

making sense of localism

The Smith Institute

The Smith Institute is an independent think tank that has been set up to look at issues which flow from the changing relationship between social values and economic imperatives.

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Edited by Jo Coles, Yvette Cooper MP
and Rt Hon Nick Raynsford MP



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Preface

Wilf Stevenson, Director, Smith Institute

The Smith Institute is an independent think tank, which has been set up to undertake research and education in issues that flow from the changing relationship between social values and economic imperatives. In recent years, the Institute has centred its work on the policy implications arising from the interactions of equality, enterprise and equity.

The Smith Institute has, over the past few years, been publishing pamphlets and running seminars on an important strand of the government's policy making, which is aimed at securing full employment and rising prosperity in every region and community of the country. However, it is clear that if the government's objectives are to be achieved, policy development in this area must be driven and directed by those communities that are to benefit from the outcomes.

How do we connect the various layers together so that local, regional and national governance is informed by those groups and organisations that are closest to, are trusted by, and best understand the strengths and needs of individual communities? What are the structures that need to be in place in order not only to achieve local buy-in to regional and local strategies, but also to ensure a virtuous circle in which policies are directly informed and shaped by local knowledge, expertise and experience?

The Smith Institute is delighted to be publishing this pamphlet, which comprises a series of essays by experts on local, regional and central government who discuss this challenge from a number of different perspectives; together with a series of case studies focusing on how the structures of regional and local government interact with initiatives at the community and neighbourhood level.

Foreword

By Rt Hon John Prescott MP, Deputy Prime Minister

Localism matters. Local people care most about what happens outside their front doors; they care about whether their community is safe, attractive and one where people want to live. Not only do they care about these things, local people often know more than anyone about how their area can be improved and where the capacity lies to achieve those improvements. A central principle of this Labour government's regional and local policy is that we need to devolve power to where it is best exercised.

Our national economy is doing well and we no longer suffer from the cycle of boom and bust. We have the lowest inflation for a generation, record levels of employment and our public services are benefiting from record levels of investment. The benefits of Labour's economic record are felt across the country, but there are still significant and persistent differences in economic performance between and within the regions and subregions of the UK.

This government has taken huge strides to develop the structures of local and regional government in order to address the specific economic needs of each area of Britain. We have developed new institutions such as the regional development agencies, local strategic partnerships, the learning and skills councils and the urban regeneration companies. And we have developed structures to integrate these with local authorities, whose funding and organisation has been radically reformed. We are creating a system that allows for greater freedom and flexibility and devolves more power down to local people.

We are also promoting new and innovative public-private partnerships, investing in long-term programmes – like the 10-year New Deal for Communities programme and the Market Renewal Fund to address the low housing demand in the North and Midlands – and integrating our policies for growth with action to tackle social exclusion.

At the heart of the ODPM's work is the Sustainable Communities Plan, which we launched in February 2003. Backed with £22 billion of investment over three years, the plan marks a step change in this government's approach to the different challenges that we face across the country. Whether it be the Thames Gateway or the Northern Way, the communities plan seeks to address the requirements of individual areas in a way that capitalises upon the strengths and the capacity present in those areas. Working as

closely as possible with the communities themselves, through community action groups, community forums, housing associations and other local organisations, the aim is to build real communities and not just houses and housing estates.

For these changes to have a real and lasting impact on neighbourhoods that are suffering from decades of disinvestment and badly planned urban sprawl, they must be based on the communities for whom they are trying to deliver. That does not mean simply that the aims should be acceptable to the residents of a community, rather that the objectives of any community-building and economic regeneration must be defined by and organised around the strengths, needs and aspirations of that community. The challenge is to engage the whole system, of local, regional and central structures, with the mass of knowledge that exists on the ground; to create lasting partnerships that work towards the common economic and social goals of each community.

The essays in this pamphlet represent an important contribution to what is a constantly evolving debate. Local Government Minister Nick Raynsford's excellent discussion highlights how we must analyse and engage with the structural, managerial, democratic and financial obstacles that stand in the way of effectively involving local people in the processes of government. The essays from the perspectives of local and regional governance, alongside the case studies of up-and-running initiatives, show how much work, thought and energy is already going into developing locally driven programmes that are producing real and valuable effects for communities across the country.

Yvette Cooper's contribution outlines a bold vision of local involvement that builds partnerships, strengthens democracy, challenges inequalities and improves public services, areas she is championing as a minister at the ODPM. She argues that the core values of this Labour government – fairness, social justice and opportunity for all – must be the mainspring of the local agenda so that we can build flexible and responsive structures that promote these objectives.

It is for these reasons that I welcome this collection of essays and case studies. The experiences that are discussed in this collection show both how well local and regional structures can work in partnership with communities, and how important it is that we learn from what works in order to build the radical extension of opportunity alongside the strong and robust economic growth that this Labour government is seeking for the whole of the UK.

Introduction

"Localism" has become a 21st century buzz word. Commentators from across the political spectrum call for greater power at the local level, but have vastly different interpretations of what that means in practice. As Nick Raynsford points out in Chapter 1, "localism has been used to justify diametrically opposed points of view." Even those in political agreement often seem to be describing very different models of local decision making.

So how should we make sense of localism? Practical policy making demands greater clarity from the debate. But there are important political questions too. Those on the left and centre left need to be clear that the kind of localism we advocate truly furthers the values of fairness and inclusion. This pamphlet sets out to explain and clarify the practical opportunities and challenges for localism, and also to advocate an approach to decentralisation in public services which empowers and strengthens all local communities, not just the most fortunate.

Advocates of localism argue not simply for decentralisation of decision making, but for the active participation of local communities, not just local managers, in the decisions that are taken. Localism, as set out in this pamphlet, is clearly distinct from consumerism or isolated individualism, as Yvette Cooper explains in the concluding chapter. For whilst others have debated the appropriate role for individual choice in a range of public services, this pamphlet focuses on the question of collective choice at the local level, and how decisions about indivisible services such as street lighting, planning or community safety could be made.

The contributors set out the case for stronger local decision making and community involvement at different levels, and also some of the serious challenges that need to be overcome to get it right. Each chapter stresses the importance of ensuring that new arrangements strengthen the case for social justice and avoid the risk of greater unfairness or inequality.

Nick Raynsford argues that localism is a great opportunity to give people greater ownership and control over the policies that affect their lives, increase civic participation and improve public services. However he points out the serious practical questions that need to be addressed, and the lessons that need to be learnt from previous failed experiments in decentralised decision making, in order to make localism successful. For example he argues for clear structures and an appropriate balance between national,

regional, local and community organisation, and he rejects the idea that one size fits all in local decision making arrangements. He stresses the importance of fairness, local democracy and value for money, if new arrangements are to succeed.

John Tomaney puts localism in the context of regional devolution. He argues that a history of over-centralisation in Whitehall has contributed to poor public policy outcomes in the regions, ignoring the important strategic role for regional bodies. He identifies a great opportunity from the new regional structures – particularly to strengthen the regional economies, and argues that the move towards elected regional assemblies is the chance to ensure proper accountability to the regions rather than to Whitehall for decision making.

Under the leadership of Sir Albert Bore, Birmingham City Council has introduced big changes to local decision making, devolving £120m of budget decisions to 11 districts and local committees. In his chapter, he advocates greater flexibility for cities, and the important leadership role that local government can play, but also stresses the need to transform city governance so that it is more responsive to community needs. Rather than being a blueprint, he stresses that Birmingham is just one example of how things can be done differently but that power must be devolved in the most appropriate way for local circumstances. He calls for devolution that has at its heart the revitalisation of local communities and local democracy.

Jo Coles' case studies chapter reveals that where people feel involved in the development of local programmes and decisions, projects have been more successful and sustainable. However, the level of involvement of community activists varies enormously from place to place. Some local authorities have embraced the involvement of community groups and local activists. Others could learn more lessons from each other in order to replicate success.

Yvette Cooper's chapter argues in conclusion that making sense of localism is a political challenge. She concentrates particularly on the case for decentralisation to the neighbourhood level and the opportunities for greater community participation. She sets out the potential for greater local decision making to give a voice to the dispossessed, strengthen and empower deprived communities and improve social justice. But she cautions against the risks from badly thought through initiatives, which could simply entrench vested interests, increase inequality and exacerbate social division. She warns against a right wing communitarianism which defends vested interests and widens

inequality and calls for a Labour localism of opportunity, improved services and tackling unjust inequalities.

Making sense of localism means building the case for greater local decision making, whether it be passing power from Whitehall to the regions, from the regions to local government, from local government to the neighbourhood, or finding different informal ways to involve local communities at every level. To achieve this, serious practical challenges need to be addressed and then overcome. The pursuit of localism should be part of a strong framework of values to promote social justice, tackle unfair inequalities and build sustainable communities for all.

Section 1

Overcoming the obstacles to effective localism

By Rt Hon Nick Raynsford MP, Minister for Local and Regional Government and MP for Greenwich

Overcoming the obstacles to effective localism

Localism has become one of the buzzwords of political debate in the UK over the past year or more. People of widely differing persuasions have been falling over each other to demonstrate their impeccable localist credentials. Indeed, few thoughtful comments on the shape of democratic structures, participation and public services have avoided consideration of the issue.

Why is localism in vogue? There are some obvious explanations. At a time when the limitations of central command-and-control systems are increasingly clear in so many fields, the attractions of alternative models emphasising bottom-up rather than top-down approaches are self-evident. Furthermore, in a world increasingly subject to global influences, there is a paradoxical tendency to seek reassurance and meaning in one's own locality. It may not be possible to resolve the Middle East peace process or meet the challenge of global warming in the next few months, but it should be possible to improve the quality of the local street scene, the attractiveness and safety of the local park, or the management of the local housing estate in a relatively short time.

People feel strongly about the places where they live, work and play. There is a natural sense of pride in a well-planned, well-managed and attractive locality to which we can feel we belong.

Localism has a further advantage: it has a naturally wholesome, apple-pie image. People are reluctant to define themselves as hostile to localism. There is a large measure of agreement across traditional political dividing lines on the principle of devolving power and facilitating more locally based decision making, even if divisions reappear rapidly once the debate turns to practical suggestions as to how this is best achieved.

The scope for widely differing interpretations of what localism might entail is another reason for its popularity. It can be – and indeed has been – used to justify diametrically opposite points of view. Some advocates of localism see it as a recipe for restoring vitality to existing local government structures, while others embrace it as a way to bypass those same structures in order to reinvigorate local neighbourhoods.

We have recently been exposed to the spectacle of a political party that was ruthlessly centralist throughout its period in power, now seeking to wrap itself in localist clothing in the rash hope that this will persuade the public that leopards can change their spots.

The dangers of localism misused

It is a key challenge to bring rather more rigour to the analysis of what localism means and how it can drive a progressive political programme. This is important because there are downsides to localism. At worst, it could become simply a recipe for preserving the privileges of affluent areas at the expense of others suffering poverty and deprivation.

Allowing every local council to retain any locally raised revenue, with no national equalisation scheme, would bring huge benefits to already thriving areas, while reducing the resources available to the poorest areas. The recent proposal from the Adam Smith Institute for a local sales tax as a source of local authority revenue would have exactly this effect. We need to beware the blandishments of those who seek to use the localist banner to provide cover for profoundly regressive and inegalitarian policies.

This is not an argument for rejecting localism. It is, however, a timely warning of the importance of looking not just at the process – how we extend more decision-making powers to a local level – but also at the outcomes. Localism should not only ensure that people have more sense of control, of ownership of policies and decisions that directly affect their communities, but it should also help to shape and reinforce strong and successful communities in all parts of the country, not just the most fortunate.

Building sustainable communities is one of the key priorities for the next decade or more, and localism has a vital role to play in this context. Just as important is the need to resolve two of the thorniest challenges facing early 21st-century Britain, namely: how to ensure lasting improvements in public services; and how to re-engage an increasingly indifferent public with the political process.

