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Local Agency for the Public Purpose? Dissecting and evaluating the emerging discourses of municipal entrepreneurship in the UK

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Abstract

This article explores the contested politics and interpretations of the new practices of municipal entrepreneurship across local government in the UK. Drawing on empirical evidence from six cases studies of entrepreneurship in local councils, self-characterisations of income-generating projects in thirty authorities, and a series of semi-structured interviews, we identify, name and characterise an emergent discourse of municipal entrepreneurship for the public purpose. We argue that this novel strand of discourse within the wider field of urban entrepreneurialism confers a degree of political agency to local authorities under austerity, while redescribing and attaching commercialism and entrepreneurship to the public good. In so doing, we challenge overly reductionist accounts of local state agency under austerity, and articulate and evaluate the potentials and obstacles for a progressive interventionism in this discursive space.

Key words

Municipalism

Entrepreneurship

Commercialisation

Local government

Agency

Austerity

Discourse

Word count

7998

Austerity governance has transformed embedded practices of budgetary stewardship and service delivery across local authorities in the UK (Ferry and Eckersley, 2020).¹ Reductions in grant support from central government, only partially offset by business rates and increases in council tax, have seen council spending on local services drop by 24 per cent in England (from 2009 to 2017), 11.5 per cent in Scotland, and 12 per cent in Wales (Gray and Barford, 2018, p. 554). Working within highly centralised financial and legal regimes, with few powers of local taxation, and often limited local resource bases, especially in disadvantaged communities in ‘old’ industrial towns and cities, local authorities have increasingly turned towards new strategies of income-generation and commercialisation, as they endeavour to fill the ‘funding gaps’ left by reductions in traditional sources of revenue (Gray and Barford, 2018).

The generation of alternative revenue streams - the ‘marketisation of income’ (Taylor, Haynes and Darking, 2021) - has embraced a multiplicity of commercial and entrepreneurial logics and practices of municipal action (Thompson, 2020). Councils have entered into partnerships with real estate developers, while investing some £6.6 billion in commercial property such as hotels, offices and shopping centres from 2016/17 to 2018/19 (National Audit Office, 2020, p.4). They have also made novel trading and charging interventions in local markets, launching direct ‘for profit’ trading companies in municipal goods and services; creating public service cooperatives and mutuals in collaboration with communities; exploiting procurement policies as a tool to support local businesses and social enterprises; and driving authority-wide culture change towards entrepreneurship and financial self-sufficiency (Ferry *et al.*, 2018).

This article evaluates the under-researched motivations and meanings attached by local actors to such commercial and entrepreneurial forms of income-generation (Shearmur and Poirier, 2017). Answering calls for a ‘greater sensitivity’ to local agency under conditions of austerity (Fuller, 2018), it reveals and assesses how

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officers make sense of entrepreneurship in their everyday practices; the role of local agency in relation to the demands of austerity governance; and the reconfiguration of the local state. In so doing, we recognise and build upon existing accounts that have identified global varieties of urban entrepreneurship (Phelps and Miao, 2020). While we acknowledge variations in cross-national patterns and uneven geographical ‘reach’, we identify and name four dominant problematisations of entrepreneurial practices which are alleged to best fit the case of UK local government: municipal financialization, progressive interventionism, social innovation, and progressive self-organisation. Secondly, we discern and characterize a particular mode or variant of the emergent discourse of ‘municipal entrepreneurialism’, which we name ‘municipal entrepreneurialism for the public purpose’, where entrepreneurship is associated with the provision of a diverse array of commercial services, municipal stewardship and public goods. Thirdly, we detect a number of potential tensions in this discourse of municipal entrepreneurship, including its amplification of political risks; clashes in organisational culture over demands for flexibility; grievances over the naming of ‘surpluses’ and traditional budgetary logics; and the transformation of the roles and responsibilities of officers. Fourthly, while recognising the risks of drawing narrow definitions of such phenomena, we conclude that this emerging discourse creates new possibilities of agency for local authorities that resonate with and contribute to problematisations of what we have named ‘progressive interventionism’.

RESEARCH STRATEGY

In developing a research strategy to address our objects of inquiry, our initial task was to describe the core elements and features that constituted the discourse of municipal entrepreneurship. This involved an analysis of the interpretations and statements of representative subjects and institutional actors - chief officers, project leads, local councillors, and frontline staff - who spoke or wrote about the practices and activities in which they were engaged. Here the main aim of the exercise was to *characterize* the beliefs and interpretations of these selected subjects and institutional actors in different contexts, using our judgement to discern and test the underlying rules and logics of the discourses. More fully, drawing on the resources of poststructuralist

policy analysis, we focussed on the signifier of ‘entrepreneurship’, tracking and tracing its various iterations across multiple contexts, while using these descriptions to construct the discourse. Our approach also contained an implicit logic of comparison, as our descriptions sought to bring out similarities and differences in the multiple articulations of ‘entrepreneurship’ across local authorities (cf. Robinson, 2016). Here the objective was to sketch out a grammar of the different usages of ‘municipal entrepreneurship’, so as to provide a perspicuous representation of the discursive field, and to determine the different variants at work in this field.

