies on hierarchy rather than engagement and its preference for state of the art (SOTA) solutions rather than the best practicable means (BPM) to address a problem. It finds that Gelsenkirchen Council is shifting towards the English policy style in many respects, primarily due to pressure from other local actors and the

municipality's fragile financial position. However, it continues to prefer hierarchy and SOTA solutions, particularly when compared to Newcastle.

For its part, the English municipality is relying even more on horizontal engagement than was previously the case. Notably, this has resulted in Newcastle University taking the lead on the sustainability aspects of Science Central – and, since it has significantly more capacity than the municipality in this area, it has been able to invest in some high-end technical features that will reduce the development's overall carbon footprint. In other words, Newcastle Council has been able to use its partnership with the academic institution to implement SOTA solutions *by proxy* – the sustainability features in its own Core Building are much less ambitious by comparison.

5.3.1 *Gelsenkirchen*

As this section of the chapter will show, there is certainly some evidence to suggest that the Ebertstraße redevelopment was characterised by 'German'-style hierarchical decision-making and a preference for SOTA solutions. However, it will also highlight how Gelsenkirchen Council is beginning to exhibit some 'English' characteristics, particularly around horizontal engagement and the need to develop a business case for investment. As with chapter 4, this section addresses each of these characteristics in turn and locates each municipality on both sub-dimensions to identify the extent to which they are converging towards a hybrid policy style.

5.3.1.1 *Hierarchy versus engagement*

Since the Ebertstraße redevelopment is owned and managed entirely by the city of Gelsenkirchen, and Hans-Sachs-Haus is occupied solely by council employees and party-political staff, we might expect the state to adopt a very hierarchical and standardised approach to this project. This is because the council did not need to negotiate with a private developer, and therefore there was no question of it trying to encourage outside investment by reducing its sustainability demands. More generally, German municipalities operate within a set of strict legal requirements, which mean

that Gelsenkirchen would have very little room for manoeuvre when processing a planning application for an installation that might have environmental implications:

If a company initiated something here, then questions about their emissions, or about noise, air, water and soil pollution would be administered in exactly the same way in Gelsenkirchen as in every other German city. There would be no difference. And the local authorities would administer it exactly like the state authorities, which are responsible for big industrial facilities. In that sense, politics is not allowed to make compromises (interview 24).

Indeed, a number of hard-and-fast planning rules applied to the Ebertstraße redevelopment, and they came from both the federal and the local government. For example, the 2009 Energy Conservation Act sets out a series of non-negotiable sustainability standards for new developments and the refurbishments of buildings constructed before 1990 (see section 5.2.1.1). Although standards at the state level are no stricter than this federal law (even for those regeneration projects that are part-financed by *Land* funding), property professionals can find it very demanding to meet them, particularly when they apply to the refurbishment of an historic building like Hans-Sachs-Haus:

It is difficult to upgrade an old building so that it chimes with the new energy saving regulations... If I pack up an old house in a plastic bag so it does not produce more emissions, I often encounter problems with the building's physical structure. So it's very, very important that we are careful... Because, for example, I might have problems with moisture, but we will only know this once the building is in use, if there are 320 people in there who breathe in and out (interview 23).

Notably, Gelsenkirchen Council has taken sustainability requirements further than is required by statute for any new developments in those parts of the city that are owned by the state development corporation. This means that all new buildings constructed on this land must include photovoltaic panels and developers must avoid 'major shading' of south-facing roofs and walls to maximise solar access (Jung *et al.*, 2010). In this way, the city is using traditional hierarchical regulations in order to further its *Solarstadt* branding and objectives. Since the state owns this land, it is able to exercise hierarchical authority much more easily: if it tried to introduce similarly

ambitious criteria for new buildings on private property, a developer would almost certainly be able to overturn them on appeal because they do not fit within the local framework (interview 20).

Similarly, after the council assumed responsibility for Hans-Sachs-Haus in 2004, it was in a position to take such a hierarchical approach to the sustainability aspects of the refurbished building. Indeed, the initial competition for an architect indicated the importance of design features that mitigated climate change: the authority warned all bidders that it would not contemplate the use of materials such as PVC or unsustainable timber (interview 26) and also listed sustainability as a criterion for bidder selection (interview 23).

However, the council did listen to the views of other organisations associated with the project. For example, the successful architectural firm (GMP) suggested a number of innovative ways in which the refurbished building could meet the requirements of the Energy Conservation Act. Not only did these include the use of photovoltaic panels on the roof and grey water recycling, but also – at GMP’s instigation – the project investigated whether the building might be sitting on a geothermal energy source from the former coal mine underneath the site (interviews 23 and 26). This investigation proved successful, and the refurbished building now includes an underfloor heating system that is connected to a geothermal source 70 metres underground. Similarly, GMP proposed that much of the south-facing side of the building be covered by a glass façade in order to maximise the passive solar benefits within the building and reduce demand for lighting and heating (interview 26). The fact that these features were suggested by the architect, rather than council employees, illustrates that Gelsenkirchen is open to ideas from other actors and does not always operate in a hierarchical decision-making mode.

More broadly, the highly political nature of the Hans-Sachs-Haus building, together with the importance of the entire Ebertstraße project for the future of the city centre, meant that the authority needed to demonstrate transparency in its decision-making and project management. This required significant engagement with the organisations occupying neighbouring properties and the wider public. For example, large and prominent Lutheran and Catholic churches overlook Heinrich-König-Platz, and there

were concerns that the demolition work would affect the fabric of these historic buildings (interview 17). Similarly, a number of local businesses, such as an ice cream parlour that experienced a significant drop in sales because of the amount of dust produced during the construction phase, were not particularly happy with the plans (interviews 17 and 23). In addition, other groups within the city argued that the money should have been spent on schools or kindergartens rather than redeveloping the city centre. These criticisms were bolstered by the poor management of public works projects elsewhere in Germany, which fed a growing suspicion that ‘the council can’t do it, or local government can’t do it’ (interview 23, see also section 5.2.1.2).

To ensure a continuing dialogue with local residents, the council erected an information centre (the ‘blue box’) towards the northern end of Ebertstraße, where people could find out more about the project, and put their questions and concerns to officers (interview 17, see figure 5.7). Although suggestions from individual residents and the pressure group *Bürgerforum Hans-Sachs-Haus* did not alter the overall project to any great extent, the principle of greater societal engagement still represented a shift away from the council’s traditional reliance on hierarchical decision-making (interview 23). Indeed, the authority took to unusual step of inviting critics of the Heinrich-König-Platz redevelopment onto the jury that decided which bidder should be awarded the contract for this work. This helped to ensure that

the project was pushed from various angles, from council staff and from politicians, but also from citizens... Everyone came together during the process of involvement and information provision. So those who we saw previously as the biggest opponents were actually in the jury for the competition, and then they suddenly became supporters (interview 17).

This shift towards greater citizen consultation in planning policy sits within a broader federal framework that requires all German councils to consult with their citizens about major planning developments (interview 23, Bückmann and Oel, 1981). Indeed, the principle of *Bürgerbeteiligung* (citizen involvement) has gained wider currency in Germany in recent decades, and one interviewee in particular felt that decision-makers are now much more likely to take account of the wider public in planning policy decisions:

The planning process here is a very open process... there are always phases for public involvement. That means anyone can say anything about the plan, within a specific framework. And their views have to be considered: if they are rejected there needs to be a justification for that (interview 15).

The participants in this process are mostly those who are directly affected by any potential development. As such, the churches, local businesses and the *Bürgerforum Hans-Sachs-Haus* made their voices heard about the Ebertstraße project (interview 23). This sits in stark contrast to any idea that the local state can impose its will in a hierarchical fashion, and it is notable that Gelsenkirchen went beyond its statutory duties to involve wider societal actors in its decision-making.



Figure 5.7: The 'blue box' to engage with stakeholders about the Ebertstraße redevelopment project (photograph taken in July 2013)

In another striking example of its shift towards horizontal engagement rather than hierarchical regulation, the council has begun to allocate *Land* funding to property owners in the city centre in order to help them finance the renovation of public-facing façades and courtyards. Around 15% of buildings in the city centre are empty, which means that attempts to improve the look and feel of the area can be difficult: in a tenant's market, there is little incentive for landlords to increase rents in order to finance property upgrades. As a result, rather than stipulate that the buildings must

meet a certain energy performance standard after the renovations are complete,¹⁶ landlords only need to be informed about the sustainability improvements they could make in order to receive the money. In other words, the council does not attach any environmental strings to this funding:

Together with the environment directorate, we have developed this process to provide advice on renewable and clean energy. And we've said the property owners can actually get this investment if they allow themselves to be advised. They don't have to take it on board, but we are creating awareness of it (interview 17).

Notably, the council felt that landlords would have done nothing to improve the appearance of their properties if they had been required to undertake a sustainability retrofit in return for the funding. Indeed, it is notable that 'very few' landlords installed features to improve the energy performance of buildings, and other ideas, such as putting green roofs atop garages, have also failed to take off in the city centre (interview 17). In that sense, it is probably fair to assume that the council's fears would have materialised – but for the purposes of this thesis it illustrates how Gelsenkirchen is relying more on citizen engagement and persuasion than was perhaps previously the case. The council did not feel it had the capacity to take a more hierarchical approach, because this would not have been effective – instead, it adopted a more pragmatic coping strategy to try and achieve its objectives.

In addition, the council also felt strongly that that engaging with local residents and businesses was 'the right thing to do' – for normative democratic reasons and also to increase the likelihood that the final project would be popular and successful (interview 17). The council may have been keener to act in this way because of the controversial history of Hans-Sachs-Haus and the importance of Ebertstraße for the future of the city, but this nonetheless suggests that it embraced citizen engagement rather than hierarchical control primarily for *political* reasons. Crucially, however, this is still intrinsically related to the issue of municipal capacity. The controversial

¹⁶ Since this money is only earmarked for external renovations, and not whole-property refurbishments, these projects are exempt from the Energy Conservation Act requirement that stipulates the redevelopment of any pre-1990 property must meet the same standards as a new build.

nature of the project and the chequered history of Hans-Sachs-Haus meant that the authority's overwhelming priority was to convince sceptical residents that the redevelopment project would be a success. The council recognised the importance of greater horizontal engagement to achieve this objective, and therefore rejected a more typically 'German' reliance on hierarchy.

5.3.1.2 *State of the art solutions versus best practicable means*

As chapter 3 outlined, Germany's environmental policy style has traditionally relied on the 'best available technologies' or state of the art solutions (Knill and Lenschow, 1998, Wurzel, 2002). This has gone hand-in-hand with an active industrial policy that has tried to stimulate domestic green industries by introducing legal regulations that encourage citizens and businesses to adopt increasingly sophisticated low-carbon technologies. As such, we might expect Gelsenkirchen Council to place a higher value on the technical environmental performance qualities of new buildings than its counterpart in Newcastle.

Notably, the redeveloped Hans-Sachs-Haus does incorporate a range of sustainability features – and in this sense it is a more ambitious project than the Core Building in Newcastle. As one interviewee put it:

Hans-Sachs-Haus is already heated by renewable energy, by geothermal and district heating – and the district heating system is supplied 100% by waste incineration. We also have a reusable water system, in other words a grey water tank that supplies all of the toilets in the building with rainwater... And of course we have photovoltaics on the roof (interview 23).

Figure 5.8 shows how much of the roof of Hans-Sachs-Haus is covered in PV panels. Together with the other features mentioned in the above quotation, they contributed towards the building exceeding the requirements of the Energy Conservation Act and illustrated the council's belief that it should act as a sustainability role model for other local actors (interviews 20, 21 and 23). Other notable aspects of the redeveloped Hans-Sachs-Haus include planting greenery on those parts of the roof that were in shade, installing low-energy lighting that is triggered by movement sensors, and a

conscious decision not to include any space for car parking on the site. The building's innovative heating and cooling systems also illustrate how the council was keen to adopt the most sustainable support systems for its occupants:

I haven't got any air conditioning in the building, because air conditioning systems just gobble up electricity. But we have got a cooling system, and we have also provided a different system, a heat-exchange system, which... reduces energy consumption significantly (interview 23).



Figure 5.8: Photovoltaic panels on the roof of Hans-Sachs-Haus (photograph taken in July 2013)

The cooling system begins to function when the temperature in some parts of the building (such as the glass-fronted south-facing rooms) rises above a set temperature. This triggers a process in which cold mains water is sent through the underfloor

heating system – the same pipes that provide geothermal warmth during the winter months. In addition, hot air in the building is sucked out through the heat exchange system overnight, and replaced with fresh air from outside.

This reliance on advanced technological solutions builds on Gelsenkirchen's legacy of exemplar sustainability projects that stretches back to the mid-1990s (see chapter 3). These projects, which included the *Ruhrgebiet's* first solar housing estate and a science park that was covered in PV panels, illustrated how the council sought to embrace state of the art green industries and hoped that other actors would follow its lead and stimulate the local market further. By ensuring that the newly refurbished, iconic council building also incorporated such advanced features, the city has raised its profile as a beacon of sustainability, to the extent that one officer was 'pretty sure that this town hall will become important across Europe' (interview 23).

Indeed, it is worth re-iterating that Gelsenkirchen Council chose to restore Hans-Sachs-Haus voluntarily – and it was not required to install quite so many environmentally-friendly features in the refurbished building. Despite its position as a heavily-indebted authority, the council wanted to get involved in a project on which any private investor would have made a loss (interview 23), as the first attempt at refurbishing the building proved (see section 5.1.1). Crucially, the municipality viewed Hans-Sachs-Haus as an opportunity to demonstrate its commitment to sustainable technologies and act as a beacon for others to follow. In other words, there appeared to be an overwhelmingly preference for adopting SOTA solutions.

However, the council's precarious budgetary position has meant that it now wants its investments to deliver a financial return over the medium term (see chapter 6 for more details of how this applies to other corporate projects). This suggests that the municipality is shifting towards a preference for the best practicable means (BPM) for dealing with a problem. Indeed, the principle of ensuring a return on investment has become increasingly important across tiers of government in Germany. New federal accounting requirements now require local authorities to consider the whole-life costs of assets when taking investment decisions (interview 19). At the state level, the principle that any sustainability investment should also be financially sound is incorporated into the appraisal of municipal funding bids. Indeed, officials in the

Bezirksregierung will only consider whether construction projects are feasible from a technical perspective if they are able to demonstrate that the benefits will outweigh the costs (interview 27). In line with this principle, Gelsenkirchen Council stipulates that the payback period for investment in sustainability (or indeed any other) features is ten years, working on the basis that energy prices will double in cash terms over that period (interview 25).

In spite of these pressures, various other factors have ensured that the authority does still approve cutting-edge installations. The most important of these is the Energy Conservation Act, which means that substantially refurbished buildings have to meet the same level of energy performance as a new construction (see section 5.2.1.1). As a result of this legislation, the council had to spend a significant amount of money upgrading Hans-Sachs-Haus in order to comply with the law. A second factor is Germany's federal law that provides subsidies for small-scale renewable electricity generation through feed-in-tariffs (FITs). This initiative, which dates back to the early 2000s, means that the Federal Government sets a fixed price for every unit of electricity that is generated through PV, wind power, biomass, hydropower or geothermal sources. Power companies are then required to buy any surplus energy at this fixed rate over a 25-year period and redistribute it through their electricity grids (Mendonca *et al.*, 2010).

This scheme has enabled Gelsenkirchen Council to generate an increasing amount of revenue from the sustainability features it has installed on public buildings. Indeed, the authority now has a policy that PV panels *must* be installed on all public buildings that are either refurbished or built from scratch, provided they will pay for themselves over the course of a decade. Where this business case does not stack up, the building has to be given a green roof instead. This requirement has been in place since 2000, which shows how long Gelsenkirchen has been committed to these principles (interview 20). Due to advances in solar technology over recent years, nearly all unshaded south-facing roofs are now covered with solar panels when the building is refurbished – and the council begins to reap a financial return on this investment within ten years of their installation (interview 25).

Crucially, therefore, the council views sustainability features as *a way of meeting the budgetary requirement* of delivering a return on investment, because they will either reduce energy consumption (and therefore expenditure) or generate income through feed-in-tariffs – or potentially do both simultaneously. As such, adopting green technologies helps to achieve both environmental and financial objectives, even if it can take some time to generate a return on the initial investment:

We do it because we think it's the right thing to do. We're not required, for example, to install geothermal heating systems. We don't have to put PV panels on the roof. But we do need to reduce energy costs (interview 23).

In other words, although Gelsenkirchen Council no longer embraces the idea of 'green at all costs', it does install advanced sustainability features into new and refurbished buildings – and can often generate a profit from its investment in these technologies. Moreover, because the sustainability features within Hans-Sachs-Haus go above and beyond what is required by statute, we should not characterise Gelsenkirchen as relying on BPM for resolving environmental problems. Nonetheless, the financial constraints within which it has to operate mean that the council has shifted away from its position of relying on ambitious SOTA solutions in the mid-1990s. During this period it sought to put the solar industry at the centre of Gelsenkirchen's regeneration plans and invested in a wide range of expensive exemplar projects to demonstrate its commitment to these new technologies (see chapters 3 and 4). Instead of preferring state of the art solutions, council planners now have to take much more account of their long-term costs – and therefore the authority has shifted away from its previous position along this sub-dimension (see figure 5.10 on page 218).

5.3.2 *Newcastle*

This subsection sets out how planning policy in Newcastle, with a particular focus on the Core Building within the Science Central development, maps on to the two sub-dimensions of 'English' policy style. Therefore, we might expect Newcastle to rely more on horizontal procedures than Gelsenkirchen, and also only include

sustainability features within the Science Central development if these solutions were the best practical way to address a particular problem.

5.3.2.1 *Hierarchy versus engagement*

Newcastle Council's approach to planning relies increasingly on engaging with other horizontal actors, including developers and the wider public. Crucially, the abolition of the Regional Spatial Strategy (RSS), which means that the council no longer operates within such a rigid vertical framework (see section 5.2.2.1), has reduced its standing *vis à vis* other local stakeholders and meant it is becoming increasingly dependent on them for resources. More specifically, the municipality has engaged very closely with Newcastle University on the Science Central project – to the extent that it *depends* on this institution for the necessary capacity to implement policy (see section 5.2.2.2). Indeed, as this subsection will demonstrate, the council sits very close to the 'ideal' English position along this sub-dimension.

The RSS stipulated that at least ten per cent of the energy requirements for new developments would need to come from renewable sources, and these buildings would have to meet at least 'very good' BREEAM standards.¹⁷ The standards were subsequently incorporated into the Unitary Development Plan that set out the framework for planning decisions in the city (interview 2). However, the abolition of RSSs meant that the council could not enforce these regulations, which puts developers in a much stronger position than was previously the case. More importantly for the purposes of the policy styles typology, it diminishes the potential for hierarchical state regulation, particularly in a deprived part of the country. Indeed, as subsection 4.3.2.1 highlighted, the weaker vertical framework actually results in local authorities competing in a 'race to the bottom' on sustainability and other standards in order to try and attract investment:

In the North East we are desperate to get development, we are desperate to have employment, we are desperate to have housing and everything else. And we do not

¹⁷ BREEAM is an internationally-recognised methodology for assessing the sustainability of buildings (see www.breeam.org).

have the luxury of those areas down south where there is enormous pressure for development... We've got to be careful, because there is a dire amount of development taking place in the North East, all of the councils are competing with each other... Councils are very concerned about pushing development away. And viability therefore is an enormous issue. You don't want to load too much on developments so that a developer decides, 'well, in that case I'm just going to go to North Tyneside, I'm going to go to Gateshead.' So there is that kind of a concern, and therefore at the end of the day, when all the chips are down, the council may sometimes relax all these standards. That's the reality (interview 2).

Newcastle is keen to promote its image as a 'green council' and its Local Plan now asks potential developers to keep to the sustainability requirements that were set out within the old RSS and consider issues such as climate change mitigation (Newcastle City Council, 2014). However, developers are not obliged to do so and therefore they could appeal against any council decision to reject a planning application on the grounds that it does not meet these criteria. Although the authority has managed to agree strict standards for new developments in some locations, this is not something that it feels able to translate into a broader policy that is binding across the city. This situation echoes the conundrum faced by Gelsenkirchen Council when it incentivised landlords to improve the façades of their buildings but did not feel it could require the recipients to retrofit their properties in return for funding. Indeed, the economic situation in both cities means that their councils are less able to exert hierarchical pressure on private actors, and therefore they have to rely on horizontal engagement and persuasion in order to try and achieve their objectives. For Newcastle, this means that developers can exercise significant influence over the resulting policy:

The council would love to be green... but the reality sometimes is that gets watered down further along the line... [Sometimes] we do succeed, but it's by negotiation (interview 2).

In the specific case of Science Central, the partners drafted an overarching site masterplan, which sets out the principles to which new buildings should adhere when they seek planning permission. In this way, it acts like the Local Plan, but its applicability is restricted to potential developments on the Science Central site. In the words of one interviewee, the masterplan sets out the 'fundamentals, aspiration and

vision for the site' by establishing the sustainability (and other) criteria that enable planning officers to decide on potential applications (interview 31). Local authorities are obliged to consult on these framework documents, and Newcastle did more than it was required to try and stimulate local interest in the whole Science City agenda:

It was statutory, but it was a fairly pro-active exercise as well, so it wasn't just pitching up telling people we're going to be there and hope they turn up – there was an effort made to go and engage with people (interview 31).

Notably, an initial masterplan for Science Central was scrapped after it became clear that its expectations for economic development were unrealistic in the aftermath of the global financial crisis (interview 11). Nonetheless, although its economic ambitions were scaled down, the environmental requirements in the revised masterplan remained largely intact. These included the provision of bus lanes, cycle parking and pedestrianised areas, as well as stipulations that buildings must meet certain energy performance criteria (interview 8).

Crucially, the council developed the masterplan together with the local university. The global engineering consultancy Arup also contributed to the final document – as well as drafting a complementary sustainability statement (Ove Arup & Partners, 2010). This contrasts sharply with the situation in Gelsenkirchen, where the municipality took full ownership of the Ebertstraße project and was solely responsible for determining its sustainability features. Although some have argued that the expertise of Arup's consultants improved the chances of success for the whole Science Central initiative (Goddard and Vallance, 2013), one interviewee felt that their influence may have watered-down some of the partners' sustainability objectives:

So I could see at the time what the university requirements were, what the council requirements were, but then seeing the pressures from [Arup] also to say 'yeah, ok, this is all right, but we do have to have something that is going to attract businesses, and, you know, generate wealth'... So the university has got its high ideals of it being an exemplar sustainable site, the Council kind of say 'yes, we do too, with some caveats,' and then you've got the developer that says 'yeah, ok, we appreciate all of this, *but* there are some hard economic facts and we need to deliver' (interview 13).

The above quote is instructive, in that it highlights the nature of discussions around the formation of the masterplan, and how the council's sustainability ambitions were not as high as those of the university. More importantly, it shows how the council's engagement with an external body meant that it compromised its ambitions in order to reduce the financial risk of the project. The same interviewee illustrated this point with the example of car parking:

Clearly, cars *per se*, and bringing them into the city centre, are not desirable on a sustainability exemplar site. But, in order for the site to be viable, businesses need to want to come and locate there, and if they don't have car parking they might not want to come. So the compromise that was reached was that car parking would be provided in the first instance, because it's a huge site and there's lots of space, but that that would be whittled down as the site got developed, and there may or may not be a multi-storey car park in the final [development], depending on how far that 'no car' policy could be pushed... So it's kind of managed down, and 'let's test the water with how far we can get rid of cars' (interview 13).

Although the Science Central site is significantly bigger than Ebertstraße, and therefore there is much more land available to accommodate cars, the contrast with Gelsenkirchen could not be more striking. The German council exerted its hierarchical authority by not countenancing the construction of a car park on principle, even underneath Hans-Sachs-Haus where there would have been sufficient space. Conversely, its English twin city's involvement of external actors in the development of the masterplan led directly to the inclusion of a car park at Science Central. Therefore, both in terms of policy-making *processes* (the more horizontal approach that engages with external actors) and *outputs* (the ultimate decision to include a car park), Newcastle gave greater prominence to other organisations and their views on the interests of potential site users. These examples serve as classic case studies of the different policy styles normally attributed to Germany and England.