Localism holds out the hugely exciting promise of a framework to deliver an integrated solution to both challenges. By engaging people locally, we can both hope to secure lasting improvements in the quality of the services they receive – for example, through Sure Start or neighbourhood renewal schemes – and at the same time encourage them to become more actively involved in the governance of their community and the operation of civil society.

Obstacles to putting localism into practice

The practical obstacles in the way of translating the theory of localism into sustainable structures on the ground are huge. Only the hopelessly naive believe it is easy to make localist models work, other than in certain generally favourable circumstances – the social

and political landscape of late 20th-century Britain was littered with the debris of localist initiatives that did not last.

Any serious attempt to pursue the localist agenda must start with a rigorous, unsentimental analysis of the problems and obstacles to be confronted, as well as the reasons why previous initiatives did not succeed.

These obstacles can best be summarised under four main headings:

- structural – the framework for devolution;
- managerial – how to make systems work;
- democratic – balancing different claims; and
- financial – ensuring successful outcomes and value for money.

Structural issues

Almost every serious analysis of effective devolution eventually focuses on the need for clarity about the powers to be devolved and the relationships between the different organisations involved in delivering services to the locality. This is not to say that there is one "best" model – on the contrary, localism inevitably requires scope for diversity. However, if people are not clear from the outset about what they can and cannot do, and how they can and should work together, then there is massive scope for confusion, anger, disillusionment and, ultimately, failure.

The extent to which powers can and should be devolved to different organisations on different levels will vary widely. Parish and town councils and local area committees already exist in a range of different forms. Some councils have devolved substantial decision-making powers and budgets to the area. Albert Bore's chapter outlines the approach that Birmingham City Council, for example, is adopting. In other cases, area committees fulfil an essentially consultative role, at their best improving communication and the quality of decision making but not taking the decisions themselves. Such an approach may well be appropriate in circumstances where people want more scope to influence decisions that affect their communities but do not want the responsibilities of devolved budgets.

It is important that the people concerned should be clear from the outset about the basis on which the area committee is being established and how they will be able to participate. Moreover, there must be a logic behind the arrangements, to avoid creating false

expectations or perverse outcomes. A neighbourhood forum that does not involve the police is unlikely to satisfy a community whose most pressing local need is effective action to tackle crime and antisocial behaviour. Equally, single-service user groups in which local communities can engage with specific service providers – for example, the local housing department or the NHS – could, if not well managed, tend to reinforce traditional silos and cut across attempts to achieve better-integrated working arrangements.

The overarching objective for establishing new local bodies must be to ensure better outcomes. In general, this will depend on the ability of the local body to attract and retain active, committed participants. There are too many examples of local bodies run by a small rump of not necessarily representative people. Sometimes this may reflect a gradual decline from a much more active past – indeed, such decline may even have been the consequence of success in tackling the problems that originally united the community.

It is a common observation that adversity tends to be a great recruiting sergeant for such groups. A neighbourhood coming together in determination to get improvements in a specific service or facility may well lose energy and participation once the objective is achieved. Some single-issue campaign groups can successfully evolve to take on a wider representative role, but others would do best to recognise that the energising cause has been achieved and that the group should wind itself up.

Effective local community representation will often depend on appropriate support networks. This is a potential minefield. Measures designed to build the confidence and skills of local community leaders are often invaluable, but well-intentioned capacity-building programmes can be resented if they appear patronising. There is the additional risk that professional advisers can all too easily try to shape the community's response to fit their – possibly justified – preconceptions of what ought to be done.

This tension is very much the product of different top-down as against bottom-up perspectives. The government has increasingly recognised the value that can be added to public service delivery by engaging citizens at neighbourhood level. The ODPM and departments around Whitehall are considering how to harness the power of neighbourhood involvement to drive up standards, tailor those services to meet local needs and give neighbourhood communities a bigger say in service provision.

However, central government must also consider issues of probity in the use of public money and efficiency. So, while keen to use neighbourhood bodies, it will want them to

meet certain criteria. This may conflict with the principle – to which I subscribe – that there is no “one size fits all”. But if we are to make the most of new localism, it needs to reach a balance in its response to demands from both the top down and the bottom up.

All these considerations point clearly to a permissive, enabling framework that welcomes diversity and does not seek to impose a single model. This implies a structure embracing the bodies, such as parish and town councils, that already exist in many areas, as well as newly created local representative bodies such as area committees and neighbourhood management boards. It also implies a relatively fluid arrangement in which representative bodies below the local-authority level are not always the same – or even always there. Some will come and go as local commitment changes.

The obvious risk is that of an incoherent and disparate range of bodies that dissipate energy by failing to work together successfully. This is not inevitable, but it needs to be kept very much in mind. That is particularly so if central government is to make the best use of neighbourhood bodies to join up services at a local level and drive up service standards, tailored to local needs.

This point reinforces the importance of clarity about the role, powers and modus operandi of the local representative body, and suggests the need for mechanisms to review the continuing effectiveness and role of the body, as well as its relationship with others.

Managerial issues

Almost all debates on the merits of devolution, particularly devolution to a local level, tend to feature differences of opinion about the relative importance of efficiency and participation. Put crudely, some managers argue that efforts to engage with and win support from sometimes fractious and hostile community representatives will at best slow down and at worst frustrate tackling that community's problems. The more farsighted may concede that securing buy-in from the community might make the outcome better and more sustainable, but they still regret the time lost in building community support for the preferred solution.

The reality, familiar to all of us who have experience of community involvement, is that the process of building consensus is often slow and painful, particularly where there has been a history of bad relations between the community and the statutory body. However, trying to short-circuit the process in the interests of a quick win carries the risk of not only undermining trust but also imposing solutions that are neither satisfactory nor lasting.

This is not an argument for protracted debate at the expense of any progress on the ground – that is equally likely to breed disillusionment. It does, however, highlight the importance of realistic timetabling, allowing sufficient time for effective participation by members of the local community.

A programme that allows for quick progress on issues where there is both agreement and recognition of urgency, as well as a longer timetable for more complex and divisive issues, may help to build confidence among people who want to see results but do not want solutions imposed on them.

Localism implies allowing more scope for local determination of issues, which poses real challenges to central government to cut red tape, reduce unnecessary and intrusive regulation, and allow greater freedom and more flexibility at local level. However, in my view, it does not mean a withdrawal by central government from any involvement in local affairs. On the contrary, constructive engagement is vital to the working of democracy and to the delivery of high-quality services.

We live in a small country with a strong commitment to fairness. The phrase "postcode lottery" is frequently used to denote the unfairness of unacceptable variations in standards of service from one area to another. If a local service fails – for example, in a highly publicised child protection case – there is an immediate call for the government to act; on the basis, in this example, that no child should be exposed to brutality or abuse, no matter where they live. While there is undoubtedly a case for giving local authorities greater flexibility to shape services to meet the needs of their communities, it is not realistic or acceptable for central government to walk away from all issues that are the responsibility of local authorities.

The comprehensive performance assessment introduced two years ago has demonstrated a wide range of performance across local government, and has also acted as a catalyst to raise standards. Targeted inspection regimes, backed up with capacity-building programmes in which central government and local authorities are working together to raise standards, represent the positive and progressive way to implement the localist agenda.

Once again, the obvious need is for clarity on expectations, the respective roles of the various parties and the specific responsibilities delegated or devolved to different levels. As we move forward with the agenda for devolution to the English regions, as outlined in

John Tomaney's chapter, the need for clarity about what should be handled at national, regional, local and neighbourhood levels is important.

The government has based its approach on two key principles. The first is that devolution should involve the transfer of power downwards to the lowest level at which it can effectively be discharged. So elected regional assemblies in the English regions will derive their powers and functions from central government and quangos or agencies. Powers are not being taken upwards from local authorities, except in the special circumstances of the fire and rescue service.

The second and associated principle is that the delivery of services is generally best discharged at a local or neighbourhood level. So service delivery should and will remain at a local authority level or be further devolved to neighbourhoods. By contrast, regional bodies should generally fulfil strategic roles – setting the framework within which local service delivery can work most effectively. A clear and logical distinction between the functions of different tiers of government is essential to avoid unnecessary conflict or confusion.

Issues of democracy

Such clarity is equally vital to ensure that people can vote for bodies that are based in neighbourhoods, localities, regions or nations with an understanding about what powers those bodies have and what people can expect of their elected representatives. No one can be comfortable with present arrangements under which many electors have only the haziest notion of the powers of subnational bodies and, equally, often have excessive expectations of what national representatives can and should do.

A clear framework for devolution is vital to overcoming the phenomenon with which all too many MPs are familiar – constituents queuing up at their surgeries with requests for them to sort out problems that are the responsibility of the local council. The phenomenon reflects both a lack of knowledge of where powers lie and a perception that central government has the power to sort out all problems. While that perception persists it will be difficult to make a success of localism, as those disappointed by the decision of a local body will inevitably tend to gravitate to what they see as a "higher power" to resolve their problems.

A clear framework for the exercise of devolved powers will work for citizens only if they feel confident in the ability of the lower tier to act fairly and effectively and to pay heed

to their particular concerns. This is all the more important in a climate of cynicism and growing disengagement from the political process. Simply providing more opportunities for people to vote for representatives will not address these problems.

Reinvigorating our democracy depends on giving people more opportunity to participate and to influence the decision making that affects their community between elections, as well as on reinforcing the message that their voting decisions do have an impact. The localist agenda is hugely important in this context, because it is at a local level that there is the best chance of effecting change that is immediately and visibly responsive to local aspirations.

Local authorities often feel threatened by active community-based bodies, which may challenge their policies or indeed their legitimacy. This nervousness about grass-roots organisations has often acted as a brake on innovative devolutionary initiatives. Yet, an active network of neighbourhood bodies can provide exactly the framework to enable the local authority itself to operate to its maximum potential. This insight has prompted Birmingham City Council's move to devolve responsibility to area committees for matters best decided locally, while retaining responsibility for matters that need to be handled across the whole authority.

In the past, devolution initiatives such as those undertaken in Tower Hamlets and Walsall failed because too much was devolved, the cost was disproportionate and the outcome chaotic. This simply reflected a failure to recognise that many local authority functions do need to be discharged centrally. Getting the balance right between those issues that require an authority-wide approach, and those that can and should be devolved, is crucial.

This balance can also help to address one of the other bugbears that have frustrated the cause of devolution in the past. This is the fear that the area committee or neighbourhood council could fall under the control of a different political party to that in control of the local authority, or that the community could be hijacked by unrepresentative groups or factions. There is, of course, some genuine cause for concern. Most local authorities cover diverse communities, with different political parties deriving their strength from specific parts of the area. Devolving power to area committees does therefore entail the likelihood that the local councillors and local representatives from some areas will want to pursue different agendas from those of the council as a whole.

This should not stand in the way of devolution, provided the ground rules are clear. The

council, which is elected to represent the whole area, still has the legitimate right to define the overarching policy framework, but should not be unduly concerned if locally devolved decisions are not the same as those it would have taken. So if an area committee has authority over spending on local parks maintenance, it should not matter if it decides to change the emphasis to floral displays rather than recreational use of the park. If, however, the area committee suggested changes to the arrangements for policing the park, which had wider implications for the area-wide policing plan, then it would be reasonable for the council to override the area committee – provided that the framework for devolution made it clear that the area-wide policing plan was reserved and not within the remit of the area committee.

In a mature framework where the council recognises that devolution does not end at the town hall, there must be scope for pluralism and for local decision making. In that respect, the model is very similar to the relations between central and local government, where recognition of the right of local authorities to take their own decisions exists within a framework that requires all local authorities to meet certain nationally set targets and priorities.