Of course, this strategy presupposes a particular conception of discourse and statements. In our approach, discourses are best defined as linguistic and non-linguistic practices that connect ideas, things and activities together to produce specific systems of meaning. This perspective contrasts with other methods of discourse analysis, which focus either on the more restricted analysis of speeches or texts, or more broadly on the role of arguments and the semiotic dimension of social practice (e.g. Fairclough, 2013; Hajer, 2005). Discourses are thus sets of articulatory practices that connect and modify the meaning of contingent elements to form systems of signification, where such systems are demarcated and unified by the creation of boundaries with other discourses. Moreover, in seeking to determine the regularities and linkages between different statements, beliefs and actions in a particular field of discourse, our conception focusses on the way differences are established between contending positions and the creation of political divisions between discourses (XXXX, TBI).

Finally, using the work of Foucault, we define *statements* as ‘serious speech acts’ that are enunciated by officers and policymakers when describing their practices and programmes in particular local contexts (Foucault, 1972). Here the notion of a ‘speech act’ highlights the performative dimension of their utterances and written expressions – ‘saying as doing’ – while the idea of ‘serious’ captures the way these linguistic performances seek to accurately and licitly describe their beliefs, thoughts and practices (Dreyfus and Rabinow, 1982, pp. 45-56). Our aim was to establish the core statements in the discourse, and to explore their repetition, resonance, reiteration and

transformation in particular spaces and places, as well as their dissemination and take-up in other comparable cases.

More practically, empirical fieldwork and data generation was undertaken in three steps. We began by discerning and naming four dominant problematisations of entrepreneurial practices in local government in different contexts. Secondly, we analysed the council initiatives nominated for the Association for Public Service Excellence's annual award for commercialisation and entrepreneurship. The Association is a member-owned local authority body, which works with over 300 councils across the UK. As an advocate of new forms of income-generation, it introduced the award for commercialisation and entrepreneurship in 2015, and by 2019 over 37 initiatives had been shortlisted as finalists for the award, with nominations spread across 30 authorities. Thirdly, we undertook case studies of entrepreneurship in six local councils, which have been widely identified as being at the forefront of income-generation activities (see Table 1). The empirical cases were not selected as 'critical cases', which would enable us to generate or test universal explanations or predictions, but rather because they were considered to be *exemplary sites* through which to explore the discursive work of 'entrepreneurship'.

INSERT TABLE 1 HERE

For each case study, the research team assembled and analysed an archive of policy documents, including briefings, strategic plans, project reports and evaluations. This was followed by a series of semi-structured interviews with a total of 21 participants drawn from project and corporate teams. Interviews lasted an hour, and the sample included chief officers, project leads and frontline staff. Questions explored the competing rationales underpinning initiatives, everyday practices of implementation, and the barriers and opportunities for change. Interviews were then coded thematically, as we focused on exemplary statements pertaining to entrepreneurship, the articulation of demands, and the equivalences and differences between elements of the discourse.

In analysing this archive, we focussed on the way actors interpreted their situations, and the repetition of statements that constituted the specific goals, subjects, strategies, and objects of the discourse of entrepreneurship. At each stage, we undertook repeated readings of the texts, using ‘manual processing’ to isolate and describe the core statements that emerged or disappeared in different contexts (Keller, 2013, p.97). Through this to-and-fro movement between our empirical data and our research puzzles, we engaged in a process of articulation. We did not ‘find’ the discourse of municipal entrepreneurship ‘hiding’ in the text. Rather, we assembled and named its logic, character, and value through our judgements and our situated knowledge of local government, as we mediated and negotiated our research between our theoretical assumptions and the four problematisations of entrepreneurship that we identified at the outset of the study. It is to these problematisations that we now turn.

PROBLEMATISING COMMERCIALISM AND ENTREPRENEURSHIP UNDER AUSTERITY GOVERNANCE

Having outlined our research strategy, we now turn to the problematisation of the existing interpretations of commercialism and entrepreneurship under austerity governance in the UK. Here we identify and analyse the four main problematisations of entrepreneurial practices within existing accounts of these ideas and practices.

Municipal Financialisation

The first problematisation emphasizes the way that practices of local commercialisation have transformed urban infrastructures into financial assets and revenue streams for local government. In the process, the local state has evolved from that of a ‘facilitator and enabler’ of the private sector to that of an ‘active executor’ of neoliberal financialisation (Beswick and Penny, 2018). This transformation of the local state is a consequence of the logics of austerity governance and top-down cuts to public funding, which do not ‘enabl[e]’ local actors ‘to behave differently’, if they are to strengthen the fiscal and political capacities of the local state (Christophers, 2019, p. 583; see also Penny, 2018). Subordinated to central government, they are left with

little freedom of manoeuvre as to ‘where and how they can raise or generate funds’, except through the financialisation of local assets (Beswick and Penny, 2018, p. 624). This financialisation, however, arguably increases the contradictions facing the local state, as it is caught between the demands of value-extraction, speculation, risk-taking and those of public intervention, policy coordination, planning and regulation (Beswick and Penny, 2018, p. 612; Pike *et al.*, 2019, p. 4; Raco and De Souza, 2018).

