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INTRODUCTION

The main features in this issue of Leicester Business School's annual Research Briefing look at ethnic minority entrepreneurship, local government, and foreign investment and regional skills development:

- Drawing on action-learning research, Professor Monder Ram examines the profile of ethnic minority businesses in the West Midlands, their important role in the regional and national economy, the key issues facing ethnic minority entrepreneurs, and the implications for policy-makers

- Professor David Wilson, dean of Business and Law and deputy vice-chancellor, provides an overview of local government, exploring the incessant structural change and the wide diversity of organisation and practice beneath the apparently pervasive centralism of the British system of government

- Dr Phil Almond reports on ESRC-funded comparative research in the UK, Spain, Ireland and Canada, investigating how development agencies and other regional bodies seek to provide sources of competitive advantage for the foreign multinational companies they host in order to 'embed' these firms within the local economy. The focus of the research is on the role of regional bodies in upskilling the local labour force as a way of developing the human capabilities that multinationals require.

There are also shorter items on other current research projects, news items from a range of our research centres and groups, and profiles of two of our doctoral students.

If you are interested in finding out more about any of our featured research, please contact the project teams at their email addresses, or email me at the address below. More information can also be found at dmu.ac.uk/balresearch

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RESEARCH
NEWS IN BRIEF

Employment practices in multinational companies

The International and Comparative HRM research group's work on *Employment Practices in MNCs* has continued to develop internationally with comparative analysis of survey data across MNCs in the UK, Spain, Ireland and Canada underway. Professors Anthony Ferner and Olga Tregaskis were invited to Cornell University in September 2010 to present their preliminary comparative findings. Work from this study has also been presented by the DMU team at outreach conferences in Mexico and Denmark organised by our research partners in the Centre of US-Mexican Studies, El Colegio de la Frontera Norte/University of California San Diego and Copenhagen Business School Denmark.

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Facilitating impact: Making entrepreneurship and diversity everyone's business

Professor Monder Ram, of the Centre for Research in Ethnic Minority Entrepreneurship (CREME), has successfully secured an Economic and Social Research Council (ESRC) grant from their 'Follow-on funding' programme for his research into ethnic minority entrepreneurship. The award of £85,000, for a joint project with Lancaster University, will extend work with the Minority Ethnic Enterprise Centre for Expertise (a two-year project that ended in November). Monder and colleagues will be working closely with Barclays plc, the Chartered Institute of Purchasing and Supply, the Association of Chartered Certified Accountants, Business in the Community and local and national policy-makers.

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Double success for Dr Catherine Durose

Dr Catherine Durose, senior research fellow in the Department of Public Policy, has successfully gained an award of £9,905 from DMU's Revolving Investment Fund (RIF) for a project on *Building capacity to impact on policy and practice*. This will be undertaken through a series of activities centring on a blog for practitioners and policy makers. This project will also include Dr Steven Griggs, Dr Jo Richardson and Dr Kathryn Jones (all from Public Policy) along with Dr Richard Hall, the university e-learning co-ordinator.

Dr Durose was also successful in an ESRC research seminar series application. This bid, entitled *Beyond the State? Third party government in comparative perspective*, beat off intense competition. Her co-applicants were Professor Chris Skelcher at INLOGOV (University of Birmingham) and Jonathan Justice at the Institute for Public Administration, University of Delaware.
The lectures began at the start of 2011.

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Knowledge Transfer Partnerships (KTP)

Dr Steven Griggs, from the Department of Public Policy, has won a KTP award in conjunction with the Association of Public Service Excellence. DMU now has a project portfolio of 21 KTPs and four shorter KTPs with a total value of £2.44 million.

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ENTREPRENEURSHIP AND DIVERSITY IN THE NEW ENVIRONMENT

The promotion of enterprise in diverse communities is today facing huge challenges and uncertainties. The impact of the credit crunch and deepest recession since the 1930s continues to reverberate through existing ethnic minority businesses (EMBs), and those potential Black, Asian and other Minority Ethnic (BAME) entrepreneurs struggling to establish a business. Added to this uncertainty have been the radical changes in enterprise policy being introduced by the new coalition government, the stark outlines of which are just emerging, with much detail to follow.

Professor Monder Ram OBE, reports on a major Centre for Research in Ethnic Minority Entrepreneurship (CREME) initiative – the Minority Ethnic Enterprise Centre of Expertise[1] (MEECOE) – which has been working with business support organisations in the West Midlands on the following questions over the past 24 months.

What is the role of entrepreneurship and diversity in the coalition's 'programme for government'? How can EMBs help promote growth and 'rebalance' the economy in an era of sharply reducing public expenditure? Certainly these are very challenging times for those involved in supporting entrepreneurship in diverse communities which call for fresh thinking and imaginative responses.

MEECOE's work has emphasised the following:

- EMBs are critically important for the regional (and national) economy both in terms of their contribution to growth and to the alleviation of deprivation. There is much untapped potential here
- Diversity should be everybody's business, integrated into the work of all those in the public, private and third sectors providing business support and advice
- Entrepreneurs are diverse in many different ways at the same time: different ethnicities, genders, ages, economic sectors, legal form and so on. Enterprise support needs an integrated approach to diversity
- Business-to-business mentoring is a crucially important method of mobilising needed business support but its effectiveness is not automatic. Thought is required on how it is structured and lessons can be learnt from innovative good practice
- Encouraging supplier diversity in both the public and private sectors is a key dimension of enterprise support and developing the potential of EMBs
- In order to learn what works and why, initiatives need to embed action learning and evaluation for continuous improvement

This article explains MEECOE's approach and its relevance in the current challenging environment and to the developing enterprise policy agenda.

[1] Advantage West Midlands (AWM) funded MEECOE's establishment in December 2008 as part of its programme to improve the promotion of entrepreneurship among all sections of the region's population. AWM recognised that the region's population was diverse and that the potential of many 'equalities' groups to establish and sustain businesses that created jobs and wealth for the region's economy was not being fully realised. In response it developed centres of expertise for women, young people, social enterprise and ethnic minority communities to increase knowledge, stimulate innovation and improve the impact of policy and business support for the benefit of these diverse businesses and the region as a whole.

MEECOE was established as a consortium of existing organisations. It is led by De Montfort University's Centre for Research in Ethnic Minority Entrepreneurship (CREME) and involves Lancaster University, CSK Strategies Ltd and a team of expert, policy-orientated researchers.

The economic importance of ethnic minority businesses

Ethnic minority businesses (EMBs) are critically important for the West Midlands' economy both in the contribution they make to the region's growth, innovation and productivity and in the role they play in providing employment and services particularly in some of the region's most deprived neighbourhoods. In these areas, they can act as a role model for aspiring minority ethnic entrepreneurs and provide informal training to co-ethnic, often socially excluded workers, (and also other local labour). More widely, their ability to develop new products and adapt them to new markets could make a major contribution to the future revival of the West Midlands' economy. For example, a number of Indian and Chinese businesses are developing trade and investment with their ancestral countries, giving the region access to two huge and rapidly expanding markets.

