Connected localism

A blueprint for better public services and more powerful communities, with an introduction from Jonathan Carr-West, Chief Executive of the LGiU

LGiU
the local democracy think tank

This collection of essays looks at how a localised, yet connected approach to public service innovation can help us meet complex social and political challenges. With contributions from Patrick Diamond, Anthony Zacharzewski, Sophia Parker and Richard V. Reeves.

The LGiU is an award winning think-tank and local authority membership organisation. Our mission is to strengthen local democracy to put citizens in control of their own lives, communities and local services. We work with local councils and other public services providers, along with a wider network of public, private and third sector organisations.

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"We call this connected localism: connected across services, across places and across the public realm."

Introduction: putting the local jigsaw together

Jonathan Carr-West

A critical juncture

Local government stands at a crossroads. In one direction lies the spectre of reduced influence, minimal service provision and public disengagement, in the other the promise of reinvigorated civic economies, public services genuinely built around the needs of citizens and engaged, resilient communities.

It has become a cliche of motivational speaking to observe that the Chinese word for crisis, *weiji*, is made up of two characters: one meaning "danger" and one meaning "opportunity".

Unfortunately, like many such convenient tropes, it turns out not to be entirely true. While *wei* does indeed mean "danger", *ji* does not by itself mean "opportunity" but rather something closer to, "crucial point" or, "moment at which action is required".

This, in fact, is a much more accurate description of where local government in the UK finds itself. We need radical change: if we fail to manage this change effectively we risk a profound impoverishment of the local body politic, but if we get it right we have the chance to create a vibrant new form of civic settlement appropriate for the 21st century.

This critical juncture for local government is defined by three key factors.

First, an ongoing struggle to try and balance rising demand and shrinking resources: with a tough new funding settlement expected to build upon savings that have already been delivered. The politics of this are contested of course, but whether one welcomes or bemoans it, there is a consensus that a reduction in central government funding to councils has placed, and will continue to place, severe financial pressure upon them and that this will generate a continuing emphasis on efficiency, integration, preventative spending and joint services.

Second, legislative and policy changes create a changing environment within which local government operates: whether this is the new powers introduced by the Localism Act, new public health responsibilities, changing clinical commissioning structures or elected police commissioners. In each case members and officers in councils across the country find themselves having to understand and respond to rapid structural changes in the nuts and bolts of how the public realm works. Taken as a whole these changes tend to drive an increased emphasis on the devolution of decision making and on a more preventative, early intervention approach to public services.

Finally, and most importantly, local authorities operate within a context shaped by long-term challenges such as caring for a rapidly ageing population; driving local economic renewal within a changing global economy; ensuring that young people are equipped with the social, vocational and educational skills to flourish in a fluid economy; mitigating and adapting to the impact of climate change; and responding to developments in communications and

technology. A whole industry of futureology attempts, with varying success, to predict exactly what these changes might look like. What we do know is that they will be characterised by their complexity, rate of change and unpredictability and that they make a real difference to the issues people care most about: how we will look after our elderly; whether there will be decent homes and jobs for our children; whether we will live in supportive, safe communities and so on. Left untackled these trends could create an unmanageable curve of rising demand for public services so finding effective responses to them is crucial for our future prosperity and well being.

Why local?

Tackling these long-term changes to our society and economy and the challenges they create will demand innovation and inspiration; new ways of thinking and doing; and fresh ways of thinking about what a local authority does and is.

Councils will have to think both about how they engage communities in the design and delivery of public services and about the relative role and responsibility of citizens and the (local) state. They will need to think not only about more effective commissioning of services but about how they build and sustain capacity within communities to require less services from the state while supporting the most vulnerable.

Put crudely, if the last 20 years has been about local government moving from delivering services to commissioning them, the next 20 years will be about moving from commissioning services to 'curating' places

and working with communities so that fewer services are required. There are three interrelated reasons why this must inevitably involve a relocalisation of politics.

1) Localism has a democratic premium

All things being equal we should seek to give people the most influence possible over the places they live in, the public services they use and the lives they lead in general. Eric Pickles made this argument in one of his first speeches as Secretary of State for Communities and Local Government.

> *"If you want people to feel connected to their communities. Proud of their communities. Then you give people a real say over what happens in their communities. And the power to make a difference. It's even more important that we push power downwards and outwards to the lowest possible level. Out to the folks themselves. Because if people know they can make a difference, then there's a reason to stand up and be counted."* [1]

Giving people this sort of control is both a moral good and a practical one. There's a clear political imperative to involve people in tough decisions particularly around public spending. Quite aside from the fact that these decisions are likely to be better grounded if they reflect people's actual priorities rather than politicians' interpretations of them, we

1   Eric Pickles, Address to Queen's Speech Forum, 10 June 2010 http://webarchive.nationalarchives.gov.uk/20120919132719/htt p://www.communities.gov.uk/speeches/corporate/queensspeech forum

know that a key measure of people's satisfaction is the amount of involvement they feel they have in a particular decision even when they are not pleased with the outcome. People do not like having things done to them, or feeling powerless in the face of major change. So in an era in which councils have been making difficult choices they need to make sure that people have been involved in these decisions if they are to have any chance of avoiding widespread public dissatisfaction and the attendant political consequences.

2) Complex problems are rarely solved by centralised one-size-fits-all solutions. Innovation must be local, responsive to specific contexts and drawing on the creativity and civic capacity of local people.

The nature and balances of challenges communities face are varied as are the resources they bring to bear on them. Therefore the solutions they seek to apply must also be variable. What works in Westminster or Wiltshire may not work in Humberside or Hertfordshire.

We need to find responses to public service challenges that can really engage with the granularity of specific local contexts and of the aspirations and priorities of particular communities.

This raises tough questions about universal entitlements, equality of provision and postcode lottery effects, but we know that local innovation also permits greater variety in the political system which drives competition and increases the chance of successful solutions emerging.

To be effective this requires a field of exchange in which local innovations can come into contact with each other,

learn and adapt, a process underpinning successful innovation in politics, business and science that is strikingly similar to natural selection in evolution as Tim Harford has shown in his recent book *Adapt*.[2]

3) The really difficult challenges we face cannot be solved by institutions (of state or market), or communities or by citizens working alone but require a collective, collaborative engagement of all parts of the public realm.