Moreover, in spite of assurances from interviewees within the council and Science City that the sustainability criteria outlined in the masterplan could not be

compromised, an interviewee from the university suspected that these rules might be bent in future (interview 13). An officer at the council echoed these concerns:

I suspect it may well be as we get further down the line, in sort of ten or fifteen years... there might be a bit of weakening round the edges, because we've achieved what we really set out to do apart from a small bit, but nobody's wavering yet (interview 6).

The quote above reiterates that there was no sign of the partners agreeing to lower sustainability standards at the time. Nevertheless, it does suggest that there is room for manoeuvre within the overall framework – and the masterplan itself suggests that incorporating some sustainability features into buildings on the site will be entirely voluntary. For example, green roofs on new buildings are not a necessary precondition for securing planning permission, because the masterplan merely states that they are to be ‘encouraged’ (interview 31). Once again, this illustrates how Newcastle is more prepared to engage horizontally with stakeholders rather than exert hierarchical authority, and potentially compromise over certain sustainability requirements in order to entice potential investors on to the site.

Although the university and developer exercised some influence over the masterplan for the whole site, all parties were clear that the council had sole responsibility for the design of the Core Building (interviews 13 and 31). This does contain a number of notable sustainability features (see section 5.3.2.2), but they are not as innovative or ambitious as the university's plans for its adjacent Urban Sciences Building, which will open in autumn 2017. Indeed, both the university and the council were keen to stress that the Urban Sciences Building will function as a ‘living laboratory’ (Newcastle University, 2014b, interview 31) to identify which technical or engineering solutions are most effective in achieving sustainability objectives:

The building is about experimenting with different things, like different forms of cladding or, you know, different technologies... We want to study the... inhabitants of the building and how they respond... to changes in the building. So in particular, practices that are considered sustainable – actually, do the people respond well to those? Do they actually just override the systems? (interview 13).

As this quote suggests, data produced by the Urban Sciences Building should improve its own sustainability performance and also inform the design of future buildings. Interestingly, we can see how this perspective encapsulates the ‘English’ policy style of horizontal engagement. By ensuring that the building can respond to its occupants’ behaviour and technological developments, the university is effectively continuing to consult (albeit implicitly) with relevant stakeholders *after* it has been constructed. Although Gelsenkirchen could upgrade the sustainability features of Hans-Sachs-Haus in the future (for example, it might replace the existing PV panels with more efficient solar technology once it becomes available), these flexible principles are not integrated into its core design.

Overall, therefore it is clear that Newcastle’s approach to development planning, and its implications for climate change, is much more reliant on horizontal engagement than that of Gelsenkirchen. Indeed, recent legislative changes and the economic situation within Newcastle have exacerbated this situation, because the municipality is now a much weaker actor in local governance arrangements than was previously the case. Crucially, the lack of a robust vertical framework to underpin sustainable development means that any decision from the council to increase sustainability requirements could result in the city missing out on much-needed investment. As a result, it is very reluctant to exert hierarchical pressure on other local actors and relies even more on the typically ‘English’ characteristic of horizontal engagement instead (see figure 5.10 on page 218).

5.3.2.2 *State of the art solutions versus best practicable means*

As the previous subsection identified, the Science Central masterplan stipulates that new developments on the site must adhere to various environmental criteria. Notably, the Core Building contains a number of ambitious sustainability features: it has an ‘excellent’ BREEAM rating; it collects rainwater from the flat roof areas, which is stored in an underground tank and then pumped back into the building to flush the toilets; there are photovoltaic panels on the roof; most of the rooms have a natural ventilation system rather than air conditioning; the open-plan design allows for a greater use of natural light than would otherwise be the case; and England’s largest

'living wall' has been erected on one side of the building (interview 31, *The Journal*, 2014, see Figure 5.9). Since these features exceed the standards set out in both the site masterplan and the council's planning policy, they suggest that Newcastle is moving towards a preference for state of the art (SOTA) solutions, instead of relying on the best practicable means (BPM) and a hard financial business case for investment.

Indeed, several officers in the council were sceptical about the extent to which it is possible to calculate the costs and benefits of potential climate change solutions (interviews 1, 11 and 31). For example, one interviewee highlighted the lack of common measurement standards for sustainable buildings, which meant that it was difficult to factor these considerations into a business case:

There is no industry benchmark for what sustainability is. And as poor substitutes for that commonly-agreed benchmark we use things like BREEAM and these kinds of measurements – which are fine, you know, they measure very specific things for what they're required to do. But in the absence of anything else they tend to be used as labels for things that they're not really designed to be for (interview 11).

The individual contrasted this confused picture with the clarity of economic data such as property prices or employment figures, which means that it is possible to calculate the costs of certain solutions but very difficult to determine their value in terms of potential sustainability benefits. In addition, although the UK Government has introduced feed-in-tariffs for small-scale energy producers, these producers receive a lower price per unit of electricity than their German counterparts. Together with the fact that the UK does not enjoy as much sunshine as Germany, this means that the payback period for installing PV panels is much longer. Thus, although the Core Building does have a number of photovoltaics on the roof, their installation was not supported by a cost-benefit analysis and detailed business case:

I don't think we've gone into that detail at all. I think it's probably just a design team-led decision on PV and location... I don't think it was financially driven. Obviously there'll be an element of payback on that but I don't think there's enough on there to make a huge dent... [But] at the same time I don't think it's just a tokenistic effort. It was a conscious decision to put them up there (interview 31).



Figure 5.9: The 'living wall' on the side of the Core Building (photograph taken in August 2014)

As such, Newcastle Council decided to install photovoltaics on the Core Building because they felt it was the 'right thing to do' and would support the notion of Science Central as a beacon of sustainability. This suggests that the characteristically English reliance on BPM may not apply, since environmental technologies are not required to deliver a return on investment for the council. Indeed, the principle of preferring SOTA may be more relevant to Newcastle than Gelsenkirchen, where the council needs to recover the cost of installing PV panels over a ten year period.

Nonetheless, the financial costs of the entire Science Central project were still a crucial consideration for the council. Indeed, the authority rejected an initial masterplan on the grounds that it would be an expensive 'white elephant' (interview 6). More importantly, Newcastle's City Deal with central government designated Science Central as an Accelerated Development Zone, which means that the council can keep all of the business rate revenue that is generated from those firms that operate on the site. As part of the Tax Increment Finance scheme it can also borrow against future income from this source for other capital projects – indeed, some of the

future investment in Science Central will be funded through this initiative (interview 6). This increases the council's incentive to attract investment to the site, and it sees Science Central's image as a hub for science and sustainability as a way of achieving this objective (interview 31).

As such, although the sustainability features in the Core Building are not supported by an explicit financial business case, they do fit within a wider strategy that aims to increase the council's revenue by attracting investment to the area. Indeed, since the entire project is predicated on the idea that a further £19m of private sector investment will be forthcoming by 2033 (to complement the £31m of public money that has already been committed), the Science Central partners need to attract many additional organisations to the site in order to make it financially viable (interview 11).

Furthermore, neither the Core Building nor the wider site will be as ambitious from a sustainability perspective as many council officers hoped at the outset. For example, ideas for a district heating network – a solution that normally reduces carbon emissions by heating properties more efficiently than traditional distributed systems (Gleeson *et al.* 2011) – did not take off as expected. In a fascinating echo of Hans-Sachs-Haus, the council and university had initially planned to tap a geothermal well that they discovered underneath the site during the construction phase, and use this as the source of heat. The partnership was awarded £1m from central government to support these investigations, which was announced to great fanfare and placed at the centrepiece of Science Central's narrative as a sustainable location (Trott, 2011, Goddard and Vallance, 2013). However, the project had to be shelved due to engineering problems encountered when accessing the source, which was much deeper underground than its counterpart in Gelsenkirchen (interview 31). Indeed, after the Core Building was connected to the main gas network in late 2014, the very idea of establishing a district heating network for the site appeared to be on hold (interview 33).

Notably, one interviewee suspected that much of the initial trumpeting of these features was to try and reinforce the sustainability rhetoric in the minds of potential investors, when in fact the reality was less impressive due to the compromises involved between the partners and developer:

We've looked at everything from hot rocks, no mechanical cooling, photovoltaics, a green wall, and a green roof, but there's tensions... Sometimes I think we're just tinkering around the edges, I mean doing stuff that's visual (interview 6).

Although some of the ideas above were incorporated into the Core Building, others were not. Indeed, even the much-vaunted green wall will only be temporary: it will disappear when an additional building is constructed in an adjacent plot in the future (interview 31), and was only actually proposed as an afterthought to improve the appearance of the building from the road (interview 6). The result is that 'the building doesn't have high sustainability credentials' – a fact that one interviewee feared could jeopardise the overall marketing strategy for Science Central, particularly as it was the first to be completed on the site (interview 13). Whilst agreeing with this analysis, another interviewee pointed out that the potential cost of some solutions was undoubtedly a factor in this decision:

It's not going to win an award for the most sustainable or the most innovative approach to building design. The money wasn't there necessarily to do that and the driver was really to get the first building on the site (interview 31).

The last part of this quote is especially instructive: the need to construct the Core Building quickly and relatively cheaply had become the dominant priority, and its sustainability features had become subordinate to that. Indeed, the council now hopes the university will take on more responsibility for promoting Science Central as a location for green investment. In particular, it expects the innovations within the Urban Sciences Building to shape the future development of the site in terms of energy use and building performance:

Without the uni we wouldn't be doing things as we are now. There's a whole range of things going on in this [Urban Sciences] building that will probably make it a game-changer. It will set us apart nationally, and probably internationally as well in certain things: it would be potentially something unique to the whole country (interview 31).

As such, although Newcastle Council is still keen on SOTA solutions, it has transferred much of the responsibility for developing (and resourcing) them to the

university. Indeed, its approach can be characterised as preferring state of the art solutions *by proxy*, since the authority has successfully managed to offload much of the bill for these innovations onto the university. This increased *dependence* has involved a significant trade-off in terms of the council’s ability to exert its influence over policy-making, because the focus is much more on how the university researches the viability of different sustainability solutions than stressing how the city as a whole is embracing this agenda (see also section 5.2.2.2). However, officers at Newcastle are largely content with such an arrangement (interview 31).

	Gelsenkirchen	Newcastle
Hierarchy vs engagement	Lower but increasing level of horizontal engagement due to politically-controversial nature of Ebertstraße project	High level of engagement with other societal actors, particularly the university
	Strong vertical framework enables the council to be more dominant <i>vis à vis</i> developers and use the planning process to further its sustainability objectives	Weak vertical framework makes the council vulnerable to powerful developers and more likely to agree lower sustainability standards
SOTA vs BPM	Not as keen on SOTA as during the 1990s: financial problems mean that solutions need to pay for themselves over ten years	Financial issues mean the council is keener on BPM than previously
	Legal framework supports (and even mandates) the use of high-end technical solutions	University’s ambition for Science Central results in SOTA solutions by proxy

Table 5.3: Changes in the sub-dimensions of policy styles as applied to planning in Gelsenkirchen and Newcastle

Drawing on the discussion above, table 5.3 and figure 5.10 highlight how the case study councils adopt distinct styles for planning policy. If we discount the fact that Newcastle relies on ‘SOTA by proxy’ due to its close relationship with the university, they illustrate how both cities are moving in the same direction along both sub-dimensions of policy style. Nonetheless, their planning approaches still remain very

distinct. For example, although Gelsenkirchen is now more open to public comment and engagement than previously (as evidenced by its charm offensive to maintain support for the Hans-Sachs-Haus and Heinrich-König-Platz projects), the municipality remains the dominant actor in the locality and takes decisions fairly autonomously. In particular, developers in Germany are not able to exercise as much influence over decisions as they are in England, where councils are incentivised to agree lower sustainability standards in order to encourage investment. This contrast was illustrated most starkly in the decision-making processes regarding car parking spaces at Hans-Sachs-Haus and the Core Building: Gelsenkirchen Council stuck to its principles in the former case, but Newcastle was persuaded by the developer to construct a car park as a way of encouraging external investment in the latter.

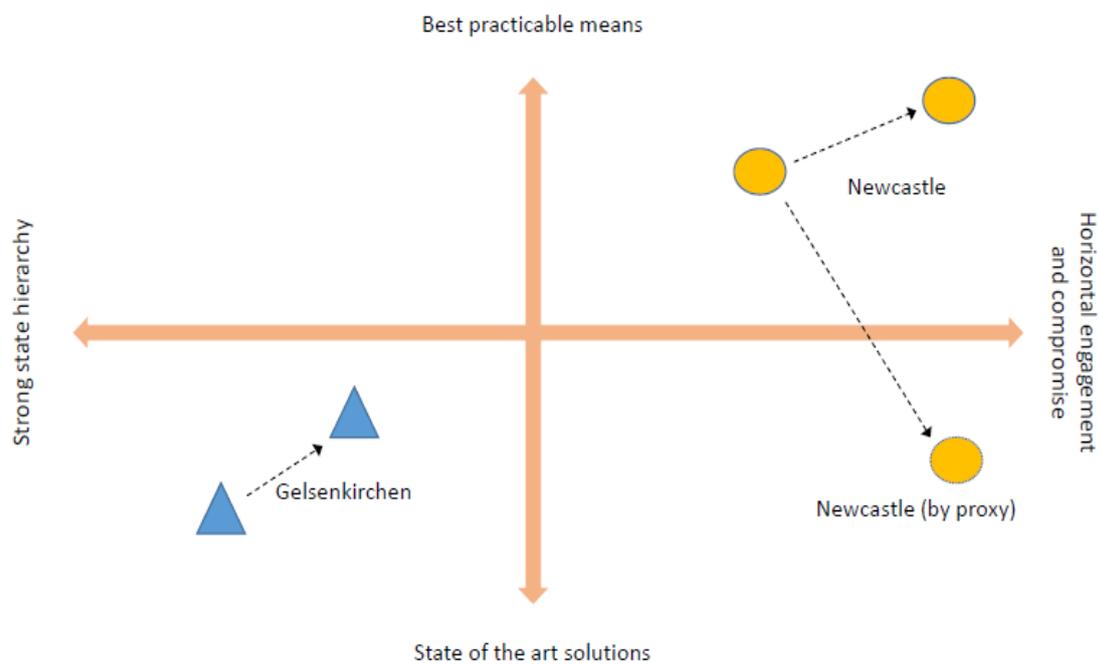


Figure 5.10: Changes in the sub-dimensions of policy styles as applied to planning in Gelsenkirchen and Newcastle

Fundamentally, these contrasts are a function of the different multi-level governance arrangements identified earlier in the chapter. In England, the weak nature of vertical regulations places municipalities in deprived areas at the mercy of private companies, who can demand lower environmental standards in return for investing in the borough. In other words, Newcastle Council's independence along the vertical

dimension of multi-level governance means that it is much more *dependent* on other horizontal actors for the capacity to achieve its policy objectives. In comparison, Germany's stronger vertical framework for sustainable development, along with the strict environmental standards of the Energy Conservation Act and the tradition of *Politikverflechtung*, means that municipalities are unable to compromise with developers. Crucially, this degree of vertical *interdependency* enables Gelsenkirchen Council operate much more *independently* within the borough compared to Newcastle.

This suggests that the institutional framework within which each city operates is a key driver of policy style. Indeed, the relative strength of the municipality *vis à vis* other societal actors influences whether it can exercise hierarchical authority within local governance arrangements. Since Gelsenkirchen retained responsibility for the redevelopment of Ebertstraße in-house and exhibits Type I multi-level governance characteristics along the horizontal sub-dimension more generally, it was much better placed to exert its authority through hierarchical decision-making. By way of contrast, various different organisations have assumed some responsibility for the Science Central site at some point over the last ten years, and this fragmented situation meant that Newcastle Council needed to rely on other bodies to implement its policies. This has resulted in a much more horizontal approach to decision-making, because the authority needs to co-ordinate and agree compromises with other bodies (especially the university).

In terms of the council's preference for BPM or SOTA solutions the picture is somewhat different – but again, it is shaped by the contrasting institutional arrangements that operate within each city. Germany's highly *interdependent* vertical framework means that new or refurbished buildings such as Hans-Sachs-Haus must install advanced sustainability features. Furthermore, its more lucrative system of feed-in-tariffs, which were designed both to reduce dependence on nuclear energy and to encourage the domestic renewables sector to develop highly technical solutions, has meant that small-scale energy installations deliver a return on investment over a shorter timeframe. As a result, Gelsenkirchen Council can assume that high-end technologies will pay for themselves over ten years and therefore invests in them despite severe financial pressures. Since this situation encourages the installation of

advanced features (provided that they are supported by a business case), it can still be characterised as a preference for SOTA – although not as strong as was previously the case during the 1990s (see figure 5.10).

Interestingly, and in contrast to what we might expect from an English city, Newcastle Council did not even undertake a business benefits assessment before deciding to install sustainability features in the Core Building – and the authority does not expect them to deliver a financial return. Instead, it wanted the building to symbolise the city as a sustainability leader – something that is much more akin to the idea of preferring state of the art solutions. However, the features within the Core Building are considerably less ambitious from a sustainability perspective than those in Hans-Sachs-Haus, or Newcastle University’s Urban Sciences Building. Indeed, the university’s heavy involvement in the Science City project, and its desire to design buildings as ‘living laboratories’ for green technologies, has enabled the council to divest itself of some responsibility to lead the city in this area. As such, Newcastle Council does have a preference for state of the art sustainable technologies, but this is exercised by proxy, rather than through the municipality directly. Once again, this is a result of the different structural arrangements that operate within the city: Newcastle Council’s weaker position *vis à vis* other actors means that it needs to develop these partnerships in order to increase its capacity for policy implementation. Moreover, the presence of a university that is keen to fund sustainability research has provided the council with a very useful partner and ‘anchor institution’ to help achieve its objectives.

5.4 Conclusions

This chapter has shown the extent to which planning decisions in Gelsenkirchen and Newcastle, particularly the Ebertstraße and Core Building development projects, are characterised by typically ‘German’ and ‘English’ multi-level governance structures and policy styles. In particular, it has demonstrated how the contrasting institutional frameworks in each country have shaped how Gelsenkirchen and Newcastle Council make and implement their planning policies. Crucially, the strong and *interdependent* nature of vertical structures in Germany enabled Gelsenkirchen to operate much more *independently* than Newcastle in horizontal governance arrangements. The result is a

more hierarchical local authority, planning decisions that are much less open to negotiation and a stronger preference for SOTA solutions. In contrast, the weaker institutions in England mean that Newcastle operates more *independently* along the vertical dimension, which means it is more *dependent* on the capacity of horizontal actors to invest in sustainability features and achieve its political objectives.

There is some evidence to suggest that this situation is changing, with Gelsenkirchen's approach moving towards the traditional English position. For example, the controversy over the Hans-Sachs-Haus redevelopment meant that the council needed to engage more with residents to ensure continued public support for the project, and the authority is attempting to persuade (rather than compel) landlords to improve the energy performance of their buildings in return for receiving public money to renovate their façades. Nonetheless, the highly structured nature of Germany's institutional environment restricts the power of developers to influence decisions and requires new and refurbished buildings to install advanced technologies. As a result, the overall approach is very unlikely to change significantly.

It is also unlikely that Newcastle's approach to planning and climate change will alter much in the foreseeable future. The UK government has been much more reluctant to insist on strict sustainability criteria for new buildings, and northern English cities remain economically disadvantaged compared to many parts of the south. These factors, together with the lack of a robust regional framework for sustainable development, make it much more likely that councils such as Newcastle will compromise with developers on environmental standards. Therefore, barring change at the national level that would tighten up sustainability requirements for planning applications, local government will still be involved in a race to the bottom to attract investment.

Furthermore, English municipalities that wish to promote themselves as sustainability leaders will need to continue working horizontally with other actors in order to increase their capacity. Newcastle Council's partnership with one of the city's universities through the Science Central project does suggest that the council can achieve political objectives through such an arrangement, and it has been able to associate itself with the university's preference for state of the art technical solutions

as a result. Notably, however, these ambitious sustainability features are geared primarily towards meeting the university's research objectives, rather than projecting an image of the city as a cutting-edge, environmentally-friendly place. In addition, if municipalities are becoming increasingly *dependent* on private or semi-private organisations (such as universities) in this way, it means that local citizens are exerting less democratic control over policy-making processes. These issues will be explored further in the next chapter, which looks at how both Newcastle and Gelsenkirchen have sought to include climate change considerations in their corporate activities.

Chapter 6: Corporate policies in Gelsenkirchen and Newcastle

6.1 Introduction

As the previous chapter highlighted, councils are not always able to exert hierarchical control over planning policy, even though decision-making for this sector is devolved to local government in both England and Germany. In the case of Newcastle, this is due to the lack of a robust vertical framework to buttress the council's position *vis à vis* other horizontal actors, whereas the controversial nature of Hans-Sachs-Haus meant that Gelsenkirchen Council sought to engage with civil society to ensure that it retained support for its regeneration project. When compared to planning, we might expect municipalities to have more control over their corporate policies – in other words, their positions as organisations on consuming natural resources in day-to-day activities, corporate procurement, transport or municipal buildings. Indeed, Bulkeley and Kern (2006) use the term 'self-governing' to describe the mode that a local authority adopts when it takes decisions about organisational operations in this way.

By illustrating how organisations can operate in a less carbon-intensive manner, these corporate policies also allow the municipalities to set an example to other societal actors. This is particularly the case in cities that are trying to portray themselves as forward-looking, sustainable locations, including Gelsenkirchen and Newcastle. Indeed, both councils' climate protection strategies include details of how the municipality as an organisation will help with the city's overall objectives to reduce greenhouse gas emissions (Stadt Gelsenkirchen, 2011, Newcastle City Council, 2010).

Moreover, the financial constraints within which both municipalities have to operate, along with the fact that wholesale fuel prices have increased significantly in recent years, mean that corporate energy conservation has become an increasingly important issue. On top of this, English authorities such as Newcastle also face two additional pressures that do not apply to German authorities. Firstly, the UK Government's CRC Energy Efficiency Scheme requires large energy consumers to pay an additional levy per tonne of CO₂ that they emit from electricity and gas consumption (interview 3).

Secondly, English municipalities are faced with rapidly increasing rates of landfill tax, which has increased the importance of waste minimisation (interview 10)¹⁸. Nonetheless, although resource conservation may be a slightly more pressing issue for Newcastle, both authorities have placed this at the centre of their climate change strategies, whilst also seeking to increase their reliance on renewable energy sources.

As such, this chapter investigates the decision-making processes involved in determining each authority's position on issues such as energy and water consumption, procurement, travel policy and asset utilisation – and how they incorporate climate change considerations. It focuses in particular on energy consumption and corporate transport, since they account for the vast majority of the CO₂ produced by each authority (Newcastle City Council, 2008, Stadt Gelsenkirchen, 2011). Although these corporate activities are not necessarily highly visible to the wider public at the 'front line' of interactions between the state and its citizens, 'self-governing' nonetheless represents an extremely useful object of academic analysis. Indeed, these corporate policies should provide a valuable counterpoint to chapters 4 and 5, which focused on sectors over which the authority may be able to exert less hierarchical influence.

The remainder of this chapter covers each city in turn and maps the decision-making processes against the theoretical framework outlined in chapter 2. In this way, it addresses the vertical and horizontal nature of multi-level governance arrangements, followed by an analysis of the extent to which each city relies on hierarchy rather than engagement, and state of the art (SOTA) solutions instead of the best practicable means (BPM, see table 6.1). As with chapters 4 and 5, it also examines how capacity issues within each municipality have shaped the nature of vertical and horizontal power dependencies, and, by extension, local governance arrangements and policy styles. The chapter then concludes by summarising how these approaches have changed in recent years, and the drivers of this process.

¹⁸ The German Federal Government phased out the use of landfill sites in 2006 and therefore these potential costs do not affect Gelsenkirchen.

		Typically ‘German’ characteristics	Typically ‘English’ characteristics
Multi-level governance dimension	Vertical sub-dimension	Highly-structured vertical framework	Loose and flexible vertical arrangements
	Horizontal sub-dimension	Responsibilities concentrated in the local authority	Fragmented local public service provision
Policy styles dimension	Vertical sub-dimension	Strong state hierarchy	Horizontal engagement and compromise
	Horizontal sub-dimension	Reliance on state of the art (SOTA) technological solutions	Preference for best practicable means (BPM) and cost-effectiveness

Table 6.1: Dimensions and sub-dimensions of ‘ideal type’ multi-level governance and policy styles in Germany and England

6.2 Multi-level governance and corporate policies

6.2.1 Gelsenkirchen

This section addresses the two sub-dimensions of Type I multi-level governance in the context of Gelsenkirchen. As such, it identifies whether the city’s corporate policies on resource use are shaped by a structured vertical framework involving other tiers of government, before analysing the extent to which responsibility for these policies is concentrated in the local authority. It also highlights how capacity issues have led to the authority working more *interdependently* with other horizontal actors in this sector and thereby changed the nature of institutional governance arrangements over recent years.