However, EMBs also face many challenges to and constraints on their establishment, survival, and growth. These include difficulties in accessing the finance required to establish and grow a business, and poor access to public sector, business-to-business markets and, for many, markets outside their co-ethnic consumers or the inner city areas in which they are based. Related to both of these are weaker networks of business support, that critical ingredient for entrepreneurial success that has recently been highlighted by the coalition government as offering far more than has, and can be offered by publicly funded business support.

However, the evidence base for EMBs and policy impact on their development is sparse. Information is very limited on the number of EMBs in the region, the sectors they are located in and their business development dynamics. Information on policy impact is even more limited. MEECOE has therefore focused many of its resources on developing a better evidence base.

Drawing on the 2001 Census of Population and the more recent Annual Population Surveys and combining these with more specific, qualitative research already undertaken, MEECOE produced a profile of ethnic minority businesses in the West Midlands in October 2009.

The profile brought out the different trends among different minority ethnic groups and highlighted the emerging phenomenon of entrepreneurial transition. This involves new and existing EMBs moving out of traditional sectors, often characterised by low pay, long hours and low returns, into less labour intensive, higher value sectors such as financial services, real estate, IT and business and professional services. This process has been accompanied by a decline in the self-employed proportion of certain minority groups reflecting a moving out to low paid self-employment, previously often the only career option available, into better paid employment in skilled occupations. As a result, the self-employment percentage among those of Indian heritage is now slightly below those from the white British ethnic group.

These results have important implications for policy and practice. They suggest, for example, that people of BAME origin seeking business support must not be restricted to ethnically-specific support which may be more accessible and empathetic to start-up issues and more knowledgeable about traditional markets, but may not be able to provide the range of support and business advice required given the new and varied sectors in which EMBs now operate. At the same time, 'mainstream' business advisers, including those in the private sector, need to have a better understanding of the constraints and potentials of EMBs from different ethnicities rather than stereotyping.

The evidence and policy implications have been disseminated via presentations and discussions at a number of forums and through a number of MEECOE briefing notes, including one targeted at local authorities and their growing economic development duties.

MEECOE has also been undertaking research on the untapped entrepreneurial capacity within new communities in the West Midlands – asylum seekers and refugees, newly arrived immigrants and people from EU Accession states. This research has had to use innovative techniques of engaging with community organisations that work with these new communities and snowball sampling.

MEECOE has also drawn together the latest research on key issues facing EMBs in the region and their implications for enterprise policy and practice including access to finance, a key constraint to EMB start-up, survival and growth and international trade. The latter was the subject of an event organised in April 2010 that showcased research on overseas graduate entrepreneurs from China and the Indian subcontinent, the experience of two EMBs linking with the Indian and Chinese markets and the work of UK Trade and Investment (UKTI). This event shone a light on a relatively neglected policy area that could contribute greatly to economic growth and a rebalancing of the economy.

Finally, MEECOE has been disseminating national good practice in business support including a workshop on innovative approaches to engaging diverse businesses held in June 2009. This included presentations by Enterprise 4 All, a Bradford-based agency that was established by local Asian businesses but which has expanded to serve a wider range of ethnicities and the work of business in the community.

Adding value through leverage, collaboration and new relationships

Promoting enterprise in diverse communities is not just the remit of specialist, publically funded business advisers. Diversity issues need to be integrated into the work of all those providing business support and advice. This includes mainstream business advisers funded by government and the much larger numbers in the private sector that provide some form of business support such as financial institutions and accountants. It also includes those in the public, private and third sectors making decisions on which businesses to procure their supplies from; and those providing social and economic services ranging well beyond direct enterprise support. In other words, we need to make diversity everybody's business.

To this end, MEECOE has created a Legacy Group that is levering in the resources of the private sector into invaluable support for EMBs in the region. The Legacy Group is made up of representatives of banks, the accountancy profession, purchasers, government departments, Business Link, ethnic minority business organisations, Business in the Community and others (See Appendix I for a full list of members.)

As well as taking initiatives to widen access of EMBs to information, advice and support, the Legacy Group has been invaluable in advising and guiding MEECOE in its work. It is also key to MEECOE's succession strategy of leading a group of different institutions working together to break down the barriers to survival and growth facing EMBs.

Support start-ups and existing businesses

There is a significant focus on promoting business start-ups in *The Coalition: our programme for government* and subsequent policy statements as a tool for promoting economic growth and rebalancing the economy. Emphasis is given to the role of developing enterprise in deprived geographical areas and communities. MEECOE welcomes this and would add, based on research evidence and on its experience, three further points.

First, promoting enterprise start-up in BAME communities, requires publicly funded intervention and facilitation, in part to lever in the private sector business support that EMBs tend to be excluded from or weakly wired into. The evidence suggests that online business advice, which is likely to feature more prominently in the government's policy delivery, is most effective when combined with locally available advice and support networks.

Secondly, while enterprise support initiatives targeted at unemployed people, such as the coalition government's proposed 'Work for Yourself' programme, can be of great benefit to the individuals involved, they should recognise that self-employment is not always the best option for participants. Much of the growth of EMBs over the past decades has been a result of necessity because of exclusion from the labour market rather than a sign of entrepreneurial flair and potential. The phenomenon of entrepreneurial transition identified by MEECOE, and partially reflected in a move from self-employment into better paid and more highly skilled employment, is a positive one. So too should securing employment, rather than self-employment, be seen as a positive outcome of enterprise programmes for unemployed people.

Thirdly, providing advice and support to existing businesses has tended to play second fiddle to start-up support in the panoply of government business support measures in the past. MEECOE believes that properly targeted and customer-focused support to existing businesses' survival and growth, including developing EMB business support networks, needs to have greater prominence in future policy and practice if the twin aims of promoting economic growth and a rebalancing of the economy are to be met.

Understanding the real world: delivering an integrated approach to diversity

Ethnicity is only one aspect of diversity. Individual entrepreneurs may be 'diverse' in several respects, for example, based in a particular economic sector, being a social enterprise, having ownership and management which is predominantly female, young and/or from a range of different minority ethnic communities. Each of these aspects of diversity could present different opportunities or suggest particular barriers to their survival and growth. As a consequence, all those involved in business support need to develop an integrated approach to diversity in their work rather than adopting a 'one size fits all' approach.

MEECOE and the other COEs have been working collaboratively to avoid duplication, maximise resources and identify areas with synergy across the four centres. This has included collaborative research so that the combined effects of different aspects of diversity can be examined and implications for policy and practice drawn out.

This collaboration has extended to advice on:

- 'Diversity proofing' business support work to ensure that it reaches all equality groups and that the support is appropriate to their needs
- Developing business support providers' data gathering and analysis processes to better understand the impact of policy and practice on diverse groups; as well as what has worked, what has not worked and why
- Ways to improve access to business support

Advancing innovation in networks and mentoring

Another example of where MEECOE has innovated and helped lever in additional private sector support to EMBs is in the field of business mentoring and the development of business support networks. Research suggests that a major disadvantage faced by businesses from a wide range of minority ethnic communities is weak access to such support networks and mentoring.