Three examples may serve to illustrate this.

First, climate change. Scientific consensus around the existence and potential impact of anthropogenic climate change is slowly being matched by a growing public awareness of the problem.

This involves a recognition that while government has a role to play, for example in negotiating international settlements, setting emissions standards and perhaps even using fiscal instruments to change behaviours, this is matched by personal responsibility for the way we live.

Any effective response to the problem must draw on both government action and that of individuals. Increasingly we are also seeing community energy solutions coming to the fore.

Second, education. There is strong evidence to suggest that the biggest influence on educational attainment is parental support and encouragement. Responsible parents see this as part of their role and do not think that education is something that is, can, or should be the sole responsibility of the state to provide.

2   Tim Harford, *Adapt*, London: Little Brown, 2011

Finally, our ageing population. To take just one indicative statistic, there are currently around 10,000 people in Britain over the age of a hundred. On current trends, by 2070 that figure will have risen to over one million people (and this increase is of course paralleled by increases in the numbers of people in their 70s and 80s).[3] It is impossible to imagine that our current system of adult social care, or any other state provided service can possibly expand sufficiently to cope with this increased demand. We will not be able to put 100 times more resource into our care system, nor will we be able to make it 100 times more efficient.

All of these examples presage a world in which citizens and the state need to work together to secure a good society and in which the roles and responsibilities of each are significantly renegotiated. Finding solutions to such complex dilemmas will require us to draw on the talents and insights of as many members of society as possible. As James Surowiecki puts it "in part because individual judgement is not accurate enough or consistent enough, cognitive diversity is essential to good decision making."[4]

But we may also find that in implementing these responses, citizens may have to do a lot more of the heavy lifting while the state acts more as an enabling framework than a service provider.

Putting the jigsaw together

So there are compelling arguments for localism and for the engagement of citizens in the design and delivery of public

3   Guy Brown, *The Living End*, Basingstoke: Palgrave Macmillan, 2008
4   James Surowiecki, *The Wisdom of Crowds*, London: Little, Brown, 2004

services – but against them should be set a sense that localism can seem out of kilter with a world that is increasingly globalised and connected and in which people identify with many communities beyond the local/geographic and seek to act in these communities more than in the ones they live in. There's also a risk that local approaches to public service innovation will not produce a natural selection effect, but will instead lead to insularity, fragmentation and endless reinvention of the wheel.

What we need then is a way of thinking about localism that preserves the value of the local while simultaneously tapping into broader networks. In this context local government is crucial to stimulate innovation, to scale up and connect local successes, to enable communities to share ideas, exchange resources, aggregate influence and increase their collective intelligence, to provide democratic legitimacy and to manage local decision making about how and what services are delivered.

But this involves putting together a jigsaw of bewildering complexity. One in which the pieces include different parts of the country, diverse bits of the public sector, a broad market of service providers, civil society and community sector groups, social networks, budgets deriving from different Whitehall departments and an expanding set of political geographies such as Local Enterprise Partnerships, Clinical Commissioning Groups, elected Police Commissioners, City Deals. All to be brought together in one coherent whole.[5]

We call this connected localism: connected across services, across places and across the public realm.

5   I'm indebted to the Secretary of State for Communities and Local Government, Eric Pickles, for the image of the jigsaw.

But what does this look like in reality? The essays collected here start to sketch out some answers to this question.

Patrick Diamond explores a framework of structural reform that would permanently root power in local communities. Sophia Parker gets to grips with the tough realities of getting innovation to happen and making it stick. Anthony Zacharzewski envisions how a truly participatory local politics would work, while Richard Reeves examines what really empowering communities might entail.

They come from different places politically and have different visions of the future but they all address some of the following sorts of questions:

● Why is a local approach to public services necessary?

● What would a truly local, connected approach to public services look like?

● Are there any examples that prefigure this approach?

● What sort of political, structural and budgetary reforms do we need to make this happen?

● How do we ensure that our responses to immediate financial challenges lay a foundation for long-term transformation?

● What would be the organisational form of a council that 'managed' services in this way?

● What is the politics of this within a traditionally centralised system in which successive governments have talked about, but arguably not delivered, 'localism'?

Public service transformation involves big politics and technical policy making, but it is also the stuff of everyday lives. Taken together we want these essays to stimulate fresh thinking about a far reaching and permanent shift in the way in which we organise public services and their governance, a shift that is rooted in the communities where people live and work.

"Public services will only be redesigned locally if there is greater financial devolution, with local government having additional scope to raise revenues, borrow flexibly, and decide on mainstream spending priorities."

Connecting communities: neighbourhood empowerment

Patrick Diamond

Introduction

Britain, and more particularly England, remains one of the most centralised states among the industrialised nations, with power concentrated at the centre of government. In the past, both Labour and Conservative governments have paid lip service to the need for greater localism, but have struggled to deliver in practice.

The central theme of this chapter is how to bring about what the LGiU describes as 'connected localism': greater decentralisation and devolution not just through local democratic institutions and statutory agencies, but through the dispersal of power to cities, towns, neighbourhoods, communities and places.

Many agendas have emerged to transfer power to the local level: from 'earned autonomy' for local government and elected mayors, to Regional Development Agencies (RDAs). Since 2010 initiatives such as Local Economic Partnerships (LEPs) and 'city deals' have been launched. In addition, the Conservative party's flagship reform, 'the Big Society', emphasised redistributing power back to communities.

Nonetheless, a contradiction has emerged between the impulse to reform the state and hand power back to citizens;

and the desire of ministers and Whitehall policy-makers to keep their hands firmly on the levers of power. As a result, the rhetoric on devolution in England has rarely been matched by the reality.

The argument of this chapter is that greater localism poses a major challenge to the existing constitutional and administrative settlement in British politics. Those broadly in favour of localism and devolution – including the current coalition government – have sought to tack reforms onto the existing constitutional framework.

The process of reform has attempted to reconcile limited decentralisation at the local level with the dominant institutions of Whitehall and Westminster. Any recognition of the need for greater local autonomy occurs alongside an affirmation of the centralised, 'power-hoarding' state.

