



# Crisis Deflected?

## The story of austerity governance in Leicester

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Cover photo by Jonathan Davies: *Haymarket Memorial Clock Tower – an important meeting point and place of assembly in the centre of Leicester.*

**TRANSGOB: Transformations of urban governance in the context of the crisis. Evolution and prospects for participative governance in Spain and the UK**

The TRANSGOB project addresses the impact of the economic crisis on forms of urban governance in Spain, contrasting the Spanish experience with that of the United Kingdom. It aims to analyse how practices of participative governance are evolving and their future prospects in a context marked by budget austerity, social conflict and political crisis. In more general terms, we want to explore the implications of such dynamics of change for the relations between state and non-state actors at the local level.

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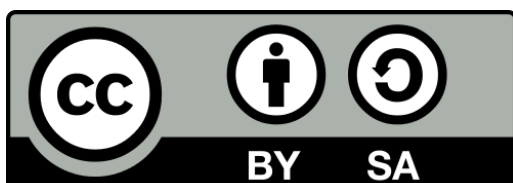


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## Introduction

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The 2008-9 recession was extreme by UK standards, albeit nowhere near as severe as in Ireland or southern Europe. Like European counterparts, the UK coalition government followed the neoliberal orthodoxy in narrating the crisis and ensuing deficit as a crisis of public spending, and prescribing austerity as the solution. Since 2010, the UK has followed the path of austerity, and with the election of the Conservatives in 2015 with a parliamentary majority, austerity is set to continue until at least 2018-19 when the government claims it will have eliminated the deficit. Public welfare is delivered predominantly through urban and sub-regional agencies. Local government remains responsible for vast tracts of public spending. For this reason, austerity can be understood as the 'fiscal crisis of the urban state' (Peck, 2012: 650).

Yet in the UK, it is important to use the notion of 'crisis' carefully. The structural crisis, rooted in imbalances fundamental to capital accumulation has not translated into a fully articulated social crisis of the kind associated with full-blown revolt, racist backlash and tottering state institutions. To be sure, the impact of austerity has been brutal for those trapped by the 'workfare' regime. There have been stirrings of revolt, such as the wave of mass protests and strikes in 2011. And, the UK has not been immune from the politics of resentment stoked by the populist right, reflected in Leicester by the rising vote share for UKIP in 2015. Yet by and large austerity has been delivered efficiently. Any potential crisis has been deflected successfully – so far.

This report discusses the central pillars of austerity governance in the period 2010-15. It focuses on the role of Leicester City Council (LCC) in delivering and managing austerity, focusing particularly on public participation. It identifies three inter-related strands of austerity governance operating in and above the city: *structural constraint* operating through the British political tradition of hierarchical central-local relations; *strategic restraint* through the Council's moderated politics of austerity; and *collaboration*, pursuant to embedding strategic restraint at the state-civil society interface. Together, these strands contribute to the double-de-politicisation of austerity governance: as a fact of life imposed by national government from the outside and by ensuring that as a fact of life, it is delivered successfully on the inside. Our central message is that the local state retains a pivotal role in austerity governance, as the medium of crisis-deflection.

The report discusses research undertaken in Leicester between Autumn 2013 and Spring 2015. Phase one gathered data about changing attitudes and practices of collaboration at the city level. In phase two, we looked at the governance of homelessness, an opportunity to explore multiple dynamics of collaboration and contestation in a sensitive policy area coping with cuts and service reconfigurations. In phase three, we looked again at the city level, attentive to changes in emphasis.

We conducted a total of 25 interviews. 10 in the exploratory phase, 10 in the phase two study of homelessness and five in phase three. In phase one, we interviewed local politicians and local authority officials, front-line officials in neighbourhood governance and community activists. In phase two, we interviewed another politician, officials responsible

for homelessness, voluntary organisations and homelessness advocates and activists, including those with experience of being homeless and vulnerably housed. In phase three, we interviewed two politicians, two local government officers and a voluntary sector manager. Over the three phases we interviewed five Labour Councillors coded P1-5. One of these we interviewed twice - coded P3a and P3b. We interviewed four senior local government officers at assistant director level or above (SO 1-4). SO3 was interviewed twice and is coded SO3a and SO3b. We interviewed eight junior and middle-ranking officers (O1-8), four voluntary sector service providers (VS1-3) and four anti-austerity activists (A1-4). The report begins by discussing collaboration at the city level and then reports a study of homelessness governance. The paper concludes by pointing to patterns and trends in the austerity governance of Leicester.

