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MANAGING COMPLEXITY AND UNCERTAINTY IN REGIONAL GOVERNANCE  
NETWORKS: A CRITICAL ANALYSIS OF STATE RESCALING IN ENGLAND

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ABSTRACT

Network management is viewed as a way of dealing with uncertainty in complex policy networks but little is known about the types of network management strategies employed by regional actors to manage vertical and horizontal relations. Two central questions guide this paper (i) What network management strategies were employed to manage complexity and uncertainty in regional governance networks in England? (ii) How can past lessons be harnessed to inform future network strategies for managing territorial networks? The paper concludes that regional network management strategies were effective in securing ‘process’ outcomes but that ‘content’ outcomes, in the form of genuine discretion over policy, were unattainable without the authorization of central government.

KEY WORDS: regions, decentralization, England, complexity, network management strategies, network outcomes

INTRODUCTION

Continuity, stability and reciprocity are important features for effective collaborative governance. However, territorial governance in England is characterized by a high degree of volatility and uncertainty. During the 1990s a regional administrative tier was introduced in England, in keeping with the predominant European pattern of state rescaling (MARKS et al., 2008). However, the Conservative-Liberal Democrat coalition government elected in May 2010 has eschewed the regional level in favour of a radical ‘localist’ agenda in which functions and budgets will be devolved to local authorities and communities (PICKLES, 2010). These

new and emerging policy networks will operate at a different geographical scale but will face many of the same challenges as their regional predecessors. This constant political and institutional repositioning has led to a high degree of uncertainty that could undermine the longevity required to establish robust sub-national partnerships. KOPPENJAN and KLIJN (2004) suggest that network management offers a way to deal with uncertainty in complex policy networks and, if enacted effectively, can have a positive influence on network outcomes. However, little is known about the effectiveness of network management strategies being employed by regional actors in attempts to manage vertical and horizontal relationships (RETHEMEYER and HATMAKER, 2010; SOTARAUTA, 2010). Two central questions guide this paper (i) What network management strategies were effective (and ineffective) in managing complexity and uncertainty in regional governance networks in England? (ii) How can past lessons be harnessed to inform future network strategies for managing territorial networks?

This paper explores these questions through a detailed analysis of a particular policy initiative - the Regional Funding Allocation (RFA) process in England. Introduced in 2005, RFAs were intended to ‘enhance regional input into government policy development, showing how such priorities relate to each other to form a coherent, credible and strategic vision for improving the economic performance of regions’ (HM TREASURY et al., 2005, p. 3). For the first time major funding streams for economic development, housing, transport, and latterly skills were examined jointly by key regional partners to promote a more cohesive approach to the long-term management of resources. This policy initiative offers a fruitful avenue to explore regional network management strategies because it epitomizes the difficulties in negotiating territorial policy solutions with central government and managing horizontal relationships across multiple agencies and policy sectors. Moreover, it took place at a time of unprecedented levels

of uncertainty in regional governance arrangements, highlighted by a number of key factors. First, there was a lack of consensus in Whitehall about the intended trajectory of English regionalism (AYRES and STAFFORD, 2009). Second, the Government's failed attempt to introduce elected regional assemblies in 2004 prompted sustained challenges to 'the region' as an effective territorial scale for policy development (HARRISON, 2007). Third, in 2007 the Government announced the *Sub-national Review* (HM TREASURY et al., 2007) which set out reforms to reconfigure governance structures for managing economic development and regeneration at the sub-national level. Fourth, the looming 2010 General Election threatened a change in government and with it the possibility of the removal of the regional administrative tier in England (CONSERVATIVE PARTY, 2009). Finally, the global financial crisis resulted in significant public spending cuts that undermined existing government commitments to spending priorities in the regions (GREER, 2010).

Our findings are based on detailed case studies in two English regions (the North East and South East) and a web based survey in the remaining six regions outside London. KOPPENJAN and KLIJN's (2004) *Actor, Game and Network analysis* has been employed as a methodological framework to provide a map of the policy environment and a rich description of regional governance arrangements. The paper is divided into six sections. Following this introduction, the next section outlines territorial governance arrangements in the English regions and the actors and objectives evident in the Regional Funding Allocation process. Section three draws on the policy networks literature to provide a framework for exploring regional relationships, including the *types* of network management strategies that might be employed and potential network *outcomes* that may be achieved. The fourth section provides details of the methodology employed in this study while the fifth explores the specific challenges facing regional actors, the network management strategies employed to manage

relationships and a critique on their effectiveness. The paper concludes by reflecting on the scope for lesson drawing and how past lessons might be harnessed to inform future governance reforms.

## TERRITORIAL GOVERNANCE IN THE ENGLISH REGIONS

Under the New Labour government (1997-2010) the English regional tier grew in institutional size and complexity. It had, however, evolved as the result of a ‘mish-mash’ of top-down decentralizing initiatives and bottom-up coordinating programmes - what STOKER (2005, p. 158) refers to as ‘New Labour's rather chaotic top-down approach to decentralization’. In its first term (1997-2002) Labour’s regional experiment centred on the activities of three key regional bodies. First, Whitehall strengthened its ability to coordinate central government policy in the regions by enhancing the role and remit of the Government’s Regional Offices (GOs). Second, reflecting a wider ‘global trend’ towards devolution (RODRIGUEZ-POSE and GILL, 2005) and the assumption that effective regional governance could play an important role in promoting economic productivity and growth (GOODWIN et al., 2005), business-led Regional Development Agencies (RDAs) were appointed to prepare and deliver Regional Economic Strategies (RESs). Third, unelected Regional Assemblies, comprising representatives from local authorities and other economic and social interests, were established to scrutinize the RDAs and provide a semblance of regional democracy. This ‘institutional troika’ was expected to work together and also interact with the extensive group of central government bodies with a regional presence, local authorities, sub-regional partnerships and business and community bodies that constituted the system of governance in the English regions (for a comprehensive account of these developments see PEARCE and MAWSON, 2009).

There were, however, differing views in Whitehall about what roles and functions regions should acquire. Persuaded by the mantra of ‘new regionalism’ (KEATING, 1998), the Treasury saw the English regions as the prime site for promoting economic development. Others, most notably the then Deputy Prime Minister John Prescott, viewed regions as an opportunity to enhance democratic accountability by bringing decision making closer to the people and tackling regional economic disparities. Moreover, aside from the economic Vs democracy debate, there were parts of Whitehall and the Cabinet that had no interest in the regional tier at all. This ‘differentiated response’ to regionalism in Whitehall (AYRES and PEARCE, 2004) undermined a coherent constitutional settlement from the start and made it hugely difficult for regional actors to engage with departments with competing agendas and varying levels of enthusiasm for regional working.