In practice, central government departments and agencies – usually overseen by the Treasury – have refused to 'let go', leading to an ever-more pervasive, target-driven, and 'power-concentrating' audit culture in the British state. In the absence of major Whitehall reform, localism in the British state is likely to remain inherently limited.

At the same time, governments have been reluctant to address the arrangements for financing local provision, where 95 per cent of taxes are raised nationally and redistributed to local authorities. Any attempt at devolution has faced a second crucial barrier – without financial devolution, political devolution is unlikely to succeed.

The centre/local imbalance has weakened the impetus and momentum behind localising reforms. The democratic settlement in the United Kingdom is evolving in the context of devolution to Scotland, Wales, Northern Ireland, and the London Assembly.

However, England itself has so far been denied any major political reform, and the English state remains highly centralised. This is manifested in the crisis of democratic engagement and declining electoral participation, particularly in local government: in comparison to other industrialised nations, local autonomy and initiative are highly restricted. Moreover, there has been a historic decline in the role of local authorities as the key institution in the provision of welfare and public services.

This chapter argues that the status quo is no longer tenable. What has changed in recent years is that 'connected localism' is not a choice, but a necessity. There are certainly compelling reasons to support greater localism on the grounds of political principle: the need to strengthen the autonomy of the citizen, the right of communities to self-government, and the imperative of ending the culture of uniform mediocrity in public services. However, for practical reasons of 'good government', connected localism is an idea whose time may well have come.

This relates to more than just the fiscal crisis of the British state and the UK public finances. There are long-term trends that are fuelling an ever greater mismatch between demands and resources. The period ahead will be characterised by increasingly painful choices and trade-offs in relation to public spending, exacerbated by structural pressures from demography to the ageing society.

The contention of this chapter is that where possible, such choices and trade-offs are best addressed and resolved locally. Moreover, reconciling growing conflicts over resources means that the state and statutory agencies will have to innovate, working in partnership with a diversity of places, neighbourhoods, social networks, and families,

unlocking the 'social productivity' of communities.[1] 'Social productivity' alludes to reshaping services around the 'needs and capabilities of citizens'. This is best done at the local level, since it cannot be effectively mandated and incentivised by the central state.

The essay proceeds in the following sequence. The first section maps out the empirical argument for greater localism, anchored in a rationale provided by Amartya Sen's theory of human 'capabilities'. The second section then examines how a new political and financial settlement will help to drive transformative change in the organisation and management of public services locally.

The third section of the chapter considers what political, structural and budgetary reforms are necessary to deliver a more 'connected localism', focusing particularly on constitutional reform in England, and the case for local taxation and revenue-raising powers. Finally, the concluding section considers the implications of 'connected localism' for local government, alongside the opportunities and challenges ahead.

Connected localism: making the case

The principled case for 'connected localism' is related to Sen's account of 'capabilities'. Sen is a development economist whose ideas have been increasingly influential among policy-makers who are interested in improving the resilience, self-development, and autonomy of citizens and communities. Sen argues that at heart, public policy has to

1   http://www.thersa.org/action-research-centre/community-and-public-services/2020-public-services/business,-society-and-public-services-a-social-productivity-framework

be concerned with enhancing the 'capability functioning' of individuals. To lead lives that are as far as possible free and enabling, individuals should be equipped with the skills and resources they need through public services and the welfare state: 'Capability is thus a kind of freedom: the substantive freedom to achieve an alternative functioning combination – or less formally put the freedom to achieve various lifestyles' (Sen, 1999: 75).

However, Sen's capabilities approach does not mean treating people as if they are the same: it means treating individuals according to their circumstances. The goal is not absolute equality of outcome, but enabling people, as far as possible, to make choices about their own lives. These circumstances ought to be defined by the individual receiving support, hence the importance of 'personalised provision' within a framework of social rights and guarantees overseen by the state.

More pertinently, Sen's framework emphasises the importance of local tacit knowledge, and the imperative of decentralisation and devolution to the local level. This means giving individuals an opportunity to shape the local state, influencing the decision-making process which affects their lives: promoting self-actualisation rather than paternalism.

Sen's capabilities approach offers principled justification for connected localism, emphasising the right of citizens to be able to lead autonomous lives, the importance of self-governing communities, and the role of high-quality public services reflecting the specific needs of local neighbourhoods.

However, the argument for connected localism is empirical and pragmatic, not only political. It has become

increasingly commonplace to argue that the British state is facing growing financial and fiscal pressures. The long-term effect of structural change will supersede the post-2008 financial crisis in its impact on the state finances.

The most glaring trend is demography and the rising proportion of elderly people, implying a reduced working age population supporting growing numbers of retired citizens.

The ageing society will far outweigh the impact of the banking crisis: the European Commission estimates that the cost of pensions in the EU will increase from 10.2 per cent to 12.6 per cent of GDP by 2025; healthcare from 6.7 to 8.2 per cent; and long-term care from 1.2 to 2.4 per cent (Glennerster, 2013).

However, demographic change is not the only future trend impacting on the UK state:

● There are the growing costs associated with mitigating the effects of climate change and environmental pressures.

● Public services are increasingly expensive to deliver given higher labour costs and slower productivity gains in human capital-intensive areas such as social care (Taylor-Gooby, 2013).

● Ever more well educated 'citizen-consumers' are demanding higher quality services in core areas such as health and education.

● The impact of rising income and wealth inequalities in the UK leads to growing challenges in areas such as public health and social exclusion.

- These pressures are exacerbated because of the growing mismatch between the level of taxation that citizens are prepared to pay, and the demands on public spending.

- And the cost of servicing UK public debt is set to rise by more than 50 per cent from 2007-8 to 20014-15 (Glennerster, 2013).

The combined effect means that public spending in the UK is set to come under greater pressure, even after the primary deficit has been eliminated towards the end of the decade (Taylor-Gooby, 2013). The argument of the chapter is that *how* the British state has sought to deal with these pressures until now is unlikely to be sustainable in the future. Part of the unsustainability is *procedural*, relating to the current structure of central and local taxation (Travers, 2009).

The central state in the UK collects the overwhelming share of tax revenue, but in an effort to get more value for every pound spent, central government has imposed a raft of structural reforms on the public sector: increasing the scope of competition in public services, greater contestability between public sector providers, together with output targets, performance measures, league tables, and central audit.