## The politics of austerity in Leicester

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Leicester is located in the East Midlands region of England and the county of Leicestershire. It has a population of some 330,000 – not dissimilar to the Welsh capital of Cardiff. Although it is the 11<sup>th</sup> largest city in the UK, Leicester has lacked the prominence, influence and – some would say – confidence of similar sized cities, like Cardiff. P3(a) commented that the city had a “collective inferiority complex”, although as reported below, their view had changed by May 2015 (P3b).

The city faced a range of challenges pre-dating the formation of the Coalition government in May of 2010 and the first wave of austerity: 40% of the population of Leicester lived in the most deprived quintile (20%) of the national population (OS, 2013, 2015) and in 2013, 37% of Leicester’s children grew up in poverty (against a national average of 22% (End Child Poverty 2014)). According to Public Health England, Leicester is ‘the 20<sup>th</sup> most deprived local authority in England’, ‘with almost half of the population living in areas of very high deprivation’. The report identifies deep health inequalities in the city, where people in the least deprived areas can expect to live 6 years longer than those in the most deprived areas.<sup>1</sup> International Labour Organisation statistics show unemployment in Leicester peaking at 15.7% in September 2013, falling to 8.9% at the end of 2014 – a drop from 23,800 to 13,900. This compares with a peak rate of 8.3% in England, falling to 6.4% in December 2014.<sup>2</sup>

The politics of Leicester are dominated by the Labour Party, which holds 52 of 54 council seats. In 2010, LCC decided to establish the office of elected City Mayor. Sir Peter Soulsby was elected in 2011 - former council leader and Member of Parliament (MP) (Copus and

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<sup>1</sup> <http://www.apho.org.uk/resource/item.aspx?RID=50348>.

<sup>2</sup>

[https://public.tableau.com/views/EconomicGrowth\\_0/EconomicGrowthA?:embed=y&:showTabs=y&:displaycount=yes:showVizHome=no](https://public.tableau.com/views/EconomicGrowth_0/EconomicGrowthA?:embed=y&:showTabs=y&:displaycount=yes:showVizHome=no).

Dadd, 2014). In the context of enduringly weak UK localism (Davies, 2008), the Mayoralty is invested with considerable executive power. The financial challenges facing Leicester are significant, and the cuts damaging to public welfare. Austerity has significantly reduced the resources available to deliver services and combat problems such as poverty, the city's grant from central government revenue grant was cut by 37% (around £150m) between 2011 and 2016, although these cuts appear modest compared with Athens, Madrid, or American cities forced into bankruptcy, like Detroit. The city faces major on-going reductions in public service budgets, with some predicting an impending crunch point SO3(a) called "the horrors of 2015-2016 and the greater horrors beyond there". Interviewed early in 2015, SO3(b) thought that the crunch point might have been deferred, but that it was still coming, with some important local authorities facing bankruptcy in the next few years.

According to P4, interviewed in autumn 2013, people were "perhaps a little blinkered" if they thought austerity was over, because "the next two years are when the really dramatic cuts are going to be made". After the election of a majority Tory government in May 2015, P3(b) guessed that the city had probably made around half of the required austerity cuts, and that the ball-park total would be around £150 million, or some 40% of the Council's grant, by 2019. Leicester's total revenue grant is now projected to fall by a total of 53% on the 2011 high by 2019-2020 (LCC, 2016).

Problems of deprivation and access to core services such as housing and education are not evenly spread. Leicester has a particularly (and increasingly) diverse population. The 2011 census revealed that 34% of the city's population were born outside of the UK, and came from a range of 50 countries. The population was found to be 51% white, 37% Asian, 6% Black, 4% mixed and 3% other. Beyond these ethnic groupings, there are differences in the concerns and interests of Christian (32%), Secular (23%), Muslim (19%), Hindu (15%), Sikh (4%) and Other (1%) communities (LCC, 2012). This diversity leads to rich multiculturalism within the city, but it also leads to difficulties in engaging with a disparate population.

## Austerian realism

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Councillors and council officers were of one voice in saying they are compelled to make cuts at the behest of central government. We call this perspective 'austerian realism', inspired by the idea of capitalist realism: the Fukayaman notion that 'the end of capitalism is less conceivable than the literal end of the world' (Balakrishnan, 2010: 53). By austerian realism, we mean a disposition of regretful austerity compliance, nonetheless pursued with diligence for lack of a perceived alternative. P1 argued: "I think that people don't necessarily understand what's imposed by central government, and what our response as a council to that is to be honest. That is obviously frustrating from where I'm sitting". Protests in the city were the reference point for this and similar comments, where respondents thought campaigners should be targeting national government, not the Council (also P2, P4, SO4). O5 commented: "Sometimes we might agree with them, but the budget is the envelope that we are given to spend". Another councillor captured the zeitgeist of austerian realism in the Leicester Mercury (Martin, 2016): 'We are not happy making cuts but we cannot set

an illegal deficit budget. If we do Eric Pickles will simply come in and take over the running of the Council’.

