LOCAL GOVERNMENT
POLITICAL
MANAGEMENT
ARRANGEMENTS –
AN INTERNATIONAL
PERSPECTIVE
LOCAL GOVERNMENT POLITICAL MANAGEMENT ARRANGEMENTS – AN INTERNATIONAL PERSPECTIVE

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Contents

Executive Summary i

Acknowledgements

1. The context for innovation in political management 1
   Introduction 1
   1) Diversity in Scottish local government 2
   2) Innovation in Scottish local government 3
   3) The limitations of current practice 4
   4) The support for change 6
   Conclusions 7

2. Exploring the options 8
   Introduction 8
   Local government abroad 8
   1) The traditional UK local authority 9
   2) The mayor-council structure (strong-mayor) 10
   3) The mayor-council structure (strong-council) 11
   4) The council-manager structure (with a top manager) 13
   5) The council-manager structure (with a top manager and a mayor) 14
   6) The cabinet-council structure 15
   The scope for innovation 16
   Assessing the options 17

3. The mayor-council model - Baltimore, USA 20
   Introduction 20
   The city 20
   The inter-governmental context 20
   The government structure 21
   City functions and budget 23
   Commentary 25

4. The council-manager model - Christchurch, New Zealand 29
   Introduction 29
   The city 29
   The inter-governmental context 30
   The government structure 31
   City functions and budget 33
   Commentary 35

5. The cabinet-council model - Oslo, Norway 41
   Introduction 41
   The city 41
   The inter-governmental context 42
   The government structure 43
   City functions and budget 46
   Commentary 48

6. Conclusions 54

Annex: Basic data on Scottish councils

References
List of Figures

1. A typical UK local authority
2. The mayor-council structure (strong-mayor)
3. The mayor-council structure (strong-council)
4. The council-manager structure
5. The council-manager structure with a mayor
6. The cabinet-council structure
7. The mayor-council structure in Baltimore (simplified)
8. The council-manager structure in Christchurch (simplified)
9. The cabinet-council structure in Oslo (simplified)
10. Assessing the political management options
Executive Summary

Local government in Scotland is faced with major new challenges. Rising public expectations and strong pressures from local communities for a greater say in decision making are putting new demands on councils. Scottish local authorities are showing by their own actions that they are capable of developing new ways of organising to meet community needs. But society is changing and the constitutional framework within which local government operates is also being transformed.

The Commission on Local Government and the Scottish Parliament commissioned this study of political management arrangements in other countries to inform their deliberations on how to make Scottish local government as democratically accountable and effective as possible. The report:

• describes alternative political management models for local government,
• examines through international case studies how some of these models work in practice,
• comments on the performance of these alternative models.

The report explores the strengths and weaknesses of alternative political management arrangements. It does not claim to offer ready made solutions. Rather, by examining the arrangements in well respected local authorities in other countries, the report aims to assist the development of thinking in Scotland. A blueprint for political management arrangements cannot be identified by scanning local democratic structures in other countries. However, consideration of alternatives can usefully inform the debate.

Section 1 examines the context within which current debates about local political management are taking place. It suggests that all local authorities are faced with new challenges and it outlines a number of factors relevant to the consideration of political management arrangements.

Following contextual considerations, Section 2 considers alternative approaches to political management. Six institutional models are introduced. These include the traditional UK local authority alongside a variety of models which are found in local government in other countries. The purpose of this section is to show that there are many different ways of managing a unitary local authority. The criteria that can be used to appraise these various models are introduced:

• Leadership in the community
• Effective representation of the citizen
• Clear accountability
• Effectiveness in decision making and implementation
• Effective scrutiny of policy and performance, and
• Responsiveness to local people.
As a way of bringing the debate about local political management down to earth Sections 3, 4 and 5 present evidence from three local authorities in other countries:

- Baltimore, Maryland, USA. A city with a mayor-council form of government
- Christchurch, New Zealand. A city with a council-manager form of government (with a council manager and a mayor) plus a system of area-based community boards.
- Oslo, Norway. A city with a cabinet-council structure and a system of neighbourhood committees.

These examples have been chosen to illustrate radically different models of political management, that is, models which are not only very different from current practice in Scotland but also very different from each other. There is no suggestion here that one or more of these three examples should simply be imported into the Scottish context. On the contrary, it is misguided to scan foreign local democracy in the hope of finding easy answers to local political challenges. National political cultures and legal systems vary.

However, there is no doubt that experience abroad can stimulate fresh thinking. Useful practical political as well as managerial advice can be constructed on the basis of experience abroad provided lessons are translated into the Scottish context. These case studies are working examples of local government in action - they are not theoretical models. In each case study there is a commentary on the performance of the political management system.

Section 6 pulls out the main conclusions from the case study material. It includes a matrix relating the six criteria to the three case study cities. This shows that different models have different strengths:

- The mayor-council model in Baltimore supports strong, highly visible, outgoing political leadership. Voter turnout is moderate but there is good scrutiny of the budget. It is very clear where power lies - the mayor's office - and clout gets results. The council scrutinises the mayor and departments but has few powers to intervene. The media and neighbourhood associations are critical in holding the mayor to account.

- The council-manager model in Christchurch also supports strong, highly visible political leadership by the mayor. This is coupled with innovative managerial leadership by the city manager who has fostered a culture of employee empowerment. Voter turnout is moderate. The councillors and the six area-based community boards channel citizen views into the council. A fairly sophisticated Corporate Plan underpins a scrutiny process undertaken by council committees.

- The cabinet-council model in Oslo provides for collective political leadership of the city but cabinet members are probably not as visible as directly elected mayors. Voter turnout is good and the city has a well developed system of 25 neighbourhood committees. These local committees have substantial powers and this decentralisation enhances responsiveness. The council has robust arrangements for scrutiny of the cabinet. Oslo has hands on political management but critics argue that the cabinet system focuses members’ attention onto internal, departmental management.
Acknowledgements

The preparation of this report has been an exercise in international collaboration. It draws on first hand research I have carried out in Baltimore and Christchurch in the past as well as independent studies of Oslo. During the summer of 1998 it involved a considerable amount of exchange by telephone, e-mail and fax with contacts overseas. I am most grateful to colleagues in the USA, New Zealand and Norway for providing documents and responding to queries.

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1) The context for innovation in political management

Introduction

1.1 The Commission on Local Government and the Scottish Parliament is considering how best to enable local government and the Scottish Parliament to work together for the good of Scotland’s people. This involves two related strands of work defined in the Commission’s remit as follows:

- To consider how to build the most effective relations between local government and the Scottish Parliament and Scottish Executive; and
- To consider how councils can best make themselves responsive and democratically accountable to the communities they serve. (1)

1.2 These two strands are inextricably linked. On the one hand devolution will alter the constitutional framework within which councils operate. Thus, the Scottish Office will be answerable to the new Scottish Parliament and new patterns of relations between local government, the Parliament and the Scottish Executive will develop. This opens up possibilities for innovation in central/local relations. Alongside the structural changes arising from legislation there are also local driving forces for change. These are many and varied - they include new public expectations about the role of local government in a changing society, strong pressures from local communities for a greater say in decision making, new ideas about the nature of good management in public service organisations, and new demands from local councillors keen to develop more responsive and accountable forms of local democracy.

1.3 This report is within the second strand of work and is concerned with the political management of local government. It aims:

- To describe alternative political management models for local government;
- To examine through international case studies how some of these models work in practice, and
- To comment on the performance of these alternative models.
1.4 The 32 unitary local authorities created in Scotland in 1996 presently use a particular form of political management - a council plus committees of councillors. Given that local communities differ, it is difficult to see why local authorities should not be allowed to choose from a wider range of representative and organisational forms. Indeed it can be argued that radically new models are desirable if local authorities are to become effective leaders of their communities, contribute to democratic renewal and sustain an influential voice in the Scottish Parliament and elsewhere.

1.5 This report is intended to inform the debate about alternative approaches to political management. It does not claim to offer ready made solutions. Rather various political management options are examined in the belief that this will stimulate a wider debate about alternatives.

1.6 The Scottish Parliament referendum on 11th September 1997 revealed an overwhelming level of support for the government's proposals to legislate for a Scottish Parliament with tax-varying powers. The first elections will take place on 6th May 1999 and the Parliament will sit in the summer of 1999. Responsibility for Scottish local government matters will shift from Westminster to Holyrood. These constitutional changes are bold and far reaching and provide an important part of the context for any discussion of the future of local democracy in Scotland. There will be a new democratic arena in Scotland, alongside local government.

1.7 In considering alternative political management arrangements in local government it is useful to consider the local context. In Scotland there are four considerations: diversity in Scottish local government; innovation in Scottish local government; the limitations of current practice; and the support for change.

1) Diversity in Scottish local government

1.8 Political management in Scottish local government is fairly uniform. This relative uniformity in management arrangements contrasts with the extraordinary diversity of the localities unitary councils actually govern. This diversity is immediately apparent from a glance at the basic statistics and a map of the areas - see Annex.
1.9 First, the populations of the councils vary dramatically - from 618,000 for the City of Glasgow to 19,000 for Orkney. Eight of the 32 authorities have populations of over 200,000 (Glasgow, Edinburgh, Fife, North Lanarkshire, South Lanarkshire, Aberdeenshire, Aberdeen City and Highland). Twelve of the unitaries are between 100,000 and 200,000 and a further twelve are below 100,000.

1.10 Second, the geographical areas of the territories also vary enormously. Highland is easily the biggest local authority in the UK as measured by area (2½ million hectares). At the other end of the spectrum there are compact urban communities like Dundee (6,500 hectares).

1.11 Third, the representative ratios (the number of people per councillor) of the unitaries also vary. Following local government reorganisation in 1996 the number of councillors in Scotland was reduced from a total of 1605 (450 in the regions and 1155 in the districts) to 1243. The average representative ratio in Scotland is now one councillor to every 4,100 people. This figure conceals marked variations. Thus, a councillor in Edinburgh is expected to represent eleven times as many people as a councillor in Orkney (7,700 against 700). The Annex provides details of the representative ratio in all Scottish councils.

1.12 Fourth, not surprisingly given the above there is marked variation in the size of council. At one extreme Clackmannanshire has 12 councillors (representing a population of 48,000 people) whilst at the other extreme Fife has 92 councillors (representing a population of 351,000 people). Clearly there are models of management which, whilst they would work well with a group of 12, would not necessarily be suitable with a group of 92.

2) Innovation in Scottish local government

1.13 In the period following the 1975 reorganisation of local government in Scotland there is evidence to suggest that Scottish councils created more committees meeting more frequently than their counterparts in England and Wales. A Scottish Office study concluded that this:

'... does create a self-imposed burden for councillors that may diminish the attraction of public service for some people, and clearly added to accelerated voluntary turnover among councillors' (2)
1.14 Other research carried out in England and Wales suggests that, in the 1980's and early 1990's, many councillors were becoming frustrated with the committee system. They felt they were wasting time in long drawn out discussions which were not really enhancing the performance of the council (3). This view was confirmed by a recent study of the role of councillors conducted by the Audit Commission. This report stressed that:

'Too much of a burden is placed on councillors, often unproductively, by committee meetings which focus on detailed issues.' (4)

1.15 These arguments have not escaped the attention of Scottish local authorities and some interesting innovations have been pioneered by several councils in the period since 1996. For example, Section 23 of the Local Government etc (Scotland) Act 1994 required each council to prepare a 'draft decentralisation scheme' for public consultation by 1st April 1997. Several authorities took the opportunity provided by this measure to look afresh at the roles of councillors and create new decision making structures (5). For example, Fife created a Citizenship Commission to oversee democratic initiatives as well as a system of area-based committees which enable councillors to decide on issues affecting their area; and Stirling created a set of committees which break the traditional links between one council department and 'its committee'. A number of councils have also pioneered new approaches to community planning (6).

3) The limitations of current practice

1.16 The performance of councils varies and it may therefore be dangerous to generalise about the limitations of current practice. However, the following are some of the main criticisms of current practice councillors have, themselves, raised in workshops and seminars as well as in various surveys.