The limitations of these 'one size fits all' reforms are obvious enough, however: they are imposed on local areas and may be unsuited to the highly localised context in which services are delivered. There are growing concerns about the impact of marketisation on the local state in particular. In addition, structural reforms imposed from the centre may

lack legitimacy, both among the workforce and citizens. National strategies have been developed to address complex challenges from diet, obesity and smoking, to relationship counselling and family support. The result has been a complex smattering of disparate interventions which often make little sense to citizens and professionals on the ground. The instinct of governments has been to pass a new law or to create a new institution, rather than mobilising civic action. Overall, centrally designed solutions have struggled to make much impact against major social challenges. Moreover, centrally determined services are less able to engage people and communities, mobilising non-state assets to achieve outcomes.

However, these conflicts arise not merely in relation to how services are delivered. The extent of the fiscal pressures on the UK state mean that inevitably, the public sector will have to choose what to do more of, less of, or differently. There are contested choices and trade-offs ahead that will impact on the shape of public provision for years to come. In accordance with the subsidiarity principle highlighted by Sen, it would be beneficial for such trade-offs to be resolved as close as possible to communities, with citizens able to have a real say in how decisions are taken. Until now, this has remained a distant prospect in the centralised British state.

Aside from rebalancing the structure of taxation and public spending, an issue discussed further below, the most promising response to the growing mismatch between resources and needs will be to draw more imaginatively on the capabilities, structures, networks, and capacities which exist within local neighbourhoods and communities, coupled with a climate genuinely geared towards social innovation.

This climate of experimentation and innovation cannot be incentivised through financial targets imposed by the Treasury, mandated by the central state.

Instead, the new climate requires substantive devolution of responsibilities and powers to the local level and local neighbourhoods, activating civil society, including the community and voluntary sector. Local solutions to major social challenges are more likely to prove effective, reflecting the needs of local communities, and are better able to engage citizens in taking action.

According to Mulgan (2009), international survey evidence indicates that the quality of local democracy and governance, and citizen's ability to influence the decision-making processes of the state, impacts directly on their well-being: 'Without the presence of military threats, decentralisation has become more credible as a superior way to organise public agencies, services, and governance' (Mulgan, 2009: 55).

This approach has to mean abandoning the 'deficit model' in public services which undervalues the capacities, resources and human capital that exists within disadvantaged communities and families. That is particularly important given the growing pressure on the state finances in the UK.

Redesigning local public services

Inevitably, there is a strong link between local public service delivery and local governance. This includes both the empowerment of local government at sub-regional level, particularly cities and major conurbations, together with improved local leadership to unlock devolution, re-engage

citizens, and deliver high quality services. As Corry and Stoker (2003: 2) argue:

> *"The argument, here, is not for an independent local government as a good thing in itself... rather that if the governing system of our country is going to deliver the public services and benefits we want, it needs to have a strong local dimension to its operation to match a new role for the centre."*

What local public services need, above all, is an environment based on 'disciplined pluralism' (Kay, 2004) where there is an appetite to experiment, do things differently, work imaginatively, and take risks while working in partnership with new actors and institutions. Locally elected, democratically accountable authorities need to be able to innovate and experiment freely within a flexible regulatory framework, unencumbered by constant interference from ministers and officials in Whitehall. This should include far greater tolerance of 'failed experiments' in public services: a willingness to accept proportionate risk-taking behaviours by local decision-makers and policy actors as the spur to social innovation.

On one level, voters may seek to have it both ways: they want the state to provide guarantees of security and resilience, but they also want governments to deliver 'more for less', constantly improving performance without raising taxes. However, the public may be more 'risk tolerant' than local councils have traditionally appreciated, especially given the acknowledgement than the local state will need to innovate more given the array of social challenges – from demography to climate change – and the squeeze on

resources. Historically, local government has acted as a 'laboratory' cultivating new ideas: the welfare state in Britain developed through bottom-up, locally driven programmes. More recent ideas pioneered in local councils have included integration in social and children's services, 'choice-based lettings' in housing, and new approaches to public-private partnership (Mulgan, 2009).

The necessary scale of innovation will rarely be achieved by striving to mandate change in public services from the centre. Centrally-driven transformation has proved effective at rooting out sub-standard provision in the public sector, but is unlikely to deliver dramatic breakthroughs in performance (Barber, 2008). At its core, connected localism has to be about improving outcomes, rather than merely redesigning governance structures. This extends to key public services such as health and education, alongside the importance of local economic development and social housing, where greater flexibility is needed on taxing and borrowing to make a reality of the 'place-shaping' agenda.

At the same time, more nationally managed programmes such as health prevention (as has occurred in relation to public health) and welfare-to-work should be devolved to the local level so that councils are able to rationalise delivery, bringing services together on the ground.

Local authorities should be encouraged to experiment with local neighbourhood and participatory budgeting, building on initiatives such as city deals, local growth deals, and 'whole place' community budgets, where local government has already demonstrated an appetite to radically overhaul and redesign services. This would shift responsibility for organising local services closer to people in the neighbourhoods where they live. These reforms would

enhance 'social productivity', extracting social value by encouraging citizens, public services, business and civil society to work together collaboratively.

As a recent report by the 2020 Public Services Hub (2012: 11) puts it: 'At a local service delivery level, the old dualism of public and private is being disrupted by a growing interest in public entrepreneurialism. A new generation of hybrid public/private delivery bodies is emerging, requiring a different kind of support from government'.[2]

Participatory budgeting would give people far more of a stake in setting local priorities, making tough decisions about the allocation of resources. This should help to entrench intrinsic support for public services and collective provision among citizens.

Political, structural and budgetary reform

Nonetheless, public services will only be redesigned locally if there is greater financial devolution, with local government having additional scope to raise revenues, borrow flexibly, and decide on mainstream spending priorities. Over the last decade, Britain has been subject to a major constitutional experiment, namely the devolution of power to Scotland, Wales, Northern Ireland and London. Nonetheless, the new devolution settlement has largely by-passed the largest nation within the United Kingdom: England itself.