In 2002 the Government announced plans to further strengthen the regional tier and opened the way for elected regional government. The White Paper, *Your Region, Your Choice* (CABINET OFFICE and DTLR, 2002) presented a ‘twin-track’ approach, involving enhanced administrative decentralization for all regions and moves to elected regional government where supported in public referendums. Nonetheless, the proposed powers and resources of elected regional assemblies were modest, reflecting a lack of genuine commitment to devolution in parts of government. Consequently, the proposals failed to galvanize sufficient support in the first public referendum in the North East in 2004, which derailed the Government’s plans for political devolution in England. This opened a lively debate in which different stakeholders offered alternative solutions to the ‘English Question’ (HAZELL, 2006). The Government responded by enhancing the responsibilities of the regional tier through promoting local flexibilities in the context of national performance incentives (HM TREASURY and

CABINET OFFICE, 2004), acknowledging the important role of the regions in achieving policy integration (DTI et al., 2006) and providing regions with greater discretion over expenditure and taking account of priorities expressed by regional stakeholders.

Regional Funding Allocations (RFAs) formed part of this drive to strengthen the regions under *administrative decentralization* as opposed to the *political devolution* that might have been afforded by elected regional government. Under the RFA scheme, indicative budget allocations for economic development, housing and transport policy were identified for the 2005-08 spending review period. In addition, the Government spelt out longer term planning assumptions of the amount of funding that was likely to be made available in these core policy areas over the following ten years. Regional partners, including representatives of the GOs, RDAs and Regional Assemblies were invited to jointly prepare advice to ministers on how these allocations should be spent. They were also asked to consider the scope for vireing (or transferring) allocations between budget headings, where this would assist integration. An option to defer funding was also granted so that money could be combined with future planned investment to deliver large scale projects that benefit the region (HM TREASURY et al., 2005; 2008).

The significance of RFAs lay in the opportunity it offered to challenge the silo or ‘blow pipe’ funding (HEALD and SHORT, 2002) emanating from Whitehall and to coordinate investment at the sub-national level. However, RFAs were not the first attempt by government to promote more flexible budgets. In April 2002 a ‘single pot’ of funding was introduced for RDAs, which brought together the separate budgets of the Departments for Environment, Transport and the Regions (DETR) and Education and Employment (DfEE). The RDAs were granted some flexibility to vire resources between programmes, subject to their meeting ‘stretching outcome



and output targets to ensure their activities deliver their strategic goals, matching flexibility with greater accountability' (HM TREASURY, 2000, para 3.67). While offering some scope for fiscal autonomy, the ability of the 'single pot' to counteract Whitehall targets and funding commitments was marginal. RFAs were viewed by government as an attempt to build on the single pot process by involving more government funding streams and promoting greater involvement from a range of regional and local actors. Government guidance on RFAs stressed that 'advice will be more credible if it arises as a product of a wide consensus, and reflects the full range of evidence contributed throughout the regions' (HM TREASURY et al., 2005, p. 7). A common template was issued setting out how regional advice should be prepared. The guidance required that procedures for decision making must be inclusive but did not prescribe the process that regions should adopt when preparing their advice.

While regional actors were busy preparing their RFA submissions, the status of the English regions was, however, being challenged. Emerging evidence questioned the 'economic dividend of regionalism' (MORGAN, 2006) and the lack of progress made in meeting the Government's target to reduce economic disparities between regions (BURCH et al., 2008). There were increasing pressures from the Treasury, which was concerned that spatial disparities in productivity were impeding national economic growth and regional structures were criticized as ineffective and lacking leadership (PEARCE and AYRES, 2007). 'City regions' received increasing attention as a more suitable territorial scale to promote economic development (HARRISON, 2010). Though the 'new city regionalism' shared the inherent lines of weakness that characterized the 'new regionalism' (HARRISON, 2007), the agenda attracted support in Westminster and Whitehall and the 2006 Local Government White Paper endorsed the principle through the mechanism of 'Multi Area Agreements' (MAAs) (DCLG, 2006).

In response, the Government published a Review of Sub-national Economic Development and Regeneration (SNR) which sought to identify ways to ‘de-clutter’ the sub-national tier, improve the effectiveness and efficiency of regional decision making and assist the Government deliver its economic growth targets (HM TREASURY et al., 2007). The Review stated that (i) local authorities should be encouraged to promote economic development by pooling resources through sub-regional working, (ii) unelected Regional Assemblies should be abolished by 2011 and (iii) strengthened RDAs made responsible for preparing, in consultation with local authorities, new ‘Single Regional Strategies’ (SRSs) (for a comprehensive account of these developments see PEARCE and MAWSON, 2009). The SNR was an attempt to simplify the messy and contested nature of regional working but was itself littered with inherent contradictions and ambiguities (AYRES and STAFFORD, 2009). Once again, the reforms were the outcome of departmental wrangling and tradeoffs, characteristic of the ‘politically charged processes involved in the production of subnational space’ (HARRISON, 2008, p. 922).

The Review announced a second round of Regional Funding Allocations that covered the 2008-2011 spending review period and included, in a limited form, skills policy. Regional submissions were to be made by February 2009. This meant that regions were preparing their advice amidst the considerable political and institutional uncertainty brought about by the SNR reforms. This paper examines the collaborative endeavors of regional actors in an inherently complex and contested policy environment and during a particularly turbulent period.

## POLICY MAKING IN COMPLEX NETWORKS

Recent years have witnessed a shift to a more fluid, multi-level form of governance in which partnerships and networking take on a new significance (BERARDO and SCHOLTZ, 2010). The shift from 'government' to 'governance' implies that the nation state can no longer manage policy in isolation and instead must work with multiple actors at different spatial scales in order to realize objectives (BEVIR and RICHARDS, 2008). The governance model assumes that nation states need to access resources and knowledge held by external agencies in order to improve policy effectiveness, tailor policies to the specific needs of localities, boost economic productivity by building on the productive capacity of localities and increase accountability and democratize governance structures. Indeed these assumptions underpin the decision to introduce RFAs. RFAs were initiated and driven forward by Treasury officials who believed that decentralizing decision making, engaging sub-national partners and allocating resources over the long-term would take account of spatial diversity, contribute to boosting regional economic productivity and help meet the Public Service Agreement (PSA) target to reduce regional economic disparities (HM TREASURY and CABINET OFFICE, 2004). In order to achieve this, the Government developed strategic partnerships with a range of public, private and non-profit organizations, epitomized by a 'policy network' approach.

'Policy networks' describe the connections between 'public policies and their strategic and institutional context: the network of public, semi-public and private actors participating in certain fields' (KICKERT et al., 1997, p. 1). In policy networks decision-making takes place in complex networks where collective action is viewed as a way of tackling problems that cross departmental boundaries and resist the solutions available through the action of one agency - so-called 'wicked issues' (WEBER and KHADEMIAN, 2009). This has led some to assert that the traditional functions of the state are being 'hollowed out' (JESSOP, 2004). The retreat of the nation state is viewed as a consequence of pressures from *above* via globalization, from

*below* amidst demands for devolution, and from *within* due to the revival of free market ideologies and the perceived incapacity of the state to manage the economy and maintain control over policy outcomes (LABAO et al., 2009).