In pessimistic renditions of this approach, local actors adopt entrepreneurial practices as ‘much by dull compulsion as ideological zeal’, so that the actions of local actors ultimately mask the implementation of an ‘aggressively commercial and speculative mode of governance new to local government’ (Beswick and Penny, 2018, p. 625; Penny, 2017, p. 1370). Such interpretations resonate with ‘austrian realist’ accounts of local agency, where actors in local government deny their own agency, leading to the consolidation of state power (Davies *et al.*, 2020, p.63).

More optimistic interpretations privilege the uneven nature of processes of financialisation, drawing attention to the agency of local actors, as well as the political and economic contexts, which ultimately shape outcomes (O’Brien, O’Neil and Pike, 2019). They thus characterise practices of local entrepreneurship as part of a ‘financialisation-in-motion’ (Pike *et al.*, 2020, p.792), that is, a set of messy, incomplete and recursive processes, which are marked by the continued interactions of managerial, financialised and entrepreneurial logics (p. 793), where actors are ‘actively financialising and being financialised’ (p. 792). In this view, the motivations of local actors and the potential outcomes of commercialisation and entrepreneurship are highly contingent and contextual, so that until the outcomes of programmes prove otherwise, ‘there is no compelling reason not to give councils the benefit of the doubt’ (Christophers, 2019, p. 582).

Progressive Interventionism

In arguing that the pro-active entrepreneurial strategies of the local state can drive forward civic and collective provision of goods and services as an integral component of a ‘more inclusive, holistic and integrated place-based economic strategy’, the second problematisation goes further than merely giving councils the ‘benefit of the

doubt' (Thompson *et al.*, 2020, p. 1191; Gardner and Lowndes, 2016). Typically, Thompson *et al.* (2020) mobilise a Polanyian understanding of the socially embedded economy to foreground the agency of the local state in developing 'accelerators' of economic growth in combination with 'stabilisers' of social welfare and protection. Characterising such practices as 'entrepreneurial municipalism', they argue that the local state goes beyond generating funds to fill the 'holes' in central grants, to invest 'directly in self-sustaining projects, which harness the value of (de-commodified) land, (cooperative) labour and (patient) capital to ground economic development in people and place' (p. 1188).

This approach thus suggests that interventions in the foundational economy represent an emergent and nuanced, yet distinct, strategy available to local state actors, who are duly assigned agency on route to the production of locally-embedded social value. Similar conclusions are drawn by Shearmur and Poirier (2017) and Aldag *et al.* (2019), who assert that the origins of municipal entrepreneurship are not necessarily intertwined with competition between cities and local authorities to attract inward investment. On the contrary, they argue that local government can exercise its agency to protect public services in a 'progressive push back' against central cuts. Indeed, Shearmur and Poirier (2017) suggest that municipal entrepreneurship can be driven and sanctioned by the demands of the local population, civil society and businesses.

Social Innovation

The claims of Shearmur and Poirier (2017) act as a bridge to our third problematisation. In this approach, entrepreneurship is tied to public value creation, thus privileging local officers and political leaders as the key agents of change in the response to austerity, as well as longer-term shifts in the policy environment, which have been caused by deregulation, privatisation, asset sales, and collaboration (Bello *et al.*, 2018). Local state actors are perceived to exercise innovative forms of agency within a 'relational' form of governance, which stands in marked contrast to a bureaucratic, 'traditional' top-down government (Liddle and McElwee, 2019). Local actors, it is claimed, are increasingly 'freed' within such relational modes of governance to facilitate and leverage public value, as they are encouraged to pursue forms of 'collective entrepreneurship [that have] the capacity to provide greater

options, and allow bottom up solutions to emerge' (Liddle and McElwee, 2019; Klein *et al.*, 2010). In such spaces, the local state assumes the role of an 'animateur', which in part acts as a catalyst for economic development by ensuring network leadership (Quinn and Courtney, 2016, p. 144). In this perspective, practices of entrepreneurship and innovation are thus framed as 'co-operative in nature, emphasising mutuality rather than voracious profit-making' (Johnson and Fenwick, 2018, p. 212).

Progressive Self-organisation

The fourth problematisation tends to eschew any explicit reference to the signifier 'entrepreneurship'. Practices of 'smart procurement' and interventions into the foundational cooperative economy, which might otherwise be characterised as the activity of the municipal 'entrepreneur', are understood in terms of 'community wealth building' and 'progressive new municipalism' (O'Neil and Howard, 2018; Russell, 2019). Rejecting urban entrepreneurialism or the regime of inter-urban competition over inward investment (Harvey, 1989), this problematisation promotes the democratisation of the economy, alternative forms of ownership and service delivery (Russell, 2019).