There is speculation that the asymmetric nature of the new constitutional arrangements has led to growing resentment among the English, and a resurgence of English

2   http://www.conservatives.com/News/News_stories/2010/04/
    Conservatives_launch_election_manifesto.aspx

nationalism manifested in the growth of support for the UK Independence Party.

Most of the initiatives that have been designed to address the 'power gap' in England – Regional Development Agencies, additional powers for local authorities 'earned' through improved performance, directly elected mayors, and most recently, elected police commissioners and 'the Big Society', appear to have foundered. The 'cities agenda' has been given added impetus by the Heseltine review, but there is no overwhelming surge of political momentum behind localism.

The ambivalence about localism in England among the political parties reflects long-standing, but as yet unresolved, debates in British politics. One relates to the scale of the structural challenges confronting the UK state: the impact of demographic change, combined with the severity of the post-2008 financial crisis, appear to warrant national and global action rather than the parochial insularity of localism.

Moreover, there is the concern that local empowerment leads to greater diversity which, over time, exacerbates the 'postcode lottery' in public provision: where you live determines to what extent you can access high quality housing, education, healthcare, employment, and so on. Moreover, ministers are reluctant to 'let go' of the levers at the centre, fearing that they will inevitably be blamed when things go wrong locally. This reflects historic concerns about the administrative competence and capability of local authorities (Travers, 2009).

These historic objections to greater localism are not wholly convincing, however. For one, there is already significant inequality of outcome within centrally planned services, particularly in health and education. Indeed, the

argument for localism in England is about rebalancing, rather than abandoning, the central state altogether: the centre and the local level have to work in tandem. This is not a 'zero-sum' game where more responsibility locally means central government is denuded of the authority and legitimacy necessary to create a fairer, more equal society.

Moreover, the accountability challenge needs to be properly resolved by redefining the doctrine of ministerial responsibility, making it clear where operational accountability has been delegated, and where it has not. In turn, there may be scope for a constitutional convention in England to determine future governing arrangements, as proposed in the 2007 Governance of Britain Green Paper.

Nonetheless, addressing the issue in terms of a monolithic constitutional blueprint may be mistaken: what is needed are a series of localised experiments, where communities have the opportunity to decide how best to govern themselves. This requires greater clarity from central government about which powers it is prepared to pass back to communities – without strings attached.

The willingness of central government to devolve power relates to the issue of local taxation and revenue-raising, where there is significant scope for reform. At its starkest, too much revenue in the UK (and England in particular) is raised centrally and distributed locally, denuding local areas of democratic control while exacerbating the controlling tendencies of the centre. Moreover, the current system of council tax is highly regressive, penalising the poorest households hardest.

According to the New Policy Institute, the level of council tax paid by people in the bottom fifth of the distribution is 5.5 per cent of their income, compared to 3.5 per cent for

the middle fifth, and two per cent for the top fifth. England needs a progressive local taxation system which restores the autonomy of local government, following decades of centralisation imposed by Whitehall and Westminster:

● At a minimum, there is a strong case for introducing *a new set of property value bands* in order to make local taxation fairer and more progressive. This will help to strengthen the legitimacy of the tax system locally.

● There is scope to *earmark environmental taxes at the local level* to improve public transport infrastructure, and to widen the scope for time-limited levies for special capital expenditures which are removed when sufficient revenue has been raised.

● Finally, central government should grant powers enabling local authorities in England to *vary the basic and higher rate of income tax* by a maximum of three pence in the pound, subject to a popular mandate through a local referendum. This could include the ability to levy a supplementary business rate to fund specific improvements in infrastructure.

Nonetheless, there is much that local government can do already to redesign services locally, and define an imaginative 'place-shaping' agenda. In the past, it may have been the case that local councils were reluctant to use all of the powers at their disposal. The most high-performing authorities have not waited to be 'handed back' powers by

central government but have seized the initiative, augmented by the coalition government's decision to give councils a 'general power of competence' in the Localism Act (2011).

In so doing, councils such as Essex, Sheffield and South Tyneside have pioneered new approaches to regenerating disadvantaged neighbourhoods and areas, working in partnership with the community and voluntary sector, alongside local business. However, the new powers have not given local authorities discretion to raise taxes or precepts, nor indeed to borrow such are the controlling tendencies of Whitehall.

Conclusion: 21st century local governance

The centre of British government has historically sought to do too much, but this position has become increasingly untenable. Local government and local communities are among the best placed to respond to the growing demands on public provision, and to resolve the competing choices and trade-offs arising from the fiscal squeeze and long-term structural pressures on the UK state. In the past, politicians and policy-makers have talked the language of 'localism', but have resisted attempts to transfer substantive powers from Whitehall to local authorities and neighbourhoods.

Serious structural reforms are needed, however, to relocate powers in the face of profound social challenges which can only be addressed by working in partnership with local neighbourhoods and citizens.

As ever, there is a crucial role for local government both in providing strategic leadership, enabling services to be effectively organised at the local level, while in turn being

willing to devolve power from Town Halls to local neighbourhoods. Over time, it may be possible to progressively close the 'power gap' which still afflicts democracy and governance in the English state.

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"Openness is about bringing the public into the shaping of decisions at the very start, routinely sharing information and context on which decisions are made and involving people through the process."

Open, networked, democratic: a localist future

Anthony Zacharzewski

"Local decision-making should be less constrained by central government, and also more accountable to local people." Labour Party manifesto, 1997 [1]

"We will give individuals and local government much more power, [and] allow communities to take control of vital services."

Conservative Party manifesto, 2010[2]

"The parties will promote the radical devolution of power and greater financial autonomy to local government and community groups."

Coalition Agreement, 2010[3]

Reading those manifesto commitments on their own, you might expect us to be moving towards a highly devolved political system where, as in Switzerland, local elections see higher turnouts than national ones. Services would be a patchwork of connected initiatives – often different, but always linked and well-suited to local conditions.

1 http://www.labour-party.org.uk/manifestos/1997/1997-labour-manifesto.shtml
2 http://www.conservatives.com/News/News_stories/2010/04/Conservatives_launch_election_manifesto.aspx
3 http://news.bbc.co.uk/1/hi/8677933.stm

Welcome to your new localism

That is not where we are. Many in government believe in the devolution of power to local people and organisations, but there are powerful pressures in the other direction too. Politicians may think that only by keeping their hands on the levers of power will they be able to implement the changes they have been mandated to make. Officials may fear inefficiencies caused by service variation, or a lack of democratic accountability in third sector service providers.