By contrast, others assert that ‘the centre is still the most powerful actor and the loss of control described by the hollowing-out thesis is exaggerated’ (CAIRNEY, 2009, p. 358). As KLIJN (2008, p. 509) notes, ‘one can identify many tasks and services that are still performed in a bureaucratic setting and in a fairly hierarchical way, making them adhere well to classical theories of public administration’. Arrangements and outcomes are also dependent on precisely what is being decentralized (e.g. resources, authority and legitimacy) and which actors are driving the process (RODRIGUEZ-POSE and GILL, 2003). Indeed, this complex dichotomy between the ‘Westminster Model’ and ‘differentiated polity’ (RHODES, 2007) is characteristic of UK policy making and significantly impacts on the effectiveness of governance arrangements at the sub-national tier (MARSH, 2008; ENTWISTLE, 2010). The empirical evidence presented in this paper provides a close examination of the ‘actual mechanisms’ (SWYNGEDOUW, 1996) which have shaped inter-governmental relations and decentralization in England. By exploring the network management strategies employed by regional actors in attempts to negotiate new policy spaces, it is possible to unravel the politics of rescaling and explore the intricacies involved in the RFA process.

#### *Using network management to deal with complexity and uncertainty*

Network management can offer an effective way to deal with complexity and uncertainty. KLIJN et al (2010) note that without adequate network management strategies it is impossible to achieve effective outcomes in complex interaction processes. They go on to assert a clear

relationship between the number and intensity of applied network management strategies and good outcomes. The assumption is, therefore, that if officials operating in the RFA networks want to achieve their objectives, they would need to consciously negotiate and manage their network environment. FEIOCK (2010) also argues that well managed collective action can have considerable benefits for achieving integrated regional policy solutions. But, how is this achieved? Two types of network management are identified in the literature - *process management* and *institutional design*. Process management takes the structure of the network as given and focuses on improving the behaviors and interactions between actors in policy games (KICKERT et al., 1997). Institutional design seeks to alter the institutional characteristics of the network by changing the network composition and/or the formal rules that govern interactions and outcomes (KLIJN and KOPPENJAN, 2006). Central government dictated the institutional design of the RFA process in terms of setting out the scope and remit of the scheme through written guidance (HM TREASURY et al., 2005; 2008). Discretion as to how the process was managed was, however, left to regional actors. As such, this paper will focus solely on the *process management strategies* adopted by regional actors in their attempts to negotiate and develop their RFA submissions.

KLIJN et al (2010) identify four types of process management strategies (Table 1). Connecting strategies are required to start the game and involve identifying and incentivizing actors that are crucial to achieving the broad objectives of the network. This can be referred to as ‘selective activation’ (SCHOLZ et al., 2008) or, where unproductive partners have to be removed, ‘deactivation’ (HUXHAM and VANGEN, 2000). Exploring content is necessary to clarify the goals and perceptions of actors and create opportunities for actors’ participation (AGRANOFF, 2006). These strategies are particularly important for managing the difficulties in determining the precise nature of the policy problem (KOPPENJAN and KLIJN, 2004). Strategies for

arranging involve setting up structures for consultation and interaction. Structures need to be as streamlined as possible to avoid high collaborative costs (HUXHAM and VANGEN, 2005) but must attempt to adhere to principles of good governance (BANG and ESMARK, 2009; EDELENBOS et al., 2009) and maintain the goodwill and support of network participants. Finally, process agreements involve strategies that set the rules for interaction and protect actors' core values (ROBINS, 2008). These rules provide a degree of stability and reciprocity in the network that shape actors' behaviors and responses (DE LEON and VARDA, 2009).

INSERT TABLE 1 HERE

#### *Measuring effectiveness in policy networks*

Measuring the effectiveness of network management strategies and collaborative outcomes is potentially problematic due to the fact that actors have different goals and aspirations that may change over time. KOPPENJAN (2008, p. 705) argues that 'the more a policy situation resembles the characteristics of networks - complexity, interdependencies, dynamics - the greater the risk that the disadvantages of using ex ante performance measures will manifest themselves'. Likewise, VOETS et al (2008, p. 774) suggest that in order to comprehend the performance of complex networks 'we need to leave the beaten track of the traditional performance literature' and its focus on hard performance measures and adopt a framework that takes account of public principles such as capacity building and democratic quality (MATHUR and SKELCHER, 2007). One way to achieve this is to take *ex post realized solutions* as a starting point 'by asking actors during and after the interaction process to what degree they are satisfied with the solutions that have been reached' (KOPPENJAN, 2008, p. 702). In this paper, actors' perceptions of realized outcomes have been used to determine the

effectiveness of the RFA network, rather than objective *ex ante* measures. Indeed, using ‘hard performance measures’ to determine the effectiveness of regional governance structures in England is recognized as being prone to misinterpretation, manipulation and inaccuracy (PEARCE and AYRES, 2009).

INSERT TABLE 2 HERE

KLIJN et al (2010) also make a helpful distinction between *content outcomes* and *process outcomes*, which might be used to categorize specific areas of success and failure in collaborative endeavors (Table 2). Indeed, the content outcomes are highly relevant to the RFA network where the institutional design set by Whitehall emphasized the need for innovative, integrated, consensus based approaches to the long-term management of resources at the sub-national tier. The process outcomes are also applicable to the RFA network in terms of assessing the quality of interactions between partners and their ability to reach a consensus and resolve inevitable policy tensions (HM TREASURY et al, 2005; 2008). KLIJN et al (2010) operationalize their framework through a regression analysis of survey responses from network members to identify potential correlations between *process management strategies* and *content* and *process* outcomes. Such an analysis is beyond the scope of this study. Instead, this paper identifies the network strategies that are most prevalent in attempts to manage vertical and horizontal relationships in regional governance networks in England. Moreover, it draws on the content and process outcomes outlined in Table 2 to examine the success and failures of these strategies in meeting key regional objectives.