Importantly for our analysis the innovative forces of social change are thus situated 'outside' the local state in the prefigurative micro-settings of self-management and the spaces of informality created by the accelerated disaggregation of the local state under austerity (Beveridge and Koch, 2019, pp.11-12). The local state remains a flawed and somewhat damaged vehicle, hampered by weak powers, financial scarcity, and a lack of capabilities to address the issues and constraints generated by the global political economy (Blanco, Salazar and Bianchi, 2020). More pessimistically, it is replete with bureaucratic hierarchies, asymmetrical power relations and illegitimate forms of authority (see Russell, 2019). Proponents of progressive self-organisation thus advocate the further hybridisation of the local state so as to exploit its organisational resources to the advantage of community activists and to embed the local state in 'everyday urban politics' (Beveridge and Koch, 2019, pp.11-12).

THE EMERGING DISCOURSES OF MUNICIPAL ENTREPRENEURSHIP

In order to evaluate these problematisations, we now set out the results of our empirical research of municipal entrepreneurship. Our initial empirical mapping and analysis of the emerging discourse of municipal entrepreneurship yields six interconnected themes, which function as the quilting points that knit together the overlapping strands and threads. Together they form a loose system of storylines, often in contradiction with one another, which weave together the different strands of the emerging discourse in a dispersed regularity. The internal unities and limits of this ‘dispersed regularity’ are in turn shaped by a series of subtle divisions and exclusions, which mark the boundaries between this formation and others.

Income-Generation and Local Agency

One core strand of the discourse of municipal entrepreneurship constructed commercialisation and income-generation as ‘necessary’ strategic responses to the ‘perfect storm’ of rising demands on council services (Statement 1) and reduced government funding (Statements 8). In this context, entrepreneurial narratives portrayed local government as the ‘triumphant underdog’ winning out against the odds (like the eponymous hero in the *Rocky* boxing films) in a challenge to the ‘mentality of cuts’ (Statement 7). Aspirations for greater local agency were clearly emphasized in the naming of the initiatives, with repeated references to ‘taking control’ (Statement 8), ‘shaping the future’ (Statement 6) and challenging the ‘mentality of cuts’ (Statement 12).

INSERT FIGURE 1 HERE

For the Public Purpose

The narrow instrumental goal of income-generation was framed as a means for generating public value or social benefit, be it tackling social care demands (Statement 3), addressing fuel poverty (Statement 2) or mitigating climate change (Statement 4). Entrepreneurship was thus firmly anchored in the public domain, while a series of equivalences were drawn in the discourse between practices of commercialisation, income-generation, and innovation and resilience in service delivery. Manifesting itself in multiple forms in our case studies, the *leitmotif* of

‘entrepreneurship for the public purpose’ shaped diverse initiatives across different local authority contexts from house building through to property investment, promoting healthy lifestyles, and smart procurement. The East Riding Leisure Services programme, for example, working in partnership with local GPs, referred patients identified at risk of inactive lifestyles or poor diet to leisure services for physical exercise and support via a bespoke on-line system, rather than recommending costly clinical care. But, importantly, the programme was couched in an entrepreneurial narrative, which connected support for patients to become long-term participants in physical activity to the economic case for reducing demand on over-stretched public services through the prioritisation of prevention and the collaborative ‘buy-in’ of multiple partners. The initiative foregrounded savings of some £800,000 per annum to the NHS, evident in reduced numbers of bariatric surgery procedures and a £200,000 accrual to the local authority from increased take-up of leisure services.

Stewards of the Local Economy

A third theme of the discourse evoked images of the authority as the stewards of the local economy, ‘nurturing the growth of local people and businesses’ (Statement 5). When asked to explain their role in service delivery in Enterprising DG, the direct service arm of Dumfries and Galloway council, one officer initially described it narrowly as ‘basically making money for the council’, yet immediately countered that their work also aimed to make the most of local authority assets within communities, and building local supply chains. Such legitimising narratives ultimately resonated with place-based appeals of the council as an ‘energiser’ authority, driving forward local growth by supporting local companies to retain economic benefits within what was deemed to be a peripheral locality poorly served by the market. Local procurements of goods and services, which rose from £44 million in 2015/16 to £62.4 million in 2018/19, while developing a network of preferred supplier relationships with over 300 local small and medium-sized companies (Dumfries and Galloway Council, 2020), was regularly portrayed as a means of creating social value and promoting social cohesion within local communities.

Allusions to place-based stewardship were constructed in opposition to markets through the rhetoric of negative externalities and market failures, prioritising ‘stakeholder not shareholder’ value (Statement 6). The mission of Birmingham Municipal Housing Trust (BMHT) was thus legitimised by senior officers as a means of countering the failure of private developers to provide an adequate quantity and quality of new homes across the city. One outcome of this initiative, for example, was the provision of housing in disadvantaged inner-city neighbourhoods with large BAME communities, where it was wrongly assumed that there was low levels of demand. For BMHT officers, this market failure stemmed from: the flawed business model adopted by the national, private house building sector, which privileged development on large sites in areas of ‘demonstrable’ demand (typically suburbs); the primacy of shareholder value, requiring a high return on investment (typically 25 per cent); and the provision of standardised house types, notwithstanding local context. In this context, BMHT positioned itself as a distinctive niche as a bespoke, local alternative to the ‘budget and scarper’ blueprint of volume house builders (interview with senior officer). It opposed its development model against those of its private competitors, thus offsetting market failure by absorbing risks traditionally borne by the private sector. The strategy involved the development of homes designed by council architects, exclusively on council owned land (with planning consent pre-secured), with construction, sales and marketing contracted to the private sector, with whom surpluses were shared. In this process, BMHT has built to date more than 3,000 homes for sale or rent, becoming the largest house builder in the West Midlands.