The issue of separate, parallel mandates will inevitably be raised from time to time. That is inescapable in a pluralistic and democratic society. But it is not a show-stopper, provided there is clarity about the respective roles of the different tiers of government and a recognition of the benefits of diversity. Indeed, it is much easier to accept this framework in the more consensual and inclusive atmosphere of early 21st-century politics than it would have been in the much more sharply polarised political environment of the 1970s or 1980s. With the strong emphasis on working creatively with other local interests through local strategic partnerships, local authorities are well placed to give a positive lead and to encourage others, even if they start from a different perspective, to work constructively together in the interests of the area.

Financial issues

At the heart of the localist debate is the tension between different perceptions of how finance is best raised, distributed and spent. The extreme localist would argue for total discretion for local institutions to raise and spend their own resources as they see fit, with no outside interference. But this approach has two fundamental and related problems. The first is lack of fairness: with resources spread very unequally between areas, depending solely on locally raised revenue works hugely in favour of the richest areas and against the most disadvantaged.

The second problem with extreme financial devolution relates to the definition of "local". Most local authorities contain widely varied localities. In my local borough of Greenwich, there are stark contrasts between the relative affluence of Blackheath and West Greenwich on the one side and the deprivation that is still very much in evidence in Charlton or Woolwich on the other. How you define "local" has a huge influence on the ability to allocate resources to offset these variations of advantage and disadvantage. The wider the canvas, the greater the scope, but at the expense of a sense of local ownership of decisions.

Of course, this same issue plays strongly at the national level and lies at the heart of the debate between central and local government over resource allocation. It has probably been thrown into sharpest relief in recent years on the subject of education funding.

On the one side, a government elected on a mandate to raise educational attainment has sought to deliver the improved performance at local level to which it is committed. This has led to a number of arrangements that have had the effect of prescriptively directing central funding to specific programmes and directly into schools' budgets.

Against this, local authorities have highlighted the extent to which the ringfencing of financial allocations for specific purposes restricts their ability to organise their affairs in response to local priorities and pressures. If their role is limited to acting as agents that pass on predetermined central allocations to the network of local spenders, this calls into question the very purpose of democratically elected local authorities. If the local council has no scope to act on its perception of local needs, what is the purpose of local democracy? These are important and challenging issues.

This debate about devolving finance becomes even more interesting when the key localist issues are raised. Some argue that schools represent the truly local delivery agent, so a localist solution would give the resources and discretion to them rather than to the local education authority, which has to consider a much broader canvas. The counter argument is that individual schools cannot deliver all the components essential for a healthy local education policy. Some services, such as school transport and provision for special-needs schooling, need to be discharged on a wider basis to be viable and effective. Furthermore, intervention to help turn around failing schools requires a body with a wider remit and an understanding of educational needs across the area.

Conclusion

These issues help to point to the appropriate balance between the competing pressures. The principles advocated in this chapter about devolution and localism support the need for individual schools to enjoy a good measure of autonomy and discretion. We know that excellent delivery of services at a local level depends to a significant degree on those at the coal (or chalk) face having scope to respond imaginatively to the challenges they face. They also depend on a good measure of assurance about the resources likely to be available on a year-to-year basis.

The same principles also point to the need for the existence of a body such as a local education authority, pursuing wider objectives in the interests of the community at large and joining things up in a way that is impossible for separate, small, locally based units.

Action to tackle truancy and antisocial behaviour by school-age children, for example, goes far wider than the school itself. Effective support for those from disadvantaged backgrounds also calls on resources beyond those that any individual school can provide. There is a clear role here for a local body (such as a local education authority) beyond the school – but it must deliver added value. Its justification essentially lies in its effectiveness. If it is seen as simply an additional layer of bureaucracy, it will have no future.

All this points to the need both for devolution to the front line and for joining up with other local services.

That is, in microcosm, the real challenge for the localism agenda. We need to devolve more but we also need to avoid the potential inefficiencies that would flow from a chaotic, unstructured process of devolution. The lessons from the failures of past initiatives provide, again, some useful guidelines. The devolution schemes in Tower Hamlets, Walsall and Islington in the early 1990s paid insufficient attention to the need to deliver value for money. Expensive structures were put in place because they were felt to be desirable, without proper assessment of the long-term costs and benefits. All were subsequently abandoned because they were not cost-effective.

The public are rightly concerned about upward pressures on council tax and value for money from local services. At such a time, it is essential that the debate on localism focuses relentlessly on how to provide better, more responsive and more locally accountable models of governance and service delivery in a truly cost-effective way.

Localism will prevail only if it is seen to enhance and extend local opportunities to participate in and guide the process of local service delivery, and to do so without imposing additional financial burdens. On the contrary, the real attraction for a localist approach is the promise that it will help to cut out unnecessary bureaucracy and ensure that local services really are designed to give value for money.

Section 2

The regional perspective

By John Tomaney, Professor of Regional Governance,
Newcastle University

The regional perspective

The regional agenda in England has grown apace since 1997. The strengthening of regional institutions and the prospect of regional assemblies in at least some parts of England raises the prospect of new approaches to the promotion of economic development, the war on inequality and the extension of democratic accountability. In part, the strengthening of regional institutions in England should be seen in the context of the general policy of devolving power in the UK, which resulted in the creation of the Scottish parliament, the national assembly for Wales, the mayor and assembly for London and the Northern Ireland assembly.

But the regional agenda in England is not merely an afterthought. On the contrary, throughout the 20th century both Conservative and Labour governments have supported the existence of regional institutions and there is compelling evidence that England would benefit from strengthened regional governance. England is characterised by long-standing regional inequalities, but also by substantial opportunities for addressing these. A sustained assault on these inequalities would benefit the UK as a whole and should be a priority for a government committed to social justice.

The regional question in the 20th century

Periodically, throughout the 20th century, there have been proposals to modernise the structure of government in England. In a Fabian pamphlet in 1905, WS Sanders made the case for "municipal provinces" in England. In 1919, CB Fawcett produced a detailed scheme for regional government in his *Provinces of England*.

Such contributions had common themes. While recognising the important role of local government, they argued that some tasks in an increasingly mobile and highly urbanised and industrialised society were beyond the ability of both central and local government. Fawcett, for instance, saw parliament as "overburdened by its manifest duties", while at the local level many issues, notably planning, involved areas beyond the boundaries of single local authorities.

The "regional problem" in the interwar period prompted a more practical engagement with questions of governance. A Royal Commission in 1937 proposed the creation of a "regional council" in the North East of England, which would take over tasks exercised by central government. As the region faced a deep economic crisis, the commission concluded that existing local authorities were too small to respond to the restructuring

of industry, while central government was too remote to gain a detailed understanding of what type of public interventions should be attempted to promote new industries.

Ironically, the commission's proposals were endorsed by leading Conservatives, notably the former minister Lord Eustace Percy, who suggested that a regional council might provide "the solution to some of the problems that have baffled our statesmanship in recent times". Percy was among the first to raise the idea that the inappropriate governance structures were hampering economic regeneration.

Such insights were not acted upon. The creation of Special Areas in 1930s was a very modest attempt to provide incentives for new firms to relocate to "distressed areas". Although the Attlee government created an apparatus of regional policy in 1945, it was little used during the 1940s and 1950s. Its broad approach of providing factory space and financial incentives to attract mobile firms to the regions, however, set a framework that lasted until the 1990s.

The practical requirements of the growth of the welfare state after 1945 meant that many government departments and organisations, including the NHS, set up regional administrative structures, albeit frequently using different boundaries and planning regimes. During the 1960s, the Wilson government expanded regional policy substantially, to attract new industries to the regions, including creating "regional economic planning councils". But the chief feature of all these efforts to manage the regions in the period after 1945 was their top-down character, with government organised on functional – health, education, transport – rather than territorial – regional – lines.

The nature of the problem

The Treasury report *Productivity in the UK: the Regional Dimension*, published in 2001, noted that the pattern of regional inequalities established in the interwar period has proved remarkably durable. Major efforts to revitalise the regions have had a visible impact, most notably in the regeneration of urban centres. There is also tentative evidence that some economic indicators of regional inequality may be improving slightly.

Nevertheless, the UK remains characterised by substantial regional economic disparities. Employment growth since the mid-1990s has benefited some UK regions more than others. Several regions have experienced population decline in recent decades. There is also evidence that the economic structure of some lagging regions, which is still relatively dependent on externally controlled manufacturing operations, makes them especially

vulnerable to international pressures. Underpinning this uneven performance are structural factors, including regional variations in productivity per head and micro-economic factors such as relatively low levels of investment, innovation and skills.

Regional inequalities are not simply a problem for the regions themselves but are also a drag on the performance of the national economy. If an important aim of national policy is to close the productivity gap between the UK and its competitors, then it makes sense to look at what gains might be made in the lagging regions. A geographically balanced economy, in which growth occurs faster in historically underperforming regions, could ease pressures in heavily developed regions and draw substantial numbers into productive work.

This is not simply a question of economics narrowly defined. Regional inequalities are formed by and contribute to low educational attainment, poor health conditions and poverty. Economic underperformance and social inequality go hand in hand. Tackling regional problems should be seen as part of the wider assault on inequality, which involves improving both the quantity and quality of jobs and access to them.

Employment growth has helped, but in some regions, despite the increased job availability, many individuals are denied opportunities to attain good qualifications, higher status and better-paid jobs or better housing and health. Tackling these issues requires a range of interventions. The key to solving health problems may involve better housing. The key to extending job opportunities may involve improvements in public transport to link areas of unemployment with areas of employment growth. The challenge is to find integrated solutions to multifaceted problems.

National government will retain an important role in promoting sustainable regional development, not least through its redistributive policies. At the same time, macro-economic stability provides a strong basis for a systematic effort to address regional problems. But many of the microeconomic interventions that can address productivity and employment issues in the regions are best made in the regions themselves by bodies with local knowledge.

While local authorities will continue to have an important role in providing local services and community leadership, there is another role for regional actors. Labour, retail and leisure markets do not stop at local authority boundaries. Tasks such as planning the linkage between new industrial sites and transport systems, promoting an area for

tourism or encouraging links between business and universities require intervention beyond the local level.

This lesson has been largely learned in some European countries. Several countries – such as Germany, Austria and Belgium – have strongly entrenched federal systems and the transition to democracy in Spain has been accompanied by radical decentralisation. However, countries such as Sweden and France that were previously highly centralised have also recently created regional structures. Such countries have created regional governments with core responsibilities in areas such as economic development, training, transport and environmental protection. Regional governments are seen as having an especially telling contribution to make in integrating activities in these fields, ensuring action in one field complements action in another – to use the jargon, in “joining up” government action.

In such cases, regional governments have no direct role in regulating local authorities or providing local services. Instead, they play a more co-ordinating, strategic role. In Sweden regional structures have been introduced in places badly affected by economic restructuring, where there is a need for co-ordinated measures to develop new industries, and – as elsewhere – regional governments have a good record of developing innovative solutions to the challenges that face them.

In short, this represents a move away from government along functional lines to government organised on territorial lines, although more surprising because it is occurring in a country with strong social democratic traditions and a firm commitment to redistribution.

Recent developments

The development of the regional agenda since 1997, then, both draws on a long-standing debate within England and reflects a recurring requirement on the part of central government for regional structures. Although the Thatcher government abolished regional economic planning councils, the Major government was forced to create government offices for the regions in 1994 to address the fragmented nature of government in the English regions. The creation of regional development agencies, in part, was a further effort to overcome the fragmentation of effort in economic regeneration. The autonomy and resources of regional development agencies have gradually increased since their creation. They have become important delivery mechanisms for microeconomic policy aimed at raising productivity.

One important effect of the growth in importance of regional development agencies is that the panoply of government bodies active in the English regions have been drawn more directly into the regional development effort. One criticism levelled at the regional agenda is that it leads to more bureaucracy, but for reasons alluded to above, the English regions are each possessed of a large swathe of organisations.