6.2.1.1 Vertical governance structures

As chapter 4 demonstrated in the context of planning policy, local government in Germany operates within a structured vertical framework, with the result that

municipalities do not have much room to negotiate with developers about the nature or location of a particular project. This strengthens the hand of the municipality *vis à vis* other horizontal actors and thereby helps it to achieve sustainability objectives – even though it suggests that local authorities are not as autonomous as the concept of *lokale Selbstverwaltung* might suggest.

However, a similarly structured vertical framework does not apply to corporate policies within municipalities. Neither the federal nor the state government of North Rhine-Westphalia have obliged local authorities to work towards reducing GHG emissions caused by their own activities, or to report on their progress towards this objective. Nonetheless, interviewees did feel that changes in societal attitudes and the wider political context have created a culture in which citizens increasingly expect public bodies to rely on renewable energy. This has encouraged Gelsenkirchen Council to set an example by operating more sustainably:

You couldn't have predicted the end of nuclear energy in Germany ten years ago, but then the CDU government changed its mind after Fukushima. In reality, that increased the political pressure from outside [on us]... Public opinion has definitely changed (interview 20).

The above quote refers, albeit implicitly, to the principle of *Energiewende* (energy transition), which stresses the importance of moving Germany away from a reliance on traditional sources of electricity and towards renewables (see chapter 3). Although the *Energiewende* is a policy of the federal government, there is widespread public support for the principle across the country (Huß, 2014). Notably, staff at Gelsenkirchen Council recognised that public bodies across Germany need to play a crucial role in implementing the policy, by reducing their overall consumption and procuring energy from renewable sources (interview 22). This provides a further illustration of the consensual nature of policy-making across different tiers of the German state, and the way in which the *Energiewende* has facilitated policy co-ordination between vertical actors (see also chapter 3).

Indeed, the *Energiewende* narrative extends downwards below the municipal level to the *Stadtbezirke*, or city districts, which have their own representative assemblies and

mayors and can take decisions about the future of their area (see section 4.2.1.1 in chapter 4). Gelsenkirchen has five of these districts, which play an important role in corporate policy-making. For example, the *Stadtbezirk* assembly must approve any investment in public infrastructure in its district that costs between €20,000 and €75,000 (projects exceeding this valuation are considered by the council). The *Stadtbezirk* mayors also produce annual plans for public building initiatives at the district level, which must be authorised by the assembly (interview 20). These districts, which have been embedded in Gelsenkirchen's governance arrangements since 1975, liaise frequently with the city council on how public bodies can reduce their impact on climate change and take these considerations into account in their infrastructure decisions (interview 20). The mutually supportive and *interdependent* nature of this relationship, as well as its anchoring within a structured framework, suggests that Gelsenkirchen Council's corporate policies fit within a broadly Type I model of multi-level governance.

In addition, higher tiers of governance are able influence Gelsenkirchen Council's use of energy, due to the financial constraints within which the authority operates. As previous chapters have outlined, the municipality is subject to a budgetary assurance programme that restricts its ability to spend money and results in the *Land* (via the *Bezirk*) having greater oversight of financial decision-making. Not only does this increase the importance of resource conservation within the authority, but it also means that the council needs to meet the *Land's* criteria to obtain grants for corporate projects. As a result, the *Land* can pull on these 'golden reins' and influence municipal policies and activities. For example, applications for *Bezirk* funding to finance kindergarten refurbishments were only approved in 2008 and 2009 if the renovated buildings would meet higher standards of energy performance than those that applied at the time to new build properties (interview 27). This illustrates how the *Land*, via the *Bezirk*, was able to shape Gelsenkirchen Council's policy on the energy efficiency of corporate buildings. At the same time, however, the municipality benefited from this *interdependent* arrangement, because it was able to access external resources and ensure that the buildings had a very high level of energy performance – in fitting with its policy objectives.

Furthermore, as chapter 4 highlighted, the *Bezirk* provides significant support to municipalities to ensure that they meet the funding criteria, in line with *Politikverflechtung* and the principle that different tiers of government in Germany are mutually supportive. Similarly, the *Land* has provided funding for Gelsenkirchen to install LED street lighting in some areas (interview 20). Through its EnergieAgentur institute, the state government has also advised the council on its annual corporate electricity saving week, as well as an initiative to help the city's schools conserve energy (interview 16). The schools' programme was funded by the federal government, in another example of how the different tiers of government were able to work together *interdependently* in pursuit of ambitious policy goals at the local level.

Crucially, these higher tiers of government do not specify how municipalities should spend the money, and are quite content to let individual authorities take control of their own internal affairs (interview 27). In other words, although local authorities recognise their crucial role in implementing the *Energiewende* agenda, they do not have to report their progress to the *Bezirk*, *Land* or *Bund*. This also means there are no hard mechanisms through which the federation or *Land* could 'reward' or 'punish' individual municipalities. Indeed, the idea that ministers could or should exert their influence over councils in this way struck staff as somewhat peculiar (interview 16). Instead, the institutional environment is more oriented towards providing municipalities with financial and advisory support to help them achieve their own policy objectives at the local level, and the *Energiewende* provides a common framework for cross-tier co-operation. Although these vertical structures for corporate policy are not as formal or *interdependent* as the framework that is in place for planning (see chapter 4), they are nonetheless closer to a Type I multi-level governance model than the flexible, unstructured nature of Type II arrangements.

This vertical context means that Gelsenkirchen Council works more *interdependently* with other tiers of government on its corporate policies than its counterpart in Newcastle (see figure 6.2 on page 244). Indeed, the recent emergence of the *Energiewende* narrative has built upon the prevailing trend of *Politikverflechtung* to ensure that vertical actors have become even more integrated in recent years. As with climate change strategy and planning policy, the mutually-supportive nature of these

relationships reinforces the existing institutional structures along this sub-dimension, since different tiers of government recognise how greater co-operation can increase their capacity to achieve policy objectives. As section 6.2.1.1 will demonstrate, this contrasts sharply with the situation in England, where dynamic (but nonetheless largely detached) central-local relations and the lack of a prevailing *Energiewende* narrative means that municipalities operate much more *independently* along the vertical sub-dimension and Type II characteristics predominate (see also figure 6.1 on page 243).

6.2.1.2 *Horizontal governance structures*

As chapters 3 and 4 highlighted, Gelsenkirchen Council has privatised a number of former municipalised services in recent years to try and counteract a significant fall in revenue from business taxation. As a result, the authority no longer has direct control over water and energy provision, and the city's *Stadtwerke* is responsible solely for leisure services. Senior managers recognise the implications of this arrangement for their ability to mitigate climate change, both across the city as a whole and also within the local authority, because it means they no longer control how the city's energy is produced. However, they do not feel that re-municipalisation is a realistic option:

Yes, that decision was crucial. With hindsight you can see that. But the economic risks of re-establishing the *Stadtwerke* are so incalculable that doing so would be irresponsible (interview 25).

As another interviewee explained, any publicly-owned utility company would need to compete with established private providers. Since the municipality no longer owns any large power stations, it would have to buy energy on the open market – almost certainly at higher wholesale prices than multinational companies such as RWE. Therefore, a re-municipalised *Stadtwerke* would be in a very vulnerable position compared to the established private energy companies, even if the council might itself be a customer:

We could create a greener energy company, but in the end it would need to make a profit... Of course you can set something up with different priorities, but the bottom line is that a municipal company has to operate in the black (interview 20).

This suggests that the Type I horizontal characterisation of a multi-functional authority, where responsibilities are concentrated within the municipality, does not apply to Gelsenkirchen's corporate policy-making arrangements. However, as section 4.2.1.2 in chapter 4 outlined, the council still has some control over Emscher Lippe Energie (ELE), the main energy provider in the city. This is because the company is a partnership between RWE and three other municipalities in the *Ruhrgebiet*: Gelsenkirchen, Bottrop and Gladbeck. Together, the local authorities own a joint 49% stake in ELE and they need to agree to any strategic decisions that the company takes. The city also has three extensive district heating networks, which can be fuelled by various different energy sources, including gas, coal, oil or wood pellets (interview 20). In other words, Gelsenkirchen Council has retained some responsibility for some energy provision within the city (and it buys this energy for itself as a customer). This suggests that it remains some distance away from a model Type II authority along the horizontal sub-dimension and is certainly not *dependent* on other local actors in this area (see figure 6.3 on page 245).

The market dynamic does not operate for water provision, where a single provider, Gelsenwasser, is responsible for supply in the city. Gelsenwasser is an independent state-owned company belonging to the four *Ruhrgebiet* municipalities of Bochum, Dortmund, Herten and Gelsenkirchen. Notably, a number of officers stressed the importance of ensuring that responsibilities for water remained in the public sector, partly to ensure that all citizens have access to this essential resource. They also argued that a functioning market in water supply is potentially dangerous, since price competition might encourage companies to cut corners and put public health at risk (interview 20). More importantly for the purposes of this thesis, however, although the shared ownership model suggests that corporate water policies operate within a fragmented horizontal context, each municipality remains responsible for deciding its position on corporate *consumption*. Therefore, as with energy use, the council retains control over the organisation's water policy in accordance with the Type I model of multi-level governance.

However, the implementation of corporate policies to reduce energy and water consumption has proved somewhat difficult. For example, the manager in charge of some projects in this area bemoaned the fact that the property directorate was reluctant to engage with the agenda (interview 16). This officer had tried to persuade staff across the council that they needed to change their behaviour, such as by switching off computers and lights when their offices were not in use, but found it very difficult to make any progress. Eventually, the authority contracted-out the management of these projects to a private company, which has undertaken this work since 2003. By allocating certain functions to task-specific ‘delivery’ organisations in this way, Gelsenkirchen Council recognised that it lacked the capacity to implement the policy alone, and therefore had to rely on external support to achieve its objectives. As such, it has moved away from Type I horizontal arrangements, because some responsibilities are no longer concentrated in the local authority.

The contract works on a revenue-sharing and payment-by-results basis, which means that the private supplier must change staff behaviour and reduce energy consumption before it receives any money for its work. Initially, there was some internal opposition to the idea of contracting-out any municipal activities, with some staff questioning why their colleagues appeared unable to carry out the work themselves and suspicious about the involvement of private companies. However, the arrangement has strong support from council directors and politicians – particularly because the municipality does not carry any financial risk:

The project is cost-neutral... The mayor’s representative said to me, ‘You’re bringing money into the council... It’s good. No politician is going to say we’ll get rid of that’ (interview 16).

Indeed, senior managers were so pleased with the arrangement that the council has entered into a similar contract to try and change staff behaviour in schools and childcare facilities. As the following breakdown illustrates, the contract still ensures that Gelsenkirchen Council will save money as a result of lower energy and water bills:

- 30% of the financial savings are kept by the private company as commission;
- 40% is reinvested by the relevant directorate in additional energy-saving measures, such as a new LED lighting system for a library;
- 15% is taken by the council's finance office to contribute towards Gelsenkirchen's debt reduction programme;
- 15% is kept and spent by the corporate energy-saving team to promote its activities.

However, it is notable that officers opted for this arrangement because they did not have the capacity to achieve policy objectives *independently* of other horizontal actors. These constraints were caused by a combination of two factors. Firstly, the manager responsible for encouraging behavioural change was frustrated at the lack of engagement from other parts of the municipality, and therefore felt that the issue would be better tackled by external experts. Secondly, because local politicians took a major interest in the energy-saving programme, they wanted regular updates from the energy conservation team, which meant that officers spent a lot of time in council committees and responding to queries from elected representatives – rather than delivering awareness-raising workshops to colleagues (interview 16).

The decision to outsource this work illustrates how Gelsenkirchen Council has had to respond to a vertical context that is less structured than in other sectors, particularly planning. Importantly, the authority sought to work more *interdependently* with horizontal actors in order to access the resources that were necessary to increase its capacity to achieve policy objectives (see figure 6.3 on page 245). As one officer pointed out, if more support had been available from higher tiers of government to facilitate behavioural change amongst staff, officers may not have needed to seek assistance from elsewhere to fill the capacity gap (interview 16). This shows how the power dependencies that apply to corporate policy-making are more similar to those that relate to climate change strategy (see chapter 4), rather than planning (chapter 5).

The above discussion also illustrates how Gelsenkirchen Council's corporate policies on resource use no longer fit comfortably within an ideal Type I model of multi-level governance along the horizontal sub-dimension. The municipality now has direct

responsibility for fewer functions than was previously the case: instead, it relies increasingly on external task-specific organisations to deliver policy. As with the shift away from Type I arrangements for climate change strategy, this change can be attributed to a realisation that the authority does not have the capacity to achieve its objectives *independently* of other local actors.

Furthermore, it suggests that municipalities may need to rely on other actors to implement their policies even in areas where they may be ‘self-governing’. This is particularly notable because we might expect organisations to have significant control over the activities of their own staff, and therefore the council would be able to achieve its objectives on reducing energy consumption with relative ease. The very fact that the council needed to outsource some of its activities in this area suggests that it is not able to exert hierarchical authority as effectively as it might wish.

At this point it becomes clear that *the employees of Gelsenkirchen Council are governing actors in their own right*. Indeed, since the authority has sought to involve them in policy-making and implementation, they are covered by the definition of governing actors set out in section 2.2.3 (see chapter 2). This means that the power dependencies involved in employer-employee relations are a key dynamic in corporate policy-making along the horizontal sub-dimension. As a result, we might expect a more *interdependent* approach in jurisdictions such as Germany, where the vertical macroeconomic context means that workers and their representatives tend to be more influential in organisational decision-making than in those countries that have adopted more ‘Anglo-American’ policies (see Crouch and Streeck, 1997, for a comprehensive overview of different types of Western capitalism). Indeed, as section 6.3.1.1 will illustrate, a key reason why Gelsenkirchen Council has had to engage more with its staff than Newcastle relates to the German economic model of consensus-based capitalism, which requires employers (often by statute) to consult widely with employees and their representatives before introducing any changes into the workplace.

6.2.2 *Newcastle*

This section follows the pattern of 6.2.1 by addressing the two sub-dimensions of multi-level governance in the context of Newcastle. As such, it begins by identifying the extent to which the council's corporate policies are shaped by a structured vertical framework involving other tiers of governance, particularly the UK central government. This is followed by analysis of other actors that may influence decision-making along the horizontal sub-dimension. It also examines how the nature of power relationships have influenced and changed these multi-level governance arrangements over recent years.

6.2.2.1 *Vertical governance structures*

In recent decades, central government has introduced a number of hierarchical performance frameworks and targets, against which all English municipalities had to report and were assessed by the Audit Commission (see chapter 3 for further details). This stands in contrast to the German (and indeed North Rhine-Westphalian) view that the federal and *Land* governments should not direct the affairs of local authorities: indeed they should endeavour to help them achieve their local objectives wherever possible. To illustrate the importance of this influence, Newcastle Council's climate change strategy makes a direct link between the municipality's aim to deliver a 60% reduction in greenhouse gas emissions by 2050 and the UK Government's Climate Change Act. It also lists details of the ministerial targets that relate to local government's role in mitigating and adapting to climate change, and sets out how the authority will endeavour to achieve them (Newcastle City Council, 2008, p. 8).

UK Government ministers began introducing these detailed performance frameworks with the Best Value regime in 1998. Best Value was followed by Comprehensive Performance Assessment (CPA) in the early 2000s, which was succeeded by Comprehensive Area Assessment (CAA) in 2009. Although the incoming Coalition Government abolished CAA a year later, these frameworks set out ministerial priorities for local government and incorporated various incentives that encouraged councils to implement central government policies. These incentives included 'local authority league tables' that were based on the how Audit Commission judged each

municipality, and which led to ‘high-performing’ councils receiving additional ‘freedoms’ whilst their ‘poor-performing’ counterparts were threatened with direct central intervention (Jas and Skelcher, 2014).

Notably, CAA assessed how individual municipalities were using natural resources such as energy, water and raw materials: this formed one of ten ‘key lines of enquiry’ that contributed towards the Audit Commission’s overall judgement on resource and financial management. As a result, corporate policies on climate change contributed directly towards this overall score for the municipality. In addition, both CPA and CAA required all local authorities to report the CO₂-equivalent emissions that were produced as a result of their activities. This constituted National Indicator 185, which the Audit Commission incorporated into its overall performance assessment for the municipality (Audit Commission, 2012). Despite the fact that CAA was abolished in 2010, local authorities still have to report the level of their corporate carbon emissions on an annual basis to central government. However, this target no longer contributes towards an overall assessment of the council’s performance, and therefore it has a much lower profile than it did prior to 2010. As such, there is less co-ordination and *interdependence* along the vertical sub-dimension than was previously the case. In other words, the weakening of central performance frameworks means that English councils appear to be moving back towards more flexible Type II arrangements, since they can now make and implement their corporate policies more *independently* of the centre compared to previously.

In spite of this, the fieldwork revealed that national performance frameworks did not influence Newcastle Council’s corporate policies to any great extent. Indeed, an officer who was responsible for collating data on resource usage was largely unaware of the Audit Commission’s key line of enquiry related to natural resources, in spite of having been in post whilst this was in operation (interview 10). In addition, central government targets that sought to influence corporate behaviour did not have a high-profile within the municipality (interview 1). Although interviewees agreed that wider debates about climate change do influence the council’s position (interview 3), they did not feel unduly pressured by centralised target regimes to change their corporate policies. As with Gelsenkirchen, financial pressures to reduce expenditure on energy, together with the council’s own policy priorities on climate protection, were far more

influential than ministers in determining how the municipality sought to control staff behaviour:

There's a drive because of the policy and the Council's approach to reducing emissions, but there's a financial driver as well (interview 7).

Similarly, although a number of other municipalities did downgrade the importance of climate protection after centralised targeting frameworks were abolished in 2010 (Scott, 2011), Newcastle Council's priorities did not change. Indeed, interviewees were keen to stress that they still considered it to be a key concern:

I don't think [the abolition of centralised performance frameworks] forced the Council to reassess its climate change policy or its priorities around sustainability generally (interview 30).

As such, we can see how these centralised targets actually had very little influence over Newcastle Council's day-to-day activity. Similarly, although the UK Government's desire to combat climate change is shared by the vast majority of municipalities, there is not as much vertical interaction and *interdependence* as in Germany. One reason for this is that England does not have a single unifying concept that is comparable to the German *Energiewende*. As both chapter 3 and the previous section illustrated, the *Energiewende* narrative permeates through government bodies at the federal, central, state, regional and municipal tiers in Germany, thereby giving staff at all levels a clear point of reference and helping to make policy more coherent (interviews 22 and 27). It is a particularly useful concept for German policy-makers because it is not confined to the environment or climate sector: it also stresses the importance of nurturing the green industrial sector and ensuring Germany's energy security. This makes it easier for public officials to understand the links between different policy areas and ensure that activity is 'joined-up across departments' (interview 22). The term also has positive connotations: indeed, the word *Wende* is still used as shorthand for the democratic transformation that happened in the former German Democratic Republic after the fall of the Berlin Wall.

However, corporate purchasing at Newcastle Council does operate within a more structured vertical environment than energy consumption, namely the national sustainable procurement framework. This sets out detailed standards for five stages of progress against which local authorities can benchmark themselves and undertake ‘peer reviews’ of neighbouring councils. Notably, Newcastle has acted as a pilot municipality within the North East and now monitors its procurement decisions against the framework. This includes using a complex system to calculate the amount of carbon dioxide that is emitted as a result of each major procurement, from energy consumption to construction (interview 9). As a result, the authority needs to co-operate closely with its suppliers, who have to track their activities (and those of sub-contractors) and report progress on a regular basis.

In spite of this, there are fewer incentives for a municipality to demonstrate that it has sustainable procurement practices compared to the pre-2010 situation, which perhaps makes it less likely that authorities will adhere to its recommendations. Indeed, the framework stresses that its standards and proposed benchmarking exercises are largely for internal purposes rather than external consumption. This is illustrated by the fact that there are no ‘carrots’ or ‘sticks’ from central government to encourage authorities to achieve high standards:

There are no other incentives other than being able to say ‘we are doing well’ (interview 9).

Overall, staff view the framework as a way of validating their expertise as procurement professionals and demonstrating that the council takes sustainability seriously as an organisation (interview 9). More than anything else, it provides a structure and agreed set of standards that the council is striving to achieve, and therefore helps staff to focus on these priorities. Taken together with the fact that local authorities still have to report the level of greenhouse gases they emit on an annual basis, this shows how there is some *interdependence* between tiers of government on corporate policies, although not as much as was previously the case.

As a result, Newcastle sits much closer to a characteristically Type II position than Gelsenkirchen along the vertical sub-dimension. Indeed, because centralised

performance management systems for local authorities have been short-lived and unstable, municipal managers are reluctant to commit significant resources to the latest trend in case they have to respond to a new agenda within a few years (interview 1). Ironically, therefore, despite attempts by ministers to direct local authority activity through performance targets, the unpredictable nature of these frameworks actually weakens vertical structures and has led Newcastle to operate increasingly *independently* of the centre. This dynamic vertical context, in which central government provides little support for municipalities to implement local priorities, also fits closely with Type II characterisations of multi-level governance and contrasts sharply with the longer-lasting, more *interdependent* and coalescing nature of the *Energiewende* in Germany (see figure 6.2 on page 243).

6.2.2.2 *Horizontal governance structures*

Chapters 4 and 5 showed how the local state in Newcastle Council is more fragmented than in Gelsenkirchen, and how this has resulted in the English municipality having to work more *interdependently* with other horizontal actors to achieve its climate change strategy and planning objectives. The situation for corporate policies is somewhat different, however, since managers at Newcastle Council have more capacity to exert hierarchical authority over their staff, and have therefore been able to operate more *independently* than their colleagues in Gelsenkirchen when seeking to introduce *internal* workplace reforms. Nonetheless, the greater fragmentation of public functions in England means that the authority needs to work more *interdependently* with external actors than its German counterpart.

Unlike Gelsenkirchen Council, Newcastle has not contracted out the task of trying to persuade staff to adopt more climate-friendly behaviour. Instead, the authority has given a number of existing employees the additional role of ‘green champion’ within their departments, in the hope that they will be able to persuade colleagues to switch off electrical equipment at the end of the day and avoid other unnecessary uses of energy (interviews 3 and 4). This system was still in its infancy in 2013, largely because the authority had only just begun to address behavioural change in its corporate climate change strategy. Most of its previous initiatives on energy

conservation were associated with relatively ‘easy wins’ such as introducing low-energy lighting and insulating buildings (interview 3), or ensuring that new corporate vehicles were more fuel-efficient (interview 7).

In a similar way to Gelsenkirchen Council, however, the authority soon discovered that facilitating behavioural change amongst staff is much more difficult than installing technical solutions of this nature (interview 16). Indeed, initial impressions suggested that the green champions system was not particularly effective (interviews 5 and 12), and therefore Newcastle may end up following Gelsenkirchen’s lead and seek an external contractor to encourage behavioural change amongst staff. Nonetheless, the municipality is still keen to retain control over its corporate policies, which shows how its horizontal arrangements exhibit some characteristics that are normally associated with Type I multi-level governance.

In addition, Newcastle Council takes a unified corporate approach to procurement and therefore purchasing activity is not fragmented across the municipality (in contrast to many other English authorities). This structure fits more Type I characterisations, in which functions are concentrated in a ‘multi-functional’ local authority, rather than dispersed around different agencies and organisations, and also enables the authority to exert more hierarchical control (see section 6.3.2.1). As a result, the authority is largely able to ensure that directorates comply with corporate policies on sustainability. For example,

we’ve got a corporate control in terms of procurement and I think it’s quite difficult when it’s siloed [delegated to individual departments]. So we’re in a better place...because we have a lot more control... In other councils where everybody’s doing it, it’s much harder (interview 9).

To illustrate the nature of central control, any department that wants to purchase goods and services valued at over £5,000 must put in an official request to the procurement team, which then ensures that it meets with corporate standards and policies. Managers who want to buy anything under this threshold have to use existing supplier contracts, if they exist. The result is that the council is able to control

purchasing behaviour and operate as a more cohesive, multi-functional and *independent* unit – in contrast to the devolved image of Type II characterisations.