RESEARCH DESIGN: AN ACTOR, GAME AND NETWORK ANALYSIS OF REGIONAL  
DECISION MAKING

This research has adopted KOPPENJAN and KLIJN's (2004) *actor, game and network analysis* to provide an overview of the conditions and circumstances within which complex decision making has taken place in the English regions. An *actor analysis* involves identifying actors, problems, perceptions and dependencies. The analysis of the *game* focuses on two aspects: identifying the arenas where actors make relevant decisions and analyzing stagnation or 'collaborative inertia' (HUXHAM, 2003). A *network analysis* involves looking at the institutional context by exploring the interactions between actors and the rules of the game. Interaction patterns reflect the frequency and variety of contacts and can be used to make judgements about levels of inclusivity and information transfer. Rules of the game can be both formal and informal and shape the types of behaviours and strategies employed within networks. This analysis provides 'a map of the policy environment' (KOPPENJAN and KLIJN, 2004, p. 134), which has been used to identify the types of network management strategies employed by regional actors in attempts to manage (i) vertical relationships with central government and (ii) horizontal relationships with regional counterparts.

During Summer 2008 face-to-face interviews were conducted with regional actors working on RFAs in England's South East (20 interviewees) and North East (23 interviewees) regions. These regions were selected on the basis of their distinct characteristics. The North East is a Labour-dominated region with a legacy of joint working aimed at tackling the region's economic weaknesses. The South East was selected as a Conservative-led region, with difficulties in achieving consensus between its 74 local authorities around the challenges associated with economic growth. Senior officials were interviewed from RDAs, GOs, unelected Regional Assemblies, local government and social and economic partners. Between September 2008 and March 2009 an online survey in the remaining six English regions (outside



London) was conducted, involving closed and open questions. The same sample frame as the case studies was utilized. 324 requests were sent, 108 responses received, a response rate of 33%. Interview and survey respondents were asked about their organizational objectives and aspirations for the RFA scheme, institutional structures and processes for making decisions on RFAs and satisfaction with outcomes.

Respondents were also asked to identify the key challenges that they felt were most significant in meeting RFA objectives (Table 3). These are used to conceptualize the complexity and uncertainty faced by regional actors in managing the RFA network. They are policy specific but give a feel for the type of collaborative complexities faced in contemporary policy networks (KOPPENJAN AND KLIJN, 2004) and have been used to frame the empirical analysis in Section five of this paper. Interviews were digitally recorded, transcribed and analyzed using NVIVO. Survey data was analyzed using SPSS and responses were cross-tabulated by (i) region (ii) policy area and (iii) organization.

A detailed analysis of the precise structures and mechanisms evident in each region or the intricacies of regional variation based on socio-political and economic legacies is beyond the scope of this paper. The involvement of multiple actors across four different policy sectors in each region makes this a particularly complex area. Instead, the intention is to present the network management strategies and behaviors that were prevalent across all regions, while identifying unique regional examples when relevant to particular findings.

MANAGING COMPLEXITY AND UNCERTAINTY IN REGIONAL GOVERNANCE NETWORKS: STRATEGIES AND EFFECTIVENESS

The following analysis examines how regional actors sought to manage the complexity and uncertainty epitomized by the key challenges in Table 3.

INSERT TABLE 3 HERE

### *Managing Vertical Relations*

#### *Levels of government support*

The RFA scheme had the potential to deliver enhanced regional discretion but 47% of survey respondents felt that a lack of support across government departments threatened to undermine this objective. In particular, many agreed that Whitehall departments had not communicated their support for virement (transferring funds between budget headings).

‘You can do all the prioritizing and joining up that you want at a regional level but if you are stuck with a fiercely centralist and departmentalist approach at the Centre then it will ultimately founder’ (East of England RDA official).

Many regional actors acknowledged that in the absence of an elected regional tier it remained difficult for government to devolve significant powers and resources. Concerns over ‘democratic anchorage’ (EDELLENBOS and KLIJN, 2009) were seen to prevent Whitehall from decentralizing because of doubts about democratic accountability. Nonetheless, the majority of respondents agreed that an enhanced dialogue with departments had helped to bring attention to the need for greater sub-national discretion. Some actors felt that the RFA scheme reflected a degree of commitment to decentralization in parts of Whitehall, which could be

built upon through demonstrating competence and trust (KLIJN et al., 2007). Although the scope of RFAs was limited, the scheme was welcomed as evidence of a shared objective to enhance sub-national discretion, which regional partners were eager to build upon over the longer term. Regions were also using new information and research to make the case for sub-national policy making, as an RDA official in the South West indicated,

‘We were concerned about some of the signals coming out from Whitehall about our suggestions but we sensed that our best chance of moving minds at the Centre would be to undertake more technical work, build an evidence base and present something with strong support across the region’.

Research was, therefore, used to facilitate interaction and explore the scope for regional flexibilities. Many interviewees referred to the need to ‘know how to play the game with civil servants’ (South West Assembly official) and adopted an informal approach based on face-to-face contacts and *ad hoc* arrangements. For example, officials in the South East, North East and East of England regions informally presented what they believed to be strong cases for virement to relevant government departments before detailing the proposals in their final submissions. This was an attempt to present alternative solutions to Whitehall and maintaining flexibility in negotiations. However, in all instances individual departments refused, fearing that their funds might be siphoned to meeting other departments’ activities. This resulted in early fixations and stagnation within Whitehall and the issue appeared non-negotiable. The outcome was that no region formally made the case for virement in their final submissions, undermining a core objective of the RFA scheme. As a North West Assembly official ruefully observed,

‘Even if we had come up with something fully propositioned, evidence based and supported across the region, the Government would not support virement so what was the point?’

In these instances, regional partners recognized that making any case for virement would involve tough negotiations and they were not willing to jeopardize regional relationships over something they felt Whitehall would never authorize. As a senior GO official in the North East commented, ‘virement would have destroyed our regional partnerships and it was considered a step too far’. These conflict avoidance strategies might have protected collaborative governance arrangements but did not help to achieve ‘content’ outcomes in terms of demonstrating effective problem solving, innovation and integrative policy solutions. Moreover, because RFAs represented pots of money already allocated via the Spending Review process, funds were strongly linked to national targets and priorities. This made it hugely difficult for regional actors to engender discretion at the sub-national tier, particularly given the reluctance of Whitehall departments to consider virement (SQW, 2006).

#### *Level of funds available*

The level of funds available were viewed as the biggest challenge facing regional actors in terms of developing their RFA submissions. Funding allocations amounted to £7.6bn in 2009/10 (economic development £2.2bn, housing £3.3bn, transport £2.1bn). While significant, this represented just 14% of total public expenditure in the three policy areas and 1.5% of public expenditure in the regions (HM TREASURY and NATIONAL STATISTICS, 2009). There was overt and formal disquiet amongst regional stakeholders about the perceived lack of

resources (IN HOUSE POLICY CONSULTANCY, 2005). However, those charged with facilitating the process often sought to prevent partners from becoming disenchanted ‘by focusing on how the process should be organized and not the content of the problem’ (KOPPENJAN and KLIJN, 2004, p. 246). In doing so they adopted a strategy that aimed to maintain the support and commitment of relevant partners, as a North East Assembly official described,

‘We publicly welcomed the RFAs as a move in the right direction. We had to do that to maintain the commitment and support of key actors. However, in quiet we were not happy with the narrow focus and levels of resources that we were given but we had to keep the momentum going somehow’.