This sentiment reflects a longstanding ‘dependency culture’, where British local authorities feel obliged to anticipate and comply with demands from the centre for fear of discipline and sanction (Davies, 2008). Austerian realism is framed, short of a municipal insurrection, by real structural limits on local political power. English local authorities are situated in top-down relations of domination, where the centre holds a monopoly of legislative, administrative and judicial power and ample capacity and will to force would-be dissident authorities into compliance. The ‘shadow of hierarchy’ (Jessop, 2004), the credible threat of coercion, fosters compliance. This hierarchical relationship, rooted in the English tradition of central-local relations and supported by coercion, is the first pillar of austerian realism: the realities of structural constraint. It operates throughout English local government, but in Leicester we found local nuances and subtleties, pointing to the importance of locality effects in the configuration of austerian realism.

According to SO2, LCC chose not to adopt an overtly confrontational stance toward the centre, because “you can open yourself up to more scrutiny from central government”; there are “various things that they can do to make things more difficult”. PO3(b) observed that some Councillors viewed this approach as a sell-out wanting more dramatic announcements about the scale and impact of cuts – such as Birmingham’s 6-7,000 redundancies: “there are political colleagues who would say we’ve sold out – it’s not like that ... drama and conflict aren’t in the best interests of the city”. P3(b) thought a quieter approach benefited the city, both in terms of not antagonising the centre and enabling austerity to be managed smoothly, in a way that mitigated damage to the worst affected populations.

Voluntary sector organisations took a similarly pragmatic view. A co-authored response by thirteen third sector organizations to LCC’s draft homelessness strategy, while critical of certain elements, commented: ‘The voluntary and faith sector understands Leicester City Council’s position regarding its need to manage budget reductions’. It recommended that the Council, voluntary and faith sectors collaborate to ‘ensure that budgetary reduction is achieved through a managed process of cost reduction, based on evidence of need, across all services. The voluntary and faith sector will play its part in this, as it did in 2012/13’ (2013b: 59).

Insofar as it attempts to deliver austerity with a minimum of drama, Leicester is the author of its own strategy and tactics: what we call ‘strategic restraint’. It would be misleading to describe self-discipline in the vernacular of ‘governmentality’, Foucault’s informal or sub-conscious rules for the ‘conduct of conduct’ (Dean, 2010). Austerian realism is not (or not only) bio-political. It is a purposeful strategy to cope with conditions in which the city finds itself, but did not choose.



## Collaborative governance in Leicester

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In discussing collaborative governance, we explore two inter-related aspects: the effective coordination of public action and management of public services through partnerships across state, market and civil society, and the more radical potential for an inclusive participatory democracy. The research discussed below suggests that while the former mode of collaboration remains important, the latter is somewhat diminished and plays second fiddle to austerity management.

Leicester City Council underwent a number of changes in the years leading up to, and in the early years of, austerity. The most significant was a change in the city's executive structure in the adoption of the elected mayoral model in 2011. Nationally, Leicester was the only city to introduce the office of City Mayor without a referendum – the Council made the decision. Former Council Leader Sir Peter Soulsby was elected Mayor in 2011, concentrating powers in the hands of Soulsby and his executive team of Assistant Mayors.

Sparse academic literatures show that the city followed the New Labour approach insofar as it established a plethora of quangos including a Local Strategic Partnership – the 'One Leicester Partnership' with representation from governmental agencies, civil society groups and local business leaders (e.g. Apostolakis, 2004). Local Strategic Partnerships generated a considerable literature in the 2000s and were seen by enthusiasts as potentially supplanting councils as the leading local governing mechanism (Davies, 2007). By 2008, however, Davies and Pill (2012) saw signs that elements of the participatory 'quangocracy' constructed under New Labour were beginning to wither amid spending cuts, institutional upscaling, metropolitanisation and network closure.

These processes were also occurring in Leicester. Apart from those asked directly, no one mentioned the One Leicester Partnership – not even by way of historical comparison. Questioned about LSPs, P3 and SO3 were scathing. For P3(a): "even when they were very fashionable in the Blair years ... I was intensely sceptical of them". He was pleased that by the time the Mayorality was established, "the fashion had changed". It was "very easy to ditch the whole damn lot". For SO3, "I have to say, I have never met a single person who would speak generously about LSPs. Most people would say they turned out pretty quickly to be little more than talking shops. People voted with their feet in terms of attendance". O8 described One Leicester as "a bit of a beast".