Nonetheless, the municipality is only able to exert this influence over its directorates, and therefore schools and other outside organisations are exempt from the corporate policy. Since the local state in Newcastle has become increasingly fragmented in recent years, this means that the council is not in a position to impose its policies on other public bodies. Staff within the authority recognise the limitations of this situation and are seeking to work more closely with other organisations (including both of the city's universities) to align their standards on sustainable procurement, aggregate demand, and hopefully negotiate better deals with suppliers. As with previous examples in earlier chapters, this situation highlights some of the ironies inherent in New Public Management initiatives that lead to state fragmentation: in order to have the capacity to implement policy effectively, decision-makers have to try and 'join-up' institutions and work more *interdependently* with other actors (see Dunleavy and Margetts, 2006). Moreover, it illustrates how Type II characteristics still predominate along the horizontal sub-dimension.

Similarly, an arm's-length management organisation (ALMO), Your Homes Newcastle (YHN), has been responsible for council housing in the city since 2004, and views itself as a separate organisation from the municipality (interview 4). In common with many other English municipalities, Newcastle Council established the ALMO in order to access additional central government grants to fund necessary renovations and thereby bring its housing up the statutory Decent Homes Standard (Pawson, 2006, interview 4). This arrangement means that the ALMO is able to exercise significant discretion over its activities (interview 4). For example, although the council sets YHN a number of high-level targets, these focus largely on issues of stock condition and tenant satisfaction – they do not include any environmental or climate change indicators such as energy consumption. The result is that:

On climate change, the [council's] climate change plan... would set a direction for us, but we can do what we want to within that (interview 4).

To illustrate this, the officer explained that although YHN takes account of the council's procurement standards, it developed its own procurement charter, which then informed a more detailed purchasing framework. In addition, the ALMO has its own sustainability strategy, which incorporates targets for reducing the organisation's carbon footprint, but is not linked explicitly to the council's objectives.

Furthermore, the UK Government's more recent initiatives on 'academy' and 'free' schools have fragmented municipalities even more, since these establishments receive their funding directly from central government and (unlike traditional schools) are completely independent of local authority control (Waterman, 2014). Therefore, although academies and free schools work together with the municipality in some areas (for example, on utilities procurement), the council is not in a position to influence their energy or water consumption (interviews 3 and 34). Crucially, academies receive more state funding per pupil than traditional schools, partly to help them procure services from external providers that local authority schools receive free of charge directly from the municipality. This incentivises traditional schools to convert to academy status – a process that was championed initially by the Coalition Government that took office in 2010, and subsequently by its Conservative successor. Indeed, the number of academies in Newcastle increased from four to twelve between December 2011 and September 2014, and England as a whole saw a similar percentage increase (Department for Education, 2014). This illustrates how the local state has fragmented further in recent years, and therefore the extent to which Newcastle Council operates within a Type II multi-level governance context along the horizontal sub-dimension (see figure 6.1 on page 243). It also means that the authority has to work more *interdependently* with external actors in order to achieve its objectives.

In addition, the departmental system within Newcastle Council has led to the development of internal contracting arrangements when one directorate would like to use the services of another part of the authority (interview 10). The reforms were introduced primarily for accounting reasons, to ensure that different services were properly recognised (and sufficiently resourced) to undertake the activities required of them. However, they have strengthened horizontal relationships and weakened hierarchical authority within the council, resulting in a less cohesive and coherent

municipality. For example, Newcastle’s Environment and Regeneration Directorate buys and owns nearly all of the authority’s vehicles, and agrees Service Level Agreements (SLAs) with other council departments that want to use them. The leasing department takes over responsibility for maintenance, excise duty and fuel, as well as how the vehicle will be used (interview 7). Yet, because the SLAs do not stipulate any conditions about fuel consumption, individual departments do not need to take account of the corporate policy on using council vehicles.

	Gelsenkirchen	Newcastle
Vertical structures	Type I model is increasingly dominant	Type II model is increasingly dominant
	Structured support network and the <i>Energiewende</i> narrative supports <i>interdependence</i>	Weakening vertical framework is resulting in greater <i>independence</i> from higher tiers of government
	Macroeconomic model encourages consensus-based workplace decision-making	Macroeconomic model empowers management in workplace decision-making
Horizontal structures	Type I still dominant, but shifting towards Type II model	Increasingly dominant Type II model
	Resource and capacity constraints are leading to more <i>interdependence</i>	Greater fragmentation and <i>interdependence</i> between organisations
	Council managers take workplace decisions more <i>interdependently</i> with staff	Council managers take workplace decisions more <i>independently</i> of staff

Table 6.2: Changes in the sub-dimensions of multi-level governance types as applied to corporate policies in Gelsenkirchen and Newcastle

These examples illustrate how various reforms have weakened vertical relationships and encouraged horizontal state fragmentation within Newcastle. Crucially, they have reduced the council’s ability to operate as a multi-functional municipality, and meant that it needs to implement its corporate policies on climate change *interdependently* with other external actors in the locality (see figure 6.3 on page 245). The result is a horizontal institutional structure that is edging closer towards a model Type II

characterisation – and one that has further implications for state capacity at the local level.

Indeed, as table 6.2 and figure 6.1 show, Newcastle’s arrangements for corporate policy-making and implementation remain some distance away from those that operate in Gelsenkirchen, despite the German city’s shift away from a classic Type I structure along the horizontal dimension. In particular, Gelsenkirchen still receives more support from higher jurisdictions, and the *Energiewende* has provided an additional impetus for public bodies across tiers of government to work together *interdependently*. This contrasts with the UK central government’s increasingly detached approach, and the lack of a single narrative around which public bodies can co-ordinate their policies.

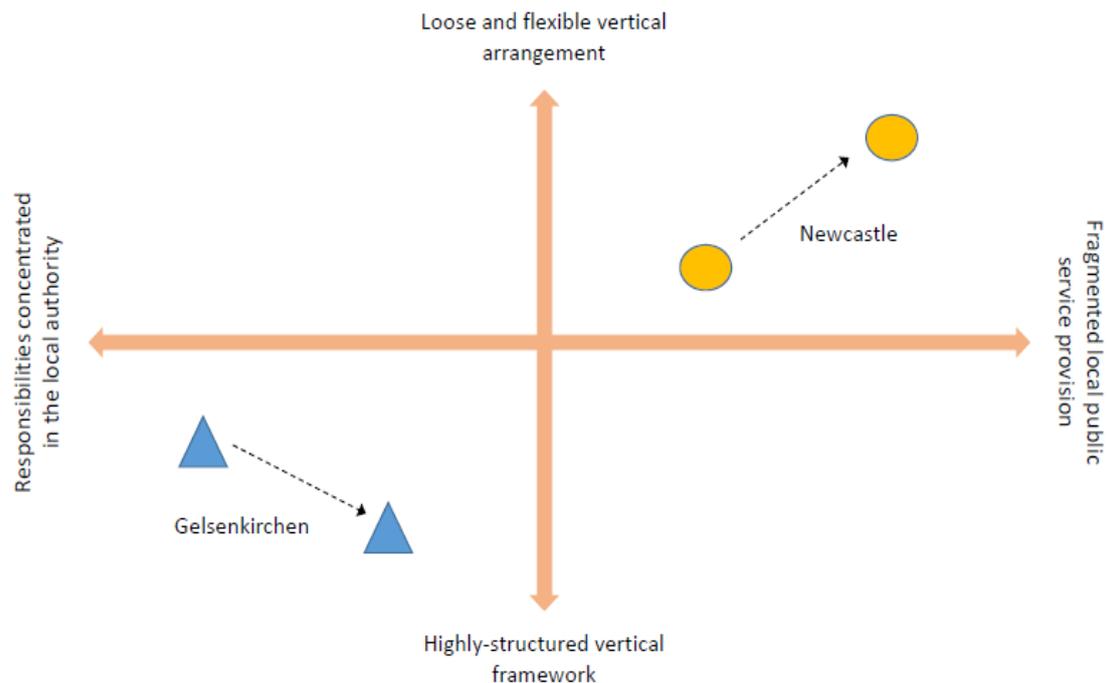


Figure 6.1: Changes in the sub-dimensions of multi-level governance types as applied to corporate policies in Gelsenkirchen and Newcastle

Furthermore, although both cities are moving closer towards a classic Type II arrangement on the horizontal dimension, Newcastle is further down this road than Gelsenkirchen and has also pursued it for different reasons. Gelsenkirchen contracted out some services because of the municipality’s precarious financial position and the belief that an external provider might be better placed to effect behavioural change

amongst staff. In contrast, the fragmented local state in Newcastle is primarily the result of central government’s attempts to impose New Public Management (NPM) techniques on local authorities. However, it is worth remembering that the vertical macroeconomic context means managers at Newcastle Council do not have to work quite as *interdependently* with their *internal* governance actors (in other words, their employees) as their Gelsenkirchen counterparts – as section 6.3.2.1 will discuss.

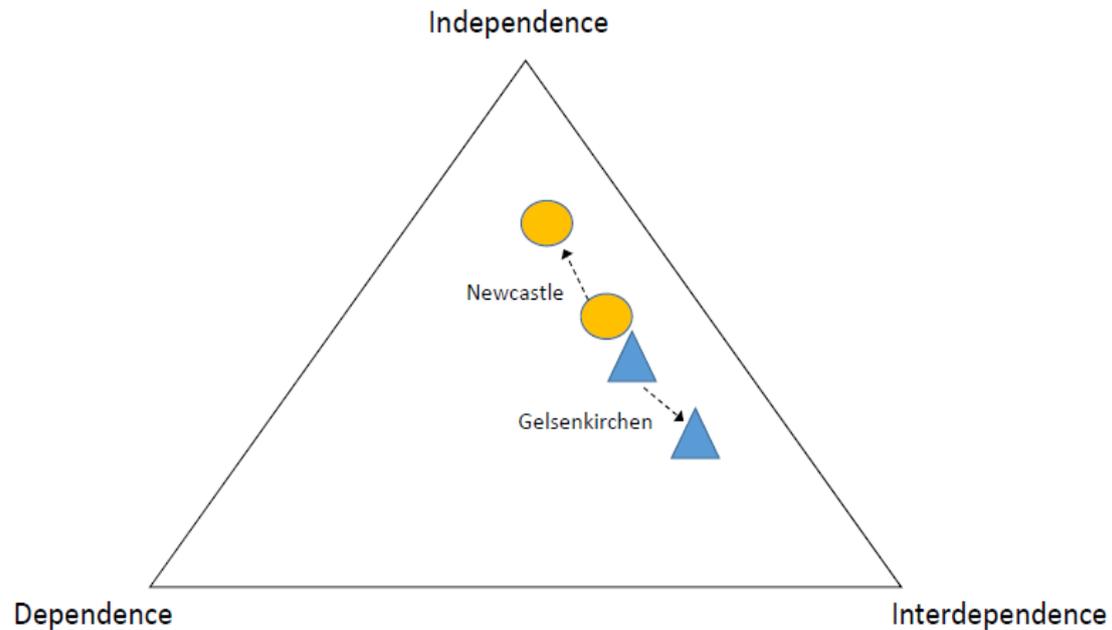


Figure 6.2: Vertical power dependency relationships for corporate policies in Gelsenkirchen and Newcastle

The shifts highlighted in table 6.2 and figure 6.1 are largely a result of changes in the nature of power dependencies within each city. Several years ago, the municipalities in Gelsenkirchen and Newcastle had more similar relationships with higher tiers of government, with *Politikverflechtung* encouraging *interdependence* in Germany and national performance frameworks meaning that English councils worked towards central policy objectives. However, the abolition of ministerial targets has left Newcastle Council very *independent* of higher tiers of government in this policy sector. In contrast, the *Energiewende* has provided a common narrative for different tiers of government in Germany and improved policy co-ordination as a result. As a result, Gelsenkirchen now works more *interdependently* with other actors along this sub-dimension than was previously the case. As figure 6.2 shows, it also means that

vertical power dependencies for corporate policies are actually *diverging* rather than *converging*.

In terms of horizontal relationships, the increasingly fragmented nature of Gelsenkirchen and Newcastle councils means that both municipalities are moving away from the *independence* pole. Gelsenkirchen’s outsourcing of various public utilities in recent years, together with its reliance on an external firm to persuade staff to adopt more environmentally-friendly behaviour, means that the German municipality has moved towards a more *interdependent* position along this dimension. Similarly, although Newcastle Council takes an integrated approach to sustainable procurement, its lack of control over social housing and – increasingly – publicly-funded schools in the city means that it has to try and work with other local actors to achieve its corporate policy objectives. Indeed, the fact that these external bodies operate largely autonomously of the council means that the authority cannot influence them to any great extent and actually *depends* on them to act on its behalf. Therefore, as figure 6.3 shows, Newcastle Council’s relationships with other local bodies are more asymmetrical than those of its German twin.

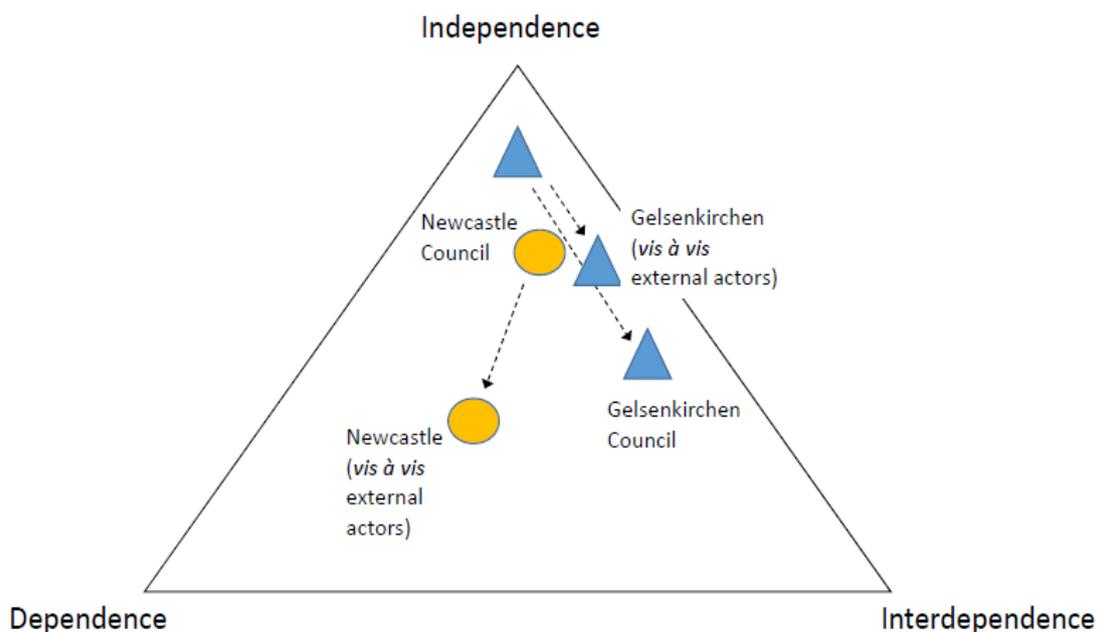


Figure 6.3: Horizontal power dependency relationships for corporate policies in Gelsenkirchen and Newcastle

Nonetheless, if we focus just on those governing actors that are concentrated within the municipality (in other words, council employees rather than external, ‘task-specific’ organisations), power dependencies in the two authorities are very different. Crucially, differences between the German and Anglo-American models of capitalism (which themselves are the result of central or federal government policies – and therefore the vertical framework within which municipalities operate) mean that operational managers at Newcastle Council are more powerful than their colleagues in Gelsenkirchen. As a result, the English authority has the resources and capacity to operate more *independently* of governance actors that are located *within* the council – in other words, its staff. Since it has been in this position for some time, the council has not moved from its original position in figure 6.3 – in contrast to the shifting nature of its relations with external actors in the locality. For its part, Gelsenkirchen Council has to work more *interdependently* with employees, due to federal requirements on staff consultation and consensus-based decision-making in the workplace, and this is reflected by its location in the tri-polar diagram. As section 6.3 will highlight, these relationships have significant implications for the policy styles that each municipality has been able to adopt.

6.3 Policy styles and corporate policy

This section analyses the extent to which the decision-making and implementation styles for corporate policies in Gelsenkirchen and Newcastle Councils fit with typically ‘German’ and ‘English’ characterisations. As with the previous two chapters, it addresses each city in turn, mapping the empirical findings against two sub-dimensions of policy style: the extent to which the council relies on hierarchy rather than engagement; and, its preference for state of the art solutions instead of the best practicable means for addressing a problem.

6.3.1 Gelsenkirchen

6.3.1.1 *Hierarchy versus engagement*

Interviewees at Gelsenkirchen acknowledged the importance of changing staff behaviour for achieving their corporate policy objectives, and recognised the need to engage with employees to try and facilitate this. However, the authority only addressed this issue *after* corporate sustainability policies were agreed and set out in internal documents in a hierarchical fashion. Managers did not feel that significant employee consultation would be necessary, because they expected their colleagues to understand that it would be in their own interests to reduce energy consumption – after all, this would allow the municipality to save money and lower the risk of redundancies (interview 16). Notably, the situation in Newcastle was very similar (interview 4). As such, the following discussion (as well as section 6.3.2.1) recognises that policy priorities in both councils were agreed in a hierarchical fashion at the outset, and therefore focuses largely on the techniques that each authority adopted to manage and implement them.

As with the climate change strategy and planning sectors (see chapters 4 and 5), the fieldwork revealed that Gelsenkirchen Council exerts its hierarchical authority in those aspects of corporate policy where it is able to do so. Some examples of this are not particularly high-profile, such as improving thermal insulation in council buildings, replacing incandescent light bulbs with LEDs and installing light wells in office corridors (interview 20). In fact, staff were keen to stress that they have been trying to save energy by retrofitting buildings in various ways for at least two decades, and particularly after the council's financial situation worsened in the early 2000s. Although these changes were imposed in a top-down fashion, it is important to note that they had a very limited impact on the workforce – a factor that one interviewee felt meant they were much more likely to succeed (interview 22).

In addition, the authority has worked with other municipalities to adopt a more hierarchical position in energy procurement (interview 20). In 2013, half of the electricity purchased by Gelsenkirchen council came from renewable sources, and

managers expect to hit their target of 100% by 2020 (interview 22). The fact that local authorities still own a substantial stake in ELE, the local energy provider, should help them to achieve this objective. Indeed, pressure from the four municipalities on the ELE board has meant that the supplier will increase the amount of green electricity it provides up to a total of 20 GWh per year by 2020 (interview 22). This shows how the combined purchasing power of several councils means they can persuade electricity suppliers to source more of their power from renewables, and thereby contribute towards climate protection objectives.

Indeed, the fragmented nature of the local state actually empowers municipalities in this context, because it gives them greater leverage over energy companies. Suppliers are aware that customers can choose a different company if they refuse to meet their requirements, and therefore they are keen to accommodate the councils' wishes in order to retain their business (interview 18). In other words, although local public services are becoming more fragmented along the horizontal dimension (in line with a trend towards 'English' Type II arrangements), Gelsenkirchen Council is still able to adopt a largely 'German' policy style and exercise hierarchical control over energy providers. Nonetheless, it would be in an even stronger position to direct a municipal electricity supplier than a power company like ELE that operates on the open market. Therefore we do need to acknowledge that the abolition of Gelsenkirchen's *Stadtwerke* has reduced its hierarchical influence to some extent.

In another example of the extent to which the authority can control its corporate policies, public buildings need to meet strict criteria on energy consumption. Some of these are related to the Energy Conservation Act, which stipulates that all properties constructed prior to 1990 in Germany (along with new buildings) need to meet strict energy performance and sustainability standards when they are refurbished (see chapter 5). Others, however, are the result of hierarchical decision-making within the council, most notably the requirement that new or refurbished buildings must have either photovoltaic or green roofs. This corporate standard has been implemented with the full support of council employees, because it means that refurbishment projects can be planned within a stable framework:

A manager who wants a new building can plan from the beginning whether they want a green roof or a solar roof. . . If it is technically feasible, so if the roof can face south and not be in the shade or anything else, then solar panels have to go on top. That's a requirement. Or, if we have an existing roof and we don't have to put solar on top, then the question is, 'can we do a green roof?' If so, then we have to put a green roof on it. . . Staff buy into these standards without objections. . . it's the same with disability access, or inclusion, it is a political decision and we implement it (interview 20).

Interestingly, one officer felt that the political structure of the council increased the reliance on hierarchical management techniques within the authority. Unlike most English municipalities, Gelsenkirchen has a directly-elected mayor, who is in charge of both the elected Council and the salaried officers in the municipal administration. In Newcastle, by contrast, the Leader of the Council is responsible for the former and the Chief Executive is tasked with the latter. One interviewee, who had worked for the municipality in Gelsenkirchen since before the elected mayoral system was introduced in 1999, felt that staff now had clearer objectives, which resulted in a more focused and hierarchical approach to decision-making:

Politicians have definitely had more influence over the authority since then. Some issues are now non-negotiable (interview 20).

Crucially, therefore, staff now pay more attention to the *political* views of the mayor. For example, despite the authority's precarious financial position, they no longer opt for an energy provider purely on the basis of cost, but rather take account of the mayor's desire to demonstrate local leadership on sustainability (interview 20). Once again, this highlights a greater reliance on hierarchy rather than engagement with other local actors.

Similarly, the authority has not subscribed to more 'bottom-up' systems for monitoring corporate energy use, such as the Eco-Management and Audit Scheme (EMAS). As Meinke (2002) has argued, this scheme relies on consensus and self-assessment rather than hierarchy, and therefore fits more closely with the typically 'British' policy style. Indeed, as section 5.3.2.1 will show, Newcastle Council used it

for several years, whereas officers in Gelsenkirchen felt that the scheme was unnecessary and more relevant for the private sector than public bodies (interview 22). Instead, they felt that they could create ‘a climate for climate protection’ within the municipality through more hierarchical command and control techniques (interview 14).

In spite of this attitude, however, Gelsenkirchen Council’s systems for monitoring energy consumption do rely on bottom-up participation to a large extent. Unlike municipalities such as Aachen for example, ‘we still don’t have proper energy controlling systems’ that allow staff in the corporate centre to view real-time power, heating and water consumption (interview 16). Instead, individual building managers compile monthly reports based on their own meter readings, and these data inform discussions with procurement staff around where and how they might conserve energy. Similarly, the council has not installed software in corporate vehicles to track fuel consumption and inform performance appraisals. This contrasts with Newcastle Council’s greater reliance on hierarchy and automated data reporting systems, which seek to inform decision-making and change behaviour (see section 6.3.2.1).

Notably, one interviewee at Gelsenkirchen Council felt that sophisticated software systems and monitoring procedures would not be popular with staff (interview 16). Indeed, their potentially intrusive nature would almost certainly be opposed by unions and employees more widely, which would make them very difficult to introduce in the municipality – or indeed in many other German workplaces. At this point, the academic literature on contrasting models of Western capitalism can help to understand and explain differences between the case study municipalities’ approaches to implementing corporate policies. These studies highlight the post-war German traditions of employee consultation, labour market regulation and collective bargaining, and contrast them with an Anglo-American model of flexible labour markets and more powerful employers (see in particular Crouch and Streeck, 1997). This suggests that German trade unions and employees are in a stronger position *vis à vis* their employers than their English counterparts, and workplace cultures are more accustomed to the idea of consensual decision-making.

Ironically, therefore, the German macroeconomic model actually hinders local authorities from adopting a typically German policy style in their corporate policies, because staff are better placed to prevent the introduction of hierarchical and potentially intrusive reforms in the workplace. By treating employees as ‘distinct governing’ actors, we can see how managers at Gelsenkirchen Council have to work more *interdependently* with them, whereas their counterparts in Newcastle do not have to take account of employee perspectives to the same extent (see also section 6.2). As chapters 4 and 5 suggested in the context of climate change strategy and planning, a higher degree of *interdependence* along the horizontal sub-dimension tends to lead to a greater reliance on engagement rather than hierarchical techniques – and this also appears to be the case with corporate policies.

Indeed, a range of corporate initiatives have been characterised by a typically ‘English’ approach of persuasion, incentivisation and stakeholder engagement. For example, the authority publishes monthly energy-saving tips on the corporate intranet and encourages staff to consult them when completing annual quizzes. These quizzes have offered a range of attractive prizes to those employees who participate, including all-expenses trips to Alsace-Lorraine, Berlin and Hamburg. One interviewee felt that this approach has been very successful in engaging employees with the energy-saving agenda:

They are really great prizes and people recognise that now. There are more than 30% of staff who participate, over a thousand people altogether. It’s worked really well (interview 16).