The coalition government in *The Coalition: our programme for government* proposes "funding a targeted national enterprise mentoring scheme for BAME people who want to start a business." MEECOE's work with EMB networks such as the 12/8 Group and Fyshnet provides a good practice exemple of how business mentoring for BAME communities should be approached which is rich in lessons for this proposed national mentoring service targeted at EMBs.

Making a difference through commercially viable supplier diversity

Again, *The Coalition: our programme for government* proposes a greater emphasis on the public sector using its procurement practice as a tool for promoting the growth of local small and medium-sized enterprises. This is a key area that MEECOE has been working on through the Access to Markets cluster group of the Legacy Group referred to above and through *Supply Diversity Europe*. MEECOE's work focuses on supplier diversity within both the public and private sector. This includes collaboration with Business in the Community, the Charted Institute of Purchasing and Supply, the Equality and Human Rights Commission and The Consortium to develop a commercially viable, web-based hub for procurement activity in the West Midlands.

Embedding action learning and review for success

All of MEECOE's work has emphasised the importance of embedding action learning and evaluation for continuous improvement at the start of initiatives. This has included our work with the Legacy Group, the 12/8 group and Fyshnet, evaluations of Business Link interventions and our research on entrepreneurial activity among new arrivals and on business support providers.

Further details

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Appendix I: Legacy Group Membership

1 Barclays Bank
2 The Association of Chartered and Certified Accountants (ACCA)
3 The Department for Business, Innovation and Skills (BIS)
4 The West Midlands Minority Business Forum (WMMBF)
5 Advantage West Midlands (AWM)
6 The Equality and Human Rights Commission (EHRC)
7 Business in the Community (BitC)
8 The Charted Institute of Purchasing and Supply (CIPS)
9 The Economic and Social Research Council (ESRC)
10 Business Voice West Midlands
11 The Consortium
12 Representatives from the other Centres of Expertise

DULL, BORING? YOU MUST BE JOKING!
FROM LOCAL GOVERNMENT TO LOCAL GOVERNANCE

The governing of localities has become increasingly complex in recent years: elected local government today is but one part of a mosaic of agencies involved in local policy-making including local businesses, community organisations and faith groups. Far from being dull, modern local governance is a fascinating arena for the politics that affect everyone on a day-to-day basis. Taken from his recent Professorial Lecture, **David Wilson, professor of public administration, dean of Business and Law and deputy vice-chancellor,** examines the costs and benefits of the advent of local governance and the implications for effective policymaking. While he argues that there is an excessive bias towards central control, at the same time he counsels against sweeping generalisations that fail to draw out the importance of 'place' and the significance of local political culture.

Introduction: Setting the scene

> "You notice smiles come more easily in some grounds and cities than in others. You learn that some counties harbour more hatred of government, or London, or flashiness. You hear different attitudes to money, to drink, to sport."
> **Ed Smith, Kent, Middlesex and England cricketer in Smith, 2005, p.78.**

By contrast to the above, Raymond Seitz (1998), the highly regarded US Ambassador to Britain (1991–94), bemoaned Britain's unitary and uniform governmental structure, illustrating the fact through distinctive US vehicle licence plates that display the self-conceptions of the issuing states: 'New York: The Empire State' and, more disconcertingly, 'New Hampshire: Live Free or Die'.

Seitz was both right and wrong – constitutionally right, observationally wrong. The UK is indeed a unitary state, governed constitutionally as a single unit, through the national Parliament at Westminster. Any sub-central governments – the Scottish Parliament, the Welsh and Northern Ireland Assemblies, and the UK's 430 local authorities – are necessarily subordinate. All are creations of Parliament. Britain differs fundamentally, therefore, from the US, Canada, Australia, India, Germany and Belgium, which are federal states: associations of largely self-governing regions united by a central or federal government.

Where Seitz went too far was in equating Britain's unitary form of government with uniformity of identity and practice.

Seitz was certainly right about our councils being subject to greater central government control and direction than most of their European counterparts. But look more carefully and, like Smith, you will quickly see forces of diversity as well as forces of uniformity: differing sizes, locations, histories, cultures, economies, social class structures, politics – all militating against even neighbouring councils being the undistinguishable 'administrative units' that Seitz thought he saw (1998, p.271).

Councils, even of the same type – counties, metropolitan boroughs – 'do' local government in different and distinctive ways, and always have done. The first message, therefore, is to emphasise the importance of getting the balance right. Don't understate the real and pervasive centralism that characterises the British system of government, but don't ignore the equally real local variations that stubbornly remain.

Dull, boring – you mean like cricket?

It was playwright Harold Pinter's belief that 'cricket is the greatest thing God ever created…'. There are, however, those who claim to find cricket downright boring: indeed, surpassed in its boringness only by local government – or 'sewage without tears', as the textbook by John Redcliffe-Maud (1932), was apparently known to his students. On the face of it, the boring image ought to be easy to demolish. Check 'boring' in a thesaurus, and it is surrounded by words like 'narrow', 'unvarying', 'monotonous'. Yet, while there are plenty of critical things that can be said about contemporary UK local government, being dull and boring are not among them.

Indeed, the very suggestion of local government being dull and boring is likely to raise a self-pitying smile from most of those working in or with local government over the past few years. What area of the private sector, they would ask, has had to come to terms with more change and upheaval on every front: privatisation and the out-sourcing of services; Best Value and Comprehensive Performance Assessment (CPA), and Comprehensive Area Assessment (CAA); the introduction and almost instant abandonment of a 'poll tax', followed by a council tax and tax capping; neighbourhood offices, one-stop shops, enabling councils,

Table 1: The 2009 Unitaries: their scale and "democratic deficit": Is this still local government?

	Area (miles²)	Pop. ('000)	Councillors			Residents per councillor
			2008	2009	% lost	
Bedford	185	153	209	37	51	4,140
Central Bedfordshire	274	241		66		3,650
Cheshire East	600	356	375	81	59	4,400
Cheshire W. & Chester	350	324		72		4,500
Cornwall	1,317	524	331	123	63	4,260
Durham	860	492	375	126	66	3,900
Northumberland	1,942	307	306	67	79	4,580
Shropshire	1,236	289	224	74	67	3,900
Wiltshire	1,260	450	245	98	60	4,590
Averages/totals	**892**	**348**	**2,065**	**744**	**64**	**4,215**

beacon councils, private finance initiatives, area-based initiatives, partnerships of every size and shape, inspectorates, e-government, performance indicators and league tables and now 'total place' ... all against a backdrop of continuous financial constraint and the actual or threatened rearrangement of the country's whole local government structure.

Structural turbulence: A democratic deficit?

Local government has been, and continues to be, characterised by structural turbulence – most recently in 2009 when nine new unitary authorities came into being. In both local government and the NHS there seems to be an inbuilt assumption that you can solve problems by amending structures on a regular basis. This leads to uncertainty and turbulence, to what is often called 'noise in the system'. Cultural change (focusing, for example, upon greater mutual trust between central departments and local authorities) rather than repeated structural change is required, but this is rather more complex than shifting lines on a map or designing a new organisational chart (Table 1).