The white paper *Your Region, Your Choice* showed that over 60 central government departments and quangos were present in the North East alone. Of these bodies, about 25 have an explicit regional structure and some type of "regional" mission. Excluding the NHS and JobCentrePlus, such regional quangos in the North East alone spend over £1 billion each year. In the main such expenditure, although delivered in the regions, is determined in Whitehall. In most cases, regional bodies are aiming at targets set by separate Whitehall departments. The outcome is an organisational labyrinth that even those working in it sometimes struggle to understand.

The limits of this approach are well known: policy "silos" develop in which potential conflicts between actions in one area and another are not resolved, and policies aimed at the UK as a whole miss the local specificity. In recent times, governments have responded to these problems by introducing area-based initiatives designed to co-ordinate the actions of different government bodies in relation to health or education. But the proliferation of such area-based initiatives has become a problem in itself, with many areas characterised by a patchwork of policy interventions. The recent response has to been to "mainstream" area-based initiatives, but this raises the danger that their territorial focus becomes diminished.

Finding the right balance may lie in empowering regional organisations to take more responsibility in finding integrated solutions to diverse local conditions. It is obvious that labour market conditions and the necessary policy responses are different in Surrey and Sunderland, but, despite their shared relatively high unemployment rates, the nature of the problem is quite different in Hartlepool and Hackney. The case for greater autonomy for regional bodies to respond to the diversity of conditions in London is strong.

These general problems were outlined in detail in the Performance and Innovation Unit's report *Reaching Out*, published in 2000; the Better Regulation Task Force's report *Local Delivery of Central Policy*, published in 2002; and, more recently, the Haskins report *Modernising Rural Delivery*, 2003. Each calls for greater co-ordination of public policy at the regional level and greater regional discretion in its implementation. More recently

still, while commending the work of the regional development agencies in a 2003 report entitled *Success in the Regions*, Sir John Bourn, head of the National Audit Office, called for further simplification of their target-setting and reporting procedures.

There is a wide consensus that the structures of governance in the English regions need to be sharply improved. Fragmentation, duplication and centralisation need to be overcome. The direction of travel in regional policy is fairly evident: it involves strengthening regional institutions and granting them more autonomy to act in a more regionally responsive way. That takes us well beyond the half-hearted regionalism of previous decades.

Prospects

The next stage of the regional agenda – the creation of elected regional assemblies, if they are supported in referendums – should be seen in the context of the search for solutions that has beset the governance of England in modern times. While, for some in the English regions, elected assemblies are seen as vehicles for the expression of deeply held regional identities, they will be judged on their practical contribution to improving the lives of ordinary people. In a previous Smith Institute pamphlet, Gordon Brown argued that devolution "is not just about new institutions being created, it is about how, through these centres of initiative, we change people's lives".

In those regions – Yorkshire, the North West and the North East – that will vote on elected assemblies, perhaps the key judgment will be whether they are able to share in the benefits of full employment.

The growing importance of the regional agenda led to the creation of regional development agencies in 1998, the creation of a single financial pot for their activities in 2001 and the assignment of a key role in "widening the winners' circle" beyond the South and East of England. We are now on the cusp of a potentially new phase, where regional development agencies take a leading role in narrowing the disparity in growth rates between regions. Initiatives such as the Northern Way indicate the possibilities ahead. Much will depend, though, on policies being developed as part of the 2004 spending review.

A potentially larger target is a real reduction in GDP disparities. Such a commitment would provide a very positive environment for elected assemblies to develop a consensus behind practical initiatives that could help to rectify long-standing and unjust regional imbalances. Such assemblies would have the legitimacy to act as the critical partner of

central government in the move towards more radical regional-policy solutions.

Regional assemblies, then, have the potential to become leading actors in what Gordon Brown has called "third-generation regional policies". The new regional policies abjure the provision of indiscriminate incentives to mobile investors and the simple faith in unfettered free markets. Instead, they see an important role for regional bodies in stimulating indigenous enterprise, helping firms to access the latest technology, developing links between industry and universities, providing requisite skills and, where necessary, helping firms to access investment funds.

Such an approach cannot be implemented remotely but requires institutions rooted in the regions. But while in the UK pressures to regionalise are most evident in the North, where regional identities are strongest, the advantages of integrated land use, labour market and transport would seem strong in all types of regions.

The case for elected regional assemblies as the next phase in the regional agenda rests on three powerful arguments. First, regional assemblies would strengthen the voice of the regions in their discussions with central government about the extent to which national priorities truly reflect the diversity of regional conditions and concerns. Second, they could be the forum in which truly regional priorities are determined. Properly constructed, they should allow local parochialism to be overcome and hard choices made about what is needed to develop the regions in sustainable ways.

Third, elected regional assemblies would make accountable to the people of the regions a tier of government that has existed for decades but has been driven by the needs of Whitehall rather than the needs of the regions themselves. Successful regional governments act as the strong, clear, authentic voice of the people and as strategist, manager, galvaniser, and advocate rolled into one. This role is one that is notably lacking in the English regions, despite the many positive changes that have occurred in recent years.

England already contains a powerful example of successful regional government. The creation of the London mayor and the London assembly has proved to be both effective and popular. The successful and popular introduction of congestion charging in the face of doom-laden predictions in the media about its inevitable failure is testament to the difference devolution can make. Just as important, a survey by the Improvement & Development Agency and the Audit Commission found wide agreement in the capital that

devolution had strengthened the voice of London in beneficial ways. Meanwhile, an ICM poll in February 2004 found that 72% of Londoners think the mayor has "made a difference".

Interestingly, business has emerged as one the biggest supporters of devolution. London First, the body that represents the capital's blue-chip firms, has endorsed the new governance arrangements in London and called for their further strengthening.

Democratic advance and social justice should go hand in hand. The UK – and England in particular – laboured under a highly centralised system throughout the 20th century. There is a strong case that overcentralisation and fragmentation played a part in delivering poor public-policy outcomes in the regions. They have also contributed to the notion in the English regions that the solutions to local problems involve delegations to London rather than action at home.

We are now on the cusp of a possible reversal of these trends. Much good work is being done to extend opportunity in the English regions and build sustainable economies. The referendums in autumn 2004 provide the opportunity to move to the next stage by empowering the regions to take a greater role in shaping their own destiny and making their full contribution to the life of the UK.

Section 3

The local authority perspective – city governance in Birmingham

By Councillor Sir Albert Bore, Leader of Birmingham City Council

The local authority perspective – city governance in Birmingham

On 5 April 2004, Birmingham implemented the most radical restructuring of a local council in the last 50 years, with the localisation of service management, and the devolution of political decision making to 11 districts within the city. But Birmingham's plans are about much more than devolution – they are part of a wider vision for the reinvention of city governance; a vision that shows how civil renewal and public service improvement can be linked and how national, regional and local government can work together to develop a new role for the state.

The need for local government reform

The vision developed in Birmingham starts from a clear understanding of what is wrong with traditional local government. Like the rest of the British state, local government has been moulded in the tradition of administrative centralism. The role of councils is defined in innumerable statutes that set out in great detail how services should be delivered. This was not the experience of our Victorian predecessors, who sought general powers through acts of parliament so that they could invent their own approaches to local problems.

This centralism has grown for the best of reasons, as part of the expansion of state provision following the Labour victory of 1945. But it is now time to consider whether this is an adequate approach. Does it deliver solutions to urban problems such as social exclusion, environmental degradation or crime?

Over the years, this centralist approach has become wired into the structure and culture of local authorities. The challenge is now not just to devolve more power to local councils, but to reform them further. Most councils have separate departments reflecting the key areas of statutory responsibility, each driven by its own professional culture. People working in local government have tended to look to national standards rather than to local innovations. Within such a culture, it can often seem that local democracy is merely an add-on to an administrative system rather than the process through which local communities can engage with the governance of their area. This has consequences for the local political system and the role of local parties.

There remains a considerable degree of defensiveness among local councillors, who are too often placed in the role of defending the local authority rather than acting as strong advocates for the views of their communities. This, in turn, makes it difficult for parties and politicians to engage fully with the people they represent – a vital ingredient of any representative democracy.

City governance

These shortcomings are particularly important when we look at how we govern our great cities. Cities are the backbone of the success of Europe – key nodes in the global economic system and places where our cultural diversity and creativity are at their most intense. But they are also the places where our social and economic problems are concentrated and where the shortcomings of our public services are most exposed. They are the places most in need of diverse, but cohesive, communities with a renewed engagement with public life – what Birmingham calls “flourishing neighbourhoods”.

As an important European city, Birmingham has sought to influence wider thinking on governance, arguing strongly for a more dynamic approach beyond the rigid tiers of government where everyone is encouraged to make their contribution. Other spheres of government – regional, national and European – need to ensure they are supporting the growing self-confidence and creativity that is to be found across Europe's cities.

According to Manuel Castells, city governments need to respond to the conditions of the 21st century by fulfilling two roles simultaneously:

- building the international networks and strategic partnerships that can support the city's role in the global economy and culture; and
- supporting local communities and neighbourhoods.

To perform these roles successfully, cities need more autonomy – more freedom to innovate and to lead. But this also requires a transformation in the structure and culture of city governance itself. Traditional structures are too centralised to be responsive to community needs, and too unwieldy to provide truly strategic leadership.

The importance of civil renewal

Birmingham's approach and the activism of community organisations in the city show that dealing with the problems of urban communities requires the full engagement of local people. Solving problems such as poor local environments, crime, low educational achievement and health inequalities requires a change in behaviour as well as increased investment. This means that people need to work together to address their problems, and that services need to adapt to particular individual and local needs if they are to achieve desired outcomes.

In essence, civil renewal requires us to recognise that communities nearly always know

best when it comes to identifying their problems and the solutions they need. It requires the rebuilding of the capacity of communities not only to voice their concerns and debate ways forward through democratic dialogue, but also to act for themselves. Community engagement is a good thing in itself – it can give a voice and new confidence to those who feel powerless. But it is also the only sure route to the improvement of many of our local public services and the achievement of many of the desired outcomes of public investment.

Community and voluntary organisations are often best placed to respond to local needs if they have the support of public money. Local innovations such as advice and support services for mothers in communities with poor infant health, exercise clubs, neighbourhood planting schemes and kids clubs do not emerge from standard service provision. There is no shortage of innovative ideas among our public servants, but they are too often blocked by the structure and culture within which they operate. When they work with local communities, such creativity can be unleashed. The success of the Sure Start initiative also shows the way forward. Successful solutions to broad structural and economic issues have been found by working with individuals and local communities.

Birmingham's You Are Your City: Clean and Safe campaign targets additional resources from the police and the city council through consultation with local residents. For example, thousands of tons of fly-tipped rubbish have been shifted from the streets over the last six months. At the same time, it has been a campaign for civic pride and responsibility – working with schools, bus companies and others to promote care for the environment.

The development of Birmingham's vision

City governance therefore requires a new kind of council that can operate both strategically and locally to support the local innovation and partnerships that are the key to improved services and flourishing neighbourhoods.

Birmingham was known as "the best-governed city in the world" during the 19th century. This tradition of strong municipal governance has been an inspiration to the current generation of city leaders, both in the council and beyond. In 2001, "flourishing neighbourhoods" was established as a core objective of the next stage of the city's regeneration, building on the successful renewal of the city centre.

The city council then organised a constitutional convention to bring together community groups, political parties and public service agencies to set out a framework for the way

forward. It set a framework for devolution of political decision-making and localisation of council services. Within each area, there was to be innovation and diversity in more local arrangements. Each area then conducted its own convention, led by local councillors working with other stakeholders.

The 11 districts, approximately the size of parliamentary constituencies, each have their own committee of local councillors and their own director and are responsible for the day-to-day management of a range of important local services such as refuse collection, street cleaning, libraries, leisure centres, swimming pools, parks, community development and road maintenance. In total, over £120 million of the city council's budget has been devolved and several thousand staff have changed their roles.

In designing the management and delivery structures for these services, the council has not simply divided each into 11 separate organisations. Instead, a range of models has been developed, taking into account economies of scale and existing structures. The accountability for services now rests with each local area, and local managers and councillors are freed to respond more quickly to local needs.