Whether winding-up the One Leicester Partnership is seen as significant depends in part on whether LSPs themselves are seen as having once been important. Notwithstanding the voluminous literature, and the resources dedicated to evaluating LSPs under New Labour (Geddes, Davies and Fuller, 2007), the view in Leicester was that they were not. Under the Mayoral model, said P3(a), the "ability to get people together, to convene is very significantly different". They recalled a meeting convened by the Mayor with the Bishop of Leicester, a local university Vice Chancellor, the police Chief Constable and the Lord Lieutenant about the discovery of Richard III's body and its potential for promoting the city. They commented: "actually summoning that sort of meeting, that sort of mega summit - no, you don't need to do it" ... "We do not need to set up structures to get people around the

table". Whereas a council leader, lacking legitimacy, authority and mandate might need an infrastructure to sustain collaboration, a City Mayor does not (P3b).

Despite austerity and the ideological hostility surrounding quangos, however, an institutionalised collaborative infrastructure continues to thrive in and around Leicester. Local and/or sub-regional partnerships mandated by central government include the Leicester, Leicestershire and Rutland Local Resilience Partnership, the Safer Leicester Partnership, the Safeguarding Children Board, the Leicester Health and Wellbeing Board, the Better Care Together Partnership (the latter NHS-led) and the Leicester and Leicestershire Economic Partnership. We did not study these mechanisms in any detail, but the latter three all have an important locus in austerity governance: the health partnerships to try and move forward public service integration – and thus efficiency savings – the economic partnership to stimulate investment and growth: the boosterist counterpart to austerity (see below). If anything, the statutory quangocracy became more extensive under the coalition of 2010-15, albeit stripped of 'third way' normative baggage about the potential of partnerships for an inclusive participatory democracy.

Beyond the statutory mechanisms, largely focused on joined-up public services, respondents saw collaboration with citizens as very important for delivering austerity effectively, and for mitigating the sufferings and vulnerability of those exposed to cuts. Leicester operates a variety of mechanisms and approaches. P5 believed that the spirit of collaboration has changed under austerity "... it's a different conversation with people". They come to it with "a more negative hat on" ... "there is almost a sense of people assume any conversation they are going to have with a statutory body as being about cuts". They recalled consultations over the reorganisation of neighbourhood services, with which different groups engaged more-or-less constructively and critically. They considered it much easier to make the necessary changes "when people make positive suggestions as to what they'd like to see done differently. When people just say "no I don't want it to happen", that makes it much harder because it is around trying to cut a cake, it's not that you can't cut it at all". O8 made a similar point that "we would rather work with you to understand what the options ... from your point of view might look like so that we can then at least endeavour to make changes that are likely to be sustainable".

O8 argued that the City Council is responsive to local concerns, within the confines of the austere envelope. They referred us to the Council's consultation hub (<http://consultations.leicester.gov.uk>) established in 2012. For each consultation, it responds with a feedback statement: 'we asked, you said, we did'. In some instances, they argued, "that has undoubtedly led to a change in the nature of the proposal or the way it has been implemented. To my mind, that is influencing policy". P5 concurred that the Council had honestly put all elements of its financial predicament on the table in neighbourhood consultations, and that the most effective forms of collaboration were those where the local community took ownership and generated their own proposals.

It is difficult to estimate the importance of particular mechanisms, but more or less intensive and institutionalised forms of collaboration form a third pillar of austere realism. In this instance, dialogue is a vehicle for managing down demand, stimulating ideas about managing down pain and sharing information across organisations. A similar view comes



across in the study of homelessness governance, discussed below, together with the more coercive features of collaboration.

In summary, our research does not immediately support the conclusion that there has been a quantitative rollback or retrenchment in the collaborative architecture in Leicester. The local quango state remains intact, and collaboration with citizens is valued as a practical tool for austerity management. The one major structural change at the city level, the removal of the LSP – New Labour’s white elephant in the locality - had nothing to do with austerity. It has been substituted by ad-hoc and informal relationships underpinned by Mayoral legitimacy and authority. Missing, however, was any sign of the optimism associated with the potential in ‘network governance’ for social renewal and a revitalised participatory democracy. Collaboration is functional and pragmatic.

## The governance of homelessness

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The study of homelessness governance – phase two of our research in Leicester – was conducted during Spring 2014. Our goal was to look at a politically sensitive policy area in more depth, to understand the intermediation of collaboration and austere realism. While insignificant in budgetary terms, homelessness has a high political profile in Leicester and encapsulates important dynamics and dilemmas associated with austerity governance. In 2012-13, LCC undertook a statutory quinquennial review of its homelessness strategy and homelessness services (LCC, 2013c), which coincided with major cuts to the budget: a 30% cut from £6.5 million to £4.5 million (LCC, 2013a: 3), with aggregate savings since the 2008 crisis of around 50% (SO1). The review generated high levels of public engagement through consultations, a Mayoral summit in 2012, petitioning, official scrutiny and surveys and street protests (LCC 2013b). SO1 attested that there had been a “massive, massive response to the homelessness strategy ... lots and lots of interest”, for which there is a twitter trail and photographic evidence.