In other regions, actors indicated that the low levels of funds ‘forced the region to think more innovatively about overall investment opportunities’ (Yorkshire and Humber local authority official). Key actors were forced to overcome historical disagreements over policy through the formulation of new agendas that sought to challenge existing ways of thinking and avoid the deadlocks that might result from insufficient resources. A third issue regarding funds was a perceived lack of clarity in the Government’s guidance. A number of respondents suggested that there was some confusion about the types of schemes that might be funded through the exercise. All regions, in some form or another, sought advice from Whitehall to clarify the rules of the game - although some sought to manipulate the situation by interpreting advice in ways that suited their own purpose. For example, government guidance requested that the regions’ advice incorporate a potential 10% variation in available funding to account for potential changes in the Government’s eventual expenditure plans. The inclusion of this measure was aimed at ensuring that spending priorities remained ‘flexible’ in terms of future

spending scenarios. However, ‘it probably suited some regions not to recognize this until quite late in the process and assume that there was 10% extra up for grabs and base their prioritization on this’ (South East RDA official).

In summary, regions were being asked to prioritize investment decisions but they only had control over a small percentage of total regional public expenditure. Limited funds were the biggest cause of disagreement between actors, leading to territorial competition between geographies about where investment should go (RODRIGUEZ-POSE, 2009). In response, some actors pursued inventive policy solutions, while others sought to manipulate government guidance in a bid to maximize funding allocations, underlining the need for effective ‘institutional design’ to establish clear and robust rules of the game (KLIJN AND KOPPENJAN, 2006).

### *Project timescales*

Regions were granted seven months to develop their RFA submissions, a timescale that many stakeholders felt was ‘inadequate and undermined the quality of evidence gathering and the ability to reach an informed consensus’ (West Midlands voluntary sector official). In order to meet the tight timescale, in all regions, a small number of key actors were selected who would drive the process forward and be responsible for delivering submissions on time. Regional actors were in agreement that the timescales did not provide time for consultation with the full range of stakeholders and, in most instances a degree of openness and transparency was sacrificed in a bid to move the agenda forward. In an effort to avoid the ‘large numbers problem’ (SCHARPF, 1993) small teams of regional technical experts and senior officials examined the details and made tough decisions around prioritization. A final draft was then

approved by formal Regional Boards and Forums to provide a degree of democratic legitimacy and accountability. This scenario highlights the complexity involved in balancing broad consultation and consensus while meeting tight policy deadlines.

### *Securing regional discretion*

72% of survey respondents agreed that the RFA scheme provided scope for greater regional discretion over spending priorities. However, 88% also expressed a more cynical view that central government was motivated by a desire to get regions to make tough decisions, effectively removing responsibility for unpopular decisions from Whitehall control.

‘The rhetoric was around giving increased substance to regionalism but I suspect that a large part of the *real politik* was getting ownership of tough decisions out of Whitehall and into other public bodies’ (South East RDA official).

This indicates a degree of mistrust between governance tiers that threatened to undermine the goodwill and spirit of collaboration necessary to secure critical reflection and robust and sustainable content outcomes. This mistrust was fuelled in the North East, for example, when evidence based priorities about the use of housing funds were overridden by national objectives at a late stage in the process.

‘In the North East we felt that 50% of the housing pot should be used for the regeneration and improvement of the existing housing stock. That got overtaken by a very strong indication from the Minister for Housing that no matter what the regional evidence her overriding priority was to meet the Government’s target to build new

affordable houses. That resulted in some very difficult negotiations just before the final submission that was not good for relations' (North East GO official).

This intervention from central government undermined months of collaborative effort in the region and resulted in an embarrassing U-turn that damaged the goodwill and commitment of stakeholders. As a North East Business respondent indicated, 'it gives you the feeling that Whitehall doesn't trust the region to do anything for itself'. Indeed, regions were often able to articulate and discuss more radical proposals that reflected territorial needs. However, Whitehall's inability to overcome its propensity for centralism (JONES and STEWART, 2010) removed the incentive for regions to propose anything formally.

On a more encouraging note, officials in all regions viewed transport policy as the 'big prize' in the RFA scheme. For the first time, RFAs provided an opportunity for regions to identify transport priorities linked to investment, providing scope for more systematic transport planning at the regional level (DfT, 2006). The RFA process had the potential to open up conflict between the Department for Transport (DfT) and the regions. However, to the contrary, DfT accepted 98% of the advice presented (FAULKNER, 2006). There was also a view that the RFA exercise had actually led to a reduction in tensions between local and regional actors and the Centre due to increased openness and transparency. Indeed, for the most part, the process was viewed as highly positive, leading to enhanced inter-governmental relations, the transformation of regional 'wish lists' into strategic priorities and a more consensual and evidence based approach to identifying viable transport schemes. The example of transport policy demonstrates that with the right institutional design decentralized decision making can secure identifiable content outcomes (TOBIN, 2010).



## *Managing Horizontal Relations*

### *Consensus building*

57% of survey respondents agreed that reaching a consensus over investment decisions was a significant challenge. Nonetheless, different actors tended to view one another as important and 84% of survey respondents said that they had adequate opportunity to engage, indicating good levels of openness and inclusivity in the process. When bringing key actors together there was recognition that partners needed to be incentivized in different ways. For example, a GO official in the North East noted that,

‘The business sector is central to negotiations but they are not interested in the bureaucracy evident in public bodies. They are busy and we need to engage them in imaginative ways that are not too arduous’.

This point was echoed by a local authority official in the region who indicated that they had set up informal events to allow business officials to engage in discussions in a way that avoided lengthy bureaucratic meetings. These arranging strategies were aimed at being flexible to allow the involvement of key individuals but often meant that much of the discussion on RFAs took place outside formal meetings. There were noted differences in the ways informal and social networks operated in the North and South East regions. The South East was described by an RDA official as a ‘big and contested region, which makes it difficult to decide who runs the show and get all partners together simultaneously’. A strategy of selective activation and deactivation was often employed to generate a ‘tight knit group of individuals, who trusted one another, knew the issues and could facilitate interactions’ (South East local authority official).

By contrast, the North East is a small region with a strong regional identity and legacy of partnership working. Key actors were in close proximity and tended to know one another, thus facilitating more frequent and intense relationships.

The role of trust and informality was widespread in all regions, regardless of size or composition. For example, 77% of survey respondents stated that they regularly participated in informal face-to-face meetings about RFAs. For example, a South East GO official noted that,

‘We should not underestimate the importance of those one-to-one meetings because sometimes they are a better opportunity for senior executives to say “we are worried about this or I’m not happy with that or this needs to happen”, which they would never say in a meeting outside of that. We use those type of meetings very effectively to ensure that we have the right influence over the process.’