The focus of staff activity has been shifted too – from individual departments to specific areas, creating integrated teams of locally based staff. The various services that deal with the local environment now work together, finding joined-up solutions to local problems. As a result, there has been a refocusing of priorities towards the needs of different parts of the city, and a new level of imagination about how services can be adapted to meet those needs.

Working in this kind of integrated team creates the potential for tremendous innovation and the design of new services and activities to address real local problems.

Local partnerships are also being developed in each district to carry this joined-up approach beyond council services to all service providers. This opens up the potential for innovative collaboration between schools, health services, police, and voluntary and community organisations. Discussions are under way to bring about the alignment of police command unit areas with districts, which will build on the decentralisation of operational control that has already taken place within the West Midlands Police Force.

In many areas of the city there are public buildings situated close to each other, but run by different agencies (and often different departments of the same agency). More must

be done to explore the potential for sharing of such facilities. The recent Institute for Public Policy Research and Local Government Association project *Designs on Democracy* showed the potential for creating new civic spaces that reflect this culture of openness and team-working.

Equally important in Birmingham has been the restructuring of the centre of the council into five streamlined strategic directorates. These directorates are expected to work closely together, using flexible project teams and partnerships with other organisations, to address the strategic issues facing the city. Many authorities have experimented with local committees and forums, but Birmingham's reforms have started with a genuine shift from the tradition of silo departments. Experience from elsewhere shows that this is necessary to provide clarity of accountability, best use of resources and the basis for a longer-term change in culture.

If councils are to support community engagement, partnership working must be extended to local communities themselves, in the neighbourhoods where people live. Over the last decade or so, a network of over 70 neighbourhood forums has sprung up in Birmingham. These have been encouraged by the council, but are very much autonomous organisations, bringing people together in their neighbourhood to express local views and address local problems. The council is now looking at how to engage communities more in the planning of local services and in the co-production of those services, building on the lessons of neighbourhood management and the success of some community organisations in promoting neighbourhood renewal.

Radical approaches must also be explored in the provision of social housing. Over the next few years, council housing management will become part of the localised teams already created. But neighbourhood approaches to housing are also being developed. Community-based housing organisations have been set up in two pilot districts, offering various models of tenant participation. As they are rolled out across the city, they should open the way to a diversity of approaches driven from the bottom up.

A range of different approaches to local decision making and community engagement are being developed across the districts. Each district is developing its own local governance framework. This has led to local councillors and community organisations engaging in a dialogue about the difficult issues of representation and participation in local governance. Each district will also produce its own plan for consultation and engagement.

Local councillors will play a vital role in all these changes. They will become more visible and accountable to their local communities, and develop the community leadership skills that can support partnership working and community empowerment.

Lessons for national policy

So, how does Birmingham's experience inform a national vision for local government? Firstly, it shows that there is the capacity for radical change within local government and the vision to provide community leadership at the local level. Where local councils have taken on the challenge to modernise and adapt to the 21st century, the government should recognise this and work in partnership to support the achievement of shared aims. That is why the Home Office is seeking local government partners such as Birmingham to further develop ideas for civil renewal. Rather than imposing a vision or new structures on local government, the government is instead seeing localities themselves as the source of policy ideas.

The aims of a rejuvenated local democracy and the renewal of our most deprived neighbourhoods cannot be achieved without change within local authorities. Any route that bypasses the role of local government will leave key aspects of local governance untouched, and may risk undermining even further our local electoral process. The way to achieve that change is to keep faith and engage with local councils and the local community over the long term and to avoid measures that may promise quicker results but that, in reality, change little on the ground. The key ingredients are partnership and the joining-up of services, combined with a diversity of genuinely local forms of democratic engagement.

Birmingham's approach is not a blueprint for other local authorities. But the common problems of governing our largest cities may require changes and experiments such as those in Birmingham, which are not necessarily appropriate to other parts of local government. Indeed, a move away from administrative centralism suggests much greater diversity in how councils operate. Cities will also be concerned to see further support for the development of city region networks, ideally across a simplified system of unitary authorities, and to ensure that these are able to flourish within the much larger regional assembly areas that may soon develop.

Much valuable work is already being done through the inspection and improvement processes. However, the need for more diversity in local government does suggest that the standardised approach to inspection and improvement will not always be appropriate.

Local authorities in large cities and city regions often face shared challenges that are very different to the challenges of other areas. There is therefore a strong case for core cities to be treated as a distinct group to ensure like-with-like comparisons. Innovation and reform will be pursued most enthusiastically when there is a sense that particular needs and problems are understood and when rankings are seen as realistic and fair.

We also need to ask whether inspections are encouraging or discouraging risk taking and reform. A potential contradiction exists between the government's commitment to reform and modernisation and inspection processes that create a sense of defensiveness among local councillors and officers. There is a need to ensure that risks are managed in a way that does not reinforce traditional risk aversion and administrative centralism, which are the very things that need to change if services are to improve radically.

A vision for a "new state"

Working through local government, especially in our large cities, bringing together the aims of civil renewal, community leadership, partnership working and service improvement, offers a route to a truly radical new agenda for local government.

Local government must be central to any vision of a new role for the state – a state that operates to support and serve local communities and individuals, rather than to direct people's lives and to deliver predefined packages of services. The key to change is the relationship between local service providers and the communities and individuals they serve. A truly radical vision for the public realm will not be delivered by simply changing the providers of services and introducing market forces. Nor will it be delivered by merely reforming local government finance and giving a wider role to regional or local government.

It is evident from our great cities that civil renewal and better public services are two sides of the same coin. Public services are created in the interaction between service providers, communities and individuals. A commitment to rejuvenating the public realm springs from the knowledge that it is only through public, collective action that we create a fairer society. We now need to take that grand idea further and begin to redesign the state and public services so that they are genuinely run by people and communities, giving everyone a direct stake in two of the nation's great assets – its public services and its local democracy.

It is an agenda that is clearly distinct from approaches to localisation founded on market-based individualism, which offer choice for some but neglect the collective, community

roots of democratic engagement. However, it is also distinct from those policies that would devolve more power to local councils but that do not consider how that power can be shifted further to local communities – the true challenge for those concerned with reforming the state and reinvigorating local democracy.

Nearly a century ago, Mary Parker Follett used the term "new state" to describe a similar vision of local democracy. Unlocking the tremendous potential for reform within local government is essential to the creation of that new state.

This is a distinct and radical vision for the next stage of public service reform and one that is true to the traditional mission of the Labour Party: to take power in order to return it to the people.

Additional research by Tony Smith, Senior Policy Officer, Birmingham City Council.

Section 4

The community perspective

By Jo Coles, Editor, Smith Institute

The community perspective

Introduction

In recent years, falling turnout in elections has become the subject of great debate and political comment. So it is perhaps surprising that on the ground, activists have never been so involved in transforming their communities. Neighbourhood renewal funding, lottery-funded projects, the New Deal for Communities and Sure Start, among other initiatives, have led to an explosion of activity as people come together to influence and lead change in their local areas. This activity is taking many different forms and has had varying levels of success. There are groups involved in running local services, others provide training and support for local residents where none might otherwise be provided locally, and some undertake specific projects to regenerate their communities.

Coin Street Community Builders, based on the South Bank in London, is one such example. Set up as a development trust and social enterprise, it has transformed a long-derelict part of London's South Bank into a thriving, mixed-use neighbourhood. As well as providing co-operative housing, restaurants, galleries and shops, it has made improvements to the riverside environment and built a range of other community facilities. Four primary co-operatives were established to manage the homes built to date. These are run by tenant members and have responsibility for day-to-day maintenance and management, including the allocation of any vacancies to people in need of housing.

How are all these different groups organised? What have they achieved? To whom are they accountable? A huge range of different organisational models are being used by groups and organisations. Given the wide range of models operating within our communities, it can be hard to get a sense of what is really happening. What works best? Are there common problems that could easily be resolved?

This chapter looks at the experiences of local groups and activists on the ground, their successes and frustrations. After all, if future programmes are to develop within a localist agenda, it is important to get it right and to learn from the experiences of those who are already active in their communities.

Many activists chose to get involved in their communities because of their frustration at past failures. They wanted to ensure that future investment and improvements in their areas were what local people wanted.

This area has got a long history of having things done to it. With previous support, there was no community involvement at all. There was no accountability or any mechanisms for that.

Interviewee

I have lived in this area for a long time and had seen the community go down the drain because of unemployment, when local industries closed. The only support we got was when people came into the area and did things to us. They would come in, do a nice bit of work and then leave us. That often made things worse. I got involved at a local level because I thought we needed local solutions.

Interviewee

The areas were chosen to try to represent different types of community. All but Bolsover are urban areas; Sheffield has Objective One funding status; and Newham has a directly elected mayor.

Many of those interviewed have other roles within their local communities, in addition to those listed.

Case study: Netherthorpe & Upperthorpe Community Alliance, Sheffield

Laura Moynahan, Chief Executive
(www.nuca.com)

Netherthorpe & Upperthorpe Community Alliance was set up in 1997 to give local people a greater say in how their local area should be improved, and how money for regeneration projects should be spent. It is now a company limited by guarantee and a registered charity. The alliance manages £1.78 million of European Objective One money and £5 million of Single Regeneration Budget funding. NUCA's executive committee is made up of a representative cross-section of the local community, elected by local people. It holds public meetings four times a year, which are open to everyone and discuss topical and relevant local issues. There is also a website for local people to keep in touch with activities and events.

There are around 40 to 50 member organisations in this area, each representing different sections of the community. We want to be as representative as possible, so each community group elects representatives to our management committee. We also save a few places to ensure we have a geographic spread across local neighbourhoods, and a proper ethnic spread.

Some local politicians are wary because they think they have been elected and we have not, but I do not think that should be the case. Local authorities have to concentrate on the big picture. I think we help councillors to have a stronger voice because we can support them and give them the information and the links to communities that they need. For example, we co-ordinate public meetings, which can provide councillors with a link to the community. We can also act as a channel for views from the community to the local authority, but mindsets and cultures can be hard to change.

In the end, we are about addressing inequalities too: health inequalities, educational inequalities or inequalities in access to information or services. We can ensure everyone is represented, and that no groups are over-represented or left behind. If we had to be more democratically accountable, my worry is you might get the same old faces, and some sections of the community might end up not being represented at all. There has to be some kind of community infrastructure that ensures the loudest voices do not always win.

I think getting people actively involved in their communities has been a real success. All our trustees are local people. We have got people on board because they can see that the issues that concern them are being addressed and that they can influence them. Having people turn up is an important benchmark of success – when it does not work, people do not come. The other success has been through shifting services. There is now a Healthy Living Centre, with a healthy eating café, and the most comprehensive out-of-school childcare in the city. We have changed the way the library and the primary care trust provide services.

I am worried about sustainability. If we did not exist we would not have got the police, the health service or the local authority to work in a different way with us. How can the local community put forward how it wants services delivered differently in the locality without some sort of brokerage? You may get that in middle-class areas. Where you will not get it is in more disadvantaged, inner-city areas like ours. It would be easier if there were a statutory role for organisations like ours, because it would give us more formal recognition.

Case study: Black & Ethnic Community Care Forum, Newham, London

Sahdia Warraich, Director
(www.bemccf.org.uk)

The Black & Ethnic Community Care Forum focuses on health and social care issues. It has been going since 1991, when 40 local groups came together to have a louder voice in their campaign for better services in their communities. It was originally set up as a co-operative but, as a result of its success, has since introduced a more formal managerial structure. There is a web site to keep the community in touch as well as public meetings and a newsletter. The forum also co-ordinates other forums, where representatives from different local communities can come together and share experiences.