- **Voter turnout is very low.** The voter turnout in local elections in Great Britain averages 40%. This is at the bottom of the league in the European Union - the next lowest is the Netherlands with 54% (7). This is disturbing. Elections are the prime way in which the political will of a community is expressed on the policies and services which affect their daily lives. Unless voter turnout can be lifted dramatically the democratic legitimacy of local councils will continue to rest on fragile foundations.
• **An internal focus.** In too many town halls councillors spend an inordinate amount of time ensuring that decisions are agreed in party group and/or committees. Earlier it was suggested that Scottish councils tend to have more committees than councils in England and Wales. This overemphasis on internal politics can distance the local councillors from the communities they serve and can lead to a false understanding of what are the key issues facing the council.

• **Lack of clarity about responsibilities.** It is often difficult to establish who is responsible for which decisions. Council leaders, for example, have no executive responsibilities, are unable to dismiss an obstructive official, must rely on committees to put their policies into effect and usually have very limited resources available to support their work. If the council fails to deliver whose fault is it? When responsibility is spread it is difficult to see how members and officers can be properly held to account. This is a key reason for introducing a separation of powers between executive and representative roles.

• **Decisions behind closed doors.** Councillors have often been rightly critical of the secretive decision making found in local quangos. But in many councils important debates and decisions are also often out of sight - they take place in a party group meeting. The debate the public sees in council or committee is often a stilted defence of a pre-determined position where there is no room to make adjustments if an opposition member raises a genuine concern which has been overlooked. This approach has two drawbacks - it obscures accountability and it means councillors waste a lot of time in committees which are just going through the motions.

1.17 This is not an exhaustive list of concerns with current practice, but enough has been said to suggest that current arrangements may be less than perfect. Do current arrangements enable councillors to project a strong and positive image of local government to their communities? Can they be expected to lift public interest in civic affairs? Do they offer exciting opportunities for people who might want to make a contribution by serving as local politicians? These are the questions many councillors are now asking.
4) The support for change

1.18 Central government takes the view that steps should be taken to reinvigorate local democracy. As part of a broader strategy for modernisation and democratic renewal the Prime Minister has argued that local government needs more space to try out new ways of working. This view enjoys strong cross-party support south of the border.

1.19 This is well illustrated by Lord Hunt's work on local government which pre-dates the May 1997 General Election. As a cross-bench peer he chaired the all-party House of Lords Select Committee which examined central/local relations in 1996. The Committee's Report, *Rebuilding trust*, was supported by all the main political parties. It suggested, amongst other things, that 'there should be greater use of enabling legislation to allow local authorities to experiment with internal working and we urge Government to find legislative time as a matter of urgency' (8).

1.20 In November 1997, Lord Hunt introduced the Local Government (Experimental Arrangements) Bill into the House of Lords and it won cross-party support in the upper house. The Bill fell in the House of Commons in April as a result of Conservative Party Opposition. However, Lord Hunt’s efforts have influenced the ongoing debate. The Local Government Association (LGA) made the following commitment in its own ‘White Paper’:

> 'Modern councils need effective decision making. The traditional committee system although it has many strengths, was not designed to support the new community leadership role that we are arguing for in local government.... The Government should now legislate to allow councils to experiment with innovations such as separate executive, representative, and scrutiny functions, directly elected leaders or mayors and devolved area arrangements where there is local support to do so and provided there are safeguards to protect the rights of minority parties and groups' (9)

1.21 On 30 July 1998 the Government published its White Paper for England and Wales - *Modern local government. In touch with the people*. This took forward many of the ideas in Lord Hunt's Bill and proposed radical changes in local authority political management arrangements, albeit south of the border:
'Councils need new structures which create a clear and well known focus for local leadership. Local people should know who takes decisions, who to hold to account, and who to complain to when things go wrong' (10)

The White Paper makes it clear that there is no one right political structure. Instead councils in England and Wales are to be asked to consider a number of options including: a directly elected mayor with a cabinet; a cabinet with a leader; and a directly elected mayor with a council manager.

1.22 In its response to the first consultation paper produced by the Commission on Local Government and the Scottish Parliament, the Convention of Scottish Local Authorities (COSLA) takes the view that there should be a separation of the executive and representative roles of councillors in order to: 1) clarify where real accountability lies; 2) provide for clear political direction of the council; 3) provide a more efficient, quicker and coordinated decision-making process; and 4) strengthen councillors' roles, particularly the roles of scrutiny and representation (11). COSLA concludes by suggesting that councils should be allowed to experiment with different forms of political leadership and different electoral systems for local government.

Conclusion

1.23 This section has outlined some of the main factors which can be expected to influence the emerging agenda for democratic change in Scotland. Clearly the creation of a Scottish Parliament in 1999 will have a very significant impact. The section has also drawn attention to the differences between the unitary areas in Scotland. These differences suggest that different models of political management may be appropriate. In the next section, by drawing on experience in other countries, we explore some of the main options.
2) Exploring the options

Introduction

2.1 Political management is complex and the roles of different actors need to be thought through. For example, any new model needs to be effective in supporting a variety of councillor roles - the policy development role, the representative role, the executive role, the scrutiny role and so on. The development of improved lines of accountability to citizens will also require fresh thinking and careful consideration. These issues are certainly complex, but this is not to argue that they cannot be addressed in an imaginative way.

2.2 This section attempts to break out of the constraints which often discourage bold thinking by examining approaches to the political management of local government found in other countries. Following a presentation of several different models discussion turns to the criteria that can be used to appraise these models.

Local government abroad

2.3 There is great diversity in approaches to local authority leadership and management in different countries and there is diversity within various models. For example, the directly elected mayor features in the local government systems of all of the following: Ireland, France, Germany, Japan, Korea, New Zealand and the United States of America (where there are fifty local government systems as the states determine the arrangements for local democracy within their boundaries). In this section we simplify the complexities by examining six institutional models (12).

2.4 The six models reviewed here are:

1) The traditional UK local authority
2) The mayor-council structure (strong-mayor)
3) The mayor-council structure (strong-council)
4) The council-manager structure (with a top manager)
5) The council-manager structure (with a top manager and mayor)
6) The cabinet-council structure
This is not a comprehensive survey and other models deserve consideration. In particular, it is worth noting that some countries have a form of local government which provides for the direct election of a multi-person executive or cabinet e.g. a commissioner for housing, a commissioner for education, a commissioner for the environment etc. This is known as the commission form in the USA. Whilst it is not a model which is used widely, it does operate in some fairly big cities, e.g. Portland, Oregon.

2.5 The six models have been chosen to illustrate radically different approaches. The traditional UK local authority provides the starting point. As mentioned in Section 1 some Scottish councils have questioned this model and, within the constraints of existing legislation, have introduced variations. Several councils have, for example, developed new approaches to decentralisation and area based working which enhance the role of the local councillor. Clearly any review of decision making should build on the strengths of existing good practice. It should be possible to combine the best of existing practice with ideas from abroad. The next two models describe mayor-council forms of government in which the political leader (or mayor) is directly elected. In these models voters elect a mayor and a council. The fourth model is the council-manager form in which the council appoints a top manager. The fifth model is a variation of this - it involves an elected mayor working closely with the top manager. The final model is the cabinet-council structure in which a group of politicians exercises executive responsibility.

1) The traditional UK local authority

2.6 A growing number of UK local authorities are reviewing their ruling structures and reference has already been made to recent political management innovation in Scotland. Notwithstanding these innovations it can still be claimed that the majority of UK local authorities continue to manage their decision making through a number of separate committees usually related to local authority functions - for example planning, housing, social services, education - see Figure 1. Councillors, elected on a ward basis, usually serve on several committees as well as on the council as a whole. Most councillors belong to a political party and many important policy decisions are made in the party groups, rather than in the committees. However, it should be noted that not all councils are party political - in parts of Scotland most of the councillors on a given council stand as independents.
2.7 The chairs of the committees usually serve on a central policy committee which aims to give overall direction to the work of the council - this tends to be the most powerful committee, hence the bold line in Figure 1. The council, which might meet perhaps six times a year (practice varies), has the legal authority to take decisions, but it delegates many decisions to the committees. Committees, which are made up of elected councillors, in turn delegate power to officers. Virtually all officers in UK local government are selected on merit - there are very few political appointments. Their job is to give professional and impartial advice to the councillors and to take responsibility for managing the services. The chief executive, who is the most senior officer, has line management responsibility for the officers but, as can be seen from Figure 1, there are also opportunities for dialogue between senior officers and councillors via the committee system.

2.8 In UK local government the provost or mayor is usually a figurehead who chairs the council meetings but has little political power. The political leader of the majority party group on the council (if there is one) is the politician with the most power. In councils where party politics is not a dominant feature the emergence of a local leader is rooted in local circumstances and in some councils there may not be a clear leader at all. Compared with the directly elected mayor (discussed below) the UK local authority leader tends to be less visible and has less formal authority to act.

2) The mayor-council structure (strong-mayor)

2.9 There are two broad types of mayor-council government - the strong-mayor and the strong-council forms. Figure 2 illustrates the strong-mayor arrangement in which the mayor has substantial executive powers as compared to those of the council. In effect, the mayor serves as the directly elected chief executive and, as a result, is highly visible. The mayor prepares the budget, controls the city administration and has the power to appoint chief officers and to veto legislation passed by the council. The council can be responsible for developing policy, authorising the budget, reviewing the performance of the mayor and can retain executive responsibility in specified areas. The council can insist on regular reports from the mayor and can have a system of committees to examine issues and scrutinise decisions.

2.10 Chief officers are clear that, if the mayor loses an election, they could well lose their jobs. Some department heads may, however, be covered by civil service employment conditions or may, once appointed, not be removable by the mayor unless it can be demonstrated that they
are failing to perform their duties. In any event, the lines of authority for all or most departments of local government lead to the mayor's office - hence the bold line around the mayor. We examine this model in more detail in Section 3.

3) The mayor-council structure (strong-council)

2.11 Figure 3 illustrates the strong-council form of government. The mayor is still directly elected but power is dispersed between the mayor and the council and, in some cases, other elected officials. The council is usually the formal centre of power. In particular, it is normally the council that appoints chief officers. There is, however, no sharp line between the strong-mayor and strong-council options - rather there is a continuum.

2.12 Generally speaking, the strong-council form disperses authority. Power is divided into parcels and decision making is less centralised. A study of this form in the USA (where it is known as the weak-mayor system) concluded:

'The weakness of these mayors stems from (1) their limited powers to appoint staff, some of whom are directly elected, some appointed by the council, and some appointed (or removed) by the mayor but only with the concurrence of the council; and (2) their inability to develop the budget as an executive proposal that reflects overall policy.'

(13)

The council has both legislative and administrative responsibilities since it passes laws, creates programmes, appoints staff and oversees departments - hence the bold line around the council in Figure 3.

2.13 It is possible to envisage an elected mayor which is somewhere between the strong-mayor and the strong-council forms. For example, the UK Commission for Local Democracy proposed a model in which:

'... the Leader/Mayor heads the administration of the authority and appoints its senior officers, but is subordinate to the council insofar as the latter has control over the budget and the broad policy plan.' (14)
2.14 The mayor-council form is a popular form of government in other countries. For example, all local authorities in New Zealand have an elected mayor, chosen directly by the voters at triennial elections. In formal terms the mayor is ‘weak’ - he or she has no legal power to command obedience. Respect, cooperation and compliance with policy preferences has to be earned. The mayor does, however, have an electoral mandate, is paid a salary and can steer events. In this system some mayors can be very effective even though they lack formal powers.

2.15 Much of the UK debate about elected mayors has tended to assume that the mayor-council form is a 'big city' model of government. Famous examples lend support to this view - such as New York City and Chicago. But the assumption is quite wrong. The mayor-council form of government is extremely popular in rural areas and small towns. As already mentioned all local authorities in New Zealand have directly elected mayors, yet the population density in New Zealand (33 per square mile) is far lower than Scotland (167 per square mile). The average population of each local authority in New Zealand is also much lower than in Scotland - 46,000 compared with 159,000. In the USA the mayor-council form of government is found in 61% of all cities below 10,000 ie these authorities have a population which is half the size of Orkney (the smallest Scottish local authority as measured by population).