Indeed, in all regions there appeared to be some kind of high-level, executive group that operated at an informal level, as an Assembly official in the North East commented,

‘If you want to push the boundaries and scope potentially innovative policy then formal meetings are not the best place to do this. You need to run it past key individuals first, get support from strategically important people who can champion the proposal and then put it to a wider audience’.

This type of arranging strategy offered a way to search for synergies between actors in an informal way. Indeed, survey respondents agreed that strong leadership (94%), informal

negotiations between parties (83%) and a robust evidence base (76%) were the most important mechanisms for resolving disagreements and overcoming stagnation in partnerships. More formal mechanisms, such as voting were considered the least effective means of conflict mediation. Visible leadership from key individuals was seen to bring coherence and consistency to proceedings and allowed innovative solutions and tough decisions to be brokered (VANGEN and HUXHAM, 2003).

However, while informality might be useful for actors at the centre of the network, those at the periphery were less engaged. Some regional officials suggested that individuals might not have understood the full implications of what they were asked to ‘sign off’ in formal Regional Boards or Forums, threatening the transparency and legitimacy of regional decision making. However, the process was defended by a local government official in the South West who argued that ‘the RFA network is hugely complex and busy public officials have not got the time, energy or responsibility to keep pace with all the details, so delegating responsibility to a small select group was the only option’. Another source for concern was a perception that informal meetings were used to ensure that political deals were struck ‘to ensure that everyone got a slice of the cake’ (East of England GO official). Despite claims of evidence based rationality and objectivity, there was a view that deals had been brokered behind closed doors to deal with contentious issues, potentially undermining objectivity and securing content outcomes.

### *Policy integration*

A broad commitment to policy integration was evident across all regions but 66% of respondents agreed that there was a lack of constructive dialogue across policy sectors. As a

consequence, it was broadly acknowledged that the separate strands of the RFA scheme (economic development, housing, transport and skills) were largely developed in isolation. In most regions the high-level, executive groups were often tasked with looking across the separate strands to facilitate coordination in the final submission. However, by the time this occurred, the tough negotiations around prioritization within each of the sectors had already taken place, leaving minimal scope for manoeuvre. As an official in the North East indicated,

‘The Steering Group met at the end of the process but, by that time, it was too late to consider how to coordinate investment across the sectors in any meaningful way. Ideally we need to think about integration from the outset but departmental positions didn’t really give us much incentive to do so’.

There was a view amongst some officials that greater flexibility was required to avoid early fixations over priority setting. This might have allowed greater scope to consider the long-term management of resources in a more joined up and strategic way. Nonetheless, the biggest stumbling block again proved to be a lack of commitment across Whitehall departments to pursue this goal. Once again, regional priorities were constrained by national objectives and departmental positions that prevented a more holistic approach to policy making at the sub-national tier.

### *Utilizing regional evidence*

Regions were required to produce evidence based proposals but they often faced a complex dilemma between producing evidence ‘fit for purpose’ and ‘information overload’. On the one hand, building a comprehensive evidence base was viewed as essential to promote critical

reflection, search for goal alignment and enhance transparency and openness in proceedings. It informed network participants and provided a basis on which to make robust decisions. By contrast, other regional officials felt that gathering evidence was used as an avoidance strategy to evade making final decisions. On occasions actors were insistent on seeing evidence that ‘their scheme’ was not viable even though the evidence was not available or not feasible to produce. As a North East business official indicated,

‘Where there is not enough evidence the decision has to be taken about whether there is a valid case for generating some. It is often difficult for losers in negotiations to accept outcomes in the absence of robust evidence but you can’t produce evidence for everything.’

One area, however, where evidence was used effectively was transport policy. Most regions had opted to commission consultants, largely paid by DfT, to generate prioritization methodologies for the transport strand of RFA submissions. Methodologies varied across the regions but most involved assessing whether schemes (i) contributed to regional objectives, (ii) represented value for money and (iii) were deliverable. In most instances, key personnel working on transport submissions rallied to get different stakeholders and partners signed up to the logic underpinning the methodology. Then, once all the data had been processed, stakeholders were under pressure to accept the outcomes whether they liked it or not. An official in the West Midlands described the process,

‘Transport methodologies were used to bring objectivity to decisions and it helped to remove some of the politics from negotiations. Methodologies were used as a way to

persuade reluctant local authority officials to sign off proposals even if their area did not feature.’

This point was echoed by a North East local government official who cited the example of a local authority leader who ‘had signed off priorities that had no benefit to his council despite years of lobbying’. The evidence emanating from the transport methodologies provided the justification to go back to his authority and defend his decision. Providing a clear evidence base and enhancing fiscal transparency are seen as a ‘means of improving economic governance arrangements’ (HEALD, 2003, p. 723). Indeed, the case of transport policy is illustrative of this. In other areas, however, the quality of regional statistics and data has been criticized as insufficient and inaccurate, raising questions about the efficacy of an evidence based approach to regional policy making (AUDIT COMMISSION, 2007).

#### *Political & economic climate*

The reforms outlined in the Sub-national Review (HM TREASURY et al, 2007) resulted in a high degree of uncertainty and institutional repositioning at a time when regions were asked to develop RFA submissions.

‘Do not underestimate the turmoil that the SNR is causing. There is huge uncertainty about the lack of decisions and timescales regarding implementing the reforms. As an organization we are talking more about the SNR reforms and not the day job. We are dealing with RFAs but in a position of transition and uncertainty and it makes life much more difficult’ (North East Regional Assembly official).

This uncertainty was compounded by the forthcoming 2010 General Election. In opposition, the Conservative Party set out proposals to remove the regional tier and empower localities (CONSERVATIVE PARTY, 2009). Regions were, therefore, being asked to produce integrated and strategic approaches to the long-term management of resources when regional structures themselves might not survive a change in government. The South East region is dominated by Conservative local councils who began to play a political game by refusing to engage with regional structures in the belief that a Conservative government would soon be elected and functions transferred to localities. These conflicting strategies were used as a way to stall regional negotiations and, as essential partners in providing democratic legitimacy, this caused significant unrest.

‘The SNR and prospect of a change in government in the near future is a huge kick in the teeth to the way in which things have been done in the region and local government is now utterly united in its intention to resist working regionally’ (South East RDA official).

Key actors in the region attempted to overcome competing organizational objectives by trying to remove the politics out of negotiations and reassert a ‘focus on the technical and evidence based aspects of the RFA scheme that would offer genuine benefits to localities in the region’ (South East GO official). Enough progress was made to keep negotiations on track but the commitment and goodwill between actors had undoubtedly waned. Once again, a premium was placed on leadership. For example, formal rules were ‘bent’ to allow Chairs of relevant boards to stay in post during this turbulent period, provide a degree of continuity and ‘keep the show on the road’ (South East RDA official).