When we first started the community care forum we had to be very outspoken to get anywhere, even though there is a majority of black and ethnic communities in the borough. In 1991, there was an audit of the voluntary sector in this area but it completely sidelined the black and ethnic side of the voluntary sector. People were really angered by it. In the past, services were geared up for white communities, which was frustrating. For example, if you were in an old people's home, all the old ladies would be having their perms and blue rinses, but if you had Afro-Caribbean hair nobody dealt with your hair. Everybody has the same needs but it is the way you service those needs that is the difference.

Now people do clearly want to engage with the community and we are sitting round the table and working in partnership. Some councillors and council officers do not think we can be representative, but that is what we aim to be. There are mechanisms that can make you more representative. Our work is about engaging communities, consulting with them and giving them support. We talk to the people we support in much the same way as a councillor could. We also encourage groups and individuals to influence policy makers themselves. By coming regularly to community forums, councillors can have a real link with both local residents and the voluntary sector. Some local community groups have really positive relationships with their local councillors, and many see them as being part of the community.

There is an amazing woman on our diabetic working group. She has a chronic illness and gives her time for free; giving advice, sitting on groups and boards where everyone else round the table might be very highly paid. She wants to ensure the interests of diabetics are represented. She might get expenses, but that is it. She does it because of her

commitment and her experience of being a diabetic – when she was diagnosed, she did not get any support. But people need motivation, and if someone comes to us with commitment we encourage them from the start. Although I think that if you want people to do a job well, they should get paid for doing it. We should value people's expertise and properly acknowledge their contribution. They should have a job description. People would then take it more seriously.

Engaging with the community is now seen as important and we are sitting round the table and working in partnership. Before, we used to get involved when proposals were already well under way, but to really make a difference it is important we are involved from the very start.

Case study: Healthy Cross, Sheffield

Cheryl Heeley, Training and Information Worker

Yvonne Hayes, Project Development Worker

(www.healthycross.org.uk)

Healthy Cross provides health advice, training and support for local people and other smaller local community groups. It also acts as a link between other local groups and organisations involved in health-related activities and services.

Healthy Cross is a small community development and health organisation based on the Southey/Owlerton estate in Sheffield. Representatives from a local church initiated the project in the early 1990s, and it is now run by a volunteer management committee made up of local residents and local workers. Healthy Cross is funded by the Single Regeneration Budget.

I started working within my community when I recognised the lack of local facilities on the estate where I was living. There was no community centre, local GPs did not want to know, schools were very divided – there was one school for the affluent kids and another one for the council kids. That was why I got involved. I joined the tenants and residents association and from there I met lots of other people doing similar work to me. Single Regeneration Budget round five funding was just coming into the area and we all wanted to have our say on how it was going to improve our lives.

I worked as a volunteer but then applied for a paid job as a trainee development worker. The training opportunities were a big lift because I had left school without any qualifications. It was like a second chance for me and I really enjoy what I am doing now. I now think of myself as a role model. I tell people I left school without any qualifications and did not do much until I went back into adult training. I want to give people the support and encouragement so they can get the training and qualifications I have benefited from.

We have worked with existing statutory services to change their thinking, and with agencies to encourage them to work with the local community rather than coming along and doing things to us. It is important that managers should feel they are serving the local community and not the other way round. At the moment there are not really any local people with the skills and confidence to take on the managerial roles, which means it is even more important that managers follow the wishes of the management committee, which is made up of local people.

Healthy Cross has been able to show people what is possible. I have seen people who start off not really interested in their local community, but through the training courses we run they grow, gaining confidence and self-esteem. At the end many of them go on to get jobs. It has happened so many times.

The main challenge for the future is to secure more funding so we can give more local people the opportunity to thrive. My main worry is that it is all going to come to an end. All the work that has been done could all get undone again. We have started something and it has got to carry on.

Case study: Enfield Community Police Consultative Group, Enfield, London

Jackie Barrett, Foston Fairclough, Richard Garland, Patrick Matthews, Sean F McCarthy, Ruth Ward, Management Committee Members
(www.enfieldcpcg.org.uk)

The Enfield Community Police Consultative Group was set up in the 1980s by the Metropolitan Police Authority to strengthen relations between the community and the Police in Enfield. The management committee represents local community groups, from youth clubs and disabled people's groups to Neighbourhood Watch and local businesses. One local councillor and a police representative also attend meetings. No one on the management committee is paid except the secretary. The Metropolitan Police Authority funds the group. The group contacts the Chief Superintendent with issues raised through the group.

There are regular meetings, including four public meetings a year, which are also attended by police representatives. Meetings are advertised as widely as possible in the local paper and via local groups, and are held at locations across the area.

We facilitate a direct communication between individual members of the public and the police Borough Commander, who attends the meetings. Meetings give residents the opportunity to raise specific issues with the Borough Commander and other senior officers. For example, in one area residents complained that their police station was no longer open 24 hours a day, but after one of our meetings the issue was taken on board by senior police officers and the police station is now open 24-hours. The Group can also help to identify crime hotspots, which can then be more intensively policed. If there are resource issues we can also contact our local MPs or the Metropolitan Police Authority directly. About 40 people attend our public meetings, on average – most of them represent other groups in the borough, so actually we reach a much wider audience.

We are a pressure group rather than a dictatorial group. We work by persuasion with the police, which means our ability to change things is limited. But as long as the Borough Commander and other police representatives attend meetings, which they have done, then we do have a very distinct voice. Due to a recent change in local police management, communication with the police hasn't been as good as in previous years. A lot does boil down to the commitment and personalities of the individuals involved.

It can also be a problem that we do not get advance notice of schemes that the police are setting up. Some things are obviously confidential, but if there are new schemes and the group does not know about them in advance, then we cannot make the public aware. It would be better if people could come to us, knowing we would know what is going on.

We are always looking for new ways to get more people involved. But if you want to really increase people's involvement, you might have to think about paying them. Lots of people will not give up their time for free, so it is only really dedicated people who get involved. We are also in the process of setting up a youth wing of our group that young people could run themselves and have a direct link to the police. It can be hard to get young people interested. The Group recently held a half-day event in partnership with local schools, which was a real success. Children were invited to give their opinions of the police and what they thought the police should be doing for them. We have sent the Borough Commander a report outlining their concerns.

Case study: STEP, Stocksbridge

Chris Prescott, Partnership Manager
(www.step-online.org.uk)

Stocksbridge is a steel town, midway between Sheffield and Barnsley. In the 1980s and early 1990s, it suffered huge job losses. STEP was set up in 1997 when a group of local people saw an opportunity to use EU Structural Funds. STEP is a development trust that promotes social and economic regeneration. The organisation is registered as a charitable company limited by a guarantee. STEP's board is made up of 10 trustees from the local community. Elections for a third of the board take place each year. There is also a wide group of supporters and local people whom STEP keeps informed about its activities. Around 400 people from the local community use the STEP resource centre each week.

I have lived in Stocksbridge for 25 years. I first got involved with STEP as a volunteer, trying to pull different projects together. It then became a paid role. STEP is now a fairly large organisation employing 50 or so people. We provide an integrated package of activities at our community resource centre. About five years ago we undertook a substantial training-needs analysis of the whole area. We talked and listened to local people to get a community audit of facilities so that we could identify where the needs were. We have two to three outreach workers who meet with local groups and individuals, and actually work with them to identify courses that would be of interest to local people. This is what we refer to as the "first hook". We have to actually get people into the building and then work with and alongside them. We tap into a lot of local groups and networks this way.

When we took over these buildings we knew some of the things we wanted to do, like set up an information technology suite, but the rest has been more of a response to other projects and initiatives. Someone told us there was a good project running in another part of Sheffield, providing careers advice and guidance for young people, but that to access it people would have had to travel into Sheffield. We set up our own project in response to that. Similarly with childcare, we set up an advice point for local parents, and realised there was a huge demand for childcare provision, as hardly anything was being provided locally.

The most serious issue for us is core funding. Most of our activities are project funded. On top of that we have management and administrative costs. The other problem is short-termism. Contracts tend to be short-term – a two-year or three-year contract is a long contract. That means that retaining staff is a problem because there are no certainties.

One of my hobby horses is that I feel there are too many intermediary organisations between government, community groups and organisations. A lot of money is actually being used for management and administration rather than for specific projects. Audit and reporting systems can also end up being pretty painful because no two organisations or funders have the same reporting mechanisms. For some projects, we can have three, four or even five sources of funding. It is terribly wasteful of resources to have to respond in different ways to each of these organisations.

There are frustrations and there are enjoyments. What I enjoy most is seeing the centre being busy. At one time, I wondered if we could actually justify spending all this public money. But when you see so many people and kids coming in and using the facilities we offer, it is clearly worthwhile. We have built up real credibility, both in the local community, and beyond that. We have a reputation for being able to deliver. One of the things people say when they come into this centre is that it is nice to see so many people using it. If we shut down tomorrow, people would think it was a shame, but the truth is they would actually be looking over their shoulders for the next thing. They would expect a successor. When projects are clearly working, it would be much better to have secure long-term funding.

Case study: Community forums and alliances in Newham and Derbyshire

John King, Hillstown Community Action Group, Bolsover

Nadia Milligan, Steering Group, West Ham Community Forum, London

Jim Neeve, Creswell Community Forum, Derbyshire

Marian Stockdale, Shirebrook Community Forum, Derbyshire (and County Councillor)

Mick Topliss, Project Co-ordinator, Involve (community empowerment network), Bolsover

Additional contributions from Ian Tuckett, Director of Coin Street Community Builders, Waterloo, London

Community forums are run by local people and provide an easy route for people to give their views about their local areas and the changes they want to see locally. They hold regular public meetings and events on policy issues, such as community safety, health or the local environment. Forums contact the public through letters to people who have attended previous meetings, and through poster advertising. Some forums advertise their meetings in the local paper and on web sites.

Community empowerment networks oversee community forums. They keep an eye on forum activities to ensure that regular public meetings are held and that the views of a small minority are not dominating the forums.

Some of the community forums in Newham have been around since 1997 – West Ham Community Forum was set up in 2001. Any resident can attend his or her local forum, and vote. A local councillor attends meetings as a representative of Newham's elected mayor. Every Newham forum is also entitled to a representative sitting on the Newham Local Strategic Partnership.

Community forums were being set up in Bolsover and north Derbyshire from 2001. Each forum started by carrying out a full consultation of the views of people in their communities. Bolsover's community empowerment network appraised the results of these consultations. All residents can attend forum meetings and there are at least three public meetings a year.

The Coin Street Community Builders facilitated the formation of the South Bank Forum and South Bank Partnership. There are now quarterly meetings hosted by the two local MPs and local councillors, and all local residents are sent an invitation.

I have lived in Newham for quite a long time. Up until a few years ago, I was not actively involved in any particular organisation. I live in a culturally diverse area, with social and private housing made up of four or five housing associations together with local authority housing and owner-occupier properties. It is a pretty strong community. I was involved with local issues – residents would come to me with problems, asking for help. I wanted to become more involved locally but did not think a tenants and residents association was the right angle for me.

Then, a few years ago, Newham started up community forums with the aim of bringing people in the community closer to the decision making. It looked like a much more strategic approach to tackling problems and I put myself forward for my local community forum steering group, and before I knew it I was the Vice-Chair.

We hold four public meetings a year, which are themed – so we may have a health-themed public meeting, with a speaker from the NHS or mental health trust to start the meeting off. But it is quite a formal structure. Until I got involved, I had never worked within a formal committee structure, so that was new for me. Lots of people have been put off by the formality of the meeting structure. If people have given up their evening, they do not want to be discussing the minutes of a previous meeting they probably did not even attend. The paperwork puts people off too and people do not necessarily want to sit round a committee table.

I think there needs to be a less formal way for people to get involved. It might be better if people could just write issues down and drop those comments into a local shop, for example, and if people raise problems we have to be able to let them know what happened. At the moment, we are discussing how we can ensure that points raised at the public meetings are properly actioned and how we can feed back to people.