As a result, localism as a philosophy has been confused, and as a practice, it has been spotty. Services are delivered by the efficient outsourcing chaebols rather than the experimental social enterprise.

Some of the government's commitments to localism have been met. Councils have to report less data, they have fewer targets to meet. However, localism has often stalled where political realities intervene. Councils have been told that they ought not to have fortnightly bin collections, that they ought not to employ officers in certain roles, publish town hall newspapers or pay people more than the Prime Minister. Sometimes where national government has wanted to deregulate, for example around relaxing planning regulations, backbench MPs have opposed it. [4]

In planning, too, the Conservatives proposed a bottom-up referendum-driven community planning system when in opposition.[5]

4   Tories to revolt over backyard planning reforms, *Daily Telegraph*, 6 April 2013
5   *Open Source Planning 2010*, available at http://www.conservatives.com/~/media/Files/Green%20Papers/planning-green-paper.ashx

In practice, neighbourhood planning has been a supplement to rather than a substitute for traditional local planning – and that local plan drafting is still undertaken in much the same way as before.[6]

What is more, the idea that there is a public eager to be engaged has not been borne out. Those that have tried devolving decisions have found that if you build it, people will not always come, and those that do come are not always representative.

New approaches to online and offline engagement have been tried in many good small experiments, but even taken together, they are long way from shifting bureaucratic culture.

A contested definition

Given these barriers, is localism worth fighting for? I believe it is.

Flexible, personalised services can answer the discontent that people feel with the mass compromises of politics.[7] Living in a world where consumer interactions let them have

6   Statement of neighbourhood planning policy on Gov.uk https://www.gov.uk/government/policies/giving-communities-more-power-in-planning-local-development/supporting-pages/neighbourhood-planning
7   See for example *Personalisation through Participation*, Demos 2004
8   Even in Switzerland there is a demand for more direct forms of participation. Age-based analysis within the canton of Geneva showed younger voters demonstrating a preference for voting in referendums over traditional elections, See *Putting voter turnout in its context: A dynamic analysis of actual participation data*, Tawfik, Sciarini and Horber, University of Geneva seminar, 2010. Accessed at http://www.unige.ch/ses/spo/Accueil-1/Papiers/ParticipationPascalEugenAmal.pdf

things their way, people feel civic life ought to be as responsive[8,9] – and it is also where they feel they can make the most difference.[10]

As a matter of practical politics, big services cannot afford to go on spending billions of pounds in big unmodified ways – but cuts are unpopular. Localism seems to be a way of squaring the circle by using local knowledge and action to reduce costs of service delivery, support cheap community action and improve its local fit.[11]

More philosophically, localism comes from a political position that supports personal action, small-scale community initiatives, and scepticism about large institutions both state and corporate. This tradition is present in both the main political parties, whether Burke's little platoons[12] or the co-operative local action of Rochdale Pioneers[13], so there is the potential for localist initiatives to gain cross-party agreement, even if the political branding is different.

Finally, the trend towards personalisation and personal action is an epochal one, and the rise of the network society

9   *What do people want, need and expect from public services?* Ipsos MORI and RSA/2020 Public Services Trust, 2010
10 CLG Neighbourhood Survey 2010, showing more than half of people feeling that they could act to make a difference in their local area, compared to only a third who felt that action would make a difference at national level.
11 For a council's view on what localism means, see Kent's *Bold Steps for Kent* strategic plan from 2010, available at http://www.kent.gov.uk/your_council/priorities,_policies_and_plans /priorities_and_plans/bold_steps_for_kent.aspx
12 *Reflections on the Revolution in France*, 1790, at para 75 (http://www.bartleby.com/24/3/4.html)
13 For the story of the Rochdale Pioneers, see chapter 3 of Co-Op: *The People's Business*, Johnton Birchall, Manchester University Press, 1994

is not about to reverse.[14] In the four years from 2007 to 2011, the number of people who were "next-generation users" of the Internet – who used multiple apps and devices – more than doubled from 20 per cent to 44 per cent.[15] Even where localism experiments fail or underperform now, they may have the audience for success in a few years.

What would a democratic localism look like?

If localism means anything, it must be shaped by local needs and desires, so there will never be one single localism. But it is easy to imagine undemocratic localism – opaque distribution of powers away from the council, the localism of the select vestry carried forward into well-meaning but unaccountable civic groups.

A democratic localism will have three central characteristics, all mutually reinforcing. It will be open, it will be networked, and it will be democratically-run. Without these three elements present, localism will be no improvement.

Open

The first characteristic is openness – every decision should be taken in a way that is actively open throughout the decision-making process. This means more than public meetings to take final decisions once all of the discussions

14 For more on the Network Society, and what it means, see Manuel Castells, *The Rise of the Network Society*, 2nd Edition. Wiley-Blackwell 2009
15 OxIS 2011 survey, quoted in *The Networked Councillor*, Improvement East 2013

have happened behind closed doors. It means more than opening data.

Openness is bringing the public into the shaping of decisions at the very start, routinely sharing the information and context on which decisions are made, and involving people through the process using a participation strategy rather than a consultation document. The work that national government is doing on open policy-making, looking to widen the scope of engagement in policy, is also relevant to local government.[16]

Openness also means openness to ideas and proposals from outside. For example, initiatives such as CityCamps and hackdays allow people from outside government to come together and plan ways that government can do things differently.[17] An open organisation participates in such events as an equal partner, seeking opportunities to support new approaches.

Fundamentally networked

Supporting openness requires a networked approach, which understands and works with a place as a network of overlapping and interlocked networks. Peoples' experiences and interests make them not just residents of a particular street or village, but parents of children at a particular school, relatives of someone in a care home in the next

16 The Democratic Society's space on Open Policymaking, run in association with the Cabinet Office, can be found at http://openpolicy.demsoc.org
17 For example CityCamps in Coventry, Brighton and London; events such as Rewired State and Young Rewired State, and Scrutiny Camp (which ran alongside the Centre for Public Scrutiny's annual conference in 2013)

town, users of a particular public service. Sometimes, a resident's most important networks are in areas where they do not live, perhaps even in countries where they are not legal citizens.