Importantly, this discursive strand also established divisions between local and national/global companies and markets. In Dumfries and Galloway, such antagonisms typically rested on demands to tackle the ‘Klondike economy’, whereby national contractors and global companies ‘come into our authority [...] take the money and the benefits [...] and then disappear’ (interview with senior officer). ‘Othering’ large external providers in an emergent discourse of patriotic localism, the local was privileged over the national and global, while autonomous strategies of local development were prioritised over external interdependency. It followed that networking with local suppliers and contractors was framed as a means of promoting place-based inclusive economies, ensuring that the benefits of growth were retained

locally, notably by using local authority procurement rules to generate demand for goods and services from local suppliers. In short, working alongside local firms, councils used their political powers to open up access to new markets, from which previously, local businesses might have been excluded, because of their obligations to bid for large contracts and compete against national contractors.

Redefining Risk

The affirmations of local agency and market intervention were made possible by the reframing of risk and risk-taking by local authorities, as they drew equivalences between, on the one hand, the often conflicting institutional logics of budgetary stewardship and, on the other hand, service improvement and innovation (Ferry and Eckersley, 2020). In the first instance, municipal entrepreneurship was reframed as ‘astute’ risk-taking with ‘a clear sense of purpose’ (Statement 11), implicitly drawing boundaries with forms of allegedly ‘uncalculated’ risk-taking, while foregrounding the capacity of councils to manage risk and contingencies. In our case studies, commercial risks attached to the use of public funds were compared to the ‘horrific’ risks of inaction and the failure to defend services and local communities under austerity. In this way, the property investment strategy of Sevenoaks District Council weighed the risks of commercial investments against the generation of a revenue stream (a minimum yield of 5 per cent per annum on investments), the value of interventions in local markets to maintain employment property, and the aspiration of the authority to become financially self-sufficient within ten years (from 2013). In short, the meaning of stewardship was itself redescribed to incorporate budgetary demands, the defence of public services, and the risks of inaction.

But it is also noteworthy that in this discourse the notion of ‘risk’ is primarily constructed as political risk, and is conceptualised in terms of negative electoral outcomes for local councillors, including, for example, fears that the council would be seen to be competing with local business. In Birmingham, one officer noted, ‘commercialism has always been classified as a “dirty word”, for [it assumes] council departments competing against anybody who is local [...]’. Such political risks were negated by appeals to collaboration with local small and medium firms, and niche market provision (Statement 9), which it was claimed met specifically local needs,

while avoiding direct competition with established local businesses. The ventures thus opened up opportunities to compete against national contractors in local and external markets. For example, Oxford City Council rebranded itself as a ‘social enterprise council’, as it explored different ways to trade and charge for its services within and, crucially, beyond Oxford itself. It also recycled dividends produced for local benefit via a municipal trading company - Oxford Direct Services - which generated in 2018/19, a £1.3m dividend for the Council, while employing over 600 employees and supporting 1,251 jobs (Oxford Direct Services, 2020). In discursive terms, then, collaborative and niche provision serves as a logic that can incorporate the defence of local business into the basket of other aims and demands advocated by the appeals to municipal entrepreneurship. It thus seeks to negate political risk surrounding market interventions, while allaying the fears of elected members that competition with local businesses might undermine local political support.

Driving Forward Cultural Change

Appeals to commercialisation and entrepreneurship were frequently couched in the rhetoric of ‘behavioral change’, ‘embedding a commercial culture’ and ‘working for our citizens’ (Statement 10). In our case studies, municipal entrepreneurship was defined in opposition to standard ‘checks and balances’, which were interpreted as a barrier to exploiting new opportunities or as a competitive disadvantage. In response to such demands, authorities introduced new managerial models and practices of delegation that were deemed to fit with the different business demands and modes of intervention of municipal entrepreneurship. Councils established practices for signing off initiatives by key individuals - chief officers and portfolio holders - without recourse to cabinet, full council, or relevant committees.

Most importantly, however, practices of municipal entrepreneurship introduced new financial and budgetary logics into the running of the council, triggering new conflicts and antagonisms. In particular, these tensions concerned the reinvestment of surpluses, when only part of the council was engaged in such entrepreneurial practices. Indeed, the discourse of municipal entrepreneurship embeds a logic of needs-led funding that establishes local needs and levels of service provision and then seeks to generate funding to meet such outcomes. It redirects thinking away from

standard budget-setting processes that assume 'fixed' levels of resources and expenditure patterns, while privileging the generation of efficiencies to meet service outcomes. In so doing, it challenges protectionist practices of silo funding. As such, the City & County of Swansea inverted traditional budgetary mechanisms, adopting a method of 'co-produced' budgeting that brought senior officers, policy officers and frontline service staff into dialogue in outcome-focussed service reviews. These reviews assumed zero-based budgets and explored service delivery as part of an 'end-to-end, needs-based' process. Yet practices of income-generation also triggered conflicts between departments about the use of 'additional incomes', and the absence of incentives to generate income, if any such resources were not re-invested in the department that generated them. Across authorities, such conflicts about the 'ownership' of commercial funding triggered the construction of rival discursive projects which sought to name additional income as 'surpluses', 'savings' or 'profits' - each term legitimising different uses of additional incomes.