2.16 Following the May 1998 referendum in London, the mayor-council model is to be introduced into the UK in the near future. In July 1997 the Government published a consultation paper setting out proposals for a Greater London Authority (14). The proposals outlined a mayor-assembly form of government for the capital. Note that the proposal uses the word assembly, not council, as a way of indicating that the role of assembly members is broader than the role of traditional councillors. The proposals envisage a mayor with fairly substantial powers who will be held to account by a separately elected assembly. In March 1998, following a period of consultation, the Government published more detailed proposals (16). These indicate that the mayor will have five key roles:

- To devise strategies and actions
- To propose a budget
- To co-ordinate action to implement the agreed strategic plans
- To act as a voice for London
- To make appointments
2.17 The assembly, which will have 25 members, is to have six roles:

- To assist in policy development
- To approve or amend the mayor's budget
- To examine London issues
- To examine the mayor's strategies and performance
- To participate in the appointments procedure
- To serve as members of the police and fire authorities

2.18 The changes proposed for London government are breathtaking. The mayor will be the first directly elected executive in UK history. All 4.9 million London citizens will be entitled to vote - a constituency equivalent to the 74 London MPs. The mayor will have an international profile and can be expected to develop a new style of local government leadership - an outward looking and inclusive approach - which is bound to have a major impact on UK local government. The significance of this revolutionary shift is still not widely appreciated in local government circles within the UK.

2.19 The White Paper, *Modern local government. In touch with the people*, sets out proposals which will enable local authorities in England and Wales to introduce mayor-council structures if they wish (17). Two of the three options set out involve an elected mayor:

- A directly elected mayor with a cabinet
- A directly elected mayor with a council manager

These proposals demonstrate the flexibility of the mayor-council form. It is possible for UK councils to develop their own kinds of mayor-council structure which are suited to local circumstances. The White Paper proposals envisage hybrid forms which draw on more than one of the six models outlined in this section.

4) The council-manager structure (with a top manager)

2.20 In the council-manager form of government, as illustrated in Figure 4, there is no separation of powers between a political executive and a legislative body. The elected council appoints a top manager who, in turn, is directly in charge of departmental chief officers and supervises their
performance. This officer is often referred to as the 'city' manager but in a county he or she would be the county manager and in some cases the term used is council manager. In this report we use the term 'top' manager to make it clear that it is a form of management which can be used in both rural and urban areas. On the whole top managers have rather more authority than a typical UK local authority chief executive. For example, they may be able to appoint all officers with little or no reference to the politicians. These managers are, however, usually on five year contracts so if they are not politically aware they will not last long.

2.21 In some ways the top manager resembles the managing director of a private company. Indeed, analogies with business organisations almost always provided the principal supporting arguments for moving to the council-manager plan in the USA. Figure 4 suggests that, in contrast to Figure 2, power is concentrated in the hands of an officer: hence the bold line around the top manager. Whether too much power is concentrated in the hands of one officer is a matter of dispute - much depends on the details.

2.22 The council-manager form can, however, create a leadership gap. Top managers, because they are not elected, cannot provide political leadership. The original council-manager plan developed in the USA at the turn of the century attempted to separate politics from administration. Inevitably, however, top managers have been required to act as visible leaders. But they do not have the legal basis or political authority for performing such a role and this factor has triggered improvements to the council-manager plan in many American local authorities (see next model) and elsewhere.

5) The council-manager structure (with a top manager and a mayor)

2.23 Many council-manager cities have modified their structures along the lines shown in Figure 5. Here a directly elected mayor is introduced to give a political lead to the work of the top manager. This model has become increasingly popular in council-manager cities in the USA:

'One of the most important and pervasive changes in the institutional structure of the council-manager plan since its inception has been the adoption of a directly elected mayor. Today, approximately 65% of the council-manager cities in the United States have directly elected mayors.' (18)
2.24 Council-manager mayors tend to act as facilitators rather than executives. The possibilities of political leadership for the facilitative mayor have been neglected in recent debates. Kinds of leadership, beyond traditional ceremonial functions, can be developed. One is a co-ordinating role in which the mayor pulls together the different parts of the system of local governance to improve their interaction. In a fragmented system of local governance the orchestrating role of the mayor can be invaluable (19).

2.25 As with the discussion of the mayor-council forms set out above this discussion suggests that there are considerable variations within the council-manager model. In New Zealand, for example, all councils have Chief Executive Officers (or top managers) and their responsibilities are set out in law. In the best New Zealand councils there is a close partnership between the elected mayor and the top manager. The council remains powerful - holding both the mayor and the top manager to account. We examine this model further in Section 4.

6) The cabinet-council structure

2.26 In the cabinet/council structure there is a separation of powers between a cabinet, which acts as the political executive, and a council which develops and monitors policy and holds the cabinet to account - see Figure 6. The cabinet is usually indirectly elected by the councillors and has the power to appoint chief officers - hence the bold line round the cabinet. In some ways this model can be viewed as a simple extension of the informal cabinets which already exist within many UK local authorities.

2.27 The model, borrowed and adapted from central government, clearly identifies the leading group of councillors responsible for running the authority. Where there is a majority party the cabinet would, in effect, be a single party policy committee with a degree of executive power. The council (or assembly) delegates this executive power (which could vary considerably) to the cabinet. Decisions taken by the cabinet are decisions of the authority. As with the model in central government individual members of the cabinet have delegated areas of responsibility and the attendant decision taking powers, but the broader strategy is decided by the cabinet.

2.28 The council can require regular reports from the cabinet and can have a system of committees to examine issues and scrutinise decisions. These committees have rights and might have a political balance which favours minorities. As with the mayor-council models described earlier the balance of power between the executive (whether it is a mayor or a cabinet) and the council
can vary. Just as it is possible to have strong-mayor and strong-council forms in a mayor-council structure it is possible to have strong-cabinet and strong-council forms within the cabinet-council structure.

2.29 The White Paper, Modern local government. In touch with the people, outlines two proposals involving a cabinet (20). As mentioned earlier one model involves combining a directly elected mayor with a cabinet. In this model the mayor, once elected, would select a cabinet from amongst the councillors. A second option, described as a cabinet with a leader, involves no direct election by citizens. Rather the leader is elected by the council and the cabinet is made up of councillors, either appointed by the leader or elected by the council. While the leader could have similar executive powers to a directly elected mayor, in practice the leader's authority is likely to be more limited as there is no direct mandate from the electorate for the leader's programme. We examine the cabinet-council model further in Section 5.

The scope for innovation

2.30 This discussion of political management models shows that there are many workable ways of leading and managing a local authority. In order to aid understanding the discussion has focused on the main options. In practice there are many more options available because features from different models can, to some extent, be combined. For example, it would be possible to introduce a top manager into a cabinet-council structure. It could be argued that, in order to achieve council objectives, the cabinet would benefit from being served by a powerful chief executive. We have also already referred to the way in which the directly elected mayor can be combined with a cabinet.

2.31 More important, different features can be added to these models in order to ensure that they meet the needs of all councillors. For example, it is possible to combine any one of the six models with the decentralisation of power to local councillors and communities. Indeed it can be argued that radical decentralisation is essential if the central organs of the authority are to avoid getting bogged down in details. One of the great strengths of UK local government is the ward based councillor who knows his or her patch and is in touch with feelings at the grass roots. Concern that some of the models outlined above might lead to an over-concentration of power in the executive can be addressed not only by giving the council adequate powers, but also by decentralising important local decisions to area based committees and neighbourhood
forums. As we shall see devolution of power to neighbourhoods and/or community boards is a feature of local democracy in other countries.

2.32 The importance of decentralisation should be emphasised, particularly in the Scottish context. As Scottish local authorities know only too well it is often the case that citizens are most interested in decisions which directly affect their immediate area. The requirement to introduce 'decentralisation schemes' under the Local Government etc (Scotland) Act 1994 encouraged all Scottish local authorities to address this issue. They have developed arrangements for local public involvement and for local consultation with community councils and other area based groups. These innovations, which strengthen the role of ward councillors and empower local communities, can be built into any of the six institutional models.

2.33 In summary, we can conclude that the diversity in approaches to local authority management found in other countries is refreshing. This diversity can help councils challenge the constraints of the past. There are radically different ways of doing things and these deserve to be examined and considered by all Scottish councils. Councillors can engage in a creative and exciting quest for an approach to political management which is tailored to meet local needs. The models can be used as an input to this process, but it should be clear that none of them is intended as a blueprint.

Assessing the options

2.34 How can the different models of local political management be evaluated? The criteria councillors decide to use to assess models of political management can vary. Thus, some councillors may feel that improving the public perception of local government should be the key measure. Others may feel that enhancing the quality of decision making should be central. Yet others might feel that improving responsiveness to community views should be at the heart of any evaluation. In practice several criteria will need to be reconciled and it is perfectly legitimate, indeed essential, for individual councils to debate which criteria matter most to them.
2.35 The Working Party on the internal management of local authorities in England (published in 1993) provides a useful starting point (21). It identified six criteria:

- leadership in the community
- effective representation of the citizen
- clear accountability
- effectiveness in decision making and implementation
- effective scrutiny of policy and performance, and
- responsiveness to local people.

2.36 These criteria are likely to continue to be important to Scottish local councils. However, in the years since 1993, there has been a debate about widening the role of elected local authorities and it may be that the evaluation criteria should be amplified. For example, some councils are now strongly committed to working in partnership with other agencies, including central government. It could be that 'leadership in the community' covers this point, but some may feel that there should also be 'leadership on behalf of the community' ie leadership in other settings designed to influence the decisions of other agencies. The recent report on community planning in Scotland certainly suggests that inter-agency working is increasingly important in Scotland (22).

2.37 In the next three sections this report provides a brief outline of the political management arrangements used in three local authorities:

- **Baltimore, Maryland, USA.** A city with a mayor-council form of government.

- **Christchurch, New Zealand.** A city with a council-manager form of government (with a city manager and mayor) plus a system of area-based community boards.

- **Oslo, Norway.** A city with a cabinet-council structure and a system of neighbourhood committees.

2.38 These local authorities are all cities but, as mentioned earlier, this does not mean that the models of political management employed could not be used in rural areas. The local authorities have been chosen to illustrate radically different models of political management.
Using specific case studies helps to bring the political management models to life. This report does not offer a detailed evaluation of the performance of the three local authorities - that would require further research. Rather the report provides a description of the arrangements and a brief commentary taking account of the six criteria for assessment set out above.
3) The mayor-council model - Baltimore, USA

Introduction

3.1 As explained in Section 2 in the mayor-council model voters directly elect the mayor and the council. In this section we consider the mayor-council form of government in Baltimore, Maryland, USA. The city is well known for its creative approach to the regeneration of the inner harbour area. Baltimore is included in this report as it provides a good example of a strong-mayor form of government.

The city

3.2 Baltimore, which is the largest city in the State of Maryland, has a population of around 675,000. The population has dropped from 900,000 in 1970 - a decline that reflects a shift towards smaller families, the loss of manufacturing jobs, and the flight to the suburbs by many middle-class residents. African American people constitute around 63% of the population.

3.3 Baltimore has a relatively poor population and lacks resources. For example, approximately 60% of people receiving temporary assistance to needy families (formerly aid for dependent children) in Maryland live in Baltimore. Low income neighbourhoods tend to generate crime, health, public safety and educational problems. These require constant labour-intensive city-funded services. Paradoxically the city attracts many of the region's highest income workers who are employed downtown. Many of these relatively well off people pay their local (and lower) taxes to the suburban jurisdictions where most of them live, rather than to the city where they work. Baltimore City cannot absorb or tax the surrounding districts. Thus, the City's future hinges, to a large extent, on the degree to which it can secure regional support in addressing its financial and socio-economic problems.

The inter-governmental context

3.4 In the USA local authorities are creatures of the state - there are, in effect, fifty local government systems. Within Maryland there are 24 jurisdictions - 23 counties and the City of Baltimore. There is considerable variation in local government arrangements within the State. It is possible to distinguish three forms:
• Commissioner Counties. In these counties the State retains legislative authority. These counties are not chartered and do not have a separation of powers. Elected commissioners take responsibility.

• Charter Counties. In these counties the elected local authority has a degree of Home Rule. Each county has a separation of powers between an executive and a legislature.

• Code Home Rule Counties. These counties have a degree of Home Rule but within a specified code. They have less autonomy than Charter counties.