The council has also tried to instil a competitive element to energy conservation across its schools, by introducing a centralised reporting system to measure consumption and making the results available for benchmarking purposes. It awards points to those schools that have made particular progress in saving energy and highlights their achievements across the council. Since municipal employees generally express their support for energy-saving initiatives, a consensual and encouraging approach of this nature should theoretically prove effective. However, the officer in charge of behavioural change projects lamented the fact that staff were very reluctant to put their environmental principles into practice:

People talk all the time about wanting to protect the environment and how it's very important to them. But it doesn't manifest itself in their behaviour or actions... Energy prices have got so high recently that they notice it at home, [but]... although they say they behave in a certain way at home, they don't do that here because they don't pay the electricity bill, or the heating bill either... They come into their offices and turn everything on. Everything. Every time. Then they go for a meeting somewhere. Then they go out for lunch. And then they go to the next meeting. And at 5pm, or 4.30pm, or whenever, they go back into their offices, turn everything off and go home (interview 16).

Eventually, the authority concluded that an external supplier might be better placed to encourage staff to reduce energy consumption (see section 6.2.1.2). Notably, however, the contractor has continued with the council's engagement strategy, preferring to use 'carrots' rather than 'sticks' to try and persuade employees to change their behaviour. This is in spite of the fact that council managers recognised that a more hierarchical strategy might be necessary to reduce consumption significantly. As one officer put it, 'we want to reward people, but we want to penalise them as well' (interview 16) – but the industrial relations context makes this more difficult than in England. Nonetheless, the contractor has even less control over staff than the municipality, because it does not employ them and therefore cannot threaten potential sanctions very easily. As a result, the reliance on negotiation and consensus looks likely to continue for the foreseeable future – even though it may not reduce energy consumption by as much as the municipality would like.

As this subsection has shown, therefore, Gelsenkirchen Council relies more on engagement than hierarchy when trying to and implement its corporate policies. The top-down way in which policy priorities were agreed at the outset, together with the fact that the authority is still able to exert control over energy providers (in spite of the privatised nature of the market), means that elements of hierarchy still exist. Moreover, the introduction of an elected mayor in 1999 has given internal decision-making a more political and hierarchical focus, and resulted in the council shifting slightly leftwards along the horizontal axis in figure 6.4 (see page 270).

However, the authority is only able to encourage (rather than force) staff to change their behaviour, and tries to use a range of mechanisms to incentivise them to do so. Similarly, the lack of central monitoring systems for measuring electricity, water and fuel consumption means that senior managers do not have as much oversight and control over staff behaviour as their counterparts in Newcastle. In contrast to what we might expect, therefore, Newcastle Council is actually located closer to the ideal ‘German’ position in terms of its reliance on hierarchy rather than engagement. This is largely due to the different levels of capacity that employers have at their disposal to introduce workplace reforms *independently* of their staff.

6.3.1.2 *State of the art solutions versus best practicable means*

There is some evidence to suggest that corporate policies at Gelsenkirchen exhibit a preference for ambitious state of the art (SOTA) technical solutions, in line with the ‘German’ policy style. As the previous subsection 6.2.1.2 discussed, for example, the municipality has a target to purchase all of its electricity from renewable sources by 2020, up from around 50% in 2013. Interviewees were convinced that they would meet this target, even though green electricity may not be cheap enough by this date for it to be the most cost-effective option (interview 18). In other words, they felt that any potential premium on sustainable power was a price worth paying for achieving this political objective.

Moreover, interviewees were keen to stress that the council takes great interest in how energy suppliers generate their renewable power. As one member of the procurement team put it, they only want to buy ‘proper green electricity’ – in other words, not power from old and inefficient hydroelectric plants in Austria or Norway, and certainly not from nuclear stations (interview 18). Indeed, since 2010 the authority has asked its suppliers to certify that most of their green electricity comes from new renewable plants, and that none comes from nuclear power. Since ‘high quality’ green electricity is normally more expensive than power from fossil fuels, this also illustrates the fact that Gelsenkirchen does not prefer to opt for the best practicable means (BPM) in terms of technical solutions. Indeed, interviewees emphasised how

the council expected them to continue ‘turning the screw’ in sustainability terms, including in discussions with energy suppliers (interview 18).

Furthermore, as chapter 5 mentioned, new or refurbished public buildings in Gelsenkirchen must incorporate photovoltaic panels if they will deliver a financial return within ten years. If the building fails to meet this test, it should be given a green roof when they are refurbished. As such, the council still relies on high uniform standards for climate protection policy in this area.

In spite of this ambition, however, the council has adopted a more pragmatic approach in recent years, particularly as financial constraints have begun to take effect. This partly reflects a loosening of the vertical framework within which it operates. In 2008, for example, the *Bezirk* authorities considered energy performance to be the most important part of any application for grants to fund kindergarten refurbishments. In the words of one officer, ‘it was not important, how economic the project was’ (interview 26). This stipulation was removed a year later, once the severe impact of the global financial crisis became apparent and after some of its objectives were incorporated into the federal Energy Conservation Act (interviews 22 and 26). As a result, financial considerations became predominant once again and climate protection regulations became much less prescriptive, stating only that ‘programmes should *promote*... measures to reduce CO₂ emissions and increase energy efficiency, including the use of renewable energies’¹⁹ (Ministerium für Bauen, Wohnen, Stadtentwicklung und Verkehr des Landes Nordrhein-Westfalen, 2014, emphasis added).

There was also pressure from outside the council to ensure that public buildings reached the very high *Passivhaus* standard for energy consumption following any refurbishment – rather than stipulate only that they should incorporate PV panels or a green roof. However, interviewees pointed out that such an ambitious approach would be ‘financially impossible’ for the cash-strapped municipality (interviews 22 and 24),

¹⁹ ‘Im Rahmen integrierter städtebaulicher Gesamtkonzepte sollen dabei Maßnahmen zur Verringerung der CO₂-Emissionen und zur Steigerung der Energieeffizienz einschließlich des Einsatzes... gefördert werden’.

which shows how resource constraints prevented it from adopting SOTA solutions. Indeed, as chapter 5 illustrated in the context of Hans-Sachs-Haus, municipal officers now need to demonstrate that environmental technologies in or on public buildings must deliver a financial return within ten years of their installation. This emphasises the importance of cost-effectiveness in procurement decisions, and thereby challenges the typically ‘German’ preference for SOTA technologies, because cutting-edge solutions tend to be more expensive than products that have been on the market for some time.

Nonetheless, the mere fact that citizens in Gelsenkirchen were even able to raise the prospect of retrofitting public buildings to *Passivhaus* standards illustrates the council’s level of ambition in adopting green technologies. Furthermore, Germany’s generous system of feed-in-tariffs means that technologies such as photovoltaics normally deliver a profit in less than a decade, and therefore the authority expects to install PV panels on the roofs of most of its buildings (see also chapter 5). It is also relatively straightforward to demonstrate a return on investment for insulation and energy-saving projects, which encourages the council to invest in these initiatives on a large scale. As a result, when the roof of a building needs repairing, the authority will install more insulation than is required by statute, provided there is space available (interview 18). Indeed, managers try their utmost to try and fund any project that will reduce energy demand:

We have to keep in mind how much money we have at our disposal, [but] we try to make the most of this. When we invest in something we want to have a relatively big impact in terms of saving energy... Everything that I don’t use, I don’t pay for. And that’s why we are always trying to reduce consumption (interview 18).

In addition, recent changes to the accounting regulations for German local authorities mean that they should calculate the whole-life cost of assets before purchasing them (Rehm and Matern-Rehm, 2010, interviews 18 and 19). Since buildings (including their fittings) can have a lifetime of anywhere between 30 and 100 years, this reform enables managers to stretch out the up-front cost over a much longer period for accounting purposes – and encourages them to take a long-term perspective on investment. Related to this, Gelsenkirchen Council’s procurement directorate has

developed a matrix to calculate the whole life cost of particular solutions, depending on their price at the outset and likely energy consumption over the coming decades (interview 18).

This illustrates once again how an *interdependent* vertical framework can increase the capacity of municipalities to adopt ambitious policies at the local level. Indeed, it enables German authorities to spend more money on assets up front, in the knowledge that they will have lower maintenance or running costs over the coming decades. For example, Gelsenkirchen Council has invested in geothermal heating for a new school and kindergarten (as well as Hans-Sachs-Haus, see chapter 5), because this will prove cheaper over the longer term than relying on more conventional sources – particularly considering the volatile nature of wholesale energy prices (interview 18).

Notably, English municipalities have been able to borrow for capital investment on a similar basis since 2004, but interviewees at Newcastle were still more concerned about the up-front cost of assets than their Gelsenkirchen counterparts (interviews 5 and 9; see also section 6.3.2.2). This suggests that Newcastle Council is more likely to opt for cheaper solutions that may be fit for purpose but do not necessarily deliver as many longer-term environmental benefits as those purchased by its German twin. Such characterisations illustrate how the two cities do exhibit characteristics of their national policy styles.

Overall, therefore, Gelsenkirchen Council still tries to adopt a principled stance on sustainability, and does not always choose the easiest and cheapest option. This means that sits closer to SOTA than the traditional English attitude of BPM along this sub-dimension (see figure 6.4 on page 270). Although the council's ten year rule for delivering a return on investment means that it is no longer an organisation that prefers SOTA solutions regardless of their costs, it sets its sights only marginally lower. As with climate change strategy and planning, support from higher tiers of government and the degree of vertical *interdependence* between actors has enabled the municipality to adopt this ambitious position. This is because changes in the federal accountancy framework and the introduction of feed-in-tariffs make it easier to justify investing in new technologies, and legislation such as the Energy

Conservation Act require property owners to retrofit buildings in a sustainable manner.

6.3.2 *Newcastle*

6.3.2.1 *Hierarchy versus engagement*

In line with the characteristically English policy style of consensus, Newcastle Council has relied traditionally on employee engagement to try and persuade its staff to act in a more environmentally-friendly manner. This approach is reaffirmed in the authority's corporate climate change strategy, which explains how the council's Energy Centre works to raise awareness of sustainability issues amongst employees (Newcastle City Council, 2008). Recently, however, the authority has begun to introduce more hierarchical methods in order to try and effect behavioural change amongst staff, largely because managers felt that the previous softer strategy was not proving sufficiently effective. Notably, the council achieved this relatively easily, because it has been able to introduce information and data reporting systems into the workplace without encountering significant employee opposition. As a result, Newcastle now follows a more 'German' approach to corporate policy-making than Gelsenkirchen – thereby contradicting the idea that national styles might apply in this context.

The council's 'green champions' idea (see section 6.2.2.2) is a typical example of the 'English' persuasive strategy, but it also highlights the limitations of this approach. This initiative involves members of staff in each council department trying to persuade colleagues to consider how their everyday working activities might affect the environment. The champions also provide a 'sounding board' for employees who may have their own ideas for reducing the organisation's sustainability impact (interview 3). However, the system has struggled to make a major impact, and a number of directorates still lacked a champion over a year after they were supposed to be introduced in 2012. In addition, as one champion noted, they were becoming disillusioned at their lack of progress and the attitudes of some colleagues:

For a while I sent an email to people locally, people who sat around who left their computers on, that sort of thing. But, number one, sometimes you want tea made for you and, number two, it's just not the way to do things... If people don't have an interest in climate change I'm afraid you can't teach them (interview 4).

Similarly, attempts to send less corporate waste to landfill have also relied largely on communication and persuasion. The council has had paper recycling facilities in its offices for at least a decade, and staff do tend to use them. However, one green champion felt that his colleagues needed to be reminded of them on a regular basis:

We're about to restart a bit of communications and update the infrastructure in the offices, because people forgot what the [recycling] boxes are for... There's just a need for continual communication on these things. You've got to keep reminding people every so often (interview 4).

As this suggests, adopting a strategy of engagement requires green champions to invest a lot of effort in trying to persuade employees that they need to recycle, and it is not necessarily effective. Similarly, the authority has also appreciated the limitations of its previous strategy to engage with employees in its corporate transport policy. The council organises pool bicycles, as well as shared cars and bus or metro passes, and has tried to encourage staff to use these facilities rather than their own vehicles. It also funds the activities of a staff bicycle user group, such as weekly cycle maintenance sessions for colleagues (interview 8), which aim to increase the number of employees who commute by sustainable forms of transport. A more ambitious programme trained staff in 'eco-driving' techniques that are more fuel-efficient and therefore result in lower costs and CO₂ emissions for the council. By November 2012, over 600 employees had undertaken the training programme, and the manager in charge of the initiative did feel that it helped to reduce fuel consumption across the authority's fleet (interview 7). However, he remained frustrated by the habits of some staff who drive on authority business:

I've watched people use council vehicles and they're not using them in the way they might use their own vehicles... they might be idling, with the keys in, using fuel (interview 7).

These examples highlight how Newcastle Council experienced exactly the same kind of employee reluctance as its counterpart in Gelsenkirchen, and the staff responsible for persuading their colleagues to change felt similarly frustrated. The authority's response has been to institute more hierarchical procedures into the workplace in order to increase levels of compliance. For example, it stipulated that all used aggregate must be re-purposed for road maintenance elsewhere in the borough after the Highways Department invested in a concrete batching machine in 2010 (interview 10). Although solutions of this nature may not be as overt as sanctions or penalties on staff, they nonetheless illustrate that the authority is less focused on employee engagement to try and achieve its objectives.

More explicitly, in 2008 Newcastle Council installed software into corporate vehicles to monitor fuel consumption and activity, as well as restrict their maximum speed to 50mph. A parallel initiative to reduce the council's reliance on hired vehicles has seen the weekly spending on them fall from over £11,000 to under £3,000, which means that staff are now much less likely to drive cars that do not incorporate the monitoring software (interview 7). In addition, the municipality froze the amount of money that employees could claim back for each mile they travel in their own cars, thereby increasing the incentive for staff to use the corporate vehicles (interview 8). As a result of the software, service managers are now able to identify which employees are driving in the most fuel-efficient manner. They also receive monthly 'league tables' of the number of miles driven by each member of their staff, which inform staff performance appraisals and thereby act as an incentive for employees to change their driving habits. In this way, we can see how the authority is seeking to gather more management information associated with day-to-day corporate activities, and take decisions that are based on this evidence in line with some New Public Management (NPM) ideas (see section 2.2.6 in chapter 2).

Indeed, the monitoring system has led to a reduction in overall travel and fuel consumption, because employees have stopped making unnecessary journeys and begun to drive in a more environmentally-friendly manner (interview 7). More generally, it illustrates how the council's strategy to reduce fuel consumption in

corporate vehicles is shifting towards an overtly hierarchical approach. In the words of one interviewee:

It's very much *not* about trying to win over people's hearts, but [instead] putting a structure in place that means people have to follow a certain path. And you'd like to think that some of them would follow that path because they think it's a really good thing, but in the harsh reality of trying to reduce emissions, reduce expenditure, sometimes it's just better to put the structure in place that forces drivers to change their behaviour (interview 7).

Crucially, employees and trade unions did not prevent Newcastle Council from introducing these systems, in spite of some concerns about their intrusive nature. Indeed, as section 6.3.1.1 discussed, the contrasting approaches to industrial relations in each country mean that British *employers in general* (not just municipalities specifically) are empowered by the vertical framework to operate more hierarchically in the workplace. This is because they are not required to consult as much with their employees as their German counterparts, or agree consensual decisions with staff representatives. In other words, and chiming with the findings in chapters 4 and 5, the vertical framework in England helps to shape Newcastle Council's policy style *vis à vis* internal governing actors, because it makes it easier to introduce management reforms into the workplace.

The authority's approach to corporate procurement also reveals how it now relies more on hierarchy than consensus. In line with a typically 'English' engagement strategy, the council consulted its suppliers on a new procurement strategy before it was agreed and introduced. However, the new approach requires suppliers to collect and report some information to the municipality about the sustainability credentials of sub-contractors. This allows the council to monitor its progress against the (voluntary) national procurement strategy that was discussed earlier in the chapter. One interviewee acknowledged that some smaller local providers view this as being unnecessarily bureaucratic. However, they nonetheless stressed how it was important for the council to try and improve environmental and social outcomes right down the supply chain – even if it has to rely on suppliers to monitor this:

It shouldn't come as any great shock to the supply base that the public sector is wanting to do that... we should be the lead, and they should understand that... But I don't think we'll have the resources to look after the tail-end of the supply chain... So there will have to be a reliance at some point, we can only go to probably level one, level two. After that there'll have to be something in-built into contracts that they [contractors] have to do (interview 9).

In spite of some opposition from smaller suppliers, the authority adopted the new strategy and has put it into operation. This shows how it pursued a more top-down approach than the policy styles literature might suggest. However, because Newcastle Council takes a single, unified approach to procurement (see section 6.2.2.2), it could deal with suppliers from a position of strength and therefore introduce new procedures and requirements without needing to take much account of their views. As far as suppliers were concerned, they had to accept the new system or cease selling goods or services to any part of the council. This illustrates how the *interdependence* of municipal departments, and a more Type I horizontal governance approach, enabled the municipality as a whole to act more hierarchically with other local actors.

Furthermore, the procurement system also puts council managers in a stronger position to act hierarchically in the future, because staff will be able to take informed purchasing decisions based on the sustainability credentials of sub-contractors. Moreover, the municipality could opt to buy from another supplier if it felt its current provider was not trying to monitor and/or improve the sustainability of its supply chains. This threat is likely to persuade many existing suppliers to change their behaviour (or that of their sub-contractors) in order to try and keep the council as a customer.

In a similar way, some parts of the authority began to use the Eco-Management and Audit Scheme (EMAS) in the late 1990s. This allows organisations to report and benchmark their progress against agreed sustainability standards, and generates a wealth of management information as a result. Although a lot of departments subscribed to the system initially, and the monitoring reports show a steady fall in energy and water consumption (Newcastle City Council Technical Services, 2012), most left in around 2009 when cuts in central government grants began to take effect

and the council had to re-allocate resources elsewhere. The final directorate – Technical Services – also stopped using EMAS in 2014, shortly after staff were interviewed for this thesis²⁰.

As section 6.3.1.1 mentioned, some have argued that EMAS is based on typically ‘English’ principles of bottom-up engagement, because it relies on service managers to measure and report on their progress and awareness-raising initiatives (Meinke, 2002). Crucially, however, the monitoring reports meant that Newcastle Council could blend its strategy of persuading employees to change their behaviour with an implicit threat of hierarchical sanctions. In particular, staff were acutely aware that senior managers took a keen interest in the EMAS data, and were able to use this to ensure that employees complied with corporate policies:

We are improving, and it’s because it’s driven from the top... the staff all know it’s got to be done correctly because there’ll be the threat of actions raised (interview 10).

Indeed, EMAS gave senior management access to a wealth of information about their employees’ activities and therefore increased their power over staff. As such, it operated in a similar way to the software that monitors corporate vehicles, because managers could use these data in performance appraisals and decision-making. This principle also applies to Newcastle’s energy and water consumption, for which the council has installed smart meters across its estate that link to a central system (interview 3).

In all of these cases, the authority hopes that staff will change their behaviour and conform to corporate norms, in the knowledge that senior managers may be monitoring their activity. In this way, Newcastle’s approach has echoes of Jeremy Bentham’s ‘Panopticon’ model of a prison, in which inmates do not know whether they are being observed but obey the rules in case a guard happens to be watching

²⁰ Interviewees were keen to point out that unsubscribing from the system was a financial (rather than political) decision, and the council’s current budgetary position means that it is very unlikely to be reversed. Service managers had spent a lot of time measuring and reporting against a large number of indicators, and each department employed at least one officer on a full-time basis to compile the reports.

them (Bentham, 1995). Therefore, contrary to what the literature on policy styles would suggest, Newcastle Council's system for implementing corporate policies is now more hierarchical than Gelsenkirchen's (see figure 6.4 on page 270). This is primarily due to the nature of power relations within the municipality, which are buttressed by the vertical macroeconomic context that allows English employers to operate more *independently* of their staff than their German counterparts. As section 6.3.1.1 discussed, the German municipality still relies on separate monthly bills and has no centralised system to monitor corporate energy or vehicle use – partly because employees would oppose such 'Panoptical' systems. Instead, Gelsenkirchen Council relies much more on trying to change staff behaviour through horizontal engagement and persuasion, albeit through workshops run by an external contractor.

Moreover, this increased hierarchy also highlights the difference between NPM ideas that focus on *improved internal management* (most notably a greater reliance on performance information systems to aid decision-making) and those that seek to *fragment the organisation* (such as the outsourcing, privatisation and 'agencification' of certain functions that leads to more Type II governance arrangements). Chapters 3 and 4 showed how reforms of the latter type meant that Newcastle Council had to work much more with other horizontal actors to try and achieve its objectives in climate change strategy and planning. This contrasted with the municipality in Gelsenkirchen, which retains responsibility for a much wider range of public functions and is therefore able to act more hierarchically. However, this subsection has illustrated how NPM initiatives that focused on generating management information have put Newcastle Council in a much stronger position to influence staff behaviour and ensure that their objectives are implemented. In terms of corporate policies, therefore, these particular NPM reforms have actually increased Newcastle's ability to adopt a hierarchical stance over those functions that it still controls – and meant that its approach in these areas is more akin to the 'German' style than that of Gelsenkirchen.

Crucially, however, the council cannot impose this mode of governance on other local actors over which it has little direct influence. In other words, it *depends* on external organisations (including Your Homes Newcastle, academy schools, local public transport providers and utility companies) to contribute towards its climate change

objectives. The contrast with Gelsenkirchen, which has retained significant control over each of these functions and therefore operates much more *independently* in these sectors, is stark.

Indeed, this difference between the range of public functions for which each municipality has direct responsibility highlights the problematic nature of a direct comparison between their corporate policies. If we only consider those services that are concentrated in the municipality, Newcastle Council operates more *independently* than its counterpart in Gelsenkirchen. Crucially, because the vertical industrial relations context means that English employers are stronger *vis à vis* their staff than German ones, Newcastle Council does not need to consult with its employees as much as the municipality in Gelsenkirchen and is therefore able to operate more hierarchically and *independently* of these actors.

However, if we extend the scope of corporate policies to cover *all public services in the locality*, Newcastle Council is in a significantly weaker position, due to the fragmented nature of public service provision. This means that the municipality has to engage with other organisations to have any chance of achieving its policy objectives. As a result, the authority relies on typically ‘German’ and characteristically ‘English’ policy styles along this sub-dimension, depending on the extent to which it can exert direct influence over the function in question (see figure 6.4 on page 270).

Furthermore, as with climate change strategy and planning (see chapters 4 and 5), it also highlights the importance of the vertical context in determining a municipality’s horizontal governance arrangements and – ultimately – its policy style. This is because if a municipality receives significant support and capacity from higher tiers of governance, it is able to exert more control over local public services – and, by extension, does not need to engage as much with other horizontal actors. In other words, if *interdependent* Type I multi-level governance arrangements predominate along the vertical sub-dimension, this creates the conditions for a more hierarchical and ‘German’ policy style.

6.3.2.2 *State of the art solutions versus best practicable means*

If Newcastle Council's corporate policies were to conform to the typical 'English' policy style, we would expect it to opt for cheaper solutions than Gelsenkirchen, and base decisions primarily on cost rather than environmental effectiveness. As this subsection will demonstrate, the authority actually sits somewhere in between the two extremes: it requires managers to produce robust business cases for any investment, but is nonetheless keen to support initiatives that use leading-edge sustainability technology. Notably, this represents a shift away from its previous clearer preference for the best practicable means (BPM). Nonetheless, this shift is grounded in practical financial considerations, because managers recognise that state of the art technologies tend to conserve much more energy than cheaper alternatives and will therefore pay for themselves over the medium term.

For example, Newcastle was the first council in England to trial extra-low voltage (ELV) systems in its traffic lights. These are more expensive to buy, but use less than 10% of the energy of traditional lighting and also require less maintenance – and will therefore deliver a return on investment within a few years of installation. As a result, the Highways department was able to build a convincing business case for ELV systems at the outset, and since then the council has stipulated that any new installation must use this technology (interview 10).