The Innovative Puzzler

The emergent discourse also constructed novel subject-positions and voices for officers. Practices of municipal entrepreneurship were not typically associated with innovative ruptures or breaks with established ways of working. Practitioners spoke of a 'long journey', which involved the morphing of services by building upon past activities or by bringing existing assets together in new combinations to respond to local needs. In Birmingham, such narratives resonated with appeals to 'start small and have a plan B' (interview with senior officer). In fact, such practices privileged the subject-position of the 'innovative puzzler', where the 'puzzle' to be solved was represented not as some intellectual conundrum, but the contradictions between - and the exclusions of - customary practices, organisational styles, and policy commitments (see Spinosa, Flores, Dreyfus, 1997, pp. 22-9). Across all case studies, many local officers thus criticized existing practices and organisational styles of councils, using phrases and tropes that highlighted the inconsistencies between traditional ways of working, the council stated aims, and the service-delivery outcomes within communities. New fora and dialogues emerged across councils to accommodate such 'voices'. Typically, one senior officer spoke of how it is vital that all staff are 'not afraid to come up with a duff idea'. Another referred to the value of

working in environments in which there is ‘permission to fail’ and a ‘no handcuffs policy’, which gives frontline staff the confidence to work outside risk adverse cultures which stifle innovation. To this end, Dumfries and Galloway council established its own centre of excellence, which was a two-way learning space to engage other council services, as well as to transfer ‘good practice’ lessons across the authority and facilitate culture change. Its operational values typically sought to enshrine ‘promoting a responsibility culture not a blame culture’ (DG First, undated, p.15). Importantly for our analysis, such practices are intrinsically tied to perceptions of local agency, for ‘puzzling’ opens up the perspective of making political choices, re-politicising taken-for-granted ways of working, and imagining new visions.

RE-INTERPRETING MUNICIPAL ENTREPRENEURSHIP AND LOCAL AGENCY UNDER AUSTERITY

In the light of our empirical evidence, and our mapping of the emergent discourse, we now turn back to the critical evaluation of our findings. These are developed in relation to the four rival problematisations that we identified at the start of this article.

The Dangers of Municipal Financialisation

We began by noting that pessimistic interpretations of municipal financialisation criticize the way that practices of commercialisation and entrepreneurship accelerate the neoliberalization of the local state, transforming the local state from a facilitator of private entrepreneurship into an active entrepreneur in its own right. However, our interpretation of the empirical evidence suggests an alternative possibility, in which the local state is a site and driver of progressive interventions in local markets. Indeed, this strand of the emergent discourse of municipal entrepreneurship challenges the long-held assumptions of the neoliberal model of the enabling council, which advocated councils contracting out and divesting themselves of local services (Smith, 2000). In contrast, municipal entrepreneurship – whether in the form of house building, smart procurement, promotion of active and healthy lifestyles, property investment or social enterprise - leads authorities to adopt interventionist stewardship

strategies that reconnect with the ‘big ticket’ policy issues facing local communities (Stoker, 2011).

At the same time, the discourse of municipal entrepreneurship also potentially moves beyond the confines of optimistic accounts of municipal financialisation. Such accounts argue that commercialisation generates additional funding to fill the gaps in local authority budgets due to austerity. But we argue that in advancing the progressive capabilities of the local state, municipal entrepreneurship for the public purpose goes further, articulating demands for income-generation with market intervention, stewardship, and the advancement of the public good. It thus severs the enterprise narrative from connotations of neo-liberal, market-led growth and favours thinking about commercialisation and entrepreneurship in ways in which ‘take back’ the local state from capital (Cumbers, 2015, p. 74). That is to say, the emerging discourse recognises the contingency of the institutional configurations of the local state and local economies, so that under certain conditions the state can reframe commercialisation to advance the common interest and social well-being, notably through the tackling of public problems (Sheamur and Poirier, 2017, pp. 721-4).

The Agency of the Local State

Seen in this way, the discourse of municipal entrepreneurship resonates with the demands of the new municipalism of ‘self-organising progressives’, as well as with the public value orientation of ‘social innovators.’ Indeed, in all our case studies, the rhetoric of municipal entrepreneurship often endorses appeals to practices of: community wealth building; local inclusive growth; the use of procurement policy to support local businesses and social enterprises; and the facilitation and leverage of public and private capabilities in the pursuit of public value. We argue that such demands are advanced by both self-organising progressives and social innovators (see Johnson and Fenwick, 2018; O’Neil and Howard, 2018).