By contrast, the North East is dominated by Labour councils and their response was markedly different. Local authority leaders sought strong and effective leadership in a bid to enhance productive relations between local authorities and other partners. Negotiations were not free from conflict but there was a continued desire to demonstrate the added value of regional working in a way that was not evident in the South East. Although relations were arguably less fraught than in the South East, the macro political and economic environment made 'it extremely difficult to adopt a strategic game plan' (North East RDA official). Moreover, the impact of the economic downturn was making the reconfiguration of public finances more likely and, as a consequence, the RFA exercise potentially obsolete. This undoubtedly undermined the incentive for actors in all regions to engage. Partners did not want to invest time and energy in a process where tangible content outcomes looked increasingly doubtful.

#### *The effectiveness of network strategies for managing vertical and horizontal relationships*

The key challenges identified above highlight the complexity and uncertainty evident in the RFA network. The following analysis explores the effectiveness of different network management strategies in overcoming these challenges. Strategies are considered successful where the challenges were overcome and, by contrast, unsuccessful where the challenges remained an obstacle to achieving RFA objectives.

Regional actors employed a range of network management strategies in a bid to realize network objectives, but with varying success. Strategies for exploring content were perhaps the most prevalent. These were important in trying to make the case to Whitehall for greater regional discretion and for generating a horizontal consensus within regions. The pervasiveness of strategies for exploring content was perhaps a consequence of the constantly changing political,



institutional and economic environment, which required actors to repeatedly redefine goals, aspirations and objectives. Network management strategies were judged effective in generating a degree of consensus within regions and there was clear evidence of ‘buy in’ and inclusivity across all regions. The role of informality and face-to-face contacts were viewed as extremely important. Although a great deal of emphasis was placed on informal processes and ‘elite’ groups, this was largely viewed as an inevitable part of the process given the complexity of policy decisions and limited timescales and respondents were largely satisfied with their level of involvement. Strong leadership was also perceived as imperative and the effective use of evidence to promote critical reflection was demonstrated, particularly in the case of transport policy. The strategies adopted by regional actors proved fruitful in overcoming disagreements and breaking deadlocks within regions and respondents were generally satisfied that they had ‘done the best job possible given the policy parameters’ (East Midlands GO official). In this regard, regional actors were largely successful in realizing the process outcomes outlined in Table 2.

In relation to content outcomes, the effective involvement of actors in networks was secured. Regions were also able to demonstrate effective problem solving capacity and, in many instances, discussed potentially integrative and innovative policy solutions. However, the prominence of national targets and Whitehall’s reluctance to vire funds meant that these proposals did not feature in final submissions. Securing tangible content outcomes in these core areas was, therefore, undermined. The institutional design imposed by government did not have the full backing of participating departments and this significantly damaged the ability of regional actors to secure content outcomes. Moreover, the constant political and institutional uncertainty brought about by the SNR reforms and subsequent change in government rendered

the sustainability and cost effectiveness of the exercise highly questionable. Indeed, managing these variables was beyond the scope of the regional network management strategies available.

Findings indicate that while regional actors were largely successful in managing the challenges associated with horizontal relations, they did not have the policy levers at their disposal to overcome the challenges associated with vertical relations with Whitehall. RFAs represented another example of ‘centrally orchestrated regionalism’ (HARRISON, 2008) where sub-national actors were given responsibility for policy development and delivery but without genuine control over associated powers and funds. The lack of cross departmental commitment to the RFA scheme underlined reservations about granting genuine territorial discretion at the Centre (AYRES and PEARCE, 2005). As PIKE and TOMANEY (2009, p. 29) argue, decentred and networked forms of governance appear ‘to downplay the shadow of the nation state and the instrumental role of such a framework pushing down responsibility to lower institutions without concomitant shifts in authority and resources’.

Moreover, the lack of political legitimacy in the English regions and ‘a devolutionary process where the central government holds the upper hand’ (RODRIGUEZ-POSE and GILL, 2003, p. 335) resulted in a weak bargaining position for regional actors in their negotiations with the Centre. This significantly limited their ability to achieve content outcomes in the form of genuine sub-national discretion. Despite government rhetoric of rationality and evidence based policy in the RFA guidance, our findings confirms that efforts to decentralize were the product of political wrangling and turf wars as new institutions and policy spaces were negotiated within and between governance tiers (DEAS and WARD, 2000). A close examination of the RFA process reveals that very little was being truly decentralized (e.g. resources, authority and legitimacy) and that funding decisions and authority remained firmly at the Centre. The notion

of ‘hollowing out’ implies a process of organizational and institutional ‘filling in’ at other spatial scales (JONES et al., 2005) but there was limited evidence of this regards the RFA process.

## CONCLUSIONS

This paper has explored the effectiveness of network management strategies for dealing with complexity and uncertainty in regional governance networks. The findings presented have important implications for methodology, theory and practice. First, methodologically it underlines the value of detailed empirical analysis of regional responses to decentralization, which has helped to illuminate the ‘actual mechanisms’ (SWYNGEDOUW, 1996) leading to success and failure. It also confirms that KOPPENJAN and KLIJN’s (2004) *actor, game and network analysis* is an effective tool for evaluating the quality of regional decision making, allowing for international comparisons regarding the use of the model in network research. In terms of theory, KLIJN et al (2010) assert that there is limited academic literature examining the relationship between network management strategies and outcomes. This paper seeks to contribute to this debate by identifying the network management strategies employed in regional governance networks and linking these to process and content outcomes. Findings also confirm the dominance of hierarchy in territorial networks in England. Contrary to the notions of multi-level governance, evidence suggests that the scope for sub-national influence is firmly defined and even the most considered network management strategies are unable to counteract this prevailing force. In the absence of an appropriate institutional design, set by central government, regional actors were unable to realize content outcomes.

These findings also have important implications for policy. Elected in May 2010, the Coalition government has abolished regional governance structures and established Local Enterprise Partnerships (LEPs), consisting of groupings of local authorities and business partners, based upon 'natural' economic areas. LEPs are charged with 'improving the coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development' (HM TREASURY, 2010, p.31). The policy challenges, traits and relationships evident in regional policy networks are, therefore, likely to be replicated at a sub-regional level. At a *process* level there is a continued emphasis on effective cross sector partnership working, managing vertical and horizontal intergovernmental relations and balancing competing organisational objectives in key policy areas, such as economic development. As regards *outcomes* there remains an emphasis on policy integration and innovation, consensus building and evidenced based solutions. These similarities in network characteristics or 'structural signatures' (DE LEON and VARDA, 2009) provide scope for lesson drawing.