The City of Baltimore is unique. It was founded in 1797 and has had a Charter setting out Home Rule arrangements since 1889.

3.5 The General Assembly of the State of Maryland sets out the legal framework within which the 24 jurisdictions operate. Thus, Article XI of the Constitution of Maryland sets out the legal basis for the government of Baltimore. This Article can be modified under state legislation and the Charter of Baltimore was last revised in 1996. Any charter revision must be put to a local referendum before it goes to the state legislature. There is, then, considerable variation in local political management arrangements within Maryland and localities can take the initiative in reshaping their form of government if they wish.

The government structure

3.6 It is helpful to consider the following eight components when describing the organisation and management of the city government:

i) *The electorate.* Out of the 500,000 residents of voting age in 1995, Baltimore had only 317,000 registered voters. Of these 145,000 voted in the last mayoral election in 1995 (a turnout of 46%).
ii) **The Mayor.** Baltimore has a 'strong-mayor' form of government. The Mayor, who is elected at large for a four year term, has the power to:

- propose the City's budget
- appoint the majority of members of the Board of Estimates (more below)
- appoint and dismiss executive staff and departmental and agency heads
- veto legislation passed by the City Council (although if he or she does this, the Council could override such a veto with a 75% majority).

The mayor is full time and has a salary of $95,000 (£59,000) (23). The Mayor is not on the City Council and does not chair the City Council. He or she does not normally attend council meetings.

iii) **The City Council.** The Council consists of 19 members, three members representing each of the six councilmanic districts, plus the President of the City Council. The President is elected on a city-wide basis for a four year term. The role is full time and carries a salary of $65,000 (£40,000). It involves chairing the Council and chairing the Board of Estimates. Council representatives are elected to four year terms. The City Council has the power to pass all ordinances, consistent with the City Charter, and can vote to cut (but not increase) the budget proposed by the Mayor. Councillors are part time and receive a salary of $37,000 (£23,000).

iv) **Comptroller.** Elected to a four year term, the Comptroller has many responsibilities, including serving on the Board of Estimates, chairing the boards of trustees of city employee pension schemes, and overseeing the disposition of City property. The comptroller, who has an important watchdog function is full time and has a salary of $65,000 (£40,000).

v) **The Board of Estimates.** This is an unusual feature which is not often found in the strong-mayor form of government. It has substantial powers. The Board:

- develops and creates the budget
- awards contracts and supervises purchasing
- fixes salaries and establishes working agreements and conditions for city employees.
The Board is composed of three elected officials (the Mayor, the President of the City Council, and the Comptroller) and two mayor appointed officials (the City Solicitor and the Director of Public Works). The mayor appoints the officials so that he or she has a built-in majority on the Board of Estimates. This is crucial to the power of the mayor.

vi) *Party politics.* Both the Democratic and Republican parties are active in Baltimore City. However, no Republican candidate has been elected to office since 1963. This is not to imply that there is a strong party political base in the sense found in many Scottish councils. Rather it reflects local history and culture. The politics is constituency, not party driven. Whoever wins the Democratic primary can expect to become Mayor.

vii) *Departmental structure.* The work of city government is carried out by 18 departments and several boards, agencies and commissions. Some departments are created by charter, some by city ordinance (i.e. by the council) and some by the executive (i.e. the mayor). This is a fairly complex organisational structure. At root, however, it is a highly centralised arrangement - with the Mayor's role as pivotal.

viii) *Public/private partnerships.* Increasingly important in the governance of the city, is the growing number of quasi-public organisations. Good examples are the Baltimore Development Corporation, the Community Development Finance Corporation and Baltimore Reads Inc. There is a fifty year history to public/private collaboration in the City.

Figure 7 provides a simplified picture of the mayor-council structure in Baltimore.

**City functions and budget**

3.7 The city runs a wide range of services. The functions resemble those found in unitary authorities plus police and fire services. This is a very wide range of functions. Interestingly, the City of Baltimore Web Site lists a number of public/private partnerships within the City Government section - for example, the Baltimore Development Corporation.
3.8 The 1998 expenditure budget (in round figures) is as follows:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>$ million (USD)</th>
<th>£ million *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,181</td>
<td>1,363</td>
</tr>
<tr>
<td>Capital</td>
<td>256</td>
<td>160</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,437</strong></td>
<td><strong>1,523</strong></td>
</tr>
</tbody>
</table>

* Assumes $1.6 to the pound.

This is a massive local authority budget by any standards - the City employs 25,900 people.

3.9 The income to support the revenue expenditure is funded from the following sources (round figures):

<table>
<thead>
<tr>
<th>Income</th>
<th>$ million (USD)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>804</td>
<td>37</td>
</tr>
<tr>
<td>Education fund</td>
<td>553</td>
<td>25</td>
</tr>
<tr>
<td>Federal grants</td>
<td>285</td>
<td>13</td>
</tr>
<tr>
<td>Enterprise/utility funds</td>
<td>204</td>
<td>9</td>
</tr>
<tr>
<td>State grants</td>
<td>160</td>
<td>7</td>
</tr>
<tr>
<td>Motor vehicle revenues</td>
<td>129</td>
<td>6</td>
</tr>
<tr>
<td>Other special purpose</td>
<td>46</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2181</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.10 The General Fund is the most important income stream from a budget point of view. This is because these revenues are raised locally and it is here where the Mayor can exercise discretion when he or she proposes the budget. The main elements of this income stream are a property tax and a 'piggyback' income tax (ie a tax added to the State income tax).
Commentary

3.11 The above is a vastly simplified description of the complex arrangements for the governance of a major city. The outlines of the political management arrangements are, however, sufficiently clear to provide the basis for a commentary highlighting issues which are likely to be relevant to the future development of Scottish local government. The commentary is given structure by discussing the six criteria introduced at the end of Section 2.

1) Leadership in the community

3.12 Leadership can be measured in several ways but earlier research has suggested that effective local political leadership needs to be visible, to project a positive image of the area and to develop effective partnerships (24). Mayor Kurt Schmoke is certainly visible. He holds a 1½ hour press conference every Thursday which is attended by four television and radio stations as well as local newspapers. Every week his schedule of public events is sent to the media and he is constantly asked questions about city affairs by journalists and television reporters.

3.13 Kurt Schmoke is now in his third four year term of office. When first elected Mayor of Baltimore in November 1987 he became the first African American voted into that office. In the last decade he has developed a reputation as one of the most innovative mayors in the country by pursuing bold initiatives in such areas as literacy, education, housing, community revitalisation, health and economic development.

3.14 Projecting a positive image of Baltimore is central to the activities of the mayor. He spends considerable energy operating at the level of the State of Maryland as well as at the national level. To some extent there is an overlap here between city needs and political career. Mayors who have ambitions to serve at higher levels of government benefit themselves as well as their city when they perform well at state and national levels. Mayor Schmoke is active in the US Conference of Mayors (which represents the big cities) and the National League of Cities (which speaks out on behalf of the cities and the counties). The City of Baltimore won designation by the Federal Government as an Empowerment Zone in 1994. This status brings financial and other benefits and the designation was won in the face of ferocious competition from other cities. Anecdotal evidence suggests that the mayor played the critical role in winning this designation.
Working in partnership with other organisations (public and private) has a fifty year tradition in Baltimore. The urban regeneration of the neglected dockside into the impressive Charles Centre/Inner Harbour with its substantial service, retail and leisure activities is a classic story of public/private collaboration. Walter Sondheim, an important private sector figure in the history of Baltimore for over 30 years, claims that a major advantage of the strong-mayor model is that: 'The private sector has something to deal with that is not mercurial'. Successive mayors have clearly provided a focus for partnership working.

2) **Effective representation of the citizen**

The voter turnout in Baltimore has varied over the years. As mentioned earlier the turnout in 1995 was 46%. However, four years earlier the turnout was only 27% whilst in 1987 it was 33%. The existence of a strong-mayor form of government does not, in itself, guarantee high voter turnout. Other factors - for example, whether or not there is going to be a close contest - are critical factors.

Citizens get a good opportunity each year to examine the City Budget. There are various budget hearings, including a tax payer's night in April, when citizens turn up en masse. Any citizen has a right to be heard and a budget hearing usually takes from three to seven hours. The City Council also has a right to scrutinise the draft City Budget and, whilst it cannot cut the budget proposed by the mayor, it has the power to increase the budget.

There are over 500 neighbourhood associations in Baltimore. It is important for the mayor to be aware of concerns in the neighbourhoods as this is where he gets his electoral support. The ultimate test of how well the mayor represents the people is the ballot box - Mayor Schmoke has now won three consecutive four year terms.

3) **Clear accountability**

It is crystal clear where power lies in the Baltimore model - the mayor's office. From a British point of view it might be felt that too much power rests in the hands of one individual. But the model is transparent and the mayor can be held to account in a number of ways. Reference has already been made to the role of the City Council and the Comptroller and their scrutiny functions are discussed further below. It is also important to recognise the importance of the press. The USA has a Freedom of Information Act and it is not difficult to obtain copies of the
reports upon which public decisions are made. In addition, Baltimore has an 'open meeting' policy. It is commonplace, for example, for the political reporter of the Baltimore Sun, the local paper, to attend the pre-meetings of the Board of Estimates and the City Council.

4) **Effectiveness in decision making and implementation**

3.20 The concentration of power in the mayor's office is double edged. On the one hand it is clear that 'clout gets results'. For example, in 1988 the mayor became concerned about literacy levels within Baltimore. He was able to create and fund a new quasi-public organisation, Baltimore Reads Inc, to pursue a high profile strategy to tackle the problem. No authority from elsewhere was needed. This organisation, answerable to the mayor, has attracted private sector and voluntary support to address a major social issue. Another example is provided by the blizzard of winter 1996. The terrible conditions were handled effectively by the 'snow room' team which, because it has the backing of the mayor, can move with remarkable speed eg taking over public land to dump the enormous amount of snow. Centralisation can, however, create bottlenecks. If just about all the important decisions are going through a central office there is certain to be overload on the executive with the result that some decisions will inevitably be held up.

5) **Effective scrutiny of policy and performance**

3.21 As well as electing the mayor citizens elect the President of the City Council, the City Council and the Comptroller. These figures are able to exercise a check on the power of the mayor. For example, the City Council can call department heads to attend committee meetings of the council to explain actions being taken. The Comptroller, who exercises a financial scrutiny and audit function, can instruct the City Auditor to report on any activity. These audit reports, which can be very specific, have to be submitted to the Board of Estimates which meets in public.

3.22 Reference was made earlier to the annual budget process. The City Council exercises a crucial role in this through its Budget and Appropriations Committee. This examines the mayor's proposed budget in detail and agrees the tax rate. At public hearings committees take evidence and cross examine department heads. Whilst the formal balance of power favours the mayor the arrangements for scrutiny of the mayor's activities are robust.
6) **Responsiveness to local people**

3.23 During the course of the year the mayor holds seven or eight community meetings twice (in the Spring and the Autumn). These meetings are arranged at locations across the city and are open to the public. The mayor attends together with representatives of all city departments -usually department heads. These meetings expose the mayor and senior officers directly to the concerns of local people. They are well attended and lively events.

3.24 The mayor also collaborates with other agencies in tackling issues which cut across departmental boundaries. A good example is provided by the public safety strategy of the Greater Baltimore Committee (GBC). Drugs are at the heart of the most serious crime in Greater Baltimore and the GBC, which brings together a range of public and private organisations, has developed a wide ranging response.

**Conclusion**

3.25 The mayor-council model of local political management in Baltimore is the strong-mayor model. The mayor, who is an extremely high profile figure, has a great deal of executive power. Key insights for consideration in Scotland are:

i) The mayor-council model undoubtedly provides the platform for highly visible, outgoing local authority leadership. Virtually everyone in Baltimore knows who the mayor is and it is very clear where power lies.

ii) The strong-mayor form in Baltimore has underpinned a long track record of effective collaborative working between the local authority and various private and voluntary organisations.

iii) Whilst the scrutiny arrangements for monitoring the performance of the mayor are sound, it is likely that a UK council would want to have more powers vis-a-vis the power of the mayor.
4) The council-manager model - Christchurch, New Zealand

Introduction

4.1 Reference was made to the New Zealand system of local political management in Section 2. All local authorities in the country have a council-manager structure (with a top manager and a directly elected mayor). In this section we consider how the model works in Christchurch, New Zealand. Christchurch has a reputation for first class city management. In 1993 it was awarded first prize (jointly with Phoenix, USA) by the Bertelsmann Foundation, Germany in an international competition designed to identify excellence in local authority management. In 1995 it won the inaugural award for excellence in local management from the country's top management magazine - Deloitte Management. Christchurch is included in this report as it provides a good example of the council-manager model.