As a result, 2,065 councillors in 2008 became 744 in 2009 – a massive 64% reduction producing 4,215 residents per councillor. Can this really still be called local government? In 1950 the UK had 2,060 principal local authorities; today there are around 406. Have we now so-called economies of scale at the expense of meaningful local democracy? France has almost 37,000 municipalities, 76 per cent of which contain populations of under 1,000. This is an average of 118 residents per councillor compared with our 4,215. We are massively out of line with our continental neighbours – the UK average size of principal local authority is 150,000 followed by Denmark (56,000), Netherlands (37,000) and Belgium (18,000).

You would have predicted something very different from the Labour Government's 2006 White Paper *Strong and Prosperous Communities* given its acclaim of councillors as "the bedrock of local democracy". Indeed, it went much further: "We need to reaffirm the importance of councillors' role as democratic champions". They should be given new powers, their role as community champions more clearly defined, and they should be recruited from more diverse socio-economic backgrounds (para 3.11).

Local Government Minister John Healey did not actually mention the big shake-out of councillors that accompanied the legislation, though made it absolutely clear what this 'stripping out a layer of local government' was all about: efficiency savings. Local democracy, in short, came a poor second to, in the Prime Minister's expressive phrase, "more bang for taxpayers' buck". Some might rejoice at the reduction in councillors (especially as in many local authorities they are frequently singularly unrepresentative of the communities they serve) – but beware of swallowing too uncritically the economies of scale arguments.

To amplify the 'unrepresentative' nature of local councillors, women, those from ethnic minorities and younger people remain severely under-represented. Of candidates up for election in 2009, 98.3 per cent were of white origin, 71 per cent were men and they were on average 57.3 years old. This is aggregate data: the pattern varies enormously, but much needs to be done on broadening the councillor base. The lack of diversity can all too often impoverish councils and weaken their connection with the citizen. Shari Vahl began a recent BBC Radio 4 programme, *How to run a city* with the following observation: "When you think of a council, you might think of boring, ordinary, unambitious groups of white, middle aged, middle class men, striving not very hard, to do not very much". A stereotypical view, yes, but sufficiently close to reality in some localities for the barb to hurt.

There is, of course, a danger in simply assuming the case for democratically elected local government without arguing it out. Very briefly, I would want to argue that there are four distinct rationales for local government: civic, social, political and economic.

- The civic rationale is based upon a simple proposition: local units of government provide more opportunities for citizens to participate effectively in decisions
- The social rationale focuses on citizen well-being especially in the context of 'joining up' local action (what Jim Sharpe called "service co-ordination") to provide a more integrated approach
- The political rationale focuses on three pivotal points: accessibility, responsiveness and accountability
- The economic rationale is based upon the proposition that local government can make more efficient and effective use of resources

All these are complex and merit lectures in their own right. All are contested but they do begin to spell out the case for local government rather than simply assuming, like motherhood and apple pie, that it is a good thing.

Towards local governance

While non-directly elected local government is not in itself new, its scale has increased enormously during the past three decades, frequently at the expense of directly elected local councils. Under national governments of both major parties, many service responsibilities have been removed from local authorities and given mainly to single-purpose government-appointed agencies. Inner-city development went to urban development corporations; regeneration of particularly deprived estates was taken over by housing action trusts; youth training passed to training and enterprise councils then to Learning and Skills Councils (LSCs) before, ironically, completing its journey back to local government in 2010. This, linked with the lead role of local authorities in both Local Area Agreements and Multi-Area Agreements, has led some commentators to argue the government is 'bringing local government back in'. But, at the same time, the last year has seen a ministerially-appointed quango, the Infrastructure Planning Commission, taking over councils' powers of decision on major commercial development proposals, as well as national projects like wind farms and power stations.

Such single – or special-purpose bodies – are conventionally known as quangos: quasi-autonomous non-governmental organisations although purists will argue that quasi-governmental is in most cases a more accurate description of their function. In the local government world, depending on exactly how you count, there are about 5,000 local quangos, run by a 'quangocracy' of some 70,000, over three times the number of directly elected local councillors.

Now, so fundamental have these changes been, that it is claimed that local government has evolved into something termed local governance. This concept, many academics and practitioners believe, describes more effectively the extensive network of public, voluntary and private sector bodies that are nowadays involved in local policy-making and service delivery.

The advent and subsequent expansion of non-directly elected bodies (quangos) – along with the proliferation of partnerships – has greatly complicated local policy making. What we have witnessed has been the advent of dispersed governance; a recognition that local decision making involves far more actors, more collaboration/partnerships than in previous eras. As Tony Blair (1998) emphasised "There are all sorts of players on the local pitch jostling for positions where previously the council was the main game in town". Of £7,000 per person spent annually on public services like health, education and social care, as little as 5% in some areas is controlled by local councillors.

The Local Quango State in Great Britain, April 2000 (Table 2), gives us a snapshot of the complex and differentiated nature of the local state. And to quangos we need to add statutory partnerships, pressure groups, parties (and factionalism within party groups) etc, in order to begin to appreciate levels of complexity. Add to this the huge power – especially financial power – of central government, and we see what a challenging arena this is.

The December 2009 *Smarter Government White Paper* was a further reminder of the

current complexities. It highlighted a multiplicity of national funding schemes which can all too easily get in the way of effective cross-sector working. For example, there are currently 102 different local authority funding streams, including 49 in education and children's services, 11 in adult social care and six in policing. There are 52 specific revenue grants to local authorities totalling £76.3 billion, 36 of which are currently ring-fenced. Leicester and Leicestershire have identified that public bodies in the city and county process over 3,000 performance datasets, reports or evaluations each year, at an estimated cost of over £3.5 million. Simple? Transparent? Easy to understand? No. But far from boring.

The world of local government is full of complex policy problems – neighbourhood regeneration, crime and disorder, integrated care for children and older people, local sustainable development – issues that require the people, skills and knowledge no longer located within a single organisation but which can, often with great effect, be brought together in collaborative partnerships.

Collaboration is the current managerial mantra and despite its many plusses it remains problematic and often very challenging for the local government workforce. It is frequently costly in terms of the financial and human resources that need to be invested. Yet, increasingly, this is the major (and often the only) way of levering new government money into a local community. Partnership working has, then, become a central feature of today's local government, and councils frequently find themselves working with and through external organisations that now deliver the services for which they themselves were once the sole or predominant providers.

Despite the obvious benefits of partnership working, in practice, bringing together people from local bodies representing a wide range of interests (eg, council, police, fire and rescue services, charity groups, businesses, schools, health bodies and many more), able to speak authoritatively on behalf of these interests and ensure the delivery of any decisions agreed, is often extremely difficult.

Multi-level governance or multi-level dialogue?

What I have emphasised so far is that local decision making today does not have a single location but rather a range of locations. We are in the complex world of multi-level and multi-actor governance, about which there are theories and interpretations galore. I wonder if this world is quite as novel as it is frequently portrayed. Close examination of the operation of public governance since the 19th Century suggests that elements of hierarchy, markets and networks have always been present. But, what is relatively novel is the growth and intensity of collaboration.