The council's approach towards electric vehicles (EVs) also illustrates how it is keen to embrace high-end solutions within the constraints of its financial situation. Together with other councils in the region, Newcastle has sought to encourage the adoption of EVs within the locality, partly because Nissan manufactures its Leaf car in nearby Sunderland and therefore higher levels of take-up could benefit the local economy (see chapter 4). Indeed, the authority is keen to set an example by investing in this technology, and it had purchased 33 electric vehicles by summer 2013 (interviews 7 and 8). However, officers remained concerned about some of their potential drawbacks, and stressed that an EV would not be appropriate for every task the authority undertakes:

It has to match the business needs, and it has to match the cost in particular. It's fine to reduce emissions, but it doesn't mean you can go out and buy all electric vehicles, because... it's an unproven technology, there are range factors, and some of them just aren't suitable. I mean, you can imagine trying to run a snow plough in the winter with an EV, you're not going to get very far. I took part in a pilot where they said the range was 100 [miles], but I only got 45 because I went out in the dark and put the lights on (interview 7).

Another reason why the council has not embraced EVs wholeheartedly relates to the unknown re-sale value and potential costs of upkeep. As one manager put it:

We don't know what residual value these vehicles will have..., [whereas] if we've got a [Ford] Transit, then we know... what the value of that will be in five years' time in terms of our investment. The other thing is maintenance... We've got top-quality maintenance technicians... now we couldn't maintain the electric vehicles to that level... They're the practical, real-world obstacles (interview 7).

The above quote highlights how the council's financial situation and the need to demonstrate a return on investment were both key determinants in decision-making. However, environmental concerns and the desire to set an example to the wider community still played an important role (interview 3). To illustrate this, officers stressed that the council would not buy any EVs at all if decisions were based solely on financial considerations (interviews 7 and 8). Yet, managers recognise that specialist vehicles such as coffin carriers or street cleaners can run very effectively on electricity, and are happy to invest in EVs for these purposes. In other words, Newcastle Council adopts a pragmatic perspective, in which it will purchase EVs for specific tasks but rely on traditional vehicles where they are less suitable. As with the other examples discussed in this subsection, such an attitude sits somewhere between preferring SOTA and BPM solutions.

In a similar way, Newcastle Council's corporate climate change strategy emphasised both the financial and environmental benefits of investing in high-end technologies. For example, it estimated that the authority's first wave of energy-efficiency initiatives would result in financial savings of around £650,000 per annum, in return for a one-off investment of £1.28m. The investments in monitoring systems detailed

in section 6.3.2.1, including in software that switches off idle electrical equipment automatically, monitors vehicle use and integrates different energy and water meters, also suggest that that the authority is happy to procure technical solutions that might contribute towards its policy objectives. Indeed, the council's corporate climate change strategy also stressed that the cost-effectiveness of projects with a potentially longer payback period would be assessed over 25 years (Newcastle City Council, 2008). In the same way as Gelsenkirchen therefore, senior managers are able to use financial rules to encourage investment in energy-saving measures that will reduce carbon emissions.

Crucially, however, interviewees at Newcastle did not embrace the idea of lifetime costs to the same extent as their counterparts in Gelsenkirchen, partly because there was less support for the concept along the vertical sub-dimension. Indeed, external funding sources such as SELEC (an organisation funded by central government that lends money to public bodies to finance environmental or energy efficiency improvements) require projects to deliver a return within only *five* years. This illustrates how other vertical actors do not encourage staff to take a long-term perspective on the value of potential solutions, particularly when compared to Germany. More specifically, it means that major retrofits for most of Newcastle Council's property portfolio are out of the question – despite the fact that several municipal buildings that date from the 1960s and 1970s, including the main Civic Centre, have very low ratings for energy performance. Many of these buildings have solid walls (rather than cavities that can be filled with insulation), which means that any investment to improve their energy efficiency would not be repaid through lower heating bills for at least 20 years (interview 4). Since officers were also unsure how many buildings the authority would require in two decades' time, this meant it was very difficult to develop a business case for retrofitting (interview 4).

Indeed, staff at Newcastle Council need to demonstrate how costs will be recouped over a shorter time-frame than their counterparts in Gelsenkirchen, and overall the council still relies more on BPM than its German twin. For example, one procurement manager stressed that their team was under significant pressure to reduce spending in the short term, and how this tended to be the council's main priority:

There's a balancing act to be had around everything... We've got some big targets to hit in terms of savings, I've got some big targets to hit in terms of helping SMEs, I've got some big targets to hit on social equalities, I've got big targets to hit in terms of environmental –how do we balance all of those off and how do we ensure that that pound still is getting the best value for the Council? We have to make that decision at some point to say, where does it cut off? To say, well actually, that green energy, where does it become cost-effective and where doesn't it on that lifecycle cost? It is important we reduce that, but do we have the money to be able to reduce that if we've been so drastically cut? (interview 9).

This quote illustrates the contrast between the two municipalities in terms of procuring green power. As section 6.3.1.1 mentioned, half of Gelsenkirchen Council's electricity came from renewable sources in 2013, and the authority is committed to buying all of its power from modern green stations by 2020. For its part, the municipality in Newcastle does ensure that some of its power comes from renewable sources, and promotes the procurement of green electricity as a general principle (Newcastle City Council, 2008). However, financial pressures mean that it cannot be as ambitious as its German counterpart: indeed, it has not set a binding percentage target for renewable energy procurement, and the authority is unlikely to come close to Gelsenkirchen's objective of buying 100% green electricity by 2020 (interview 9). This places Newcastle much closer to the typical 'English' perspective of BPM, whereas Gelsenkirchen's policy means that it has a greater preference for SOTA solutions.

Crucially, Gelsenkirchen Council will benefit from significant support from other tiers of government in working towards its target, not least the tradition of *Politikverflechtung* and the more recent emergence of the *Energiewende* agenda – both of which lead to greater vertical *interdependence*. For its part, Newcastle's more *independent* position along this sub-dimension means that it has less capacity to adopt and implement such ambitious policies.

Table 6.3 and figure 6.4 summarise how the overall corporate policies of both municipalities differ along each sub-dimension of policy style. Notably, it highlights the fact that typically 'German' and 'English' characteristics do not apply to

Gelsenkirchen and Newcastle respectively, although the councils do appear to be converging to some extent. In terms of their preferences for hierarchy over engagement, both authorities focused initially on trying to persuade staff to change their behaviour and act in a more environmentally-friendly manner, and this approach did result in some progress. However, managers soon began to realise that relying purely on engagement was unlikely to deliver the level of benefit that they desired, and a more hierarchical approach would be necessary to achieve the council’s policy objectives.

	‘Typically’ German characteristics	‘Typically’ English characteristics
Hierarchy vs engagement	Preference for engagement with both internal and external governance actors, though elected mayor has increased hierarchy slightly	Increasingly hierarchical with internal governance actors; engagement with external organisations
	Vertical framework for industrial relations makes hierarchy difficult to introduce internally	Vertical framework for industrial relations has enabled the introduction of ‘Panoptical’ management information systems internally
SOTA vs BPM	SOTA principles still dominate, though some shift towards BPM in recent years due to financial constraints	Will opt for SOTA solutions where applicable, but short-term financial considerations remain very important

Table 6.3: Changes in the sub-dimensions of policy styles types as applied to corporate policies in Gelsenkirchen and Newcastle

However, factors such as the absence of a centralised energy controlling system and staff monitoring mechanisms mean that Gelsenkirchen is struggling to change its strategy. As a result, it has only shifted slightly towards greater hierarchy in figure 6.4, because the introduction of an elected mayor led to corporate activities becoming more ‘top-down’ and politically-focused. Aside from this, though, the tradition of consensual decision-making in German workplaces, together with the stronger

position of trade unions when compared to the UK, has resulted in greater horizontal *interdependence* between municipalities (as employers) and other internal actors (their staff). As we saw in the case of Newcastle in chapters 4 and 5, horizontal *independence* tends to result in a municipality that is not able to act hierarchically: instead it must rely on engagement with other local actors in order to achieve its political objectives. This logic also applies to Gelsenkirchen Council in the context of corporate policies.

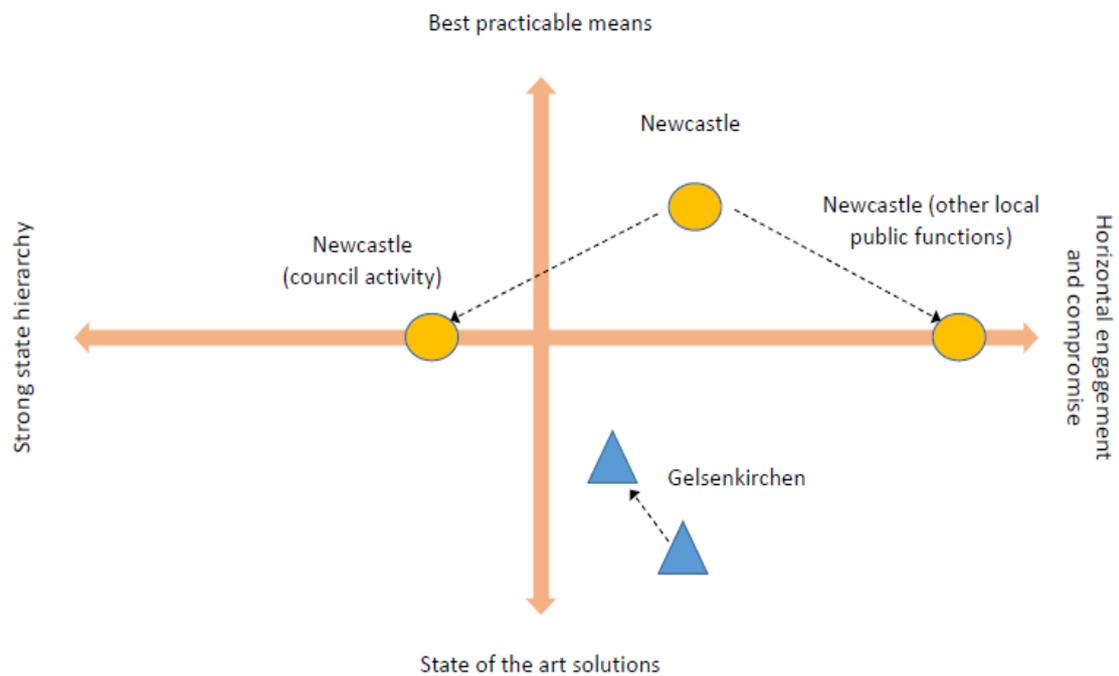


Figure 6.4: Changes to policy styles as applied to corporate policies in Gelsenkirchen and Newcastle

In contrast, Newcastle Council has been able to introduce sophisticated employee monitoring technologies that generate a wealth of management information about energy consumption and staff activity and mean that it is operating increasingly hierarchically in those areas where it has retained direct control. Since employers in the UK take decisions more *independently* of their staff than their German counterparts, authority managers have been able to introduce these mechanisms and use their data to inform subsequent performance appraisals that include an assessment of employees' compliance with corporate policies. This 'Panoptical' system is much more hierarchical than the typical English policy style would suggest, but it is

buttressed by the vertical approach to industrial relations that forms a key part of the Anglo-American macroeconomic model.

Nonetheless, the increasing fragmentation of the local state in England means that Newcastle Council has to engage significantly with *external* actors in the city that are responsible for public services. In particular, recent UK Government policies on academy schools have followed on from initiatives such as housing ALMOs and meant that municipalities no longer undertake a range of local public functions. These reforms mean that Newcastle Council has direct control over a shrinking portfolio of services, and it must therefore engage with external actors in order to implement its corporate policies across a similar range of services to Gelsenkirchen. As figure 6.4 shows, therefore, the authority relies on horizontal engagement and compromise when working with these other organisations, but hierarchy for those areas still controlled by the council.

Interestingly, Newcastle's greater reliance on 'management by numbers' and informed decision-making is also characteristic of the dominance of New Public Management (NPM) ideas. Chapters 4 and 5 showed how NPM principles have *weakened* Newcastle's influence over other policy sectors by fragmenting the local state. However, the case of corporate policies shows how a preference for more robust performance management systems can also *strengthen* the power of senior decision-makers and enable them to operate more hierarchically. For its part, Gelsenkirchen Council has introduced fewer NPM techniques than Newcastle, partly due to the fact that these were not mandated for all local authorities in Germany (see chapter 3), but also because they encountered staff opposition in many places. As a result, the municipality does not rely on information and performance management systems to the same extent as its English counterpart, and its senior staff are less able to exert this level of authority as a result. By ensuring that employees are more influential in municipal decision-making, and therefore managers have to engage with them in order to introduce workplace reforms, the prevailing macroeconomic framework plays a key role in determining this policy-making approach.

In terms of the preference for SOTA or BPM solutions, Gelsenkirchen Council's corporate policies demonstrated greater preference for the former than those of

Newcastle. However, the overall picture was more complicated than these two ideal types might suggest. For example, although Gelsenkirchen has committed itself to much more ambitious targets for purchasing renewable energy than its English counterpart, it requires managers to produce business cases for investments that show how a particular solution will save money within a decade. This represents a shift away from its previous position, which placed less emphasis on the potential for high-end solutions to deliver a return on investment. For its part, Newcastle Council has sought to portray itself as a leader in sustainability in recent years, by adopting the national sustainable procurement framework before any other council in the North East and promoting corporate electric vehicles and extra low voltage bulbs in traffic lights. However, the English municipality is more concerned with shorter-term financial concerns than its German counterpart, and is therefore reluctant to buy green electricity because of the additional cost. As a result, we can see how Newcastle sits in the middle in this sub-dimension, but its more recent decisions mean it has shifted away from the typically ‘English’ position of preferring BPM.

6.4 Conclusions

This chapter has examined whether corporate policies in the case study municipalities reflect the typical ‘German’ and ‘English’ multi-level governance structures and policy styles. Overall, it found that the Gelsenkirchen and Newcastle did operate within multi-level governance structures that resembled Type I and Type II respectively, particularly in terms of their vertical relationships. However, it should be noted that they are *diverging* rather than *converging* along this sub-dimension – because local authorities in England now operate more *independently* of the centre than previously, whereas German municipalities work increasingly closely with other tiers of government in order to implement the *Energiewende* agenda. These findings concur with the analyses of climate change strategy and planning in chapters 4 and 5.

Notably, however, the vertical framework for corporate policies does not shape horizontal arrangements in the same way as these other sectors. Instead of Gelsenkirchen’s greater vertical *interdependence* leading to more horizontal *independence*, the municipality has begun to work more with other actors in the locality in order to achieve its objectives. Indeed, although the *Energiewende* has

enabled German public bodies to coalesce around a single issue and encourage policy co-ordination, Gelsenkirchen Council lacks the internal capacity to facilitate behavioural change amongst its employees and also has to liaise with external energy providers in order to develop and implement council policy. This is primarily due to the German model of industrial relations, which encourages consensus-based negotiations between staff and their employers and therefore makes it much more difficult for municipalities to introduce hierarchical management techniques that may be unpopular with employees.

Nonetheless, the local state in Newcastle is fragmented to an even greater extent: the municipality can no longer exert much control over an increasing number of schools and social housing, as well as utilities. In addition, although the municipality has concentrated its procurement activities into a single corporate team (in contrast to many English councils), it also operates an internal charging system between departments, which can hamper attempts at concerted action across the authority. Overall, this means that Newcastle Council works less *independently* along the horizontal dimension than was previously the case. Indeed, it is *dependent* on the actors of many external organisations (such as academy schools), because they have little incentive to work collaboratively with the authority yet their activities still contribute towards the local state's overall carbon footprint.

Nonetheless, if we consider municipal employees to be 'governance actors' (and this description fits with the definition outlined in section 2.2.3 on page 28, because they have been approached by the council to get involved in policy-making), Newcastle Council operates more *independently* of them than its counterpart in Gelsenkirchen. Crucially, the vertical framework for industrial relations in England means that managers are not required to engage with staff to the same extent as their German counterparts. This means that Gelsenkirchen Council has to work more *interdependently* with its employees and their representatives in corporate policy-making.

This contrast has made it easier for the English municipality to introduce hierarchical monitoring techniques in the workplace. By way of contrast, German councils operate within an industrial relations context that encourages greater consensus between

employers and employees, which means it is much more difficult to introduce potentially controversial or intrusive management approaches. Indeed, as with climate change strategy and planning (see chapters 4 and 5), it highlights how the degree of hierarchy or engagement is largely a function of the institutional arrangements within which each municipality operates. In particular, the nature of central support and vertical *interdependence* shapes the extent to which councils have the capacity to operate *independently* along the horizontal dimension – and this determines whether municipalities need to engage with other local actors or can take a more hierarchical approach.

Finally, Gelsenkirchen does still exhibit a greater preference for SOTA technical solutions to environmental problems than Newcastle. As with the other sub-dimensions investigated in this chapter however, the typical characterisations are somewhat simplistic and certainly do not apply wholesale to either city. For example, although the municipality in Gelsenkirchen has made a very ambitious commitment to purchasing renewable energy, investments still have to consider their financial implications and deliver a return within a decade. Similarly, Newcastle Council is demonstrating greater ambition in its preference for sustainability solutions, such as by installing extra low voltage traffic lights and procuring electric vehicles. Such actions do not fit with a fixed preference for using BPM to address an environmental problem. In spite of this, however, the authority is much more reluctant than Gelsenkirchen to purchase renewable electricity, primarily for financial reasons. As such, Newcastle Council relies on neither a state of the art solution nor the best practicable means – although it is not as close to the former as its German counterpart.

As with climate change strategy and planning, a key factor in these preferences has been the level of external capacity that has helped municipalities to adopt more ambitious policies. In the case of Gelsenkirchen, the Energy Conservation Act, changes to the federal accountancy framework, feed-in-tariffs, the culture of *Politikverflechtung* and the more recent *Energiewende* agenda have ensured that the council has received significant support from other tiers of government. For its part, Newcastle does not benefit from as much vertical support and has therefore been unable to adopt SOTA solutions to the same extent.

Chapter 7: Conclusions and key findings

7.1 Introduction

This project began by attempting to identify the extent to which typically ‘German’ and ‘English’ institutional structures and policy styles applied to the governance of climate change in Gelsenkirchen and Newcastle, and whether they might be converging towards some kind of hybrid model. By employing more rigorous theoretical perspectives on intergovernmental relations and power dependencies, it evolved significantly from this starting point to examine the nature of vertical and horizontal relationships involving both municipalities. As such, not only does it describe how the policy-making approaches of both councils have developed in recent years, but it also explains how these arrangements have been shaped by the institutional context.

In particular, the empirical chapters identify the crucial role that vertical relationships play in determining municipal capacity, and how greater *interdependence* along this sub-dimension in Germany enables Gelsenkirchen Council to operate relatively *independently* of other horizontal actors. By way of contrast, Newcastle Council is more *independent* of central government (indeed, it has become more so since 2010), which means it is increasingly *dependent* on other organisations in the locality for capacity and resources. Crucially, therefore, these vertical power dependencies shape the nature of the councils’ horizontal relationships, which then influence whether they can rely on hierarchy or engagement within their localities.

In other words, both case study municipalities recognise that they have to work with other organisations to have sufficient capacity to achieve their climate change policy objectives. Crucially, Gelsenkirchen Council is able draw on Germany’s long legacy of constitutionally-embedded local government, more recent trends such as *Politikverflechtung* and contemporary agendas like the *Energiewende* to collaborate with other *vertical* tiers of government and operate more hierarchically within the locality. In contrast, municipalities in England cannot rely on any of these factors to support greater vertical co-operation and integration – and therefore Newcastle

Council has to engage more with other *horizontal* actors to try and fill the capacity gap.

Notably, these characterisations of hierarchy in Gelsenkirchen and horizontal engagement in Newcastle fit with the typically ‘German’ and ‘English’ policy styles respectively. Indeed, by showing how institutional factors shape the way in which these councils respond to climate change, this thesis actually enhances the arguments of policy styles theorists. This is because it goes beyond the descriptive nature of much of the policy styles literature by highlighting several factors that nurture and reinforce the characteristically ‘German’ and ‘English’ approaches to climate change in Gelsenkirchen and Newcastle respectively.

The remainder of this concluding chapter draws together the key points from chapters 2-6 in turn, before providing an overall summary of their findings and how they relate to the research questions set out in the introduction. It then highlights how the thesis raises a number of normative issues around democratic accountability and suggests several other potential lines of empirical enquiry that could build on its findings. Finally, it sets out the ways in which the thesis contributes to wider academic debates, particularly by combining political science perspectives with urban governance approaches to enable a more complete understanding of local policy-making processes.

7.2 Key theoretical findings

Chapter 2 analysed various literatures that relate to the governance of climate change in German and English cities. In particular, it highlighted the potential relevance of multi-level governance and policy styles perspectives, and used these to develop a hypothesis that suggested German and English municipalities rely on governance approaches that resemble the ‘typical’ characteristics of their respective countries. Furthermore, this hypothesis posited that these national approaches are converging towards a hybrid model, due to various exogenous and endogenous pressures. These pressures included: resource constraints that have been exacerbated by funding cuts and austerity; the recognition that climate change is a ‘wicked issue’ that needs to be addressed by a variety of stakeholders; the desire of some municipalities to be viewed

as sustainability leaders; a need for greater policy co-ordination across organisations; and, a drive for greater institutional flexibility. Notably, all of these pressures relate to whether a municipality has the capacity to achieve its political objectives without changing its existing governance approach.

Since climate change is a ‘wicked issue’ that affects a range of stakeholders in any given jurisdiction, local authorities in both Germany and England need to work with other organisations to combat it. Therefore, any analysis of policy-making in this sector needs to examine the relationships between governing actors in order to identify the most influential decision-makers. As chapter 2 highlighted, however, Hooghe and Marks’ (2003) typologies of multi-level governance do not provide the theoretical basis to support this analysis. They are unclear about exactly which (non-state) actors should be included in any assessment of governance structures, and also do not provide any tools to analyse power dynamics within these arrangements. As a result, they do not help to understand which organisations are influencing decision-making, or indeed the extent to which any actor might shape policy outcomes. Instead, although these typologies acknowledge the increasing importance of non-state actors in horizontal governing arrangements, as well as the important role of sub-national and supranational bodies along the vertical dimension, they merely describe possible patterns of governance.

In addition, as the empirical chapters identified, some of the characteristics attributed to Hooghe and Marks’ typology are potentially contradictory. For example, Type I jurisdictions are supposed to operate within a rigid, system-wide constitutional architecture, whilst also having non-intersecting memberships and a limited co-ordination between governing actors. In fact, the empirical research found that the highly-integrated vertical framework in Germany actually strengthened the pre-existing institutional architecture, because different tiers of government recognised and supported the principle of *lokale Selbstverwaltung* and therefore helped municipalities to pursue their own political objectives. In addition, they highlighted how integrative phenomena such as *Politikverflechtung* mean that actors at all levels benefit from the governing arrangements, and therefore they seek to reinforce rather than weaken them.

In spite of these contradictions, chapter 2 identified two contrasting features from Hooghe and Marks' descriptions of Type I and Type II multi-level governance, and they formed two lines of empirical analysis. Firstly, to identify whether 'German-style' Type I characteristics were evident along the *vertical* sub-dimension, the thesis analysed the extent to which different tiers of government co-operate within structured and mutually-supportive frameworks. Secondly, it investigated the extent to which responsibility for local public functions is concentrated in the municipality – a feature that would represent a characteristically Type I organisation along the horizontal sub-dimension.

In addition to this assessment of institutional structures, chapter 2 also explained how some scholars have found that Germany and England adopt contrasting policy styles, particularly in the environmental sector. Indeed, this literature has highlighted a large number of differences between the two countries, many of which overlap and/or complement one another. For the purposes of simplicity, the thesis selected two of these contrasting characteristics as sub-dimensions for the empirical analysis. These were the extent to which each municipality relied on hierarchy rather than engagement, and their preference for state of the art (SOTA) solutions rather than the best practicable means (BPM) to address a policy problem. These characteristics formed the horizontal and vertical sub-dimensions for the empirical analysis of policy styles in chapters 4, 5 and 6.