The city

4.2 Christchurch is the largest local authority on the South Island of New Zealand and has a population of 320,000. Christchurch is an attractive, well designed city, known as a 'garden city', which prides itself on its environmental quality. Historically Christchurch's role is that of service centre to the rich arable and pastoral hinterland of the Canterbury plains and hills. The city's population was almost static through much of the 1980s, reflecting the difficulties in finding markets for primary produce. Since 1991 population numbers have grown at an average of 5000 annually. In large part this reflects international migration with SE Asian business and professional migrants prominent.

4.3 The city's population continues to age. Median age was 28 years in 1976, is 34 today and will be 39 in 10 years time. This allied with trends to more one-person families, has led to intensified housing development with complexes of typically three to five 'townhouses' replacing the traditional detached house on its 'quarter acre' plot. Maintenance of the 'garden city', environment, personal safety and public transport are all of increasing concern to residents.
The 1990's have seen the regional economy growing at rates varying from 2% to 6% per annum. Much of the growth has been among small business, with an increase of 44% in the number of firms in the city over the last seven years. Key growth sectors have been tourism, services and specialist productive industries, such as computer software and electronics. Nonetheless unemployment remains stubbornly high at between 6% and 7%, but is disproportionately high among young people and Maori and Pacific Island racial groups. Promoting economic growth and addressing the effects of widening income disparities between groups in the population remain key challenges for the City Council.

The inter-governmental context

The Local Government Act 1989 (which amended the 1974 Act) was the most radical reform of New Zealand local government this century. In some ways the legislation resembles the UK 1972 Local Government Act. The 1989 Act swept away 691 units of local government and replaced them with a two tier system of 13 regional councils, 73 cities and districts, and one unitary council. As in the UK, these nationwide structural changes to the local government map created larger, more powerful local authorities. It would be a mistake, however, to view the 1989 Act as a reform which merely brought New Zealand local government up to a position reached in the UK over twenty years ago. Several parts of the Act - for example, the requirements relating to annual planning and open government - pioneer beyond current UK practice.

Whilst New Zealand has an area of 104,000 square miles, it has a total population of only 3.4 million. The United Kingdom, whilst it has a population of 57 million is, with 94,000 square miles, smaller in area. Much of New Zealand is, then, sparsely populated. Auckland, with 1 million people, is the dominant urban centre. Wellington and Christchurch each have between 300,000 and 400,000 people. There are then some dozen provincial centres’ with populations of 40,000 to 100,000. The functions exercised by New Zealand local authorities are also somewhat different. The regional councils have relatively limited functions relating to, for example, river and water resource management, maritime planning, environmental planning and regional parks.

Cities, like Christchurch, and districts provide the bulk of local government services including: local land use planning; roads; traffic management; refuse collection; drainage and sewerage; parks and recreation; libraries; arts and cultural services; and some (but not much) public
housing (2,500 units in Christchurch). In addition, this level of local government is also responsible for supplying water and some own companies which supply electricity and run airports and ports. Councils vary as to their involvement in 'softer' functions - for example, economic development and programmes targeted at groups such as the elderly or immigrants or issues such as safety. For instance, Christchurch launched a city children's strategy during 1996. Christchurch runs a substantial range of services, but it should be noted that central government has reserved to itself high spending services like education, social welfare, fire and police.

The government structure

4.8 It is helpful to consider the following eight components when describing the organisation and management of the city government of Christchurch:

i) The electorate Christchurch has 222,000 registered voters. Of these 50% voted in the last mayoral election in 1995.

ii) The Mayor In common with all local authorities in New Zealand Christchurch has a directly elected mayor who is elected for a three year term. The mayor is full time and has a salary of $92,000 (NZ) (£29,000) (25). The mayor chairs the council meetings, but has no other specific powers. The mayor is ex-officio member of all council standing committees, so may attend and vote at any such meeting.

iii) The City Council The council consists of 24 councillors with two elected from each of 12 wards. Councillors are elected to three year terms. The City Council exercises powers conferred by the Local Government and other Acts. In practice, its pivotal task is the preparation of an 'Annual Plan'. By statute this must specify clearly: what is to be achieved; at what cost; include a five year capital programme, a 20 year financial model and clear policies regarding how each service is to be funded. In practice an Annual Plan must be underpinned by a clear strategic direction. Councillors are part time and receive a daily meeting allowance of $170 (NZ) (£53) and a salary of $14,700 (NZ) (£4,594) unless they chair a committee in which case the salary is $29,400 (NZ) (£9,186).
iv) **The City Manager** All New Zealand local authorities have a Chief Executive Officer or city manager and the responsibilities are set down in the 1989 Act:

1) Employing staff and negotiating their terms of employment within the principles of being a good employer and within an equal employment opportunities programme.

2) Implementing the decisions of the local authority.

3) Providing advice to members of the local authority and any community boards.

4) Ensuring that all delegated, imposed or conferred functions, duties, and powers are properly carried out.

5) Ensuring the effective, efficient and economic management of the activities and planning of the authority.

The council appoints the city manager. He or she then appoints other staff. In practice the mayor will usually head a small sub committee which reports to council on issues relating to the city manager's employment, performance etc.

v) **Party politics** A key difference between the British and the New Zealand systems of local government is in the role of party politics, which occurs only on a minor scale in New Zealand. Generally elected members see themselves as independent. Outside of the main urban centres most elected members are independents. In Christchurch there are two main parties which loosely align with national parties. By convention, however, power is shared (eg distribution of committee chairs) and very few votes reflect caucus positions.

vi) **Community boards** The 1989 Act sought to reinforce local accountability by requiring the creation of local community boards to provide a local input to decision making. Community boards are not a sub-district level of government. They cannot employ staff, own property, raise local taxes or borrow money. But the boards can be very influential, particularly in relation to decisions affecting their area. Christchurch has six community boards (each with a maximum of nine members), elected on the same ballot paper as the mayor and councillors. Board members are part time and receive a
daily meeting allowance of $135 (NZ) (£42) and a salary of $5,670 (NZ) (£1,772) unless they are a chair in which case the salary is $12,600 (NZ) (£3,938).

vii) **Departmental structure** Overall the Christchurch City Council has about 1800 staff and makes extensive use of contractors. Currently there are 21 management units led and coordinated by a corporate team comprising the city manager, five senior staff and their support team. The process underlying preparation of the Annual Plan means that there is clarity as to the services which are to be delivered. Given this the city manager and corporate team focus their efforts on: coaching and supporting unit managers in implementing programmes; fostering an organisational culture which emphasises learning, change, creativity and front-line empowerment as core values; and coordinating preparation of policy advice.

viii) **Public/private partnerships** Much of New Zealand local government has followed the model of generally specifying and funding services and contracting out their provision. Christchurch is among a minority of councils which, while not turning its back on this approach, has retained significant service delivery in-house. In a number of service development areas it has developed partnership arrangements which bring together public and commercial sector and also non-profit and voluntary organisations eg economic development initiatives, community events and re-use and recycling of recovered materials (both green waste and inorganic waste).

Figure 8 provides a simplified picture of the council-manager model in Christchurch.

**City functions and budget**

4.9 The council's operations cover environmental planning, housing, roads, parks, water and sewerage, refuse, public health and leisure services, including libraries, art gallery, a Commonwealth Games sporting complex, an 8,600 seat entertainment centre and an international convention complex. In addition it owns, through a holding company, a number of independent commercial enterprises including airport, harbour, electricity, transport, technology park and forestry operations. The city council employs directly some 1800 staff plus a further 1300 staff in the arms length enterprises.
4.10 The 1998 expenditure budget (in round figures) for the City Council itself is:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>NZ $ million</th>
<th>£ million*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>226</td>
<td>71</td>
</tr>
<tr>
<td>Capital</td>
<td>100</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>326</strong></td>
<td><strong>102</strong></td>
</tr>
</tbody>
</table>

Note: Expenditure of trading subsidiaries takes the total figure to approximately $900 million.

* Assumes 3.2 NZ $ to the pound

4.11 The income to support the revenue expenditure is funded from the following sources (round figures):

<table>
<thead>
<tr>
<th>Income</th>
<th>NZ $ million</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>120</td>
<td>37</td>
</tr>
<tr>
<td>Dividends and interest</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>User charges</td>
<td>80</td>
<td>25</td>
</tr>
<tr>
<td>Capital funding</td>
<td>100</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>326</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Note: The success of the trading assets has been integral to enabling the City Council to undertake a range of significant investments in community facilities. The trading assets are held in a Holding Company which has a mix of elected member and commercial directors.

4.12 The rates (or property tax) income is the most important income stream from a budget point of view. It may be significant that, with the exception of minor subsidies for road works, the council is not reliant on central government funding. Given their importance to the overall funding situation the trading companies attract much public interest. Christchurch invests their returns in the city; some similarly placed councils have used dividends to significantly reduce rates.
Commentary

4.13 The above is a drastically simplified description of the governance arrangements for the city. The outlines of the political management arrangements are, however, sufficiently clear to provide the basis for a commentary highlighting issues which are likely to be relevant to the future development of Scottish local government. The commentary is given structure by discussing the six criteria introduced at the end of Section 2.

1) Leadership in the community

4.14 Currently the mayor of Christchurch is Vicki Buck. She is coming towards the end of her third term as mayor (ie nine years) and in each of the last two elections has enjoyed a majority of around 100,000. Survey work indicates that for many Christchurch residents Vicki Buck personifies the City Council. In some ways 'Vicki Buck is' the council. By contrast name recognition of councillors is low. Her media profile is extremely high and generally very positive - this benefits the council as well as the mayor. Through most of her mayoralty she has participated in a radio show once a month in which listeners call in with questions. Given that television media in New Zealand are nationally based and print media are locally based the latter are particularly important for a council. Christchurch has two main newspapers: for much of her mayoralty she has had a weekly meeting with a reporter from one of those newspapers and in addition regularly features in news reports in its rival.

4.15 In part this situation reflects the consummate skills of this particular individual. Generally however, mayors of cities in New Zealand do have a strong media profile and are highly visible within their communities. This mayoral prominence raises the visibility of the council. But it can mask the fact that council decision making is collegiate and not the prerogative of the mayor.

4.16 The mayor of Christchurch has direct access to central government ministers, including the Prime Minister. Demography means that her electorate compromises 10% of the New Zealand population and her majority is many orders of magnitude larger than that of any Member of Parliament. This and the local orientation of print media potentially give mayors a strong profile on the national stage, although the experience of Christchurch has been that this can be difficult to translate into influencing central government decisions.
4.17 Although a mayor has no executive responsibility the individual's profile on a number of occasions has been significant in attracting investment or securing sponsorship for particular proposals. In part this reflects the fact that the mayor of Christchurch, together with the other large centres, is a national figure, as recognisable and well known as Ministers of the Crown and so able to exert influence well beyond any formal powers associated with the position.

4.18 Generally city managers in New Zealand adopt a style of high profile within the organisation and a low external profile. Mike Richardson, the city manager of Christchurch, has certainly adopted this approach, although in at least one other main centre the city manager is a highly visible figure in the community.

2) Effective representation of the citizen

4.19 At the last election in 1995 there was a turnout of almost exactly 50% in Christchurch. Elsewhere in New Zealand turnouts generally varied between 40% and 60%. It is widely considered that a strong competition for election as mayor will boost voter turnout. For this reason it is anticipated that with Vicki Buck not standing for office again in Christchurch that turnout in the forthcoming 1998 election may be in excess of 60%. Generally a voter will complete ballot papers for mayor, councillors and community board members although there is some modest fall off in completion between these roles.