The review introduced a controversial change in strategic orientation: the reconfiguration of collaborative processes and a new (or newly significant) relationship with voluntary sector service providers. The 2013-18 homelessness strategy states: ‘Homelessness services are in need of transformation. We need to tackle the problem of homelessness downstream – moving from a culture of crisis and rescue to one of prevention and support’ (LCC 2013c: 10). This statement reflects the main shift in direction, moving away from the emphasis on funding hostels and beds, towards services aimed at prevention (Action Homeless, 2013).

According to P3(b), the rationale for a preventative model was that focusing on hostel provision creates a “revolving doors” syndrome, with people constantly moving in and out without moving on to more permanent accommodation. They argued that the City is “doing at least as well by people who are homeless as we were doing before”. In the vernacular of austere realism, the pain of austerity can be mitigated through judicious service reconfiguration. Whether it will succeed is a moot point. Some voluntary sector service providers accepted the rationale, but others questioned its feasibility under conditions

deemed likely to aggravate homelessness. For example, VS3 claimed that cuts were “being sugar coated and given a veneer of prevention, when it is actually being driven by having to save money” (also VS2, A3, A4). They thought that under austerity, and in a world where people experience deep trauma, homelessness couldn’t realistically be prevented.

## Reconfiguring collaboration

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According to P3(b), “there are some specific aspects of the services where we are providers or partners, where bringing other interested parties together is important”. They saw homelessness as a case where structured collaboration is valuable, because “people have a stake, an interest and a perspective that you need to share with”. As part of the homelessness review, LCC reconfigured the collaborative arrangements. It explained that previous mechanisms were viewed by the voluntary sector as a vehicle solely for the Council to make policy announcements – not as a partnership (LCC, 2013b: 72). The Leicester Homelessness Partnership (LHP) emerged from the review. Membership of the LHP comprises LCC and organizations central to the delivery of the Homelessness Strategy Implementation Plan. This body, through which homelessness resources are channelled, is responsible for managing implementation and delivery in accordance with a binding plan. Voluntary organisations on the LHP are there “because they are supplying one of the bits of work that is needed to make our strategy a reality” (O6). The new arrangements “support the value that they can give”, instead of “time consuming and expensive talking shops” (a perspective echoed by P4).

The counterpart to the LHP is the Homelessness Reference Group (HRG), another semi-formal partnership, but with membership open to any individual or organisation in Leicester “that considers itself to be a stakeholder” (O5). Respondents active in protests against welfare reform (discussed below) were also more-or-less active in the HRG, occupying dual roles as participants and agitators. As SO4 commented, “they are activists, they are champions from the community that feel like they need to get their voice heard, but they are also trying to make the difference, so working with services to make the changes”. The HRG has a voice with policy makers, is not constrained by the homelessness strategy or targets for delivery, but lacks formal authority to drive policy change. It was viewed more as a talking shop, a venting mechanism for advocates and critics to bring their concerns to the table (A3).

Our respondents were divided on the usefulness of the HRG. For VS1:

‘There is a level of accountability, the agenda is not being dictated, but is being a little bit owned by local officers, but increasingly there is a genuine request for people to bring issues and blocks into the system, genuine ... commitment to some extent to see what are the key issues for us locally.’

VS3 attended a reference group meeting and felt “that’s got promise in terms of getting that dialogue going”. As a campaigning group, however, they were “concerned that we

might be the one dissenting voice in a bit of an increasingly clubby atmosphere, which is a good thing in one way if things work". A4 thought the Reference Group was a good idea in principle, but A3 was scathing: "they still went ahead with every single cut that they wanted to do, apart from shutting the ASK day centre, but they have reduced the service significantly". Moreover, "any time that someone was saying something that was actually relevant to the cuts that they were imposing, they were cut off" ... "I just felt it was a sham, that is what we labelled it as: a 'shamsultation'" (a term also used by VS3). Both A3 and A4 thought LCC was controlling the agenda in a way that meant people could not raise principled opposition to the cuts. Here, the effectiveness of collaborative dialogue as a medium of 'strategic restraint' remains uncertain.

LCC saw the new partnership arrangements as vital for successful austerity governance, particularly the LHP. For O6, following the logic of P5 cited earlier, "working with them more effectively is part of the antidote to having to cut the services that we provide" (also O4). However, other respondents thought that the new LHP commissioning, delivery and audit procedures showed a dark side to collaboration, forming a disciplinary pincer.