Up until last year, we had a neighbourhood facilitator. Neighbourhood facilitators carried out capacity-building locally and were the link between local businesses, the local community and the council. The problem with the facilitators was that – maybe because they were employed by the council – they did not see that they had to report back to ward councillors, which created some tensions as they raised residents' issues directly with council departments.

A smaller Community Participation Unit is being set up to replace the facilitation service. But the new unit is not in place yet and the neighbourhood facilitation service has gone, so there is a gap in the chain of communication that must be closed.

It is wonderful that it has been recognised that grass roots are important. When the pits closed, the bottom dropped out of this area and the council did not have any money to invest. In the past, in areas like this, educational attainment has been low and councillors seem to have felt that they have got to take communities forward because people cannot do it themselves. Forums are a chance for communities to have their say. We have to get past the mentality that says you cannot do anything with the people in these areas.

We also need a structure that is agreeable to both sides – a well-balanced partnership. At the moment, it is very unbalanced and service providers far outweigh the community. What local government has got to understand is that this is not about implementing everything communities say they want, because that is not workable. However, they should be taking on board the views of people in communities, because they know what is actually happening.

Our forum is completely open – anyone who lives in the village can come in and speak. We were keen to get more young people involved and we tried to set up a forum for them. But young people tended to come along only when there was a problem, so it was not a great success.

Things have not moved forward as positively and as quickly as I would like it. There is still a real lack of trust. I sometimes think there is a fear that communities cannot be allowed to get too far in front. That is dinosaur politics and hard for people whom are more forward-thinking and trying to make a difference in their communities.

Conclusions

The realisation that a grass-roots philosophy has got to come back into being is extremely welcome. I think if any level of authority, including central government, stops communicating with people, that is when the problems start.

Interviewee

Community groups play a valuable role

I think in a society that has got less and less people voting, it is a way of maintaining involvement and perhaps contributing to more democracy in the future.

Interviewee

Thousands of community activists are implementing great change on the ground in communities up and down the country. What came across from all of those interviewed was their overriding sense of service. Activists want the chance to improve the areas in which they live. Some got involved because an event in their life put them in contact with services they want to improve for others. Some wanted to make a better future for their children. Some of the community activists interviewed in these case studies started as volunteers and found that a voluntary role could become a full-time career. Others remain activists, sit on committees, lead and inspire others in their communities to get involved. Some just want the chance to have their say, and to know that their voice is being heard.

Many of these groups have achieved considerable material and personal success. There are refurbished buildings (entire neighbourhoods, in the case of Coin Street, for example), new parks, sports equipment, improved street lighting and creches for local parents. Through well-marketed public meetings, some community centres have been filled for the first time in years. Groups have websites, newsletters, events and carnivals to enable local people to find out what they are doing and get involved. Thousands of people are now involved in their local communities as a result of their existence.

Relationship with council and other agencies

The pit has been closed for 11 years but it took a long time for people to realise that the hole in the ground was not going to open up again. The new structure and economic development and regeneration that have gone with it has been a saving grace. But, despite all the changes and funding coming into this area, there is reluctance in the council to let go of the reins.

Interviewee

Building up a good relationship with the local authority is key to the success of most community groups and organisations. Community groups and organisations are a way for representatives to stay in touch with the grass roots in their communities, to be aware of local problems and people's concerns. Equally, they are one of the main mechanisms by which people can influence change in their local areas.

Some representatives were clearly very receptive, and keen to support and encourage local community groups and organisations. The chapter by Albert Bore outlines the positive relationships that Birmingham City Council has tried to build. Coin Street Community Builders in London is another example of a successful relationship between a group and local representatives. But there is a long way to go in many areas. Many local authorities

and local representatives are sceptical about the role that community activists can play and fear having their toes stepped on.

In many areas there is an imbalance between the formal structures of local authorities, and groups and activists who do not operate along departmental lines and simply wish to input the views and problems of local people. Local authorities need to be more open to the views of individuals within the community. Equally, local groups also need to understand that local authorities have to deal with many different, and often contradictory, priorities simultaneously. Striking a successful balance will therefore be difficult and may take time. Maintaining that balance through political and economic change may prove harder still.

Many community groups were set up to support the work of their local strategic partnership. In some cases, there were problems because the local strategic partnership had been up and running for longer than their groups, which meant community consultation came along late in the day. Some felt that this could improve if organisations were given the time to settle in and build up relationships.

Many groups had positive relationships with their MPs and other agencies; others did not. It was felt by some that a great deal boiled down to individual personalities and that more formal consultative structures might help to ensure that their views were taken on board.

There is little indication that any of the community groups and organisations mentioned in this chapter want new and separate structures of election and accountability. Most are happy operating within existing local government electoral structures. On the whole, groups simply wanted to engage with their local representatives and to involve them more in their activities. Many groups felt that building up their own informal electoral structures, in which any resident could get involved, was the most effective way of representing their communities. Many felt activists might be put off by more formal electoral processes.

Challenges for the future

You cannot go into communities politically with all guns blazing – you would get absolutely no response. It is the way you conduct yourself that is important, and what you actually contribute that gets you the respect of your community.

Interviewee

Communication was the biggest challenge – many of those interviewed felt that there was not a strong enough structure for people to raise problems and receive feedback. They felt that this was critical to being able to engage more people in the future – if people felt that it was worthwhile voicing their concerns, they would do so more often.

Constant change in structures and funding streams created uncertainty for groups and made them worried about their long-term sustainability. Some groups were concerned about future funding. Some of those interviewed were concerned that existing structures had not been allowed to become established before they were changed or scrapped altogether. More than one interviewee mentioned the importance of not throwing the baby out with the bathwater. They were keen to be allowed to settle into their groups and structures, and to build relationships with players and agencies in their communities.

There were a number of factors that participants felt might deter others in their communities from getting involved:

- time commitment;
- the financial cost of being involved;
- concern about not having the right skills or knowledge;
- the formal structure of meetings;
- fear of having to stand in an election.

Many of those interviewed felt it was important not to expect too much from people who were giving up their time for free. Some suggested that some kind of financial reward would be one way of encouraging more people to become involved, although others thought that this might encourage people to get involved for the wrong reasons.

A number of participants mentioned the problem of getting men, especially young men, involved in projects and activities. Shift patterns and community work not being a traditional male role were given as possible explanations. It should be noted, however, that half of those interviewed for this chapter were men.

It is interesting that voluntary community activities always tend to lie at women's doors – there is this idea that the do-gooders are women. Any contributions from men tend to be from older men. There are very few young men – and not many young women, either. But in this area, it is nice to see a role reversal because politically in this area it is all male. This redresses the political imbalance.

Interviewee

If more power is to be given to people at local community level – either to be consulted, or to make decisions about local areas – it will soon be necessary to take stock of the different ways in which this is already happening up and down the country; what has worked and where the sticking-points are. The will to make a difference is well established in many areas, and has produced real results in thousands of local communities.

However, any future change means ensuring that this will continues. Existing activists and groups will continue to have a role within the decision-making process for new initiatives – but what form will their role take in the future? The answer to this will be key to ensuring future success and further improvements for local communities.

Thank you to all interviewees.

Additional research provided by Ian Tuckett, Coin Street Community Builders, Waterloo, London (www.coinstreet.org)

Section 5

The politics of localism

By Yvette Cooper MP, Minister in the Office of the
Deputy Prime Minister and MP for Pontefract and Castleford

The politics of localism

When something as loose as "localism" seems to command such wide political consensus, it is time to start asking questions. Politicians from left and right praise the value of communities and the importance of local decision making. Gone is any reverence for the omnipotent centralised state. (Did it ever really exist?) Gone too is the Thatcherite mantra, "There is no such thing as society." Indeed, we should welcome the fact that few – even on the far right – are keen to champion selfish individualism and unrestrained consumerism these days.

Nevertheless, we should not let this apparent consensus blind us to the strong political differences in the localist perspectives on offer. The idea of strengthening the power of local communities has been used to deliver much-needed regeneration of deprived areas, and to give the dispossessed a stronger voice. But it has also been used to justify the defence of vested interests, the worst kind of nimbyism, divisive inequalities and deep conservatism.

Making sense of localism, for those on the left and centre left, is not just a managerial process or an academic debate, it is a political challenge. Greater local decision making and local community involvement in public services offer a powerful opportunity to promote social justice as well as improving service quality, as the contributors to this pamphlet make clear.

But if greater decentralisation is not to be derailed or captured by vested interests, we need to make sure we make it work. That means setting out clearly both the benefits and the risks of different models of local and community decision making. It means avoiding naive and poorly thought-through gimmicks that do not work in practice. And it means setting out clear distinctions between a Labour localism that promotes opportunity and social justice and a Conservative communitarianism that defends vested interests and promotes inequality.

The case for greater localism

Localism, as defined in the pages of this pamphlet, is about more than simply decentralising managerial decision making in our public services. It means involving the local community in those decisions, often in a myriad of different ways, whether through democratically elected representatives, through community and voluntary groups, or through varied forms of consultation and participation.

The contributors to this volume have also set out a vision of localism that is distinct from consumerism and isolated individualism. Others have debated the role of individual choice in public services. But most of the services and examples described in this pamphlet do not lend themselves easily to individual and personal decision making. Street cleaning, revitalisation of parks and public spaces, neighbourhood wardens and community policing inevitably require collective decision making. That is why the contributors to this pamphlet have concentrated on local collective choice and the way in which decisions about indivisible community services are taken.

As Nick Raynsford, John Tomaney and Albert Bore each set out, there are considerable benefits to greater decentralisation in decision making on a range of public services and greater involvement in various ways for local communities. Given appropriate flexibility and power, local decision makers can respond more swiftly and more appropriately to local problems, and be more innovative in finding solutions. Locally crafted responses are more likely to satisfy the local public. And where people feel involved in the development of local programmes and decisions, those programmes are more likely to be sustainable, and more likely to have the added benefit of building social cohesion and social capital in the area as well.

Depending on the service and the issue at stake, that might mean decentralising from Whitehall to the regions, from Whitehall to the town hall, or, as Albert Bore sets out in his description of Birmingham's reforms, from the town hall to the neighbourhood. It might mean handing decisions to new structures and boards, or it might mean involving very local groups of residents in more informal ways, as the community activists in Jo Coles' chapter explain.

This very local engagement – at street or neighbourhood level – has proved particularly valuable in regeneration programmes. In some deprived areas, the lack of a strong sense of community or a sense of commitment from residents towards the local area, the local public realm or each other can perpetuate the area's decline. Giving local residents the chance to take decisions or have a stronger voice in shaping the future of the area can be a powerful tool for regenerating the area, building social cohesion, and revitalising local democracy too.

Many of the community organisations are delivering change in ways that statutory agencies have struggled for years to do. And they are reaching parts of the community that other organisations simply cannot reach. As Laura Moynahan, Chief Executive of

Netherthorpe & Upperthorpe Community Alliance in Sheffield, argues, "Local authorities have to concentrate on the big picture. I think we help local councillors to have a stronger voice because we can support them and give them the information and the links to communities they need ... We can also act as a channel for views from the community to the local authority."

The impact of local community led regeneration programmes has been recognised by independent analysis too. The recent National Audit Office report on the first years of the New Deal for Communities pointed to the significantly higher level of direct community involvement and decision making compared with both previous regeneration programmes and international comparisons. This, it concluded, has "brought with it the significant benefit of ensuring that responses are grounded in the needs of the community and as a result are more sustainable in the long term".

There is considerable potential to go further in local decision making and new models of local public engagement. Already, public services such as the NHS and the police are exploring different models of consultation or governance. John Tomaney has set out the case for greater devolution to the regions. And Nick Raynsford and Albert Bore demonstrate the potential for decentralisation both to local government and beyond local authorities to the neighbourhood.