There was a warning shot from Tony Blair. I used to refer to sticks and carrots when discussing central/local relations. I now refer to it rather differently: Carrots and Semtex. In *Leading the Way* (1998) he wrote: "Where Councils embrace this agenda of change – then they will find their status and power enhanced". But: "If you are unwilling or unable to work to the modern agenda then the government will have to look to other partners to take on your role".

The growth of collaboration reflects the complexity and intransigence of the so-called 'wicked issues' facing government (eg urban regeneration; child protection; care for the

Table 2 – The local quango state in Great Britain, April 2000

	No.
Further education institutions	511
Foundation schools (ex-GM and voluntary-aided schools)	877
City technology colleges	15
Learning and skills councils (replaced TECS in 2000)	47
Local enterprise and careers service companies (Scotland)	39
Registered social landlords	2,421
Housing action trusts	4
Police authorities	49
Health authorities/boards	114
NHS trusts	387
Primary care groups/trusts	488
Total	**4,952**

Source: House of Commons Committee on Public Administration, Fifth Report, 2000/01: Mapping the Quango State

elderly; crime prevention) – issues that can only be tackled effectively by bringing together the resources of a range of agencies. As Rod Rhodes (1997) observed, 'messy problems demand messy solutions' and so the neat hierarchies of public bureaucracies are reshaped to establish lots of different relationships with other bodies operating in different tiers and in associated policy fields.

What we now have is, as I have already suggested, dispersed governance, ie, no single focus but rather a plethora of organisations involved in formulating policies for a locality. If you need any convincing look at the composition of any Local Strategic Partnership (LSP) where there are likely to be over 30 representatives from various local bodies.

There is certainly plenty of multi-level, multi-actor dialogue but this is not necessarily the same thing as multi-level, multi-actor governance? Does this focus on multi-level activity underplay the overweening power of the centre and its multitude of 'unelected' agents? It is important to emphasise that multi-level dialogue (with which we are saturated) is very different from multi-level power. There is almost endless dialogue but mapping policy clout onto this dialogue is a complex exercise, and one in which the vastly superior resources of the centre should not be underplayed. The plurality which characterises the complex world of local governance does not automatically reflect a pluralist power structure. The two can be very different indeed.

One size does not fit all

If my first health warning was to beware of equating a plurality of actors with a pluralist power structure, my second is: beware of generalisations. Neither central government nor local government are monoliths. As Dave Marsh and colleagues (2001) emphasise in the context of central government departments, there 'are distinct sub-cultures within departmental divisions and agencies and competing cultures and interpretations of cultures in Whitehall as a whole'. There is not only distinctiveness between Whitehall departments but also within each department. Searching for homogeneity within Whitehall is an exercise in chasing shadows: local authorities interact with a large number of central government departments (and numerous, sub-sets of each department) all with distinctive cultures and agendas.

Homogeneity is absent in Whitehall, and at local level differences are even more stark; compare two unitary authorities – Bristol (410,500) with Rutland (34,600) or two counties – Kent (1.38 million) with Shropshire (289,400). I could go on. There is no such thing as a 'typical' local authority. Norms, values and cultures vary enormously. There could, for example, be an excellent relationship between a county council's education department and the Department for Children, Schools and Families while at the same time the relationship between the authority's social services department and its Whitehall counterpart might be highly strained. In Scotland and Wales relationships are much more informal than in England. Beware – once again, we need to recognise the importance of differentiating rather than generalising in what is a highly complex and varied UK context.

Targets and terror

Local government is beset by inspections and targets. From 2002–2008 Comprehensive Performance Assessment (CPA) overseen by the Audit Commission, was the most prominent inspection regime. In 2009 CPA was replaced by Comprehensive Area Assessment (CAA) – a regime (still overseen by the Audit Commission) which examines how well councils are working together with other local public bodies to meet perceived local needs. It is a joint assessment made by a group of six independent inspectorates (such as Ofsted and the Care Quality Commission). While 60 authorities received top rankings in the last round of the CPA, only 15 managed it in the first round of the CAA published in December 2009. Eleven councils received the lowest marks possible (zero) compared to none in the CPA's final year. Many local authorities believed that the co-ordination of inspectorates wasn't working and that the whole exercise was pitched too broadly to tell them anything they didn't already know – 'a weapon of mass distraction', as the Chief Executive of Brent LBC put it. The suggestion is that the whole inspection industry costs about £2 billion today. You don't need to be rabidly anti-centralist to argue that this is a lot to divert from serving the local public to servicing national inspectors, especially when one outcome of all this diverted time and energy was all too often a damaging of staff morale.

Another health warning is needed at this point. In an excellent article on targets Bevan and Hood (2006) use the phrase 'targets and terror'. They make the point that the government is assuming that a relatively small number of indicators reflects performance across a much wider field than they actually measure. It also assumes that the officials who operate the system can be motivated by these targets and dissuaded from manipulating them. Bevan and Hood argue that dysfunctional behaviour is inevitable.

The bottom line remains – are policy outcomes really improving or are officers simply getting better at playing the game? In several public authorities which I know, a lot of very bright people spend a lot of time working to secure the best possible profile.

A good example of such behaviour comes from the NHS where Bevan and Hood draw on two National Audit Reports (2001 and 2004). They show that waiting times for accident and emergency reception clustered suspiciously just below the target of four hours maximum, and managers manipulated the figures (eg, requiring patients to wait outside in ambulances, or in corridors on trolleys, so as not to be counted). With regard to waiting lists, informal lists were created of people who were not added to the official (target) waiting lists until it was known that they could be treated in the target time. Far from improving quality of service such targets soon became counter-productive to all but the managers of the public authority concerned.

Separate worlds?

Each element within the world of 'dispersed governance' has its own identity and its own culture. The different norms, values and organisational frameworks add to the complexity of the local decision making-environment. As John Stewart (2000: 91) argues: "There are deep divides between the worlds of local government and central government so that one can almost describe them as two worlds acting in isolation and ignorance of each other". As George Jones and Tony Travers (1996) emphasised in their research for the Commission for Local Democracy: "The mundane nature of many local services encourage (at least some) civil servants to believe that they possess Rolls-Royce minds and local government officers have motor cyclists' minds".

In the last few years there has been much more transferability of personnel between local authorities and central government. There are now a significant number of former local government professionals in senior posts within Whitehall. Likewise, training of both high flying local government trainees and fast track civil servants has begun to address this gap. Nevertheless, there still remains a need for much more organisational learning between the various components of dispersed governance. There also remains the need to rebuild trust.

- Trust is necessary across the multifarious agencies of local government
- Meaningful interaction and discussion can engender such trust
- Without trust between the centre and localities genuine multi-level governance is likely to remain elusive

The debate about both 'social capital' and 'civil society' has begun to address some of the issues of trust but there is a danger that the skills oriented focus of many public sector management courses can easily marginalise something that has become increasingly necessary in a world of collaboration and partnership. In elevating 'trust' I recognise that, in many parts of the world of dispersed governance, I am swimming against a fast-flowing tide that has many more easily measurable priorities. But, to quote the sign hanging in Albert Einstein's Princeton office, "Everything that can be counted does not necessarily count; everything that counts easily cannot necessarily be counted". Trust, like integrity, cannot be counted but it's far more important than many things which can.