4.20 The New Zealand Local Government Act requires extensive consultation between the council and its communities. This both shapes and reflects New Zealand culture. Christchurch City Council has not been alone in going beyond the requirements of the Act and adopting a set of policies and principles for consultation designed to reflect the idea that the council is 'community government'. These processes tend to channel consultation through structures rather than encourage individual elected members to lobby on behalf of constituents. Having said this, as in most political structures, advancing the case of individuals within their constituency remains a key role of all elected members. Although all councillors will lobby on behalf of their constituents the principle that they sit at the council table to make decisions on behalf of the city as a whole is jealously guarded and rarely if ever abused. As shown in Figure 8 Christchurch has a system of Community Boards. These provide another avenue for representation of community views and the boards are discussed further below.
3) **Clear accountability**

4.21 The local government structure is very clear, namely that the council is responsible for determining policy and specifying programmes and projects. The high profile role of the mayor probably leads to this being clouded in the minds of many citizens. The distinction between council responsibility and the responsibility of the city manager and the staff is well understood by those who operate within the council framework but is probably much less well understood by citizens at large.

4.22 The practice in Christchurch is that, although the city manager is legally responsible for the implementation of Council's Annual Plan, in practice the diverse range of activities and the volume of work means that reporting on implementation of the council's plan is generally by unit managers to standing committees. This means that, in effect, the role of the city manager is seen as putting in place an effective structure of unit managers and he and his team are usually only involved in accountability issues when there is a failure to achieve an aspect of the Corporate Plan. It is relevant that the organisation's culture stresses the importance of empowering frontline staff. It follows that the city manager's accountability to council is for the frameworks which are put in place as distinct from specific implementation decisions.

4) **Effectiveness in decision making and implementation**

4.23 In terms of speed of decision making there are dynamics which currently drive in opposite directions. The clarity with which implementation decisions are delegated to management provides the possibility of rapid response. Within the bureaucracy however, there can be structural barriers to both decisions being made quickly and also at the most appropriate level. The City Council has consciously addressed this through reflecting its culture of empowerment - Giving Value-Being Valued - in its decision processes.

4.24 In reality there are two factors which militate against speedy decisions in all cases. First, is the extent to which individuals can be freed from the fear of making mistakes. It takes boldness on the part of elected members to accept the management approach that a mistake should be treated as a learning opportunity rather than an occasion to apportion blame. In reality the public nature of local government inevitably means that all concerned tend to err towards avoiding at least excessive risk taking. Second is the commitment to public consultation. In
practice this makes decision processes both slower and more costly; although in leading to better decisions this can lead to significant gains in effectiveness.

5) **Effective scrutiny of policy and performance**

4.25 The model developed in Christchurch clearly gives responsibility to elected members for determining the standards to which services are to be delivered. During the last five years several major reviews have been undertaken with elected members, in all cases involving community consultation, to establish ideal and financially realistic service levels for all significant activities. The structure of the Council’s Annual and Corporate Plan requires these to be specified with performance measures for each. The description of the significant activities in the widely circulated Annual Plan document covers some 24 pages. Underlining this is the much more detailed Corporate Plan which at three volumes runs into well over a thousand pages detailing council ‘outputs’ in a highly specific way. This Corporate Plan then provides the basis for elected member monitoring of its implementation. Twice a year each of the Standing Committees undertakes a special round of meetings to monitor implementation of the Corporate Plan outputs; more generally throughout the year ‘exceptions' are reported to committees.

4.26 In many senses the workload of the elected members can be thought of as developing policy and considering exception reports on implementation of adopted Annual/Corporate Plan items. This system provides the basis for exceptionally good scrutiny of performance. The city manager is employed by the council on a contract term of no more than five years. The practice in Christchurch is that the city manager is not regarded as personally accountable for all aspects of implementation. Generally variances are recognised as issues which need to be addressed and present learning opportunities. Obviously this is a question of degree and, in the final analysis, if elected members considered that performance and implementation of its plans was unsatisfactory then the city manager would anticipate that his contract would not be renewed.

4.27 The mayor has a small discretionary fund of $40,000 (£12,500) - accountability is required for this expenditure. Other than this, however, the mayor has no executive powers so the issue of accountability does not arise in the formal sense. New Zealand councils are subject to external audits within a framework set by a parliamentary officer (the Auditor General). The city manager in Christchurch has an Internal Audit Manager who reports directly and there is a
significant amount of activity undertaken under the umbrella of Risk Management. The council itself has an Audit Sub-committee which annually signs off on the main elements in the Internal Audit Programme and receives the report from the External Auditor.

6) **Responsiveness to local people**

4.28 Reference was made earlier to the six community boards in Christchurch. Their terms of reference are as follows:

1) All matters requiring elected member consideration referred directly to it unless there is a clear metropolitan reason for not doing so.

2) A continuing involvement in the functional areas of streetworks, local traffic engineering, refuse collection, elderly persons housing, local parks, community activities, recreation activities and monitoring of regulatory functions.

3) The right to act as a resource consents Hearings Panel.

4) A policy and monitoring overview of local aspects of streetworks, parks, traffic engineering, community activities and regulatory functions.

5) The right to approve by way of recommendation an annual submission to the central budget process, and to determine matters relative to the discretionary local budget lump sum provision approved by the council.

6) The right and duty of active liaison with residents/business/special interest groups in the community, with the particular objective of expanding the existing Resident Groups Programme.

7) An on-going obligation to keep the council informed as to community aspirations and level of satisfaction with the service provided.

8) Advice to Standing Committees on local implications of such metropolitan projects which have city-wide impacts as are referred to community boards for comment.
Community boards each have a discretionary fund of $300,000 (£94,000) per annum to be allocated to projects or programmes as they see fit. In practice the City Council will accept recommendations from community boards as to local priorities as part of its annual planning process although any board which is considered to be seeking too large a 'slice of the cake' would not be indulged. After eight years of operation it is generally agreed that the Boards have been most successful in Christchurch in providing a structure which operates much closer to the community than can be the case in a council serving 320,000 people. It is fair to say however that the experience of community boards has been less successful in other parts of New Zealand.

Conclusion

The council-manager form of government in Christchurch combines a directly elected mayor and council with a city manager and a system of community boards. Three features can be highlighted:

i) The system provides for a high profile elected member (the mayor) who is able to provide political leadership to the community at large. Interestingly the capacity to do this is not based on formal power but rather on the concept of leadership based on capability, credibility, motivational skills and commitment.

ii) The system of Annual and Corporate Planning provides for a high level of transparency as to what the council is seeking to achieve and a clear basis for monitoring the effectiveness of the council's implementation. This provides for effective accountability loops both between community and council and elected council and officers. It is this high level of clarity which underpins the willingness of elected members to generally leave implementation matters to officers.

iii) The community board model, providing adequate delegations are put in place, provides a strong basis for decision making at the local level. In the Christchurch case this has been supported both by the transparent nature in which council business is conducted and also the fostering over a period of many years of strong residents and neighbourhood groups who interact with the boards.
5) The cabinet-council model - Oslo, Norway

Introduction

5.1 The cabinet-council structure was outlined in Section 2. The model, which is familiar in the parliamentary organisation of central government in many western countries, involves a separation of powers between a cabinet, which acts as the executive, and a council, which develops and monitors policy and holds the cabinet to account. In this section we examine how this model works in Oslo, Norway. In 1986 the City of Oslo made a radical break with established patterns of local government management in Norway and introduced a ‘city cabinet’ system. The innovation has attracted considerable interest in European local government circles not least because the Council also introduced a system of 25 neighbourhood committees in 1988.

The city

5.2 Oslo, at the head of the scenic Oslo Fjord, was founded in 1000. Today Oslo, the capital of Norway, has a population of 500,000, 11.3% of the Norwegian population. During the last thirty years Oslo has changed character from an industrial city with shipyards and engineering workshops into a city where the majority of the labour force is employed in the business sector or in private and public services. The downtown area has been transformed by the construction of the Oslo Spektrum arena, residential complexes, tall hotel buildings and other modern commercial malls.

5.3 Driven by Norway’s economic boom in the 1990s, development projects are rapidly changing the face of the capital. The two largest development projects in Norwegian history are on the verge of completion in the Oslo area, namely, a new national hospital and Oslo’s new airport. As real estate prices in central areas climb to unprecedented heights a growing number of people are choosing to live outside the city and commute to work. Unemployment in Oslo is 3.7% (mean value 1997). Finding new employees is increasingly difficult for public authorities and private enterprises alike.
The inter-governmental context

5.4 Norway has a two-tier local government structure consisting of 19 counties with an average population of 226,000 and 435 municipalities. In theory, local governments are free to undertake any activity not specifically assigned to other public institutions. There is debate as to whether the number of local authorities should be reduced in an effort to create larger units capable of taking on more complex tasks and reducing administrative costs. Norway is a large country in area (125,000 square miles) but has a comparatively small population of 4.2 million. Like New Zealand it is sparsely populated. Moreover communities are separated by high mountains. This geography has produced strong local commitments and feelings of belonging to particular localities. The impact of local identity is reflected in the relatively large number of municipalities. A recent comparative study suggested:

“These municipalities express, at least at a symbolic level, the value of self-determination. In terms of functions, this produces a local government system with a wide range of functions and with a high degree of discretion' (26).

Set against this strong commitment to the 'local' Norway also has a strong commitment to geographical equity. The dominant belief is that, as in the UK, living standards should not differ too much between different areas.

5.5 There are, then, contradictory decentralising and centralising trends within Norwegian local government. In 1993 a new local government law gave authorities more discretion regarding their internal management. Thus, the requirements to have boards for education and for health and social services were abolished and the ability to delegate authority within municipal organisations was strengthened. Also the local government finance system has, since 1986, moved towards block grants and away from categorical (or earmarked) funding regimes. At the same time parliament has passed legislation limiting local government autonomy. Costly, centrally imposed reforms in, for example, education and care of the mentally ill have been introduced which many in local government feel are not properly funded.

5.6 Oslo is an unusual local authority in that it is the only municipality in Norway to cover both county and municipal functions. The City of Oslo is therefore responsible for most of the public services enjoyed by citizens of the Norwegian welfare state - including hospitals and
health services, social services, public transport, main roads, development planning, nursery schools, primary and secondary education.

The government structure

5.7 During the last twelve years the City of Oslo has implemented a radical reorganisation of its structure. According to the Local Government Act local authorities can choose between two models of political organisation - the traditional model and the parliamentary model. The traditional model is based on the principle of proportional representation of political parties in all council committees, according to the relative strength of the parties in the council. It was felt that this form of government did not function well in Oslo. It led to a lack of clarity as regards political and administrative responsibility and to complicated procedures. There was therefore a desire to achieve stronger, better coordinated political control, and particularly to ensure improvements in financial management and the ordering of priorities. The introduction of a parliamentary system of government took place in February 1986, and involved comprehensive reorganisation of the various governing bodies within the municipality.

5.8 It is helpful to consider the following seven components when describing the organisation and management of the city government of Oslo:

i) The electorate Oslo has 395,000 registered voters. Of this 273,000 voted in the last City Council election in September 1995 (a 69% turnout).

ii) The City Council The City Council, which meets every month, is the municipality's supreme political body or parliament and is chaired by the mayor. The council consists of 59 councillors who represent a total of seven parties. The councillors serve on five committees:

- Urban development
- Finance
- Health and Social Services
- Culture and education
- Transport and environment

These committees deal with reports submitted by the Executive Board and submit recommendations to the City Council. Councillors are paid 33,000 NOK (approx.
In addition they receive approximately £64 per meeting or £145 if it lasts all day. The mayor receives a salary (£31,300), as do the chairs and the vice-chairs of committees (£29,200). The City Council elects a Municipal Executive Board or cabinet.

iii) The cabinet

The cabinet (or Executive Board) consists of seven members. It is the controlling body of the administration, reports to the city council and is responsible for implementing resolutions passed by the city council. Each department is run politically by a municipal commissioner and is administered by a municipal director. The municipal commissioner has executive authority over his or her administration. The cabinet exercises decision making authority within the limits set by the city council. In turn the cabinet delegates some of its authority to individual municipal commissioners. The chairman of the Executive Board receives a salary (£31,300 - the same as the mayor). Members of the Executive Board receive slightly less (£30,400).