In the era of paper, managing and understanding these different interlocking networks and citizenships would have been an impossible task. Modern technology, particularly social networking, makes it possible, if difficult, and as new network visualisation tools such as the RSA's Social Mirror become more mainstream, network management will become a core role for councils.[18]

Democratic

Finally, localism must be democratic. This means more than the representative process. It means balancing participation and representativeness so that residents feel that they can influence decisions if they want to; expanding the network of participation; and ensuring that where services are provided in the community or outsourced to others, they inherit the same democratic responsibilities.

To be more participative does not mean putting every issue or detail out to consultation or public decision. Representative-driven processes need to be balanced with participation – and participation should be sought in proportion to the scale of the decision, so that people know that their participation is worth something.

In parallel, the voice of citizens needs to be able to start the process of policy change, through scrutiny, e-petitions or

18 The Social Mirror project can be found at
    http://www.rsa.org.uk/action-research-centre/community-and-
    public-services/connected-communities/social-mirror

other means, and the tools need to be available to allow community groups and outsourced services to support engagement. Making councils more participative does not mean aiming for universal participation. The doors to participation have to be open, but people cannot be forced through them.

Switzerland gives citizens opportunities to participate far greater than the UK. They do not participate in universal numbers, indeed election turnout in Switzerland is lower than it is in the UK, but the availability of information and the real possibility of participation makes for a different culture of involvement, as shown below.

Real power makes a difference: evidence from Switzerland

Most Brits know that the Swiss political system makes extensive use of referendums, but a lesser-known feature is a very high degree of localism in political arrangements. Because processes vary so widely between the different municipalities and cantons, it is an excellent place to test what factors affect turnout and participation in politics.

Voter turnout in Swiss elections is higher for local elections than for national ones. In 2005, turnout was four percentage points higher in local elections than in national elections or cantonal elections.

The largest cantons and municipalities such as Zürich and Geneva show lower voter turnout than small ones. The voter turnout correlation familiar in Britain – richer, older people vote more – is also seen

in Switzerland, but there is joined by a strong correlation for size of municipality, and for the existence of political parties and civic movements in that area.[19] Smaller municipalities see higher turnouts, and civic movements in a small municipality correlate with higher turnouts still.

The scope of action of Swiss voters is wider and more local. In May this year, for example, citizens of Geneva were able to vote in a referendum on whether city bus and train fares should go up. 46.5 per cent of them turned out, and the increase was defeated 56/44. This was not just a protest against the government, though: in the same vote, a proposal to establish a Caisse de prévoyance (State provident fund) was approved by 75 per cent to 25 per cent.[20]

Has there ever been a referendum on a public transport fare increase in the UK? I have not seen one, but despite dealing in small matters, the Swiss system does not overburden people with participation. Not every proposal goes to referendum, only those that are of significant constitutional importance, or where a particular number of citizens have called the decision in.

Voting happens four times a year, with local votes aligned with federal elections or federal referendums, so voters are not constantly bombarded by requirements to give their opinion, and one awareness campaign can draw people to the ballot boxes.

19 *What explains electoral turnout in Swiss municipalities?* Working Paper 2.2009, Ladner A, IDHEAP Lausanne, 2009
20 http://www.ge.ch/votations/20130303/cant.asp#aff

What does this mean for local government?

What are the organisational consequences of a democratically localist system? How would a localist council run itself?

More power for councillors

A networked and democratic local public service does not mean the end for councillors – quite the reverse. The reach and deliberation of representatives and the traditional structures allow for community-wide trade-offs and are an essential part of government, for the foreseeable future.

That said, localism means that councillors will need to work more as convenors of conversations around their wards and on their favoured subject matter, than as executive management.

For some, this will be a difficult transition. There is an expectation, particularly in council cabinets and among leaders, that they are there to take decisions. So they are, but the decisions that are taken and the routes through which those decisions are reached are very different in a localised world.[21]

The political role of the councillor is also likely to shift, with party identity and discipline reducing and community leadership and representation increasing.

This is less the result of localism than a consequence of a general decline in the party as an institution, shown

21 See http://networkedcouncillor.wordpress.com

by the sharply increased number of Parliamentary rebellions, and a collapse in membership numbers.[22]

A different sort of leadership internally

The nature of leadership in a localist world will be very different from the current hierarchal models. To lead in a network means to lead without directive power – without even the appearance of directive power.[23]

It requires the humility to participate in a collective setting of direction, and an honest ability to understand the different elements of the network of people who will help you deliver your goals. It also requires skills in agile management, and the ability to handle different service models in different circumstances. For example, a housing service manager may have different estates that want to run their work in different ways.

Localism is not just a matter of agreeing to what they want to do, but understanding what is achievable in cost terms, keeping on top of what is working and what is not in each area, sharing best practice around different parts of his or her patch and rapidly developing away from failing approaches. This is a much more communication-driven and creative role than many service managers have now.

22 On rebellions, see the work of Philip Cowley (http://www.nottingham.ac.uk/politics/people/philip.cowley) and Lord Norton of Louth. On declining party membership, *Going, going, . . . gone? The decline of party membership in contemporary Europe*, van Biezen, Mair and Poguntke, European Journal of Political Research, 2012 is a good recent survey.
23 See also Catherine Howe, *Digital leadership or just leadership?* http://www.curiouscatherine.info/2013/06/02/digital-leadership-or-just-leadership/

A different sort of communication externally

A local, open, and networked public service will require a different set of communication practices. A communications team, other than very basic central services, will be less and less needed.

All staff should have familiarity with the public, readiness to engage, and ability to respond helpfully rather than fend off queries.

Beyond responsiveness to queries, networked working requires an easy and rapid flow of information. Networked working can massively increase the flow of information compared to hierarchical models, where communication competes for the 'bandwidth' of senior managers.

To enable that, communication must be integrated into everyday work, in multiple formats that can work for the passer-by or the expert. Editing such a flow of information is almost impossible – the choice rapidly bifurcates into general openness or general secrecy. Although personally confidential matters will always need to be secret, the decision-making process has to be out in the open.