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Thanks to Chris Game, Honorary Senior Lecturer at INLOGOV, University of Birmingham, for his considerable input into this article. See Wilson, D and Game, C (2011) Local Government in the United Kingdom – 5th Edition (Basingstoke: Palgrave Macmillan).

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REGIONS, SKILLS AND THE COMPETITION FOR FOREIGN DIRECT INVESTMENT

In the light of the impending abolition of regional development agencies in England, we report on the early stages of an ESRC-funded project, run by **Dr Phil Almond, Professor Anthony Ferner, Professor Olga Tregaskis** and **Dr Tomila Lankina** of Leicester Business School. With colleagues overseas, it looks at regional development and multinationals in a number of regions across England, Ireland, Canada and Spain.

Attracting and retaining investment from multinational corporations has become an important means by which regions attempt to boost their economies. While foreign multinationals have long had an important role in the economy, the globalisation of production and service provision means that it is no longer feasible for the UK and its regions to compete for foreign investment on the basis of low labour costs or light regulation. Therefore, regions need to find ways of attracting high value-added investment that is relatively difficult for firms to move elsewhere. This means that regions and localities are faced with the difficult task of putting together an infrastructure that provides multinationals in particular sectors with competitive advantages. This is likely to require fairly complex networks of co-ordination between a wide number of bodies and institutions, including local, regional and national government, as well as development agencies, skills and education institutions, employers' organisations and others, as well as the local managers of the multinationals concerned.

Why regions?

Those multinationals that have a choice of locations from which to service markets are generally geographically concentrated in a small number of local sites within nations. It is commonly argued that choices about which sorts of facilities to place in which nations can be affected by the skills and competencies available within labour markets, which in turn are shaped by skills and other institutions in the host country (see for example Kristensen and Morgan 2007). As work within economic geography argues, it is also logical that firms will seek to take advantage of skills that may be available on a more local or regional basis within nations. This is particularly the case where multinationals need to establish localised supply chains, as is frequently the case in manufacturing, or where they wish to penetrate localised networks, or 'clusters', of innovation (Gertler 2003). As in practice, the subsidiaries of multinationals normally recruit primarily from local and regional labour markets, then developing valuable human capabilities in regions is likely to be important for sub-national factors such as development agencies, local and regional government, and skills agencies, in their attempts to attract and retain high value-added activity within their areas.

Attracting and retaining foreign direct investment: the role of development agencies

Development agencies have two main strategies in which to directly attract and retain investment. First, there is the attraction of new investment, which is a question of seeking to market destinations for investment. Second, there is 'aftercare', where they seek to deal with the concerns of the existing multinationals in their area.

The two roles exist at one level or other in all the places covered by our research. But how this is organised varies considerably. Places differ in terms of the relationship between national and sub-national agencies, how close their relationships are with existing multinationals in their area, and how they seek to engage with them.

In most cases there are both national and sub-national agencies involved in seeking investment, although the balance between the two levels differs. In England, for the last decade, the role of seeking investment has been performed both at national level, by UK Trade and Investment (UKTI), and by Regional Development Agencies (RDAs) which were set up by the New Labour government as nationally appointed bodies aiding economic development in each of England's nine regions. The aftercare role has mostly been performed by the RDAs, except in the case of a small number of very large multinationals in which UKTI would also have a role at a more strategic level.

'Aftercare', as performed by the RDAs, has meant a variety of roles. At one level, it is a matter of site visits, and of effectively working as a broker between the multinational and skills and other agencies. Also, however, it can cover trying to discover the future strategies of firms in order either to seek repeat investment at the end of product life cycles, or to ensure that where local sites close, there is some public

strategy for dealing with the consequences for workers and for the local economy. This is perhaps best explained by a negative example:

> "Hitachi made TVs in North Wales. And one day it closed, and everyone went 'ugh!' and four, five hundred people closed. Well actually, if you'd known the sector, you'd have known that cathode-ray tube televisions were on their way out, everyone was buying flat-screens, but nobody actually challenged Hitachi in that factory, how they were adapting to the new technology. Nobody said, where you going to be in four, five years time, and actually plan to either downscale that plant, so there's a managed closure, or look to work with Hitachi to actually bring in new technology."
> **Interview with RDA Investment Development Manager**

In our other countries, the balance between the regional and the national varies. In Spain, regional agencies predominate. These are appointed by powerful autonomous regional governments, and, in the case examined to date, had very close links to the main institutional actors in the region, including representatives of employers and trade unions, to a much greater extent than has been the case in England. Notably, in the region examined, the same individual directed both the inward investment programme and regional economic 'cluster' policies. In Ireland, both roles are performed largely by an agency of national government. The exception is one long-established regional agency originally built around a low-tax development zone surrounding Shannon Airport, and the somewhat special case of the areas where the Irish language predominates. The small size of Ireland, and the sheer importance of foreign direct investment to its economy, has meant that foreign multinationals have tended to develop relations with representatives of national government. Finally, in Québec, which owing to its size is itself divided into 17 regions, there is something of a patchwork, with city regions having their own agencies, and others falling under the ambit of a Québec-level 'national' development agency.

Relations with the skills sector

Part of the task of the above agencies is to ensure that foreign multinationals become 'embedded' in the region, that is, that they develop localised competitive advantages and relations with local firms and institutions which makes them less likely to move elsewhere. This can be particularly difficult in England, as within a liberal market economy (Hall and Soskice 2001) firms tend to have relatively little interaction with each other, creating market failures, as the example below shows.

> "Pcom said to us that their investment skills was a major issue. They had to upskill and they wanted to put in certain processes in place. We said actually we've been talking to (two other local companies in the same sector) that have exactly the same issues as you around this – we will look to fund a cross-company training programme... Now they weren't talking to each other, but because our sector team was key, account-managing three or four of them, we could draw out those common issues."
> **Interview with RDA respondent**

In such circumstances, one of the advantages of integrating the work of those who are charged with attracting and retaining investment within broader regional development agencies is, at least in principle, that the work of "investor development" can become more closely integrated with others working to develop the forms of co-ordination necessary to upskill regional economies. This is perhaps particularly important given the almost unfathomable complexity of, and frequent changes to, the skills sector in the UK. It has to be said, though, that the degree of co-ordination between those working with foreign investors and the skills system has been inconsistent across English regions, with very close relationships in some regions and a much weaker emphasis on this in others.

Future prospects

Given the impending abolition of RDAs under the coalition government, and the likely integration of most inward investment work under the ambit of UKTI, it is perhaps useful to speculate on the advantages and disadvantages of different sorts of arrangements.

One disadvantage of dealing with multinationals primarily at a regional level is the increased opportunities this affords firms to play one region off against each other, resulting in a wasteful application of public effort across regions. Some respondents in Spain, where extensive regional political autonomy creates a high potential for regional-level deals, highlighted this problem. Respondents in English RDAs did claim that there was a degree of co-ordination between regions in order to minimise these problems, but clearly there is some risk here.