Those voluntary organisations funded to deliver services through the LHP perceived the threat of capture. Said VS1 of his organisation's role as a commissioned provider, "we try not to be overtly critical"; one reason for this being "that we are paid by the local authority for a number of our services". Several respondents thought that competitive tendering and commissioning undermines critical capabilities in the voluntary sector. Said VS2: "So, when you scratch the surface with a lot of people involved with homelessness, they would love to be free to say the things that I have said. ... But they daren't because it would put their funding at risk. We can't risk our funding because we don't get any from them". And, "that allows our client group to have a voice without us feeling compromised about what that voice is saying". For VS3:

'It's a real issue I think, this kind of gagging of potential dissent by commissioning them ... Especially coupled with the fact that the local authority holds all the decision making on the commissioning, delivery, and reporting of the services. It's stitched up in a nice monopoly'.

A4 concurred that reliance on council funds meant "nobody is brave enough to say anything", with funded organisations feeling they are "gagged" (similar comments were made by A2 and A3). No councillor or officer said anything to suggest that they wish to encourage this sense of threat, or to mute commissioned voluntary sector organisations. However, SO4 pointed to the competitive stringency of the commissioning process: "What are you about, what's your vision, what are you trying to achieve. Funders won't provide that unless they know they're going to get a rate of return on their investment" (also O5). What was interesting is the perception that austerity, the commissioning regime and the LHP delivery mechanism contribute de-politicising austerity, warranted by the strictures of austere realism (structural constraint plus strategic restraint) and under the perceived threat of funding cuts. Earlier, we argued that collaboration operates as a third strand of austere realism, contributing to the operationalization of the second strand, strategic restraint. The research points to two further sub-strands - collaborative dialogue and collaborative discipline - though which the politics of austerity are muted.

## Contesting austerity?

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There have been a number of anti-austerity protests in Leicester over the past few years, mostly on a small scale. Homelessness is one of the areas in which there have been protests, as part and parcel of wider campaigns against welfare reform. Twitter searches convey a better sense than local media or interviews, of which protests have happened involving which actors. Trade unions including the FBU, the GMB, UNISON and UNITE have played prominent roles alongside local welfare campaigners – groups such as ‘Down Not Out’ and ‘Action Homeless’. Some homelessness activists involved with the HRG were also active protestors, co-organising demonstrations and spectacles.

Concern about the impact of welfare reforms on the homeless and vulnerably housed people, and disabled people, appears to have been common to all the protests. P1 commented: “Yeah, people around the bedroom tax demonstrations. In some ways you might say some of them are the usual suspects from organizations on the left, but there have also been new people involved in some of those events” (also A1). Just as the configuration of protest groups seems fluid, so does the relationship between resistance and participation, with respondents occupying cross-cutting roles on the streets, as consultees in the homelessness review and members of the HRG. Some respondents thought protests had been successful, up to a point – much like consultations and collaborations. With reference to the Council’s homelessness review, O4 commented: “some of the services that were originally going to be closed have been retained”... “Whether that was impacted by the protest, or influenced by the protests, I wouldn’t be able to tell you”. For O6, “it did have a material impact on the original financial targets that we were being given to try to meet”. A3 concluded that “at the end of the day it didn’t make much of a difference, but we did actually delay them for a few months from shutting everything down”. P4 agreed commenting, “I think it’s a combination of the two” (consultation and protest). He observed that when people feel they have no leverage through formal consultation, they turn to protest. “I think there might be some validity in that view they hold”.

So far, however, anti-austerity protests have not created significant pressures on the Council, or undermined the pillars of austere realism. From the standpoint of LCC, levels of protest have been exceptionally and unexpectedly low; far lower than they might have been a generation ago. P3(a) observed: “a lot of things we’re having to do have been painful for those on whom they have impacted ... but actually some of them would a decade or more ago would have been generally publically controversial... A lot of them are happening almost without a squeak”. There had not been, for the most part, the expected “howls of protest”. P1 compared the response to austerity unfavourably with mass demonstrations against the war on Iraq in 2003. “I am still sometimes frustrated and surprised by the low levels of vocal, and sort of evident engagement I guess”. 20 years ago, said SO3, “even on budget day we would have had several hundred protestors in and outside the council building ... we might have a man and a dog now. What does that say about civil society? Are people just downtrodden into submission? I don’t know”. VS3 reflected this view: “one thing that has probably surprised me, actually, is the fact there’s not really that much activism, it’s essentially the same people”. They put the lack of activism down to insufficient public

knowledge – a sense that people are largely unaware of the social impacts of austerity unless they read *The Guardian*.