There are plenty of models to draw on, as Jo Coles' chapter makes clear. Some local authorities are exploring similar approaches in Birmingham, with budgets and decision making over particular services devolved to area committees led by local councillors. In the New Deal for Communities, local elected boards take decisions about how to spend their budgets. Parish councils have directly elected members and specific powers. Neighbourhood management boards draw unelected community members from different local community groups, steering the priorities for local services rather than making final financial decisions. Other models involve public forums, town teams of self-selected volunteers, or panels of community and voluntary groups to act as high-profile consultation bodies and sounding-boards for local decision makers. In some areas, community groups lead and run particular programmes – such as the refurbishment of a local park or community centre for everyone to use.

Services around the local environment – cleaning the streets, redesigning public spaces, improving local leisure facilities and parks, community safety projects and locally focused regeneration programmes – lend themselves well to greater community involvement and

decision making at the neighbourhood level. After all, these can be the very immediate and local issues that make the difference as people step out of their front doors into their street and their local community. Nor are these simply the concerns of deprived communities or regeneration projects. Involving local people in decisions about their immediate area and facilities has considerable potential in a wide range of different communities.

But to make localism succeed as a route to greater social justice, we need to be clear about the challenges and the risks of a poorly thought-out localist agenda. Municipal history is full of well-intentioned but failed initiatives that did not address obvious practical problems. And there are political risks too – particularly for those who care about inequality and injustice. Badly designed local initiatives can end up increasing inequalities and social division. A successful Labour localism needs to address these challenges, both practical and political.

The practical challenges and the dangers of naive romanticism

Nick Raynsford's chapter sets out many of the practical questions that need to be addressed to improve public services and reinvigorate local democracy. He points to the need for clarity of structure and expectations, and sets out the principles that should guide an appropriate balance between the different roles of national, regional, local and neighbourhood organisations if they are truly to support improved public services and meet public expectations.

We need to be practical, not naive, about the limits of localism within individual services, the role of national standards and inspection regimes, the legitimate expectations on central government to guarantee provision, and the value of economies of scale in many areas that can bring benefits for all. Clarity in accountability is critical too, as Nick Raynsford explains, with clear ground rules needed to avoid overlapping mandates and ensure that the public know who to hold to account.

We should also beware of creating a plethora of competing community consultation and governance arrangements for different agencies and statutory bodies, each focused on a separate issue with its own mandate, each pulling in a different direction. One of the greatest strengths of the reforms of recent years has been the development of local strategic partnerships. While varied in their quality across the country, these are important mechanisms for improving critical partnerships between the local authority, the police, the NHS and other local organisations.

Parallel elections at the local authority level to separate bodies from the same electorate could lead to confusion and tension between competing mandates around single issues. We need to ensure that any changes to the accountability of individual agencies do not undermine the importance of partnership working, or the critical democratic role of local government in weighing competing pressures and priorities.

Where decision making is devolved from the local authority to the neighbourhood level, or where less formal arrangements are proposed for community participation in decisions, such practical questions become even more important. The potential gains can be considerable where arrangements work effectively, but the practical challenges are significant too.

For a start, relationships between local community members or organisations and the statutory agencies are critical. The National Audit Office has found that the most successful New Deal for Communities programmes are those where the community-led board works closely with the local council, each playing a complementary role in the interests of local people. Those New Deal programmes that have been slowest to progress have often been those where that relationship has been poor, either where the local council has tried to dominate the programme or where the board has tried to go it alone. Local councillors can play a critical role as both facilitators and leaders in making arrangements work.

Effective and responsive processes for involving local communities should not end up simply replicating the work of existing agencies or organisations. There is no point in recreating parallel bureaucracies and committees that either suffocate community enthusiasm or replicate badly what local councils and other statutory agencies are already paid to do.

We need to recognise, too, that even where the structures and responsibilities are clear, the commitment strong and the relationships with local agencies positive and transparent, community involvement and engagement can be hard work. Some of those who romanticise the role of local community groups do themselves and local communities no favours by failing to recognise the very real problems that may need to be overcome.

Local areas can face serious problems with confidence and capacity. Many Sure Start and New Deal programmes have worked long and hard to build the confidence of local

parents or local residents to take on roles that they would never have imagined themselves undertaking a few years before. Investment in community capacity-building and developing the skills of local residents is crucial. But it is not a quick process. Some of the greatest enthusiasts can also find the burden so exhausting they burn out. Those that stick with it may not necessarily represent the majority view. After all, most people do not want to go to a meeting just to be sure the bins are collected. Local factions and community tensions can erupt and, if unmanaged, can paralyse or derail a well-intentioned programme or service.

None of these problems are reasons not to strengthen the local community voice – many tensions have been long present within formal politics too. But they are reasons to be realistic in our expectations, and to make certain that there are proper safeguards in place to ensure that services are still delivered, and quality can still be improved, even where community participation and involvement becomes bogged down.

Political problems: avoiding unfair inequalities

Just as important as the practical challenges are the political considerations. As Nick Raynsford's chapter makes clear, a strong sense of fairness governs a large part of public expectations on certain key services. And there are important tensions between national standards and local discretion that we cannot and should not ignore.

For example, if people in some areas prefer to invest in park security rather than new flowerbeds, they are responding to local problems. But where everyone simply wants the highest-quality service available – in children's cancer care, for example, most parents would not accept the idea that inequalities in provision between areas could be justified by local flexibility or local community choice.

So, as Nick Raynsford sets out, decentralisation to local government and local agencies in many fields needs to be set within the context of a framework of national standards, national inspection regimes, systems for intervention if the local organisations fail, and fair funding distribution systems.

Again, similar principles apply when looking at devolution to the neighbourhood level, or at community participation and provision, as when talking about the relationship between national and local government. Decentralised decision making and community involvement have great potential to build social cohesion and to narrow unfair inequalities. But we need to ensure community decision making does not simply end up protecting

local vested interests, excluding particular groups, and widening inequalities and social division.

All democrats should recognise the need to ensure that local neighbourhood arrangements are fair and promote cohesion rather than division between communities or between groups within the community. For Labour, our historic concern to support the dispossessed and vulnerable, to promote opportunities and to narrow inequalities should make us particularly sensitive to the need to ensure that any new arrangements have the potential to support those values, and do not institutionalise division and inequality instead.

For a start, community consultation must not be an alternative to public service delivery, a sop to deprived areas that simply are not getting the quality services that other areas take for granted. As one community activist said, "Rich areas get jobs; we get consultation."

Local community involvement can be a mechanism for driving up the quality of local services, as the neighbourhood management boards that some local councils are piloting seem to demonstrate. But they cannot be an excuse to abandon other mechanisms for improving standards in deprived areas. If community activism is the primary lever for improving standards, areas with articulate, professionally skilled and well-organised local residents will get considerably better services than those where residents are struggling to get a job, manage their lives or make ends meet. Your chance of getting good services should not depend on whether or not you live in an area with good private fundraising or forthright community activists.

In particular, championing the community must not become an excuse for pulling out of taxpayer funding for important public services and leaving them to voluntary arrangements instead. For example, some on the right have argued that programmes such as Sure Start or youth services can simply be left to the voluntary sector and local community groups to fund as well as to provide. While no one would deny that networks of voluntary mother-and-toddler groups provide fantastic support for families and make a real difference to local areas, they are not an alternative to the properly funded facilities, healthcare support and childcare that Sure Start delivers.

Funding arrangements for neighbourhood-level services are particularly important to get right. Some have suggested that local neighbourhoods should have greater ability to raise levies or taxes among themselves for extra services – perhaps to improve the local

environment or local security. But promoting considerably greater localisation of the tax base is fraught with difficulties. The arguments that apply for additional business rates in Business Improvement Districts do not translate in the same way for households and local estates.

If affluent small communities can buy themselves better policing or more frequent litter collections or clean-up campaigns than poorer estates can afford, then inequalities will widen. Social cohesion within the local leafy estate may improve, but social cohesion across the district will be undermined as areas become even more polarised. We need to recognise the importance of people contributing through taxation to support the entire community rather than just their own street.

New decision-making structures or consultation arrangements need to promote inclusion and fairness. In practice, in many areas, strengthening the role for different community groups and promoting greater decision-making at the very local level has been a way to empower those previously left out or left behind when decisions were taken. Sadhia Warraich's account in Jo Coles' chapter is powerful testimony to the potential of new local arrangements to tackle discrimination and justice.

But we need to take care not to assume this will automatically be the case. After all, the fact of a strong and cohesive community is not in itself enough to guarantee social justice. Communities are not always welcoming and inclusive. Some can be oppressive, narrow-minded and hostile – perhaps to particular groups, to particular members who do not conform, or to outsiders. And even in the most supportive of community environments, those who are most vulnerable and in greatest need can have greatest difficulty in expressing their views.

For example in some communities, women can find it hard to be heard; in others, minority ethnic groups may find themselves facing prejudice or discrimination. Local community members in some areas might tell the primary care trust that they should not fund abortions or sexual health clinics. In others, BNP activists may try to use a residents' association to drive out local Asian families. Articulate local communities of homeowners may try to block proposals for new social housing on their doorstep. Community activists can end up defending local vested interests against the wider public good.

It is an important part of localism that different areas and communities should be able to voice and implement different priorities with which others will strongly disagree. But that

does not mean that we need to tolerate institutionalising unfair inequalities or prejudice. Safeguards are needed in new community structures, just as they are in local government and statutory agencies, to prevent discrimination and promote fairness and opportunity for all. Poorly designed local arrangements can be easily hijacked by particular interest groups or can end up promoting self-interest, parochialism or prejudice rather than public interest.

Nor should we underestimate the value of democratic representation for many kinds of decisions, where every community member gets just one vote, and elected representatives or councillors can be held publicly and transparently to account for the decisions they make. There needs to be proper accountability for local decisions, and they need to be taken in the interests of the whole community, not just those who were articulate enough and organised enough to come to local meetings.

Ensuring fairness for all members of local communities means striking a thoughtful balance between formal democratic arrangements and informal community mechanisms at every level, and ensuring there is an effective relationship between the two. Many areas have shown this is possible, with different models ranging from the New Deal partnerships, to neighbourhood management boards to devolved council structures, Community Forums or Parish Councils. The purpose of new forms of local decision making and community involvement should be to strengthen democracy, not to undermine it, and to strengthen inclusion and challenge unfair inequalities, not just to strengthen communities per se.

Where do we go from here?

Nick Raynsford's chapter sets out some of the opportunities to develop greater local decision making in future, both for local government and for local neighbourhoods. Councils such as Birmingham or Barnsley and regeneration programmes such as the New Deal for Communities or Neighbourhood Management Pathfinders are already developing different models for the way forward.

What is clear, as Nick Raynsford says at the beginning, is that no one size fits all. Different levels of decentralisation will be appropriate for different services. And different kinds of community participation will be appropriate in different areas and for different services, too.

Services that affect the immediate quality of life in local neighbourhoods (sometimes

described as “liveability” issues) lend themselves most easily to swift progress. After all, why should local people not get a stronger say in things like the state of local streets, parks and public spaces, the cleanliness of the local environment, community safety, and local leisure facilities? They are powerfully local in their impact, contribute very directly to local community identity and well-being, and raise fewer questions about national standards, economies of scale or wider public interest considerations than other services like child protection or specialist healthcare. Now is the time to explore further ideas such as neighbourhood councils and estate managers, among a range of other models.

We need to challenge both the inertia of existing institutions that feel threatened by the community voice, and the romantics who ignore the practical difficulties that community participation can face. National government can help – both by leading the way in decentralising services itself and by helping create the right framework and incentives to support innovative community programmes that build partnerships, strengthen democracy, challenge inequalities and improve public services.

In making sense of localism, the greatest challenge of all is to draw on and strengthen community identity and pride without getting trapped in parochialism. Civic involvement, opportunity and responsibility may start at the very local level but shouldn't end there, as they are just as important at the district, regional and national level too. And we need to ensure that the localism we promote really is a Labour localism that champions opportunity, improves services and protects the interests of the vulnerable, rather than a conservative communitarianism that defends vested interests and promotes inequalities instead.