The cabinet is elected by the majority vote of the council. Representatives elected to the cabinet do not have to be members of the city council. However, they do have to be eligible for election to the city council ie be residents of the city. The cabinet remains in position until the next election - unless there is a vote of no confidence. A motion of no confidence can be expressed against individual members of the cabinet as well as the whole cabinet. The cabinet has a right to demand a vote of confidence. Once appointed members of the cabinet have to resign from the council and renounce all other municipal responsibilities. They can sit in and speak in the council as members of the cabinet, although they do not have the right to vote. At present Oslo has a minority Cabinet consisting of seven members of the Conservative Party.
iv) **Party politics**  Party Politics is important in the governance of Oslo with councillors standing on party platforms. At the last election in 1995 the parties that won seats were as follows:

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes</th>
<th>Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Party</td>
<td>84,500</td>
<td>20</td>
</tr>
<tr>
<td>Conservative Party</td>
<td>70,800</td>
<td>17</td>
</tr>
<tr>
<td>Progress Party</td>
<td>55,200</td>
<td>13</td>
</tr>
<tr>
<td>Socialist Left Party</td>
<td>20,600</td>
<td>4</td>
</tr>
<tr>
<td>Christian Democratic Party</td>
<td>10,000</td>
<td>2</td>
</tr>
<tr>
<td>Liberal Party</td>
<td>10,000</td>
<td>2</td>
</tr>
<tr>
<td>Red Electoral Alliance</td>
<td>8,300</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>59</strong></td>
</tr>
</tbody>
</table>

There are political secretariats for each political group.

v) **Departmental structure**  The work of the cabinet is carried out by seven departments:

- The Office of the Chairman of the Executive Board
- Finance
- Health and Hospitals
- Business, Industrial Development and Urban Planning
- Cultural Affairs and Education
- The Elderly and Urban Neighbourhoods
- Environmental Affairs and Transport

vi) *The urban neighbourhoods*  In 1988 Oslo was divided into 25 urban neighbourhoods. These range in population from 7,000 to 30,000. Each neighbourhood committee has 13 members drawn from local party supporters. The members of the committees are appointed by the council and are supposed to reflect the political balance of the council. Since 1995 four neighbourhood committees have been directly elected and this is discussed further below. The urban neighbourhood committees exercise control over the neighbourhood administration of social and primary healthcare services and measures for children and young people. Each committee receives a block grant and can exercise discretion on local spending. The members of the neighbourhood
committees receive an allowance - chairs receive £2,660 (and £145 per meeting),
deputy chairs £890 (and £64 per meeting) and members £64 per meeting.

There are two layers in the neighbourhood system. First, there is a line of delegation from the city council to the urban neighbourhood committees. If the cabinet wants to undo a neighbourhood committee decision it would have to propose this to the city council. In practice the city council rarely interferes with decisions made by the neighbourhood committees. Second, there is a line of delegation from the cabinet to the chief officer for neighbourhood administration down to officers working in the neighbourhoods. These officers, therefore, operate under a form of dual accountability - to their urban neighbourhood committee and to their chief officer. Whilst this may create some role strain for these officers the evidence from a recent research report is that it does not cause any great problems (28).

vii) Enterprises and limited companies  External or arms-length local government agencies have been reorganised in recent years. Oslo has about 40 such agencies ranging in size from the largest (with over 6000 employees) to the smallest (which has less than ten). The largest is the hospital which is probably the biggest in Northern Europe. In addition Oslo owns interests in limited companies including Oslo Energi (energy supply) and Oslo Sporveier (public transportation).

Figure 9 provides a simplified picture of the cabinet-council model in Oslo.

City functions and budget

5.9 As outlined above the city runs a wide range of services. The functions resemble those found in UK unitary authorities plus health services and power supply. For example, the Department of Health and Hospitals runs several hospitals and the dental service as well as services for children and families. Oslo has a very large number of employees (over 50,000 including part time workers). The 1998 expenditure budget, which is substantial, is as follows:
Expenditure | Norwegian currency (million) | £ million*  
--- | --- | ---  
Revenue | 21,650 | 1,746  
Capital | 3,150 | 254  
Total | 24,800 | 2,000  

* Assumes 12.4 NOK to the pound.

5.10 The income to support the revenue expenditure is funded from the following sources:

| Income | Norwegian currency (million) | %  
--- | --- | ---  
Income tax and property tax | 13,600 | 55  
Block grant | 2,900 | 12  
Grant for refugees | 150 | 1  
Income from sectors (e.g. user charges) | 6,100 | 24  
Capital funding | 2,050 | 8  
Total | 24,800 | 100  

5.11 The income tax is the most important income stream from a budget point of view. This is because Oslo has a relatively high number of taxpayers compared with other local authorities in Norway and therefore gets less income in the block grant from central government. Note that the municipal and county shares in percentage of the total income taxes differ from year to year reflecting decisions made by the Norwegian government.
Commentary

5.12 The above is a vastly simplified description of the complex arrangements for the governance of a major city. The outlines of the political management arrangements are, however, sufficiently clear to provide the basis for a commentary highlighting issues which are likely to be relevant to the future development of Scottish local government. The commentary is given structure by discussing the six criteria introduced at the end of Section 2.

1) Leadership in the community

5.13 The political leadership of the City of Oslo is more dispersed than in those models where there is a directly elected mayor. The formal position is that the city council is the supreme political body and the mayor, as chair of the council, can be seen as the most important ceremonial figure. The real political power is, however, in the cabinet - the seven members have the right to instruct the administration. It can be argued, therefore, that the cabinet model provides for strong political leadership. In the words of one observer:

‘What happened, basically, was that the city cabinet took over the powers and functions formerly possessed by the directors, whose positions were abolished’ (29)

This has undoubtedly strengthened political control of the administration. In the years since the cabinet system was introduced in 1986 the cabinet has been able to specify more and more clearly what it wants the administration to deliver. In the early days cabinet members did not have departmental portfolios (like government ministers) but this changed in 1992. Now Oslo has 'hands on' political management of departments.

5.14 The mayor, as chair of the council, exercises a visible ceremonial function. To some extent the public profile of the mayor, as in a UK local authority, reflects the personality and preferences of the incumbent. The present mayor, Per Ditlev-Simonsen, is outgoing and is fairly well known. The cabinet members also have an important public profile with the chairman, Fritz Huitfeldt, being most prominent. He and other members of the cabinet appear often on local television and in the Oslo newspapers. New research by the Norwegian Institute for Urban and Regional Research is examining how well known the mayor and the chairman are among the citizens of Oslo but this is not yet completed.
5.15 In relation to influencing central government it is important to note that Oslo is the capital of the country. It is also the only big city in Norway. As a result it is influential 'in itself'. It is difficult to say whether or not the cabinet form has enhanced Oslo's influence in central government.

5.16 It can be claimed that aspects of the cabinet model work against strong leadership. For example, some critics argue that the attention of cabinet members has become focused inwards onto the bureaucracy. They argue that too much political time is spent on service management issues which should be delegated to public managers. Another concern is that the cabinet form tends to encourage departmental thinking when many pressing public concerns - for example, community safety and sustainable development - require politicians to take a lead in cutting across service department perspectives.

2) Effective representation of the people

5.17 Voter turn in Norwegian local government elections is considerably better than in the UK but it is in decline. The historical high for voter turnout in local elections was 83% in 1963. In 1995 the turnout was 62% in municipal council elections and 59% in county elections. In the Norwegian context this trend is seen as disquieting, particularly by local politicians who anchor their actions in a mandate stemming from 'the people's voice' (30). However, Norway's performance is still far better than the average voter turnout in local elections in Great Britain which, as mentioned in Section 2, is only 40%. The turnout in the Oslo 1995 local election was, at 69%, rather better than the Norwegian national average.

5.18 One of the distinctive features of the Oslo system is the decentralisation of a good deal of decision making to the 25 urban neighbourhood committees. Under the Local Government Act 1992 the council can empower the neighbourhood committees to make decisions on all matters affecting that part of the municipality unless otherwise provided by statute. As mentioned earlier the neighbourhood committees have substantial responsibilities including: health and social services, nursing homes and homes for the elderly, nursery schools, child welfare, cultural and youth activities, care for the mentally handicapped and victims of alcohol and drug abuse.

5.19 Up until 1995 all urban neighbourhood committees were appointed by the council for the whole electoral period (four years). These committees were constituted to be proportionate to party
strength on the council. In 1995 central government gave Oslo authority, as an experiment, to introduce direct election arrangements in four of the neighbourhoods. The remaining 21 neighbourhoods are still appointed by the city council. This move to enhance representative democracy in the city is currently being evaluated by the Norwegian Institute for Urban and Regional Research.

3) **Clear accountability**

5.20 An advantage of the Oslo system, certainly when compared with the traditional model of local government found in other municipalities in Norway, is that it is made reasonably clear where responsibility lies. The cabinet model means that, in relation to central decisions, it is often possible to identify the specific politician from the specific party who took the decision. In the traditional system this clarity is lacking. In relation to decisions taken by the urban neighbourhood committees it may not always be obvious to local people who is responsible. But this is not an argument against decentralisation. All 25 neighbourhoods have information centres where citizens can ask questions and discover who is responsible for what.

5.21 There is also the question of party politics. It has already been noted that the cabinet comprises seven members of the Conservative Party. This is a minority administration - the Conservatives hold only 17 (29%) of the 59 seats on the council. The cabinet is certainly powerful but it cannot count on the support of the council. This leaves open the possibility that the cabinet can try to blame the council for lack of progress and vice versa. It is important to note, however, that Fritz Huitfeldt was able to claim after 500 days in office that his cabinet had only been voted down in 16 out of 446 cases debated in the city council. This says nothing about the importance of the cases he has lost but it does imply that a minority party can, if it works with other parties, achieve a great deal.

5.22 The committee system appears to be complex and, some would say, inaccessible. It is surprising to discover that committee meetings are not normally open to the public. If a citizen has an interest in a report being considered by a committee they may write to express their views. People representing interest groups can ask to speak to the relevant committee but there is no public and press scrutiny of the conduct of committees. Transcripts of debates, as well as votes cast in the committees, are of course made public.
4) Effectiveness in decision making and implementation

5.23 There is evidence to suggest that the effectiveness of decision making in Oslo has improved since the cabinet-council system was introduced in 1986. First, as mentioned earlier, the cabinet members are able to give clear and strong political guidance to the departments and, indeed, can take a range of decisions under delegated powers. This shift is not without tensions. In the early 1990s Balderheim found that some officers felt less motivated now that someone else (ie the cabinet) was taking the credit (31). There is anecdotal evidence to suggest that this problem has now diminished. A second area where effectiveness has improved relates to the decentralisation of decision making to the urban neighbourhood committees. This approach has given localities within Oslo increased freedom to develop local solutions suited to local needs. The way this enhances responsiveness to local people is discussed further below.

5.24 Set against these positive points it can be claimed that, where a city council decision is needed, the decision making process can be slow. This is partly a reflection of the party politics already discussed. The city council may choose to obstruct the minority party cabinet - for example, by demanding more information. It is possible for politically contested items to circle back and forth between the cabinet and the council.

5) Effective scrutiny of policy and performance

5.25 The model developed in Oslo provides for a clear separation of powers between the executive (the cabinet) and the council. The council has a number of committees which examine the performance of the cabinet and service departments in detail. Every Norwegian local authority is required by law to have a Control Committee (Kontrollutvalget). In Oslo the council elects the Control Committee for the four year electoral period and this committee normally includes representatives from all the political parties on the council. In cooperation with the city auditor the Control Committee safeguards municipal property and ensures that the city's finances are administered in accordance with established rules and decisions. The committee ensures the city auditor conducts investigations when instructed by the council and can itself carry out investigations.
5.26 Oslo also has an Appeals Board (Klagenemnda) which deals with appeals against all individual decisions for which there are no other legal means of appeal, concerning matters such as admission to day-care centres or secondary schools. The council also has a number of committees which call for studies and prepare reports for submission to the council.

6) Responsiveness to local people

5.27 Reference was made earlier to the 25 urban neighbourhood committees. Previous research suggests that the system has improved responsiveness:

"The neighbourhood committee is given a total budget and is free to allocate it as it wishes, subject to any requirement stated by the city council. The council indicates its goals and priorities ... and the neighbourhood committee sets targets in relation to these goals and priorities" (32)

Each committee has 13 members who must be resident in the neighbourhood. Meetings of the urban neighbourhood committees are open to the public unless otherwise required by law. Notice of meetings and agendas must be published in advance. All meetings begin with an 'open half hour' when anybody in the neighbourhood can put any question they like to the politicians.