However, as with multi-level governance, ideas of national policy styles do not provide many clues as to *why* municipalities such as Gelsenkirchen or Newcastle might address problems in different ways. Indeed, both perspectives lack analytical tools to understand the nature of decision-making and power relations. As such, had this thesis relied solely on these two perspectives, it would not have addressed the fundamental drivers that shape each municipality's governance arrangements in a satisfactory manner. In order to overcome this shortcoming, chapter 2 introduced and built upon Rod Rhodes' (1981) theoretical model of power dependency to develop a new framework for analysing policy-making processes. In particular, it highlighted the crucial role that an organisation's *capacity to address policy problems* plays in intergovernmental relations, and how this determines the extent to which governing actors are *independent of*, *interdependent with*, or *dependent on* other stakeholders.

Notably, this perspective is relevant for both the vertical and horizontal dimensions of governance – and therefore it allows us to analyse how municipalities work with other local actors, as well as with central government. In this way, it adopts perspectives from both political science (which tend to focus on central-local relations) and urban studies (which normally concentrate on local policy drivers).

Indeed, it is only by taking this interdisciplinary approach to power dependency that we can identify which actors exert the most influence in local policy-making processes. The framework set out in chapter 2 does this by characterising both vertical and horizontal relations as being *independent* from, *interdependent* with or *dependent* on other governance actors, and thereby enables a more rigorous analysis of climate governance arrangements in Gelsenkirchen and Newcastle. Furthermore, it is worth emphasising that this tripolar model could also be applied to other governance contexts to examine power relations, particularly in wicked policy sectors and/or where the state seeks to collaborate with external actors to achieve its objectives. The final subsection of this concluding chapter discusses this in further detail.

7.3 The historical evolution of local governance in Germany and England

Chapter 3 set out how power dependency relationships have evolved in both countries since the establishment of modern local authorities in the first half of the nineteenth century. It highlighted the contrasting constitutional positions of local government in Germany and England, which give credence to the view that they have Type I and Type II multi-level governance arrangements respectively. By focusing on developments in the two countries (rather than the individual case study cities), it describes the picture that we might expect to find as a result of empirical research in Gelsenkirchen and Newcastle.

In particular, the chapter highlighted the increasing importance of *Politikverflechtung* in Germany, and how this trend has led to greater vertical interdependence between governing actors. Crucially, this has meant that municipalities receive significant support from higher tiers of governance, which has strengthened them *vis à vis* other horizontal actors and given them greater capacity to achieve their objectives. This

support has come in the form of providing some of the *means* to implement policy, rather than prescribing the *ends* that councils are obliged to deliver. As a result, German councils operate within a highly-structured vertical context but can nonetheless exercise significant autonomy within this framework, which maps closely on to the vertical sub-dimension of multi-level governance that was selected for this thesis. Furthermore, many German councils still provide public services such as utilities and local transport, and therefore resemble the ‘multi-functional authority’ that is characteristic of Type I multi-level governance along the horizontal sub-dimension. However, more recent financial challenges have weakened the position of deprived authorities (including Gelsenkirchen), and led to them outsourcing some functions to external providers. As such, some areas may be shifting towards Type II horizontal arrangements.

Crucially, local government’s embedded position in Germany’s constitutional framework, along with a long-standing commitment to *lokale Selbstverwaltung*, has underpinned these developments. For its part, the lack of a codified constitution in the UK means that the British Government has not had to operate within these institutional constraints. Instead, ministers have made a concerted (and ultimately successful) attempt to weaken and fragment the local state in England, particularly since the 1970s. This involved removing a host of functions from local authorities and introducing stringent restrictions on their ability to raise revenue. Although ministers did try to co-ordinate policy implementation through national performance frameworks from the late 1990s onwards, this focused on setting out desirable *ends* (policy outcomes) and did not extend to significant support in providing the *means* to achieve them. More recently, the Coalition Government and its Conservative successor since 2010 have abandoned this modest attempt at vertical co-ordination, and the increasingly detached nature of central-local relations means that councils are even more *independent* of other vertical actors than was previously the case.

Crucially, this vertical *independence* means that local authorities need to look elsewhere for the additional capacity that is necessary to implement policy effectively. As a result, they now work much more closely with other horizontal actors than their German counterparts – and their weaker position means they are not able to exert the same level of influence in local governance arrangements. This is particularly the case

in poorer areas such as Newcastle, which have been disproportionately affected by cuts in central government grants since 2010. As a result, they have become more *dependent* on other local actors to implement policy. Indeed, in terms of multi-level governance, the increasing *independence* from central government, together with the continued outsourcing or privatisation of many local public services, suggests that England is shifting closer towards an ideal Type II model along both the vertical and horizontal sub-dimensions.

7.4 Climate change strategy in Newcastle and Gelsenkirchen

The trend towards greater *Politikverflechtung* in intergovernmental relations in Germany since World War II, together with the more recent commitment to the *Energiewende* across different tiers, has resulted in Gelsenkirchen developing its climate change strategy increasingly *interdependently* with other vertical actors. This relatively rigid and mutually-supportive institutional structure also chimes with the sub-dimensions of Type I multi-level governance that were selected as lines of enquiry in this thesis. At the same time, however, the authority recognises that other local actors need to contribute towards its climate objectives, and therefore it needs to work *interdependently* along the horizontal dimension to a certain extent.

Nonetheless, the extra support it receives from other vertical actors has enabled the council to continue as the dominant actor in horizontal governance arrangements – and therefore it has adopted a much more hierarchical position *vis à vis* other local stakeholders than Newcastle.

Furthermore, despite contracting out some local services, Gelsenkirchen Council has retained responsibility for a wider range of public functions than its English twin, which means that it is still located closer to the ideal Type I position along the horizontal sub-dimension of multi-level governance. Notably, this increases its ability to exert control over other local actors, and therefore reinforces the municipality's position as *the* dominant player in the city. In addition, although the authority would like to continue investing in SOTA technical solutions, recent financial pressures have weakened this to some extent. As a result, it is also shifting slightly towards a preference for BPM along this sub-dimension of policy styles.

For its part, Newcastle Council has greater freedom to pursue its strategic climate change objectives *independently* of other tiers of government, particularly now that ministers have abolished centralised performance frameworks and introduced a power of general competence for English local authorities. In fact, the authority did not take much account of central government priorities even whilst performance frameworks were in place, which illustrates the prevailing dominance of Type II multi-level governance along the vertical sub-dimension. Nonetheless, although the council now enjoys the same *de jure* freedom to determine policy goals as its German counterpart, it does not receive the same level of support from other tiers of government to help to achieve these objectives. This means it is a weaker and more fragmented actor in horizontal arrangements, and increasingly *dependent* on the voluntary sector and other members of its broad coalition to implement policy. Moreover, the fragmented, Type II nature of the local state means that Newcastle Council has responsibility for fewer public functions than its counterpart in Gelsenkirchen, and therefore it cannot exercise direct authority over as many local actors. Therefore, it has to rely even more on engagement, in line with the ‘English’ policy style. In addition, the authority has begun to concentrate more on what it can control and achieve as an organisation, rather than investing in state of the art solutions to try and meet highly ambitious targets. As a result, it is focusing more on climate adaptation rather than mitigation, which illustrates an increasing preference for the best practicable means.

As such, the broad characterisations of ‘German’ and ‘English’ governance approaches do tend to apply in this policy sector, although they have begun to change in recent years (see table 4.3 on page 158). In fact, the two municipalities are *diverging* along more sub-dimensions than they are *converging*: Newcastle Council is becoming more ‘English’ in all four areas, and the *Energiewende* agenda has strengthened the Type I nature of vertical structures involving Gelsenkirchen. Furthermore, although the German city has begun to adopt some ‘English’ characteristics (by outsourcing some public functions, lowering its sights on investing in SOTA solutions and engaging more with other local actors), these changes have not altered the council’s fundamental governance approach. As such, we cannot say that the two authorities are converging towards a hybrid model for climate change strategy.

Nonetheless, it *is* clear that the vertical institutional structures play a vital role in determining the nature of horizontal governance arrangements and policy styles in both cities. Gelsenkirchen Council receives much more support from higher tiers of government than its counterpart in Newcastle, and operates within a context that encourages greater vertical policy co-ordination. This vertical *interdependence* has enabled it to retain responsibility for a wider range of local services, adopt a more hierarchical position in local governance arrangements and invest in more ambitious policy solutions compared to its English twin.

7.5 Planning policy in Newcastle and Gelsenkirchen

Gelsenkirchen operates within an even more *interdependent* vertical framework for planning policy than in climate change strategy. At the federal level, the Energy Conservation Act sets out a robust legal framework and strict standards on energy performance for every new building that is constructed (as well as older properties that undergo refurbishment). In addition, the *Land* and *Bezirk* levels provide advisory and financial support to help municipalities take decisions within this overall framework. This Type I vertical structure enables the council to use the planning system to further its climate objectives and adopt a strong position *vis à vis* other local actors. Indeed, Type I characterisations also apply along the horizontal sub-dimension, where the council has been able to retain responsibility for a wide range of functions. Notably, this included the Ebertstraße redevelopment, which the authority was determined to pursue *independently* of other local actors after a private firm's attempt to refurbish Hans-Sachs-Haus were aborted prematurely. This institutional context means that the municipality is the strongest actor in the locality, which allows it to rely predominantly on a hierarchical mode of governance.

Nonetheless, public concern about Hans-Sachs-Haus did mean that the council had to liaise more with citizens about the future of this controversial project. In addition, it felt unable to compel landlords to undertake sustainability retrofits of their properties in return for receiving public funding to replace their façades. As these examples illustrate, Gelsenkirchen Council is not in a position to do whatever it wants and does need to work *interdependently* with other horizontal actors to some extent. In other words, it cannot always rely on the typically 'German' policy style of hierarchy rather

than stakeholder engagement. Similarly, although Hans-Sachs-Haus incorporates a lot of high-end sustainability features, the council's preference for SOTA solutions has weakened slightly – due to financial constraints and the need to demonstrate that any investment will deliver a financial return within ten years.

In contrast, planning policy at Newcastle Council operates within a very loose vertical environment, particularly following the abolition of Regional Spatial Strategies in 2010. As a result, the authority is much more *independent* of other tiers of government than its German twin. Together with the fact that the city has experienced economic decline in recent decades, this means the municipality is in a much weaker position in horizontal governance arrangements, because developers can threaten not to invest in the area if the council insists that new buildings meet stringent environmental standards. In addition, because various different task-specific organisations have had responsibility for the Science Central development, and Newcastle University has assumed the leading role for environmental sustainability on this initiative, the English city is also more fragmented along the horizontal sub-dimension. This situation, which results in increasing *dependency* on other local actors, also fits with Type II multi-level governance arrangements.

Furthermore, the fragmented nature of local governance and Newcastle Council's weaker position in these arrangements means that the authority must rely on engagement rather than hierarchy to achieve its objectives. This bears all the hallmarks of the 'English' policy style. Notably, the municipality's partnership with the university has enabled the city to benefit from SOTA sustainability features on the Science Central site, which suggests that Newcastle has adopted the 'German' position for this sub-dimension of policy style. Nonetheless, it is important to note that this is a result of the university's actions, not those of the local authority acting directly – and therefore it should only be characterised as the municipality relying on SOTA solutions by proxy. Furthermore, Newcastle Council's more flexible approach to negotiating with building companies about potential developments means that the council is much more likely to rely on BPM than SOTA solutions. This is largely because the city's economic decline means the council is very keen to attract firms to invest in the area, and more likely to compromise on sustainability standards as a result.

Therefore, as table 5.2 and figure 5.4 on pages 191 and 192 show, multi-level governance structures in the two cities are actually *diverging* rather than *converging* for planning policy. For example, the cross-tier framework for planning policy in Germany is becoming more structured and robust, whereas it is weakening in England, meaning that Types I and II vertical multi-level governance arrangements are even more applicable in Gelsenkirchen and Newcastle respectively. This is also the case along the horizontal sub-dimension, because Gelsenkirchen Council took back responsibility for redeveloping Hans-Sachs-Haus – whereas various different bodies have been involved in the management of Science Central. As with climate change strategy, however, there is some convergence in terms of the policy styles adopted in planning. Gelsenkirchen Council has begun to adopt some ‘English’ characteristics, by engaging more with horizontal actors and lowering its sights on ambitious technical solutions. In addition, although Newcastle Council is increasingly *dependent* on other horizontal actors (and therefore has to engage even more with them than was previously the case), its partnership with one of the city’s universities has meant that Science Central will feature a number of SOTA sustainability features. Table 5.3 and figure 5.10 on pages 217 and 218 illustrate how these shifts have occurred in recent years.

However, the two municipalities remain some distance away from each other along all four sub-dimensions. Indeed, unless the vertical framework for planning policy in England becomes more mutually-supportive and robust, *and* there is some unforeseen and remarkable upturn in the economic fortunes of post-industrial cities, it is very unlikely that councils such as Newcastle will be able to adopt a hierarchical position in horizontal governance arrangements. As far as Gelsenkirchen Council is concerned, it has begun to adopt some ‘English’ characteristics around horizontal engagement, primarily in order to ensure that developments have popular support. However, interviewees at the authority were clear that they saw planning as a key tool for achieving the council’s climate change objectives, and were not keen to relinquish any control over decision-making in this sector. Moreover, the strong vertical framework within which German councils operate actually prevents them from agreeing lower sustainability standards with developers. Therefore, Gelsenkirchen will continue to rely on a hierarchical approach and insist on ambitious environmental

criteria rather than BPM solutions. In other words, it appears very unlikely that planning policy in the two municipalities will converge towards some kind of hybrid model.

7.6 Corporate policies in Newcastle and Gelsenkirchen

As with the previous two sectors, Gelsenkirchen Council is operating within an increasingly *interdependent* vertical context for its corporate policies. The *Energiewende* provides a ‘glue’ to facilitate policy co-ordination and mutual support across tiers of government, and thereby increases the rigidity of Type I vertical structures. More recently, however, the council has outsourced some tasks associated with implementing these policies (most notably the delivery of workshops to encourage staff to change their behaviour), which has resulted in some Type II fragmentation and thereby also more *interdependence* along the horizontal dimension (see table 6.2 and figure 6.1 on pages 241 and 243 respectively). Importantly, this fragmentation has been in response to a recognition that the council is unable to achieve its objectives *independently* – and it has been unable to source the necessary extra capacity from other vertical actors.

Notably, Gelsenkirchen Council has also relied more on ‘English’-style compromise and engagement in its implementation of corporate policies. The authority encourages employees to change their behaviour through incentives and persuasion – instead of sanctions or compulsion – in order to try and reduce the municipality’s energy bills. Although interviewees were increasingly aware that these techniques were not delivering the desired results, and the introduction of an elected mayor had meant that corporate activities were becoming more politically-focused and hierarchical, engagement still represented the dominant mode of governing in summer 2013. A crucial reason for this is the relatively strong position of staff in horizontal governing arrangements, which means that council managers cannot introduce new workplace reforms without extensive consultation and consensus. This greater *interdependence* between employer and employees (particularly compared to the Anglo-American macroeconomic model, in which managers can operate much more *independently* of their staff), means that Gelsenkirchen Council cannot be as hierarchical with its workforce as its counterpart in England. In other words, the vertical context for

industrial relations in Germany shapes the governance approaches that municipalities are able to adopt for corporate policies, because staff need to be more involved in organisational decision-making.

Furthermore, financial constraints have led the municipality to move slightly away from SOTA solutions. Corporate purchases of environmental technologies now need to demonstrate a return on investment within a decade, whereas previously they were assumed to benefit the city and its strategy of regeneration through solar technology. Nonetheless, various mechanisms are in place to ensure that managers can build a business case for high-tech sustainability features, not least the relatively long payback period, a generous (national) system of feed-in-tariffs, and council requirements that new or refurbished public buildings must have photovoltaics on the roof or a green covering.

For its part, Newcastle Council's corporate policy-making occurs increasingly *independently* of central government. As such, Type II characteristics predominate along the vertical sub-dimension of multi-level governance – and internal municipal fragmentation means that the English city also resembles a Type II municipality in terms of its horizontal relationships. Indeed, Newcastle Council has lost control of a range of its functions in recent decades as a result of central government legislation, including social housing provision and an increasing number of local schools. Furthermore, endogenous reforms, such as the introduction of internal charging mechanisms to account for the use of other departments' assets, have accelerated this trend towards a model Type II arrangement.

This fragmented situation suggests that Newcastle Council will need to rely on horizontal engagement with other local actors in order to implement its corporate policies effectively. Indeed, the fact that the municipality cannot exert direct control over many other public service providers within the locality means that it is not in a position to adopt a hierarchical mode of governance in these areas. However, the council's various monitoring systems for vehicle use and energy consumption means that it *does* operate hierarchically in those services that it delivers directly. Since the Anglo-American macroeconomic model means that employers can take decisions more *independently* of their staff, this vertical context enabled Newcastle Council to

introduce these management information systems relatively easily. As such, Newcastle Council relies on both the ‘English’ and ‘German’ policy styles along this sub-dimension, depending on whether it has retained direct control over a particular public function.

The English case authority has also moved towards a greater preference for SOTA solutions in recent years, as part of its strategy to portray the city as a forward-looking, ambitious location. It has invested in a large number of electric vehicles, embraced the national sustainable procurement framework and was a trailblazer in installing extra low voltage bulbs in traffic lights. Although financial considerations did play a role in each of these investments, they were also heavily influenced by the council’s strategic sustainability objectives. However, Newcastle Council is more concerned with shorter-term financial concerns than its German counterpart: it is much more reluctant to buy green electricity because of the additional cost, and has been much slower to install renewable energy generating technologies on and in public buildings. In this way, we can see how the English authority has shifted along this sub-dimension in figure 6.4 (see page 270), but remains some distance away from Gelsenkirchen.

Therefore, as with climate change strategy and policy styles, the case study councils are actually *diverging* in terms of multi-level governance typologies – particularly along the vertical sub-dimension. Vertical structures in Germany have become even more robust and mutually-supportive, whereas the UK Government’s increasingly detached approach to English councils means that Newcastle Council develops and implements its corporate policies *independently* of other vertical actors. Although the municipality in Gelsenkirchen has outsourced some service provision to other horizontal actors, responsibilities are still far more concentrated in the German authority than its English counterpart.

However, the empirical research into policy styles revealed somewhat surprising results. If we restrict the scope of analysis to those functions over which municipalities have retained direct control, Newcastle Council relies much more on ‘German-style’ hierarchy than Gelsenkirchen as a way of trying to change staff behaviour. Nonetheless, the English authority has to resort to horizontal engagement

when dealing with the providers of other public services in the city – whereas its German counterpart remains responsible for a much broader range of functions in Gelsenkirchen and can therefore adopt a more hierarchical stance in these areas. In terms of their preference for SOTA or BPM, Newcastle Council is located mid-way between these two points, but has moved away from BPM in recent years, partly due to its desire to promote local manufacturing of electric vehicles. At the same time, financial constraints have meant Gelsenkirchen has shifted slightly away from SOTA and towards BPM, which suggests that the two cities are converging along this sub-dimension. Nonetheless, high standards on retrofitting public buildings, along with ambitious targets for procuring green electricity, mean that Gelsenkirchen still exhibits typically ‘German’ characteristics along this sub-dimension, and it remains some distance away from the English case study.

7.7 Summary of empirical findings

Overall, the local authority in Gelsenkirchen operates within a much more structured vertical framework than its counterpart in Newcastle, and also has direct responsibility for a larger number of local public functions. Similarly, Gelsenkirchen Council is more likely to rely on hierarchical modes of governance *vis à vis* other horizontal actors than Newcastle, and also prefers state of the art (SOTA) technical solutions to the best practicable means (BPM). As such, the type of multi-level governance and the country-specific characteristics of policy style in Gelsenkirchen and Newcastle do resemble those that are typically associated with Germany and England respectively. In spite of this, however, neither municipality fits with the ‘ideal’ governance arrangements of their particular country, because traits that would not normally be associated with their respective countries were apparent in each city. Furthermore, the approaches of both councils to all three policy sectors are changing – primarily because the authorities are trying to seek out ways to acquire the necessary capacity to achieve their political objectives.

Nevertheless, it is important to note that these shifts do not always represent a converging trend: indeed, the two authorities are actually *diverging* in terms of multi-level governance. For example, although the municipality in Gelsenkirchen has direct control over a smaller number of local public functions than previously, it is more

interdependent with vertical actors - and therefore increasingly resembles model Type I arrangements along this sub-dimension. Similarly, Type II structures are becoming more dominant at Newcastle Council along both sub-dimensions, due to a weakening of central-local relations and the continued fragmentation of the local state.

However, there is more evidence to suggest some convergence in policy style. This is largely due to shifts in approach from Gelsenkirchen Council, which has begun to engage more with other local actors in climate change strategy and planning, and is also less likely to invest in state of the art solutions that previously. Nonetheless, although the council is travelling in an ‘English’ direction along these sub-dimensions, typically ‘German’ characteristics still dominate. For its part, Newcastle is also moving closer to the ideal ‘English’ model through its increasing reliance on horizontal engagement in these two sectors. For both councils, the notable exception is in corporate policy, where Newcastle has adopted the ‘German’ characteristic of greater hierarchy (at least over those functions that it still controls directly) whilst Gelsenkirchen has relied more on horizontal engagement (although it is moving away from this approach).

Table 7.1 illustrates how multi-level governance structures and policy styles have changed more in some sectors than others. In order to relate these results more clearly to the original hypothesis, each of the cells relating to the empirical chapters are shaded: the darker the colour, the closer the municipality resembles typically ‘German’ characteristics – and the lighter the shade, the more akin to ‘English’ attributes. They also indicate the ‘direction of travel’ for every policy sector along the sub-dimensions of multi-level governance and policy styles: in other words, whether it is shifting towards the hypothetical ‘mid-point’ between characteristically German and English approaches or moving in the opposite direction.

Policy sector	Municipality	Multi-level governance type		Policy style	
		Vertical dimension	Horizontal dimension	Hierarchy vs engagement	SOTA vs BPM
Climate strategy	Gelsenkirchen	Diverging: Type I becoming very dominant	Converging: Type I dominant, but shift towards Type II	Converging: Hierarchy dominant, but shift towards engagement	Converging: SOTA dominant, but shift towards BPM
	Newcastle	Diverging: Type II becoming more dominant	Diverging: Type II becoming even more dominant	Diverging: Engagement becoming even more dominant	Diverging: BPM becoming even more dominant
Planning	Gelsenkirchen	Diverging: Type I becoming very dominant	Diverging: Type I becoming very dominant	Converging: Hierarchy dominant, but shift towards engagement	Converging: SOTA dominant, but shift towards BPM
	Newcastle	Diverging: Type II becoming more dominant	Diverging: Type II becoming even more dominant	Diverging: Engagement becoming even more dominant	Diverging/Converging: SOTA by proxy through the university, otherwise BPM dominant
Corporate policies	Gelsenkirchen	Diverging: Type I becoming more dominant	Converging: Type I dominant, but shift towards Type II	Diverging: Engagement dominant, but shift towards hierarchy	Converging: SOTA dominant, but shift towards BPM
	Newcastle	Diverging: Type II becoming even more dominant	Diverging: Type II becoming even more dominant	Diverging/Converging: Hierarchy dominant internally: engagement dominant with other local public bodies	Converging: BPM formerly dominant, but shift towards SOTA

Table 7.1: Characterisations of multi-level governance and policy styles in the case study municipalities. (Note: the darker the shading, the more ‘German’ the governance approach – and, by extension, the lighter the shading, the more ‘English’)

As the table suggests, most of the cells relating to Gelsenkirchen are dark or very dark grey in colour, whereas those associated with Newcastle are much paler. This is particularly the case with multi-level governance structures, in that Type I dominates along both the vertical and horizontal sub-dimensions for all three policy sectors in Gelsenkirchen, whereas Newcastle operates with arrangements that bear a much closer resemblance to Type II. Indeed, the two municipalities' multi-level governance arrangements are actually *diverging* rather than *converging* in most cases – the only exception being some horizontal fragmentation in Gelsenkirchen's climate change strategy and corporate policies.

In terms of policy styles, Gelsenkirchen Council now engages slightly more with other horizontal actors in climate change strategy and planning than was previously the case, whereas Newcastle has shifted even further away from hierarchy. Therefore the authorities remain a significant distance apart along this sub-dimension in both sectors, even though they are moving in the same direction. The findings from corporate policies are more mixed, since they show that Gelsenkirchen Council has relied traditionally on 'English'-style engagement but has moved towards a greater reliance on hierarchy since the introduction of an elected mayor. For its part, Newcastle is increasingly hierarchical in those functions that it still controls directly – in contrast to what we might expect from the policy styles literature but in line with comparative perspectives on macroeconomic policy. However, because these represent a low and shrinking set of responsibilities, it needs to engage more and more with external horizontal actors (such as academy schools) that can otherwise operate autonomously of the municipality.