Anti-austerity activists were ambivalent about the growth or decline of protest. Both A1 and A4 pointed to an increase in general activism: “everybody I know who is active is very active and working on all sorts of things. People who are involved in bedroom tax are involved in Trident or involved in Amnesty” (A1). According to A4, “there has been a lot more protesting, like organised protesting that I have seen, which I have not seen in Leicester before”... “I have never really felt so angry, wanted to get involved, so much before either.” Others thought the remoteness of governing elites undermined political activism. For A2, “I think it has decreased, I think people are disillusioned, I don’t think people trust politicians”. They concluded, “protest groups have become less influential, full stop”.

P3(b) thought that the relative lack of protest also owed something to the council’s managed approach: most people hadn’t been that badly affected: “Yeah, it’s controversial ... it can be quite traumatic ... but actually for most of the people in Leicester ... I bet if you went out and asked them, what Council services have been cut over the past few years, they’d struggle”. If most people in Leicester were asked about cuts ... “I think they’d struggle to identify anything that they’ve lost that mattered to them”.

Interestingly, O8 was the one respondent who identified the propitious combination of UK-wide factors mitigating the impact of recession and austerity: low inflation and mortgage costs and the fall in oil prices. Together with the return of rising house-prices, these factors may have combined to insulate many people in Leicester from the chilliest winds of recession and austerity. Looking forward, however, O8 thought that this relatively favourable conjuncture might be precarious – it could unravel with an uptick in inflation and any rise in mortgage interest rates, or a renewed recession.

Right at the end of the fieldwork, P3(b) introduced the theme of resilience and recovery, not touched upon by respondents in earlier rounds of fieldwork. They argued that Leicester is now getting over its “collective inferiority complex”, and recovering a positive sense of place, aided by events such as the fortuitous discovery of Richard III’s remains and the cultural and sporting renaissance of the city. They commented,

‘I think the interesting thing about Leicester is its apparent buoyancy at a time of austerity and its increasing self-confidence at a time of austerity, despite what is happening to it ... why should a city that is suffering this level of reduction in spend and the public services ... and yet it is a city and county that feels quite good about itself. I don’t know why’.

Moreover, “Leicester feels quite secure in its economic future ... it’s quite confident about itself”... There is not a feeling we’re a city that’s “anything but on the up”.

One counter-narrative (we did not explore in the fieldwork) is the rising politics of resentment in working class neighbourhoods. The May 2015 local and general elections saw growing and significant levels of support for UKIP, although the party did not win any seats on the council, and have only one MP nationally. History tells us that the experience of

deprivation and marginality in working class neighbourhoods may be channelled not into resistance, social solidarity, collaboration or the city's vision of multicultural vibrancy, but rather alienation, resentment and embitterment (Machin and Mayr, 2007). It may be that as resources decline citizens see the established political actors as ineffective, opting instead for an alternative of whatever kind, sometimes as a protest vote. In the absence of a clear and compelling politics of hope for the future, resentment is channelled into blaming others – welfare claimants and immigrants – for the pains of austerity. Either way, the rise of a racist party in a city as diverse as Leicester is worrying. It poses a challenge to progressive politicians in the city and is an important issue for future research.

Whatever the explanation, low levels of protest and seemingly high levels of public forbearance provide an important enabling environment for austerity. To be clear, an enabling environment is not an authorising environment because we are careful not to confuse acquiescence with assent. Relative public acquiescence, anchored by the complex of propitious local and extra-local circumstances, is an enabling environment for the embedding of strategic restraint in everyday governance practices. Without it, stability and order would have been far more difficult to sustain.

## Conclusions

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Austerian realism, understood as a governance strategy for crisis-deflection in Leicester, rests on three inter-related pillars: structural constraint, strategic restraint and two primary practices of collaboration: dialogue and discipline. Structural constraint is the local dependency culture in English local government, held in place by the real threat of coercion from the centre; the “shadow of hierarchy” (Jessop, 2004). It is articulated locally as the absence of an alternative. Strategic restraint is the council's decision to moderate austerity politics. Several factors contributed to making this approach viable. One is the strikingly low levels of protest against austerity, perhaps because better-off segments of the working class have been insulated to some extent from the worst effects and are relatively unaffected by public service cuts. The sustainability of this conjuncture (and narratives of Leicester's ‘renaissance’) remains to be seen.