5.28 The powers exercised by the urban neighbourhood committees are substantial. In 1998 the total budget for the neighbourhoods is around 9,000 million NOK (£725 million) which is close to 40% of the city budget. A comprehensive system of demographic and socio-economic criteria has been developed to underpin resource allocation to the neighbourhoods. The intention is to ensure a just allocation of resources. The neighbourhoods do not have to provide similar services - there is considerable local discretion. Urban neighbourhoods can also buy and sell services between themselves. The general impression is that the neighbourhood system has enhanced financial control and strengthened local responsiveness. The city council is considering whether to provide for even greater delegation of authority to the neighbourhoods.
Conclusion

5.29 The cabinet-council form of government in Oslo involves a separation of powers between an executive (the cabinet) and the council. The system also incorporates a system of 25 neighbourhood committees who have considerable discretion. Three key features can be highlighted:

i) In 1986 the City of Oslo showed that it was possible to make a radical break with the past and introduce an entirely new form of local political management.

ii) The cabinet model provides for collective leadership of the city. This has strengthened political control of the administration but it can be criticised for focusing the attention of politicians on internal, departmental management.

iii) Substantial devolution of power to neighbourhood committees is a striking feature of the Oslo system of government. The neighbourhood system has led to improvements in responsiveness to the needs and wishes of local citizens.
6) **Conclusions**

6.1 This report has described six alternative ways of organising political management arrangements in local government:

1) The traditional UK local authority.
2) The mayor-council structure (strong-mayor).
3) The mayor-council structure (strong-council).
4) The council-manager structure (with a top manager).
5) The council-manager structure (with a top manager and a mayor).
6) The cabinet-council structure.

The discussion has explained how elements of different models can be combined and how additional features can also be added to these models. For example, it is possible, some would say essential, to add in a strong element of decentralisation to local neighbourhoods in all six models.

6.2 Three of the models have been 'brought to life' in this report by examining the political management arrangements in place today in three local authorities which are respected for the quality of their leadership and management. The three authorities profiled are all urban authorities but the review of models in Section 2 made it clear that they can all be applied in small local authorities and in rural areas. For example, it is a myth to say that the mayor-council model is a big city form of government. In practice it is a model which is particularly popular with councils in various parts of the world that are much smaller than the smallest Scottish local authority.

6.3 It has been stressed throughout this report that it is futile to scan local democratic structures in other countries in the hope of finding ready-made models for Scottish local government. Rather the purpose of this report has been to examine options in the belief that this will inform the debate about possible alternative political management arrangements for Scottish local authorities.
The three local authorities that have been profiled are:

- **Baltimore, Maryland, USA**
  A city with a mayor-council form of government.

- **Christchurch, New Zealand**
  A city with a council-manager form of government (with a city manager and a mayor) plus a system of area-based community boards.

- **Oslo, Norway**
  A city with a cabinet-council structure and a system of neighbourhood committees.

These authorities have been chosen to illustrate political management arrangements that are not only radically different from those found in Scottish unitary authorities, but also radically different from each other.

At one level it is hoped that the profiles are useful simply as descriptions of different ways of doing things. However, the analysis has moved a step beyond description by offering a structured commentary on the political management model in action in the specific city.

Two important qualifications need to be made. First, the commentaries are not based on rigorous evaluation of policy and practice in the three cities. That would require more research. Each commentary is best seen as a reasonably well informed view of experience to date. Second, the commentaries are not intended to be comprehensive statements about each model. Rather they comment on the way the model has been operationalised by a particular local authority. Concepts and frameworks are essential to develop our understanding of local governance, but grounded case studies are invaluable in considering specific innovations in political management arrangements. It should be obvious by now that the six models outlined in Section 2 can be operationalised in different ways.
The report has identified six criteria which can be used to assess political management arrangements:

1) Leadership in the local community.
2) Effective representation of the citizen.
3) Clear accountability.
4) Effectiveness in decision making and implementation.
5) Effective scrutiny of policy and performance.
6) Responsiveness to local people.

This is not a definitive list. Indeed, it has been suggested that councillors should debate their own criteria and consider what matters to them. However, these six criteria provide a reasonable starting point. It should be noted that some of these criteria are in tension. In many ways this is what makes local political management such an exciting and demanding task - balancing the tensions is not easy.

Figure 10 presents a simple matrix relating the six criteria to the three case study local authorities. There are risks with a chart of this kind. The complexities of the governance of a locality cannot easily be reduced to a column of six simple comments. Readers need to refer back to Sections 3, 4 and 5 to fill out the picture. Nevertheless the matrix should provide a prompt for councils wanting to review their own approach to political management. For example, an individual council could complete a self-assessment examining how it performs on each of the six criteria and could use the examples from overseas to prompt fresh thinking.

This report has shown there is great value in cross-national research on local authority management. Political cultures vary and local traditions need to be respected. But it is clear that local authorities across the world are faced with major new challenges. It would be surprising if local authorities in western democracies find themselves unable to learn from each other in developing practical approaches to institutional innovation and change.
### Figure 10: Assessing the political management options

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>BALTIMORE - THE MAYOR-COUNCIL MODEL</th>
<th>CHRISTCHURCH - THE COUNCIL-MANAGER MODEL</th>
<th>OSLO - THE CABINET-COUNCIL MODEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Leadership in the community</td>
<td>Strong, highly visible, outgoing political leadership by the mayor</td>
<td>Combination of high profile political leadership by the mayor and strong managerial leadership by the city manager</td>
<td>Cabinet underpins collective political leadership</td>
</tr>
<tr>
<td>2) Effective representation of the citizen</td>
<td>Moderate voter turnout (46%) but good scrutiny of the budget by citizens</td>
<td>Moderate voter turnout (50%) plus well developed system of community boards</td>
<td>Good voter turnout (69%) plus well developed system of neighbourhood committees</td>
</tr>
<tr>
<td>3) Clear accountability</td>
<td>Complete clarity about where power lies - the mayor's office. Accountability at the ballot box</td>
<td>Clear roles for the mayor, the council and the city manager. Accountability at the ballot box.</td>
<td>Roles of cabinet and council are clear but buck passing between the two is possible. Accountability at the ballot box.</td>
</tr>
<tr>
<td>4) Effectiveness in decision making and implementation</td>
<td>Highly centralised power system means mayoral priorities happen. Other topics have to wait</td>
<td>Well managed council stressing employee empowerment and community consultation</td>
<td>Hands-on political management but cabinet system may reinforce departmentalism</td>
</tr>
<tr>
<td>5) Effective scrutiny of policy and performance</td>
<td>Council can scrutinise the mayor and departments but has few powers to intervene</td>
<td>The Annual Corporate Plan underpins a scrutiny process undertaken by council committees</td>
<td>Strong arrangements for scrutiny of the cabinet by a range of council committees</td>
</tr>
<tr>
<td>6) Responsiveness to local people</td>
<td>The media and neighbourhood associations put pressure on the mayor to respond to local concerns</td>
<td>Six community boards sensitisie council policy to the needs of local areas but they have little power</td>
<td>Substantial powers are devolved to 25 neighbourhood committees and this enhances responsiveness to local areas considerably</td>
</tr>
</tbody>
</table>
Annex: Basic data on Scottish councils.

This annex provides basic data on Scottish councils. The table lists the 32 authorities and shows the population, the number of councillors and the representative ratio i.e. the number of people per councillor. The figures in bold indicate the bottom and the top of the range. The map shows the boundaries of the Scottish councils.

<table>
<thead>
<tr>
<th>Scottish Unitary Councils</th>
<th>Population</th>
<th>No. of Councillors</th>
<th>Representative Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen City</td>
<td>219,120</td>
<td>50</td>
<td>4,382</td>
</tr>
<tr>
<td>Aberdeenshire</td>
<td>226,530</td>
<td>46</td>
<td>4,925</td>
</tr>
<tr>
<td>Angus</td>
<td>111,329</td>
<td>25</td>
<td>4,453</td>
</tr>
<tr>
<td>Argyll and Bute</td>
<td>89,288</td>
<td>33</td>
<td>2,706</td>
</tr>
<tr>
<td>Clackmannishire</td>
<td>47,679</td>
<td>12</td>
<td>3,973</td>
</tr>
<tr>
<td>Dumfries and Galloway</td>
<td>147,900</td>
<td>70</td>
<td>2,113</td>
</tr>
<tr>
<td>Dundee City</td>
<td>155,000</td>
<td>36</td>
<td>4,306</td>
</tr>
<tr>
<td>East Ayrshire</td>
<td>124,000</td>
<td>30</td>
<td>4,133</td>
</tr>
<tr>
<td>East Dumbartonshire</td>
<td>110,000</td>
<td>26</td>
<td>4,231</td>
</tr>
<tr>
<td>East Lothian</td>
<td>85,500</td>
<td>18</td>
<td>4,750</td>
</tr>
<tr>
<td>East Renfrewshire</td>
<td>86,780</td>
<td>20</td>
<td>4,339</td>
</tr>
<tr>
<td>City of Edinburgh</td>
<td>447,550</td>
<td>58</td>
<td>7,716</td>
</tr>
<tr>
<td>Eilean Siar</td>
<td>27,815</td>
<td>30</td>
<td>927</td>
</tr>
<tr>
<td>Falkirk</td>
<td>142,530</td>
<td>36</td>
<td>3,959</td>
</tr>
<tr>
<td>Fife</td>
<td>351,200</td>
<td>92</td>
<td>3,817</td>
</tr>
<tr>
<td>City of Glasgow</td>
<td>618,430</td>
<td>83</td>
<td>7,451</td>
</tr>
<tr>
<td>Highland</td>
<td>207,500</td>
<td>72</td>
<td>2,882</td>
</tr>
<tr>
<td>Inverclyde</td>
<td>89,990</td>
<td>20</td>
<td>4,500</td>
</tr>
<tr>
<td>Midlothian</td>
<td>79,910</td>
<td>15</td>
<td>5,327</td>
</tr>
<tr>
<td>Moray</td>
<td>85,000</td>
<td>18</td>
<td>4,722</td>
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<tr>
<td>North Ayrshire</td>
<td>139,175</td>
<td>30</td>
<td>4,639</td>
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<tr>
<td>North Lanarkshire</td>
<td>326,750</td>
<td>69</td>
<td>4,736</td>
</tr>
<tr>
<td>Orkney</td>
<td>19,900</td>
<td>28</td>
<td>711</td>
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<tr>
<td>Perth and Kinross</td>
<td>131,780</td>
<td>32</td>
<td>4,118</td>
</tr>
<tr>
<td>Renfrewshire</td>
<td>176,970</td>
<td>40</td>
<td>4,424</td>
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<tr>
<td>Scottish Borders</td>
<td>105,300</td>
<td>58</td>
<td>1,816</td>
</tr>
<tr>
<td>Shetland</td>
<td>22,522</td>
<td>26</td>
<td>866</td>
</tr>
<tr>
<td>South Ayrshire</td>
<td>114,000</td>
<td>25</td>
<td>4,560</td>
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<tr>
<td>South Lanarkshire</td>
<td>307,400</td>
<td>74</td>
<td>4,154</td>
</tr>
<tr>
<td>Stirling</td>
<td>82,000</td>
<td>22</td>
<td>3,727</td>
</tr>
<tr>
<td>West Dumbartonshire</td>
<td>97,790</td>
<td>22</td>
<td>4,445</td>
</tr>
<tr>
<td>West Lothian</td>
<td>147,870</td>
<td>27</td>
<td>5,477</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,124,508</strong></td>
<td><strong>1,243</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>160,141</td>
<td>38</td>
<td>4,123</td>
</tr>
</tbody>
</table>

References


17) Op cit p27 (Reference 10).


20) Op cit p27 (Reference 10).


22) Op cit (Reference 6).

23) The exchange rate is taken as $1.6 (USD) to the pound.


25) The exchange rate is taken as $3.2 NZ to the pound.


27) The exchange rate is taken as 12.4 Norwegian Krone (NOK) to the pound.


31) Op cit (Reference 29).