Yet, in contrast to these two problematisations, our research suggests that the discourse of municipal entrepreneurship discloses an alternative reading of the agency of the local state, opening up new avenues of inquiry for the transformative role of local agency, and the formal arenas and practices of the local state. In fact, the

discourse of municipal entrepreneurship for the public purpose, which we discern in our findings, calls into question the risk of ‘state phobia’ and ‘the fear of the formal’ often associated with accounts of progressive self-organisation and social innovation (Lopdrup-Hjorth and du Gay, 2019). Indeed, although the latter two problematisations acknowledge the progressive potentials that are afforded by the control of the local state, they still ultimately ground the origins of innovation and entrepreneurship in civil society movements and the informal politics that operate *beyond* the local state, and the local state remains dominated by the hierarchy of the centre and the ‘push’ for formality.

Progressive Pragmatism

By contrast, our empirical analysis shows that the drive for innovation and entrepreneurship cannot be disentangled from the agency of local state actors *within* the formal arena of local authorities. The practices of local enterprise that characterised our case studies were driven by actors inside the formal apparatus of the local state, working in and against established practices of local policymaking. The logics of municipal entrepreneurship challenged established cultures and budgetary practices, while redefining perceived risks and subject positions for officers. Such logics went beyond the ‘tinkering’ and the ‘active politics of the present’. Instead, they privileged the subject-position of the officer as the ‘innovative puzzler’, who is generally intent on challenging the rupture between the declared strategic aims of councils and everyday practices and outcomes. Our case study participants thereby rearticulated the demands of commercialisation and income-generation, as they rhetorically redescribed such demands as entrepreneurship for the public purpose.

Our analysis thus exposes the political work of local agents and the rhetorical reframing of ‘commercialisation’ and ‘entrepreneurship’ in and through their articulation with municipalism. We foreground how local actors within the local state were able to move beyond the practices of ‘tinkering’ to generate an alternative mobilising vision for local government in response to the demands of austerity governance. Importantly, such evidence supports calls for a more actor-focussed

orientation that trawls beneath the ‘surface appearances’ of financialisation (Pike *et al.*, 2020, p. 794).

Stewards of Place

The upshot of our interpretation is that the discourse of municipal entrepreneurship resonates with and supports the problematisation of progressive interventionism. This problematisation recognises the capacity of the local state to act as a ‘counter-movement’ to the predominant logics of competitive, market-led growth, implementing entrepreneurial strategies, which disrupt local markets by investing in foundational services and infrastructures, so as to address economic inequalities across communities (Thompson *et al.*, 2020, pp. 1178-80). The interpretation of our evidence suggests that markets can operate according to different logics, so that municipal interventions in local economies can challenge logics of economic necessity or technocracy to harness markets for the delivery of the public good (Hay and Payne, 2015). Indeed, the analysis of our case studies adds weight to claims that local state actors act as ‘activist-entrepreneurs’, who are able to intervene to address market failure, sometimes through the logic of market disruption, as they seek to ‘reshape’ or redesign the operations of local markets. At the same time, they can mobilise and generate resources in the form of pragmatic public actions that challenge economic injustices, rather than extending the harmfully competitive and exclusionary logics of neoliberalism (Thompson *et al.*, 2020; Aldag *et al.*, 2019).

Having said this, the evidence generated in our study also questions the ideological grounding and temporal fixing of progressive interventionism, opening up a dialogue about why such interventions ‘grip’ local officers and politicians. It will be recalled that Thompson *et al.* characterise progressive intervention as practices of ‘entrepreneurial municipalism’, associating such practices with the project of democratic socialism (2020, p. 1180). This definition rests on their aim of integrating social justice into economic structures, identifying entrepreneurial municipalism as a more or less progressive and left-leaning set of practices, which can be aligned with the so-called ‘new municipalism’ and the fearless cities movement. However, it is clear that in the local authorities that we have studied the patterns of political leadership cannot be narrowly confined to the left of the political spectrum. The party

affiliations of council leaders included the Labour Party and Scottish Labour, as well as the Conservative Party and the Scottish National Party (not to mention their different internal party positionings).

Equally, officers within the local state also played a primary role in advancing the discourse of municipal entrepreneurship, so that the practical interventions cannot easily be defined as politically-led. We thus posit an alternative reading of entrepreneurship across local authorities, which foregrounds the potential resonance of practices of municipal entrepreneurship for the public purpose with the embedded discourse of stewardship of place. Our evidence suggests that innovative practices and visions of public entrepreneurship traverse party political allegiances, and that the 'grip' of such practices rests less on the political alignment with progressive politics, and more on the sedimented discourse of place stewardship embedded within political and administrative leaderships in the different cultures and systems of local government.