The latest reforms involve a shift to sub-regional and local structures as a way of promoting economic development. HARRISON (2007), however, suggests that a period of critical reflection is required before jumping into new assumptions about appropriate geographical scales for policy development. Nonetheless, the speed with which the Coalition has removed the regional tier raises questions about the underpinning rationale, robustness and longevity of these reforms that may prove no more durable than their predecessors. Concerns over a lack of strategic direction at the Centre, the prevalence of national targets, reluctance in Whitehall to cede genuine control to sub-national actors, a severe lack of funds and turf wars within and between governance tiers have undermined decentralization initiatives since the start of New Labour's regional experiment in 1997 (MORGAN, 2006).

Perhaps unsurprisingly, the Coalition's most recent package of reforms provides little indication that current attempts will buck this trend (JONES and STEWART, 2010). The same weaknesses that have survived previous transitions from localism, regionalism, city-regionalism and now 'new localism' are, therefore, likely to remain, albeit at a different spatial scale (DEAS and WARD, 2000). Most notably, questions remain about the extent to which local structures will have the necessary capacity, powers, funding and geographic coverage to enable the long-term, strategic management of core policy areas (SQW, 2010; CENTRE FOR CITIES, 2010; PUGALIS, 2010; JOHNSON and SCHMUECKER, 2010). The 'bottom-up' approach adopted by the Coalition has led to the creation of a relatively fragmented tier of thirty eight LEPs, some with overlapping boundaries and a small number of local authorities left out of the process altogether (DBIS, 2011). Furthermore, the £1.4 billion Regional Growth Fund (RGF), announced alongside the LEPs to help those areas particularly affected by public spending cuts, has been criticised as insufficient to have any real impact on boosting economic productivity (DENHAM, 2010).

In conclusion, historical partnership legacies cannot be ignored when managing the transition to new forms territorial governance. It is vital that lessons from the past are harnessed so that actors at all governance levels can learn from past successes and failures. Our findings indicate that without significantly addressing the stark imbalances of power between the state and sub-national actors, real decentralization of authority, power and resources will remain elusive. Even the most considered sub-national network management strategies will have limited value in an environment where central government remains reluctant to cede power and control. The lesson for central government is that it needs to engender an 'institutional design' (KLIJN and KOPPENJAN, 2006) that allows sub-national actors to actively manage and determine

spatially distinct policy solutions. If it does not, there is a very real danger that the same mistakes will be repeated at the expense of securing genuine territorial discretion in the future.

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Table 1. Process Management Strategies

Types of Strategies	Main strategies in literature	Description	
Connecting	Selective (de)activation of actors	Engaging or purposefully excluding actors in the network	
	Resource mobilizing	Utilizing resources in pursuit of network aims (e.g. human, financial, expertise, legitimacy)	
	(De) coupling	Bringing partners together where synergies possible or separating partners where interaction is potentially damaging	
	Initiating new interactions	Providing opportunities for contact between relevant partners	
	Coalition building	Pursuing collaborative efforts with a view to achieving organizational and/or network outcomes	
	Mediation	Helping partners to reach agreement or overcome tensions	
	Removing obstacles to co-operation	Overcoming potential barriers to collaboration, e.g. cost, time, logistics, granting authority	
	Creating incentives for co-operation	Identifying incentives to attract partners to engage, e.g. access to information, key actors, convenient meetings	
	Exploring content	Searching for goal congruency	Looking for synergies & shared objectives
		Creating variation in solutions	Identifying & exploring a range of network/policy outcomes
Furthering goal intertwinement		Exploring how collaborative efforts might be intensified	
Creating substantive variety		Looking for win-win solutions to maximize actors' satisfaction with network outcomes	

	Breaking through the asymmetric nature of policy debates	Overcoming traditional/established differences between conflicting actors
	Prevent premature cognitive fixations	Avoid early assumptions about network objectives, behaviors & outcomes that might prevent progress
	Cognitive reflection	Thinking reflexively about organizational &/or network objectives & outcomes
	Managing & collecting research	Utilizing research to achieve organization and/or network objectives
	Creating variation through creative competition	Introducing new actors/objectives/resources to enhance options & diversity within the network
Arranging	Creating new & ad hoc organizational arrangements	Establishing appropriate institutional structures & procedures to facilitate network interactions
Process agreements	Rules for entrance into or exit from the process	Establishing rules for network membership & exit
	Avoiding early fixations	Avoid perceptual blockages that prevent collaborative endeavor
	Managing stagnation	Overcoming deadlocks & a lack of partnership progress
	Conflict avoidance	Removing or limiting the possibility of conflict between actors
	Clarifying the rules of the game	Making clear the rules that govern network behaviors
	Openness, transparency & accountability	Ensure that network rules & procedures promote awareness amongst partners & clear lines of accountability in the network
	Avoidance strategies	Behaviors that avoid making a commitment to other partners or network objectives
	Rules that specify the interests of actors	Clarifying actors' motivations & interests
	Conflicting strategies	Behaviors that are purposefully antagonistic

Note: For a comprehensive description of these strategies see KLIJN et al (2010) and KOPPENJAN and KLIJN (2004)

Table 2. Content & Process Outcomes in Networks

Network outcomes	Description
Content outcomes	
Innovation	The extent to which the network has shown innovative results
Integration	The way in which the network has integrated different policy areas (e.g. economic development, housing, transport and skills)
Actors' contribution	The impact of the involvement of relevant stakeholders
Problem solving	The extent to which the solutions address the problem
Robustness of results	The sustainability of results in the future
Costs & benefits	The collaborative costs should not outweigh the benefits of the process
Process Outcomes	
Management	Levels of satisfaction amongst actors about their involvement in consultations
Conflict resolution	The way in which conflicts have been averted and/or solved
Stagnations	The extent to which the process has encountered deadlocks

Balancing perspectives	The way in which differences in objectives and perceptions have been reconciled
Frequency of contact	Frequency of contact between actors in the network
Support for outcomes	The extent to which actors are satisfied with the final results

Source: Adapted from KLIJN et al (2010)

Table 3. Collaborative challenges in meeting the objectives of the Regional Funding Allocation process

Key Challenges	Description
Vertical relations	
Levels of government support	Levels of commitment to the RFA scheme varied across individual government departments
Level of funds available	The level of funding allocated to the scheme was viewed as inadequate
Project timescales	The amount of time granted to develop RFA submissions was viewed as insufficient
Securing regional discretion	Regions' ability to make decisions free from Whitehall control was viewed as marginal
Horizontal relations	
Consensus building	Securing consensus on priorities between localities & across policy sectors was viewed as challenging
Achieving policy integration	Regions' ability to integrate policy sectors (economic development, transport & skills) was viewed with skepticism
Utilizing regional evidence	Questions were raised about the quality and utilization of regional evidence
Political & economic climate	The Sub-national Review reforms & economic downturn resulted in a high degree of uncertainty regards the future trajectory of English regional governance