Collaboration between local government, the voluntary sector and citizen-activists is an important third pillar of austerian realism and vehicle for operationalising and sustaining strategic restraint. The collaborative processes we studied were all oriented towards the governance of austerity. By this we mean that strategies and tactics central to the TRANSGOB enquiry - political and institutional *innovation, enhancement, continuity* and *retrenchment* - have all been deployed to make collaboration work for austerity governance. The study suggests that this approach is informed on the one hand by the pragmatic and instrumental attitude to collaboration within LCC (there was no sign of any idealism about ‘network governance’) and on the other by the authority with which the Mayoral office and its occupant are endowed. At the city level, the statutory quangocracy remains intact and may have grown. The key process of *innovation* – the abolition of the LSP – had nothing to do with austerity as such. With Mayoral authority to bring actors around the table as and

when required, a city-level forum for stakeholder summits was no longer deemed necessary or appropriate. It might be construed as *collaborative innovation* in the sense of a significant change, and *retrenchment* from the standpoint of actors losing a voice they might have had in the former talking shop. Yet, no-one mourned the LSP.

The reconfiguration of homelessness governance, introducing an organisational split between 'advocacy' (the HRG) and 'delivery' (the LHP), represent both *innovation* and *retrenchment* insofar as it arguably compartmentalised dissidence and cultivates the ethos of performance management. Collaboration was *enhanced* by the consultation hub, the openness of the HRG and by the development of more intensive relationships between the voluntary sector and LCC – although these relationships appear de-politicised and could be conceived in that context as *retrenchment*. We found *continuity* in enduring debates about the authenticity of collaboration.

Accordingly, we found that collaboration serves two main purposes as a vehicle for strategic restraint. First, it contributes (not always successfully), to de-politicisation through dialogue: managing down demand and managing down pain. Second, it contributes to de-politicisation through discipline, through tendering, commissioning and delivery. We are unable to say whether collaboration delivers efficiency savings through joined-up government, or whether 'talking shop' flanking mechanisms, like the HRG, mollify or antagonise participants.

Our conclusion is that the three pillars of austerian realism in Leicester show that the local state is the subject, but also an important agent of austerity governance exercising strategic and tactical choices. These may lead to distinctive configurations of austerity in UK local governance, albeit under structural constraints associated with hierarchical central-local relations as yet undiminished by 'localism'. Austerian realism has been effective as a vehicle for governing and navigating austerity without an overt social crisis, but in Leicester many respondents fear that the worst lies ahead. The conjunctural conditions that helped neutralise resistance and conflict may not hold. Further rounds of government cuts have been announced and more may be required. Some anticipate a crisis in English local government as well (SO3b). For this reason, further research is to understand the spatio-temporalities of austerity governance, its contestation, and the efficacy of different de-politicisation strategies. Table 1 summarises these conclusions, highlighting the crucial features of austerity governance in Leicester.



**Table 1: Austerity Governance in Leicester 2013-15**

	<b>City</b>	<b>Homelessness</b>
<b>Intensity of austerity</b>	Ongoing budget cuts imposed by Westminster. The worst is yet to come?	LCC imposed cuts and strategy change, with some support and some opposition from the VCS and homelessness activists.
<b>Governance traditions</b>	Structural constraint. Deference to Westminster and Whitehall. In the shadow of hierarchy.  Collaboration: New Labour quangocracy – e.g. the One Leicester Partnership.  Traditional council leader and cabinet model, replaced by City Mayor in 2011.	Statist, supported by collaborative institutions.
<b>Locality factors</b>	Austerian realism is the dominant justificatory logic for public service retrenchment. Strategic restraint.  Mayoral authority.	Austerian realism. Shared by key voluntary sector providers, contested by some activists.
<b>Social movements and grassroots participation</b>	Strikingly limited – as in the UK nationally. Small protests with a core activist group, have limited efficacy.	Vocal voluntary sector and activists alongside trade unions. Protest groups with a common core of activists around welfare reform and the homelessness review (as per column 1).
<b>Collaboration under austerity</b>	Collaboration as the third pillar of austerian realism: dialogue and discipline.  Mayor abolished LSP – preference for informal arrangements. However, the statutory local quangocracy lives on and proliferates.	Reconfiguration and rethinking of collaborative infrastructure post-homelessness review. Collaboration a vehicle for dialogue and discipline.
- <i>Innovation</i>	Mayoral model, the consultation hub.	Institutionalising division of labour between dialogue (HRG) and discipline (LHP).
- <i>Enhancement</i>	Economic development partnership, health partnerships, faith and ethnic minority forum.	The Housing Reference Group as a sounding board and talking shop?
- <i>Continuity</i>	The statutory quangocracy – poor local democratic accountability.	Activist critique of collaboration as inauthentic – “shamsultation” – reflects prominent theme in literature.
- <i>Retrenchment</i>	Decisions not always consensual. Negative sentiments about consultation among some groups.	Collaborative discipline underpins austerity governance. Hostel closures without consent of key interest groups.

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