CONCLUSION: MUNICIPAL ENTREPRENEURSHIP, LOCAL DEMOCRACY AND THE PUBLIC PURPOSE

In characterising and naming an emergent discourse of municipal entrepreneurship for the public purpose, this article has critically assessed the income-generation practices of local government authorities. Adding to our knowledge of how local actors interpret their practices and roles when they engage in entrepreneurship, the analysis also challenges the continued salience of 'hollow' accounts of local agency under austerity. Although it is tempting to show a clear complicity between these new discursive practices and other tendencies, including logics of neoliberalization, the rise of the 'new municipalism' or the constraints of 'austrian realism', our analysis discloses a more nuanced and richer set of processes, which have complex lines of descent.

One upshot of our findings is to caution against a too rapid desire to overgeneralise, leading to the positing of universal forms that embody a clear essence and a fixed set

of features. Instead, we argue that the discourses and practices of commercialisation and entrepreneurship can take multiple forms. This is not to say that this discourse cannot slip into logics of financialisation or forms of social innovation, which have been identified in the problematisations we have evaluated. On the contrary, under certain conditions, commercialisation and entrepreneurship may manifest itself as a form of self-organising progression or social innovation. In equal fashion, the discourse of municipal entrepreneurship for the public purpose is not without its tensions and contradictions, as it is always open to contestation and re-articulation, as well as to economic risk and market competition. Indeed, it remains open to counter-accusations of providing ideological cover for growing inequalities and government retreat, harbouring the real risks that the narrow income-generation concerns of commercialisation come to dominate over the public purpose. Under such circumstances, municipal entrepreneurship carries the danger of being rearticulated as little more than a justificatory narrative for 'go-it-alone' competitive localism and reductionist strategies of community betterment and divestment.

Of course, the sustainability of such entrepreneurial practices has also been called into question by COVID-19 and its impacts on commercialisation revenues. At the time of writing, the Local Government Association (2020) has predicted that local authorities in England will lose £2.8 billion in falling commercial income due to the pandemic. Equally, the National Audit Office (2020) has raised concerns about the exposure of local authorities to economic and market risk, particularly where they rely on rental incomes to fund services. Yet, our study suggests that the stewardship gained by the discourse of municipal entrepreneurship for the public purpose *could* offer local government a privileged means of supporting local economies, particularly the pillars of the foundational economy, in a post-COVID recovery.

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Table 1: Case Study Councils

Birmingham City	Municipal Housing Trust, local authority housing company
Dumfries and Galloway	Enterprising DG, in-house service delivery arm
East Riding of Yorkshire	Leisure services partnership with GPs
Oxford City	Oxford Direct Services, local authority social enterprise
Sevenoaks District	Property investment strategy
Swansea City and County	House building programme

Figure 1: Statements: Commercialisation and Entrepreneurship, APSE Nominees 2015-2019

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1. 'Commercialising our services to meet the challenge of reduced Government funding.' (Nottingham City Council, *New DLO for Commercial Gas and Electrics*, 2015)
 2. 'To deliver free residential solar PV to residents in the city and deliver a community benefit fund and income to the Council whilst offering some of the City's residents an opportunity to address fuel poverty issues.' (Peterborough City Council, *Empower Peterborough*, 2015)
 3. 'Business reengineering project that has (...) already helped safeguard and enhance the lives of over 5,000 residents and has delivered cashable savings of over 70% to the public purse.' (North Hertfordshire District Council, *Hertfordshire Careline - Social Entrepreneurship in Practice*, 2016)
 4. 'Growth of 110% in external income, financial savings of £168k a year, reduction annually in 17,000 tons of emissions and an on target, projected additional income stream of over £2.9 million over the next five years.' (GS Plus Ltd – Royal Borough of Greenwich, *Creating a Prosperous Future!*, 2016)
 5. 'The company was created to nurture the growth of people, businesses and the region.' (Cheshire East Council, *The Skills and Growth Company*, 2017)
 6. 'Our USP as the only social caterer in town: 'Stakeholders NOT Shareholders' whilst maximising quality in delivery, income growth and penetration.' (Birmingham City Council, *Building on the Past - Shaping the Future*, 2017)
 7. 'The Rocky Balboa-style story that has taken KWL from being the underdog to a well-respected champion in its field.' (Kingstown Works Ltd, *Ten Years On and Trading Strong*, 2017)
 8. 'Commercialisation is a key enabler in tackling the perfect storm of austerity and rising demand on council services.' (Warrington Borough Council, *Taking Control of Our Future*, 2018)
 9. 'We were able to assist 200 new clients and deliver nearly £200K in surpluses back to our host authority in just one year.' One West, Bath and North East Somerset Council, *Delivering Good Governance Through Commercialisation*, 2019)
 10. 'To influence substantial behavioural change, positively impact upon trading imperatives and embed a commercial culture – changing the perception of every council employee from 'I work for the Council' to 'I work for our Citizens'.' (Birmingham City Council, *The Commercial Business Hub - Providing the Oxygen for Growth*, 2019)
 11. 'Astute commercial investments with a clear sense of purpose.' (Cheltenham Borough Council, *Calculated Risk Taking*, 2019)
 12. 'Being an effective commercial business managing its budget, generating income, reducing costs and expenditure, effectively commissioning and procuring and ensuring a focus on outcomes and value for money rather than 'the mentality of cuts'.' (Thurrock Council, *The Commercial Council*, 2019)
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