However, concentrating efforts at a national level has two important problems. The first is a distributional question. Respondents in English regions argued that, as those seeking investment within UKTI did not have targets that were broken down by region, the investment they helped attract to the UK was disproportionately concentrated in London and the South East, where the 'sell', particularly to the financial sector, was easier. Similar concerns were raised by respondents in Ireland and in Québec.

This relates to the second problem, which concerns the relationships between public

actors in the inward investment business and those actors and institutions that help shape local and regional human resource supply. Those working in inward investment attraction and retention need to have knowledge of regional economies and networks that can find solutions that operate in the interests of the public. Given the scale of cuts in the public sector, and the importance of internationally mobile businesses in regional economies, both directly and as customers of smaller firms, it is important for UK employment levels that work in creating forms of co-ordination that can help 'embed' foreign firms locally continues, and is expanded upon. While the success of RDAs in this task is difficult to evaluate, there is clearly a risk that regional-level market failures will not be corrected if regional economic co-ordination declines.

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Centre for Research in Ethnic Minority Entrepreneurship (CREME)

Led by Professor Monder Ram, CREME engages with practitioners and policy-makers to further the understanding of the needs of ethnic minority businesses and to help influence policy.

We routinely work with business support agencies, local authorities, ethnic minority business groups, public and private sector organisations, and ethnic minority entrepreneurs to develop informed approaches to enterprise support. We bring together these stakeholders in a variety of ways, ranging from international conferences on key policy issues to small workshops for local entrepreneurs, as well as through our high-level academic work.

CREME is a leader on research on ethnic minority entrepreneurship, policy influence and outstanding community engagement.

CREME's four areas of focus

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We undertake significant work for local and national policy-makers and carry out leading academic research to increase understanding of ethnic minority entrepreneurship.

User engagement

Bringing together different key organisations to enhance knowledge transfer is one of our strengths. From international conferences to workshops with local entrepreneurs, we engage with all stakeholders to improve ethnic minority enterprise support.

Collaborative working

We are committed to working closely with practitioners in order to understand their needs and to develop appropriate interventions. This is a defining feature of our approach and it involves active engagement with the concerns and priorities of our stakeholders.

Innovative practice

We work with our partners to develop innovative responses to policy and practitioner issues. We have used our knowledge base to establish cutting-edge initiatives in procurement, business support and user engagement.

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The Local Governance Research Unit (LGRU)

The LGRU, based at Leicester Business School, is an internationally recognised centre of excellence for theoretically informed, robust and rigorous policy relevant research into British and comparative local governance. Our work focuses on community cohesion and local citizenship, neighbourhood governance, local democracy and local politics. We also have a broad research interest in all aspects of local governance. Our high quality research meets the needs of academics, policy-makers and practitioners at the international, national, regional and local level. We are committed to providing a strong and vibrant link between academic research and the needs of the research user. The unit undertakes research for a wide variety of bodies, ranging from the Economic and Social Research Council (ESRC) and the Joseph Rowntree Foundation, pan-European bodies such as the Council of Europe, through to government departments, such as the Department of Communities, and local government. We also provide consultancy, research and policy advice to individual councils and others concerned with aspects of local governance. We have continued our groundbreaking research as part of the international Regenerating Urban Neighbourhoods programme, which aims to improve understanding of the politics and processes of neighbourhood-based initiatives for the regeneration of urban areas.

LGRU has recently been involved in research project awards made by the Arts and Humanities Research Council as part of their Connected Communities Programme totalling £100,000. Dr Catherine Durose (LGRU) will lead two of the projects, 'Illuminating the evolution of community participation' and 'Problematising co-production'. Both these reviews involve colleagues from the Universities of Manchester and Birmingham. Dr Jo Richardson (Centre for Comparative Housing Research) is also involved in the latter project. Dr Leila Hamalainen (LGRU) will lead the third project, 'Conceptualising community as a social fix, argument and persuasion in health, housing and local governance', working with Dr Kathryn Jones (Health Policy Research Unit). 'Connected Communities' has been designated as one of the 'Grand Challenges' for research and is a new cross-Research Council programme. The funded projects will seek to understand the changing nature of communities, in their historical and

cultural contexts and the value of communities in sustaining and enhancing our quality of life. This enhanced understanding will also inform the development of more effective community-based interventions to address key economic and societal challenges.

In January 2011 LGRU began its two-year research collaboration with the Association for Public Service Excellence (APSE), a not-for-profit local government body working with over 300 councils throughout the UK. This timely research partnership with APSE seeks to deliver guidance on new tools and ways of working for local authorities facing reductions in public spending. The project is led by Dr Steven Griggs and Dr Catherine Durose. Steven is editor of the journal *Critical Policy Analysis*.

Catherine was also commissioned by the Equalities and Human Rights Commission to lead the 'Pathways to Politics' project examining the common pathways and barriers for under-represented groups seeking to become elected representatives. She has also co-edited and contributed to a book, *Changing Local Governance, Changing Citizens*.

In May 2010 we organised a seminar on 'Innovative Methods in Public Policy Research' which was the first in a series of events providing an opportunity to hear from leading researchers and experts about pioneering methods in public policy research, including experiments, QCA, profiling and discourse analysis. In September we organised a conference with the theme of 'Interpreting Democratic Governance'. In November we played host to a group of key international academics who attended our workshop on small parties and non-partisan politics in local government.

Dr Tomila Lankina has been developing our comparative politics research capacity and continuing her excellent publishing record.

Dr Melvin Wingfield has been working with the unit's new Director, Professor Colin Copus, on a research project exploring the role of independent councillors and has worked with the Local Government Association's Independent Group Office in developing a 'statement of principles' for independent councillors. Colin is editor of the journal *Local Government Studies*. Members of the unit have continued to produce high quality journal publications as well as book chapters and research reports.

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The Centre for Comparative Housing Research (CCHR)

CCHR brings together expert researchers who have an established reputation in housing and related issues. We are currently engaged in several research and consultancy projects for a range of clients.

We are carrying out a major project for the government on institutional investment in the private rented sector. The work is led by Professor Michael Oxley and involves Dr Tim Brown and Ros Lishman as well as colleagues at Delft University of Technology (TU) in the Netherlands. The focus is on lesson learning from other countries including Australia, France, Germany and the USA. The findings will shape the new coalition government policies on housing.

In 2009, the centre, with colleagues from Delft TU, carried out a major project for the Government's National Housing and Planning Advice Unit (NHPAU) on *Learning the lessons for planning and affordable housing from Western Europe*. This is a review of European planning systems and the consequences for house building.

Professor Michael Oxley has co-authored an international comparative study on housing subsidies and taxation in the owner-occupied sector for the Joseph Rowntree Foundation. It forms a major input into a study on stability in the housing market and the options for reform to reduce volatility. Michael has also co-authored two reports for the Dutch Housing Ministry on housing markets and the international financial crisis and has produced a report for UN Habitat on financing affordable social housing in Europe.