Therefore, the only sub-dimension along which there appears to be some convergence relates to the municipalities' preference for SOTA or BPM solutions. This is particularly the case if we consider Newcastle University's ambitious investments in Science Central to be the council adopting SOTA technologies by proxy. Nonetheless, in most cases Gelsenkirchen Council still opts for higher-end solutions than its English counterpart, primarily due to the vertical framework that provides more support for investing in green technologies.

Municipality	Multi-level governance type		Policy style	
	Vertical dimension	Horizontal dimension	Hierarchy vs engagement	State of the art vs BPM
Gelsenkirchen	Desire for greater institutional flexibility; divergence towards more structured Type I arrangements	Resource constraints leading to outsourcing or privatisation; some convergence towards more fragmented Type II arrangements	Recognition of ‘wicked’ nature of climate change; some convergence towards ‘English’ approach of engagement	Financial and other resource constraints; some convergence towards ideal ‘English’ preference for BPM
Newcastle	Desire for institutional stability; divergence towards more flexible and detached Type II arrangements	Need for policy co-ordination and integration; divergence towards more fragmented Type II arrangements	Desire for more ambitious policies; divergence towards ‘English’ approach of engagement	Desire to be seen as a sustainability location; some convergence towards ‘German’ preference for SOTA

Table 7.2: Potential factors that could cause governance approaches to change mapped against the empirical findings (adapted from figure 2.3 on page 53)

In summary, the municipalities are travelling away from the hypothetical mid-point along some sub-dimensions of multi-level governance and policy styles, but they are converging on it in others. This highlights how the hypothesis at the centre of this thesis is too simplistic even to describe the changing nature of governance approaches in the two cities – never mind identify what factors may be driving the shift to new arrangements. As such, figure 2.3 on page 53, which set out the original hypothesis, cannot be adapted easily to illustrate whether either municipality is moving in a particular direction along either dimension (or indeed sub-dimension). Nonetheless, it is worth returning to this diagram to examine the factors that were suggested as

potential drivers for change in governance arrangements, in order to identify whether they did exert this pressure. As such, they are listed in table 7.2, along with the sub-dimensions of governance approach that they may have challenged. Furthermore, table 7.2 draws on table 7.1 to highlight the extent to which each municipality converged towards the hypothetical mid-point of each sub-dimension, in order to help identify the most influential of these drivers.

Indeed, as table 7.2 shows, some factors proved much more influential than others. In particular, resource constraints and a growing realisation that the authority needed to change the behaviour of other horizontal actors led Gelsenkirchen Council to shift slightly towards the ‘English’ position, whereas the desire for sustainability-led regeneration influenced Newcastle’s approach. In contrast, concerns about the potential rigidity or instability of the institutional framework were not really addressed in either authority, and this has resulted in the municipalities diverging along the vertical dimension for multi-level governance.

Nonetheless, all of these pressures are associated with the key factor that drives change in Gelsenkirchen and Newcastle’s governance arrangements – the extent to which these municipalities have the capacity to achieve their objectives, and how this shapes their relationships with other actors. Chapters 1 and 2 highlighted how climate change is a ‘wicked issue’, and therefore individual state actors need external support to implement policies effectively. Crucially, however, most of this additional capacity comes from different sources in the cases of Gelsenkirchen and Newcastle – and this has profound implications for their governance arrangements.

Indeed, one of the most important findings of this thesis is that the key variable that shapes governance structures (and ultimately influences policy styles) in the two cities is *the source of that additional capacity, particularly the extent to which it is available along the vertical dimension* (see table 7.3). Notably, the prevailing culture of *Politikverflechtung* and the ‘glue’ of the *Energiewende* means that Gelsenkirchen Council is able to access extensive support from higher tiers of government and operate within a robust *interdependent* vertical framework. Together with the fact that it has retained responsibility for a broader range of local public functions (because the federal or *Land* levels did not require municipalities to outsource or privatise their

services), this means it is in a strong position to operate relatively *independently* of other horizontal actors and adopt a more hierarchical approach in the locality. Similarly, financial support from the *Land* and *Bezirk*, along with federal laws to introduce feed-in-tariffs and stringent energy performance standards for buildings, have enabled the council to continue adopting relatively high-end technical solutions instead of relying on the best practicable means to address a problem.

As far as Newcastle is concerned, the much more detached relationship between the UK Government and English councils means that the authority is becoming increasingly *independent* of the centre. This means that Newcastle Council has to look elsewhere for the additional capacity that it requires to implement its policies effectively – and the obvious place to search is along the horizontal dimension. However, it is in quite a weak position *vis à vis* other local actors, due to the centrally-imposed agenda to contract out local public services and the lack of a strong vertical support framework. As a result, it becomes increasingly *dependent* on external organisations and has to try and engage with these horizontal actors rather than adopt a more hierarchical approach. Notably, however, because the council has ‘piggy-backed’ on the capacity of local actors such as the university, the city as a whole is in a position to invest in more SOTA solutions than would otherwise be the case.

Policy sector	Municipality	Power dependence relationship		Policy style	
		Vertical dimension	Horizontal dimension	Hierarchy vs engagement	SOTA vs BPM
Climate strategy	Gelsenkirchen	Increasingly more <i>interdependent</i>	Largely <i>independent</i> , though some <i>interdependence</i>	Hierarchy dominant, but shift towards engagement	SOTA dominant, but shift towards BPM
	Newcastle	Highly <i>independent</i>	Increasingly <i>dependent</i>	Engagement becoming even more dominant	BPM becoming even more dominant
Planning	Gelsenkirchen	Highly <i>interdependent</i>	Largely <i>independent</i> , though some <i>interdependence</i>	Hierarchy dominant, but shift towards engagement	SOTA dominant, but shift towards BPM
	Newcastle	Highly <i>independent</i>	Increasingly <i>dependent</i>	Engagement becoming even more dominant	SOTA by proxy through the university, otherwise BPM dominant
Corporate policies	Gelsenkirchen	Increasingly more <i>interdependent</i>	Largely <i>independent</i> , though some <i>interdependence</i>	Engagement dominant, but shift towards hierarchy	SOTA dominant, but shift towards BPM
	Newcastle	Highly <i>independent</i>	<i>Independent</i> in internal activities; <i>dependent</i> in other public functions	Hierarchy dominant internally: engagement dominant with other local public bodies	BPM formerly dominant, but shift towards SOTA

Table 7.3: Power dependencies and policy styles in the case study municipalities

Table 7.3 summarises these findings and highlights the important role that vertical power dependencies play in shaping Gelsenkirchen and Newcastle's horizontal relationships and policy styles. In the German case, *interdependent* vertical relationships have helped to support horizontal *independence*, and are more likely to result in the municipality relying on hierarchy and SOTA technologies. In contrast, *independent* vertical relationships in England are causing Newcastle to become increasingly *dependent* along the horizontal dimension, and mean the council has to adopt a strategy of engagement with other local actors, as well as demonstrate greater preference for BPM solutions. However, as the next subsection will explain in further detail, it is important to note that these conclusions are based on the assumption that both councils are subject to tight financial constraints. If the municipalities were able to access additional resources from elsewhere (for example, by raising significant extra revenue through taxation), they may not be as reliant on other sources of capacity to achieve their policy objectives and could therefore operate more *independently* of both vertical and horizontal actors.

7.8 Implications for future research

7.8.1 *Further empirical study*

Table 7.3 highlights a number of avenues for further empirical investigation and normative consideration. Notably, it highlights how vertical power dependencies shape the horizontal governance arrangements and policy styles of Gelsenkirchen and Newcastle, two municipalities that operate within constrained financial contexts. Figure 7.1 condenses these findings into a hypothesis for further investigation in other contexts. Indeed, we might expect authorities in other parts of Germany and England that have experienced economic decline to have similar capacity constraints and adopt comparable coping strategies in order to achieve policy objectives. Alternatively, the hypothesis could be investigated in other countries that have comparable vertical structures, in order to identify whether this results in municipalities adopting much more similar governance approaches.

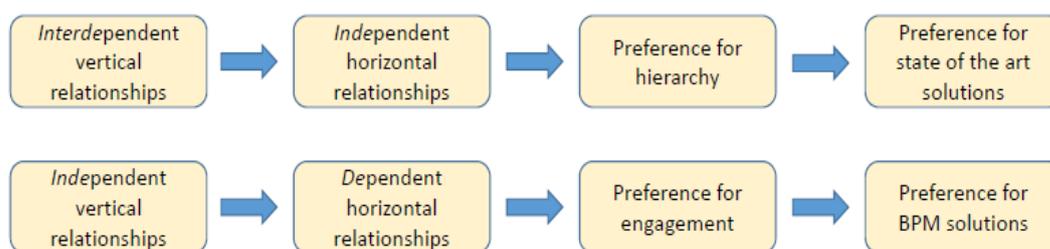


Figure 7.1: How vertical power dependencies might influence horizontal relationships and policy styles: A hypothesis for future investigation

At the same time, other local contexts may well result in different governance approaches – and therefore they represent interesting lines for further investigation. For example, studies into councils that have greater internal capacity could identify whether vertical power relationships are shaping decision-making arrangements in similar ways. With this in mind, it may be the case that capital cities (which national governments may treat differently due to their status within the country) find it easier to pursue their climate change objectives *independently* of other actors than provincial cities like Gelsenkirchen and Newcastle. Alternatively, studies of English municipalities that do not have research-intensive universities located within their boundaries might find them to be even more *dependent* on other horizontal actors than Newcastle. Further studies could also investigate whether vertical power dependencies play a similar role in shaping the governance of other ‘wicked’ policy issues at the local level.

7.8.2 Normative considerations

As this thesis has suggested at various points, greater *interdependence* (and particularly increasing *dependence*) has significant normative implications for democracy. In line with this viewpoint, Shepsle (1988) has suggested that there is a ‘trade-off’ between the ‘representativeness’ and ‘influence’ of a legislature, which can be re-phrased in the context of this thesis as being between ‘democracy’ and ‘capacity’. Indeed, as individual public bodies work with other organisations to increase their ability to achieve policy objectives, it becomes increasingly difficult to identify which actors are influencing the decision-making process. This chimes with

the discussion in chapter 2 of this thesis, which highlighted how New Public Management (NPM) reforms have reduced democratic accountability.

Crucially, the model of power dependencies set out in chapter 3 *does* help to pinpoint the extent to which organisations are able to shape policy-making, and it can therefore act as a starting point for investigating these normative issues. Nonetheless, political theorists may still want to consider whether reducing the level of democratic control over decision-making processes is a price worth paying for enabling public bodies to achieve their political objectives more effectively – or alternatively, where to strike the balance between democracy and capacity (see also Bellamy *et al.*, 2011). In particular, when state actors become so weak that they are *dependent* on the private sector to provide this additional capacity, there is a significant risk that these companies will not act in the public interest. Such a scenario is reminiscent of traditional critiques of pluralism and the influence of special interest groups in policy-making (Schattschneider, 1960, Lehman Schlozman *et al.*, 2012). Yet, it must be borne in mind that public bodies *do* need to work with external actors in order to address vital issues such as climate change, since individual organisations cannot hope to solve such enormous challenges *independently*. This suggests that there needs to be some trade-off between democracy and capacity – after all, any government that is unable to deliver its policy objectives will soon lose legitimacy. Indeed, as some have argued, it may just be the case that the idea of ‘output legitimacy’ (the effectiveness of the policy-making process) is increasingly more relevant than ‘input’ or ‘throughput’ legitimacy (the relationship between citizens and the process of decision-making, and the quality of this process respectively) in the era of constrained state power (Scharpf, 1999, Risse and Kleine, 2007). As a result, traditional methods of holding the powerful to account may have simply evolved in response to global developments.

Nonetheless, Gelsenkirchen Council has reaped two notable benefits from its strong position in horizontal governance arrangements. Normatively-speaking, the city’s voters can have greater confidence that the municipality is *the* key player in local climate governance – and it can therefore be much more accountable to citizens through traditional voting mechanisms. Secondly, from a practical perspective, the municipality is able to *choose* whether to adopt a hierarchical approach or to engage

horizontally with other actors, depending on which approach decision-makers feel would be more effective. In contrast, Newcastle's weaker position means that it relies overwhelmingly on engagement, which could mean that external actors are able to 'dilute' its objectives. As a result, Gelsenkirchen's *interdependent* vertical framework not only creates the conditions that can protect and enhance local democracy, but it also enables public officials to draw on a broader range of tools and approaches to address policy problems. In other words, if an *interdependent* vertical framework does help municipalities to operate more *independently* within their jurisdictions, then it has distinct normative and practical advantages over a weaker and less co-ordinated arrangement.

7.9 Final conclusions

Overall, this thesis sits within various different academic literatures, particularly those associated with multi-level governance, intergovernmental relations, urban studies, public policy analysis, and policy styles. This final section will discuss how it has contributed to each of these fields, both in terms of the theoretical developments set out in chapter 2 and the empirical analysis in chapters 4, 5 and 6. As such, it will bring together the key findings from the entire thesis and place them in the context of wider debates in political science and urban studies.

Firstly, this thesis did find that the two cities relied on notably different decision-making processes, many of which fitted descriptions of the 'typical' policy style associated with their respective countries. This suggests that the idea of policy styles has some merit, and different countries do not necessarily adopt similar policy-making approaches to the same policy sectors. The finding relates to the academic debate about whether the nature of a policy problem shapes how the political system seeks to address it ('policy determines politics', in line with Lowi (1964)), or if the institutional context has more influence over governance approaches ('politics determines policy', see O'Riordan and Jordan, 1996). By highlighting how the vertical (and therefore national) institutional context within which each case study municipality operates shaped their governance arrangements, this thesis has provided useful theoretical support for the idea that different countries adopt specific policy styles. Crucially, however, neither Gelsenkirchen nor Newcastle had static policy-

making processes that fitted completely with the ascribed approach of Germany and England respectively. Most notably, Gelsenkirchen had begun to involve societal actors more in climate governance arrangements, instead of relying solely on traditional state hierarchy to implement policy. In other words, these typical styles are too simplistic to adopt as general rules that will apply to every situation, particularly in ‘wicked’ policy sectors that – by definition – require decision-makers to take a non-traditional approach to problem-solving. A more nuanced perspective, which recognises that both the policy problem and the prevailing political institutions are likely to influence the governance approach (see Stone, 2005), is a far more realistic and accurate portrayal – and therefore provides a much better starting point for analysing policy-making processes at any level of government.

Moreover, this thesis highlighted one of the key drawbacks of traditional multi-level governance perspectives. As the theoretical and empirical chapters of this thesis have demonstrated, multi-level governance may be a good analogy to illustrate the fact that different actors are involved in decision-making, but it does not help to understand the role that they play or which stakeholders are most influential in these arrangements. Similarly, the language of contrasting Type I and Type II jurisdictions is useful shorthand to describe which actors might be involved in governance and what they have responsibility for, but it does not delve deeper to identify how they relate to other stakeholders and reveal the processes involved in decision-making. As such, scholars should only consult the multi-level governance lexicon to stress that different actors are involved in decision-making, and/or to suggest how responsibilities might be allocated across jurisdictions. Unlike theories of the policy-making process, it cannot help us to understand how actors take decisions, or the extent to which they influence governance arrangements.

Instead, any analysis of decision-making requires a theory of power – a concept that this thesis characterised in terms of the *capacity* that a public body has to implement policy. Implicitly, this links Rhodes’ (1981) notion of resource dependency with Stone’s (1989) concept of municipalities possessing the ‘power to’ achieve political objectives (which he distinguishes from exerting ‘power over’ other actors). By incorporating ideas from both political science and urban governance in this way, the

thesis provides a more comprehensive framework for local policy analysis that scholars can apply across a range of sectors.

Indeed, previous studies have failed to appreciate sufficiently the important role of both horizontal and vertical factors in local policy-making, yet such an interdisciplinary approach is necessary to obtain a fuller understanding of governance arrangements. For their part, geographers and urban studies scholars have tended to focus on horizontal factors, such as how local resource constraints and/or economic problems may be encouraging municipal decision-makers to search for a ‘sustainability fix’ to industrial decline. On the other hand, political scientists have concentrated largely on the vertical dimension, by analysing issues such as the extent of municipal autonomy from the centre, the legal/constitutional status of sub-national tiers, the distribution of public functions between levels of government and the degree of control that local authorities have over their revenue streams. As this thesis has demonstrated, however, both dimensions play a crucial part in shaping local governance arrangements – and therefore future studies that seek to understand subnational policy-making processes should take the role of vertical *and* horizontal actors into account. By assessing the extent to which municipalities are *independent*, *interdependent* or *dependent* along both of these dimensions, the power dependency framework developed for this thesis provides a useful lens through which scholars could examine these governance arrangements.

By extension, (a lack of) internal capacity influences local policy-making more than political ideology, public opinion or any evidence-based assessment of what might be necessary to address issues at the municipal level. Therefore, it could prevent decision-makers from implementing (or even proposing) ambitious policies, particularly in wicked sectors where societal actors can exercise significant influence. In the specific case of climate change, this could mean that a failure to reduce global CO₂ emissions might not necessarily be due to a lack of political will, but instead the inability of the political-administrative system to implement policy objectives.

Such a scenario is perhaps more likely at the local level, since we might expect cash-strapped municipalities to have less internal capacity than central governments. This highlights the importance of conducting micro-level studies along the lines of this

thesis, since all tiers of government have a crucial role to play in wicked policy sectors. Even if ambitious policy goals are agreed at the national or global level, such as the COP21 agreement on climate change that over 190 countries struck in Paris in December 2015, implementing the initiatives that will be necessary to achieve these objectives is likely to be a far more difficult task than negotiating the deal in the first place (Ferry and Eckersley, 2016). This is particularly the case given the continued trend towards state fragmentation in many Western countries, which is likely to weaken the influence of public bodies *vis à vis* societal actors even further.

This brings us to the key finding within this thesis – that *the support a municipality receives from other vertical actors is the key factor that shapes local governance*. Notably, this finding conflicts with many critics of centralisation in England, who tend to promote the idea of ‘localism’ from a normative perspective and argue that greater autonomy for municipalities will enhance democracy and enable citizens to take more control over their lives (Jones and Stewart, 1983, Copus, 2010). Such perspectives do not take sufficient account of the fact that greater autonomy from central government is likely to mean reduced capacity within the municipality, particularly in countries like England, where local government has very little freedom to raise its own revenue. Perhaps reflecting the fact that they tend to come from a political science perspective (and therefore focus more on vertical than horizontal relationships), they fail to take sufficient account of how these reforms would affect the local context within which municipalities operate. For as this thesis has demonstrated, sub-national governments that receive less support from central institutions are weaker and less able to operate *independently* within their localities.

By way of contrast, the highly-integrated nature of vertical relationships in Germany means that municipalities are in a much stronger position *vis à vis* other local actors. Indeed, this thesis has found that the phenomenon of *Politikverflechtung* was an inherently positive influence on policy-making in Gelsenkirchen – in contrast to those who have argued that it is slow and bureaucratic, and results in sub-optimal policy outcomes (Scharpf, 1988). These critics have tended to focus on the federal level (where capacity is perhaps less of a concern), rather than municipalities (which often need additional support to achieve their objectives, particularly in deprived cities such as Newcastle or Gelsenkirchen). Moreover, and in common with the proponents of

localism in England, they tend to take a purely political science approach and therefore do not focus sufficiently on how *Politikverflechtung* influences horizontal governing arrangements within localities. As we have seen, the strong vertical structures enabled Gelsenkirchen Council to punch at a much higher weight in local governance arrangements than Newcastle, which meant it could set more ambitious policy goals and have much more chance of achieving them. This applied to climate change strategy (where the German municipality received significant additional financial resources from the *Land*) and also in planning policy (where a more robust framework for sustainable development meant that Gelsenkirchen could not water-down more rigorous environmental standards for new buildings).

The other main criticism of *Politikverflechtung* – that it harms democratic accountability – dates back to when the term was first coined (Scharpf *et al.*, 1976). Indeed, this argument was so persuasive that federal politicians sought to disentangle policy-making processes and clarify which government institutions had responsibility for specific sectors (Benz, 2008). Notably, however, it was put forward in an era before New Public Management (NPM) ideas such as outsourcing and privatisation had taken hold in Western democracies (particularly Germany), and therefore the state was still directly responsible for a much broader scope of public services.

Jurisdictions that have embraced NPM in the period since the 1970s have struggled to co-ordinate policy-making between those actors that now have responsibility for public functions (Dunleavy and Margetts, 2006). Furthermore, this weakening and fragmentation of the state has strengthened the position of market actors in governance arrangements – particularly in municipalities, which have implemented more NPM reforms than central government in both of the countries studied for this project. Crucially, the fact public bodies now have less influence over policy-making than was previously the case raises even greater concerns about democratic accountability than the original critique of *Politikverflechtung*. This is because the more integrated nature of public institutions in Germany results in a stronger state, which means political decisions are more likely to reflect the will of elected officials and the public, rather than those of market actors and their shareholders.

In spite of these concerns about the potentially negative influence of private companies on policy-making processes, this thesis does concur with the academic

consensus that decision-makers need to embrace a ‘governance’ approach to wicked issues such as climate change (see for example Wurzel *et al.*, 2013). Nonetheless, there is a real risk that empowering other societal actors too much in governance arrangements can result in policies that favour private over public interests and/or initiatives that do not address crucial issues in an effective manner. Furthermore, because policy-making processes that involve a range of different stakeholders are invariably complex and difficult to analyse, this would raise significant concerns about democratic accountability. In other words, governance arrangements need to strike the correct balance between state hierarchy and societal engagement. The former can ensure that policies are sufficiently ambitious and designed with the public interest in mind, whereas the latter should mean they have enough support from other actors to be implemented successfully. Indeed, this principle applies not only to climate change policy-making in cities, but also to other policy sectors at all levels of government.

Appendix: Details of fieldwork interviews

Date	Reference number	Method	Number of interviewee(s)	Organisation
06/01/2012	1	Face-to-face	2	Newcastle City Council
16/02/2012	2	Face-to-face	1	Newcastle City Council
05/03/2012	3	Face-to-face	1	Newcastle City Council
11/06/2012	4	Face-to-face	1	Your Homes Newcastle
23/07/2012	5	Face-to-face	1	Newcastle City Council
15/10/2012	6	Face-to-face	1	Newcastle City Council
09/11/2012	7	Face-to-face	1	Newcastle City Council
09/11/2012	8	Face-to-face	1	Newcastle City Council
16/11/2012	9	Face-to-face	2	Newcastle City Council
27/02/2013	10	Face-to-face	1	Newcastle City Council
28/02/2013	11	Face-to-face	1	Newcastle Science Central
08/04/2013	12	Face-to-face	1	Newcastle City Council
19/06/2013	13	Face-to-face	1	Newcastle University
27/06/2013	14	Face-to-face	1	Gelsenkirchen Council
27/06/2013	15	Face-to-face	1	Gelsenkirchen Council
27/06/2013	16	Face-to-face	1	Gelsenkirchen Council
09/07/2013	17	Face-to-face	2	Gelsenkirchen Council
15/07/2013	18	Face-to-face	2	Gelsenkirchen Council
16/07/2013	19	Face-to-face	1	Gelsenkirchen Council
16/07/2013	20	Face-to-face	2	Gelsenkirchen Council and Solarstadt Gelsenkirchen
18/07/2013	21	Face-to-face	3	Gelsenkirchen Council
18/07/2013	22	Face-to-face	2	Gelsenkirchen Council
19/07/2013	23	Face-to-face	1	Gelsenkirchen Council

19/07/2013	24	Face-to-face	1	Gelsenkirchen Council
22/07/2013	25	Face-to-face	1	Gelsenkirchen Council
25/07/2013	26	Telephone	1	GMP Architects
25/07/2013	27	Face-to-face	2	Münster <i>Bezirksregierung</i>
22/09/2013	28	Telephone	1	North Rhine-Westphalian Audit Commission
28/09/2013	29	Email	1	SOL Community Association
09/12/2013	30	Face-to-face	1	Newcastle City Council
08/05/2014	31	Face-to-face	1	Newcastle Science City
10/06/2014	32	Face-to-face	1	Climate North East
29/08/2014	33	Face-to-face	1	Newcastle Science City
13/05/2015	34	Email	1	Newcastle City Council

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