Michael has also researched the competitive relationship between private and social rented housing in Europe with colleagues in the OTB Research Institute for the Built Environment at Delft TU. This has resulted in a book and articles in several journals including *Housing Theory and Society* and the *European Journal of Housing Policy*.

Tim and Ros completed a study on urban regeneration for the Northern Way in January 2010. This highlighted that councils should co-ordinate regeneration projects more effectively and cut down on the number of local delivery vehicles. A number of local authorities are now using this report as a basis for reviewing their approach to urban regeneration.

Dr Peter King has published two significant books in 2010: *Housing Boom and Bust: Owner Occupation, Government Regulation and the Credit Crunch* (Routledge); and *Housing Policy Transformed: The Right to Buy and the Desire to Own* (Policy Press).

As a result of the latter book, Peter was featured in *The Observer, The Daily Telegraph* and the *Sunday Times*, as well as on a programme for BBC Radio Scotland. The book was launched at a reception hosted by the Institute of Economic Affairs in February 2010.

Peter has a contract with Policy Press for a book called *The New Politics'* on the Lib-Con coalition and why Cameron couldn't win the election outright – due for publication summer 2011.

Dr Jo Richardson led a project for the Somerset councils analysing accommodation needs for gypsies and travellers using community members on the survey team; the final draft report was completed in October 2010 and a seminar to launch the findings to the community and local councillors took place in Taunton in January 2011. The report is available on the South Somerset District Council website www.southsomerset.gov.uk. Jo also led a project to develop a gypsy and traveller strategy for Cambridgeshire County Council and district partners, the final draft was completed at the end of November 2010.

Two books were published at the end of 2010 which Jo edited and contributed to: *From Recession to Renewal – the impact of the financial crisis on public services and local government* (Policy Press); and *Housing and the Customer* (Chartered Institute of Housing).

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Health Policy Research Unit (HPRU)

The HPRU began life as a joint venture between the Leicester Business School and then Faculty of Health and Community Studies in 2000. Ten years on the unit has achieved a great deal. In this period, we have seen the HPRU grow and develop. Members drawn from the two faculties have generated over £5 million in research income. They have secured grants from international bodies, research councils, government departments, the NHS and the voluntary sector. They also undertake consultancy work for the NHS, voluntary sector and local government, which has a bearing on service delivery. Members have produced over 300 publications, including some of the leading books and journal articles in their field. Some of our publications are cited and used by researchers and practitioners around the globe, including the World Health Organisation. Our research interests are broadly similar to our original priorities: public health, diversity and inequalities; health professions; health policy and management, and public and patient involvement. Examples of recent work include: An international study of healthy lifestyles, an evaluation of local public involvement in health service reorganisation, a project to improve hospital hygiene and a study of patient groups' campaigning activities.

We have built networks both within and outside the university. We have a good working relationship with other centres and units at DMU (such as Mary Seacole Research Centre, the Centre for Social Action, the Unit for the Social Study of Thalassaemia, the Local Governance Research Unit, Centre for Comparative Housing Research and Centre for Social Action). We have also built links with researchers across the university in areas such as pharmacy and communication technologies. Our activities are disseminated to a wider group of stakeholders across the university in the form of a regular electronic newsletter, which also contains details of potential research funding and promotes awareness of recent health policy documents. Links with other universities have also been strengthened through joint research bids and other collaborations as well as a seminar programme with external speakers.

A new brochure gives the highlights of our recent activities. A copy can be obtained from the Director, whose details are given below.

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Steve White: Full-time student – The nature and extent of the public service ethos in front-line professionals

After 13 years as a manager in the police force, I wanted to look at public sector issues from a wider perspective. I undertook a Master's in Public Administration at the University of Nottingham. During that year, I developed a particular interest in the public service ethos – the notion that public service is a form of vocation, with a different philosophy and approach to private or voluntary sectors. I was successful in applying for a bursary to undertake a PhD in Public Policy, with the Department of Public Policy at De Montfort University.

My research focused on two community safety partnerships as case studies. This allowed me to compare and contrast different governance relationships within and between England and Wales, and to assess how a legal requirement to work in partnership affected the public service ethos of front-line professionals involved in delivering safer communities. My research therefore combined two theories – the public service ethos, and network governance. This combination represented my contribution to new knowledge and understanding.

My research is the first to assess the impact on the front line of New Labour policies. The community safety legislation specifically required networks to be at the heart of governance for community safety issues. My research has indicated that the public service ethos has changed, away from a mainly patrician but long-term view. Instead, it has become more focused on short-term issues and demonstrable performance. This has skewed the public service ethos towards something more akin to professional pride, as front-line professionals are increasingly required to think about their immediate contribution, rather than wider and longer-term community issues. As such, there is considerable crossover with the voluntary sector, although there are dangers if policy-makers assume the two are identical.

William Wells: Part-time student – Capturing and augmenting the knowledge assets of the UK regions: Sub-national governance actors and their collaboration with universities to win foreign direct investment

Why are you doing a PhD? This is a common, often incredulous, response from friends and colleagues with whom I have shared the detail of my current academic pursuit. And it's understandable, to most mid-career professional people it seems an unusual project to undertake, beset, as they are, by a busy working life and family commitments.

The motivation for undertaking a major piece of self-directed research over an extended period will be unique to the individual. This has been confirmed by my contact with fellow PhD students. However, while for some there is the element of hobby, fulfilment of long-term ambition, or first step on to the career ladder, I have come across many seeking a substantial framework for ongoing professional development. In doing so, their impetus matches my own. As increasing numbers of the UK workforce are educated to Master's level it can only be expected that demand for part-time PhDs will grow. This will be a function of the demand from students to continue their studies at a yet higher level, as well as the need to be differentiated in a crowded market.

While these features hold true to my own experience it has not simply been a case of the needs of the career shaping the education. At the time of embarking on an executive MBA at De Montfort University in 2001, I had made a solid start to my career in industrial and consumer sales and marketing. At that time I wanted to invest in an all-round business education. However, as well as developing a broad business skills base, it was through the programme that I developed an engaged interest in global investment flows and the role of Multinational Corporations (MNCs) in that process. Within six months of graduation I had taken up a post in the government agency charged with winning investment from international businesses – working in the frontline of engagement with the location decisions of major global businesses.

Five years on, and my experiences in the role have shaped my PhD research. The project explores the ways in which government investment in universities can impact relative flows of MNC-led research and development investment between competitive post-industrial economies.

And so, to those who ask why are you doing a PhD? I genuinely believe that I can add some small understanding and further insight in to an economically important process, that I am well placed to do this work through my professional role and academic background and, at the risk of sounding worthy, I want to be recognised as an outstanding practitioner in my field.

Working with the staff at De Montfort University (and, especially, my supervisors) has allowed me to develop a more academic approach to research than was the case in my professional career. I found each of my supervisors to have separate, but complementary expertise and experience. I feel this blend is an important part of good supervision, and good research. I now hope to publish in academic journals and speak at academic conferences, broadening my understanding and contacts network.

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The International PhD allows students based outside the UK to register with DMU for a PhD but to undertake the majority of their studies in their home country.

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