Experience in central government shows that social media campaigns such as those organised by 38 Degrees, or around the gay marriage consultation, can produce numbers of responses that overwhelm inboxes and officer capacity. In no scenario will more civil servants be hired just to read 400,000 consultation responses.

Technical tools such as textual analysis can help, but transparency and peer support get government out of being the 'man in the middle'.

Conversation not consultation

As communications has to move from directed hierarchies to supported networks, similarly consultation has to shift towards conversation.

Rather than undertake PDF-based consultations with fixed questions, a better approach, particularly for major issues, is to understand the goal of participation as building a conversation with the public, with a broad or narrow audience as the stage of policy development requires.

So, for example, broad principles and general ideas could be consulted on across a wide audience, but the details of implementation might require a small expert conversation, or perhaps a focus group of users.

This means creating a participation strategy for a major policy, very early in the process. This would identify the types of audience that need to be involved at each stage, and the breadth and depth of discussion at each point. If an area has a good understanding of its networks, it should have a ready set of people and organisations with which to engage.

The existence of networks of people who are already interested, as long as those networks are actively broadened and refreshed, prevents councils having to build audiences for each consultation separately.

24 More information is at http://www.rahvakogu.ee/pages/what-is-rahvakogu

Redesigning the state: Rahvakogu (People's Assembly, Estonia)

The Estonian People's Assembly process provides a good example of a phased consultation using different methods at different times.[24] The People's Assembly, created in response to a corruption scandal in the Estonian parliament, began with a crowdsourcing of political reform ideas which was open to everyone. That was followed by 'smart-sourcing', grouping the ideas into themes and undertaking an expert impact assessment on each proposal.

Next, in a series of seminars, the experts who undertook the impact assessment discussed the outcomes with the people who had proposed the ideas. This brought the initial 1,500 ideas down into a set of 18 questions, which was taken to a day-long deliberative meeting of 500 randomly selected Estonian citizens. The final options were presented to the Estonian Parliament by the President of Estonia, Toomas Hendrik Ilves. Parliament is currently considering the legislative timetable for implementation.

This approach used different levels of engagement at different times in an ongoing process, fitting the input needed to the method used.

It was completely open, recorded online and undertaken by a network of 10 non-government organisations alongside communications and policy experts. It also only took 14 weeks from start to finish – and that between January and April during an unusually severe winter.

Thoroughly digital

Off-line and public space events will always be important, but every council and local body should be involved in the digital space as well. Digital collapses distance, and allows busy people to time-shift their participation or catch up after the event. It also enables those who are geographically dispersed to participate without travel, and to bring in voices from around the world.

The digital and off-line approaches are complementary. Off-line events can be used as the centrepiece of a digital engagement effort,[25] and online networks can put faces to names at regular meet ups. Localist councils and organisations cannot be absent from these spheres.

This means that councillors and officers must be as comfortable engaging on social media tools as they would be in surgeries or other off-line situations. Understanding the digital culture, as opposed to digital tools, is something that takes time and experience. Councils and other public service providers should work to ensure that their officers and members are ready to work in this way.[26]

Conductors not directors

Officers will need to be facilitators of change. Not that everyone would be standing at flipchart with a whiteboard marker, but that the essential role of many local officers is to bring people together, to listen and to create solutions

25 see *In the Goldfish Bowl: policy dialogue in a digital age*, forthcoming from Sciencewise ERC
26 Again, the Improvement East & Public-i *Networked Councillor* project is relevant here.

using all the resources available – central, local and community.[27]

To make that a reality requires agility. There's no point in bringing people together in creative ways, and having excellent conversations about what they want, if you are then unable to change systems for a long period of time. There are elements to this that involve multiple public services and a true localism must involve all of them.

In shaping services, localist bodies will need to be as rigorous on research and evidence as traditional bodies – even more so, since traditional structures can use the defence that they're just doing what they've always done.

Perhaps not in every council on every issue, but certainly across the sector, local government needs the research capacity to understand what the costs and benefits of different approaches are, what raise red flags about protection or efficacy, and what are the factors for success. Without this understanding, suggestions that come from the public can't be validated.

Accountability and flow of funding

Localism will not be localism if it constrains all public spending to publicly-delivered services. Some services are better delivered in the community, but democratic control and accountability can fail at the boundary between deliverer and commissioner.

27 The need for central government to increase flexibilities is highlighted in the LGiU's report on the *One Norbiton* community budget pilot: http://www.lgiu.org.uk/2013/05/24/lessons-from-the-one-norbiton-neighbourhood-community-budget-pilot/

Transparency enhanced by modern information tools can help. Online tools such as Where Does My Money Go? show how much money is being spent on government services, where and for what purposes.[28] A similar transparency regime for public money when spent on delivering services in a local area would be one element of public accountability.

The other, depending on the source of the funds, would be democratic control or representation on oversight bodies. Where councils are service providers this will already exist – though the accountability conversation could be widened by co-opting wider participants onto scrutiny panels or boards. Where it does not exist, the same transparency and participation approaches that are used by councils should be used by service providers. There should be as far as possible a seamless democratic participation approach, no matter who is delivering the service, a "no wrong door" for participation.

Democratic direction: place management as a model

One model for how democratic localism could work in practice derives from the place management approach proposed by Australian author John Mant and others in the late 1990s.[29]

Place management looks to create highly empowered place managers, with responsibility for outcome delivery in their area, often with no direct budget but power to shape provision from mainstream service blocks.

28 http://wheredoesmymoneygo.org
29 *Place management, fad or future?* Martin Stuart-Weeks, Institute of Public Administration Australia, NSW Division, 1998

In Australia, where it began, it has shown itself effective in creating more localised solutions, and giving impetus to service redesign. In Minto, an urban development in New South Wales, it was able to create local structures in the community that defined and responded to local need.[30] In Brisbane, it created stronger bonds (though not major structural realignment) between different service providers and the community.[31]

However, Mant himself has noted that this approach risks producing local managers who become too identified with political decisions and become 'mini-mayors' of their patch.[32]

In the original vision, place management was a step towards an outcome-focused organisation, structurally reoriented around place and local need.

Making that place manager accountable to the local community directly, as well as to the political level, removes the risks of mini-mayors, and strengthens accountability. The place manager becomes in addition a manager of the networks interested in public service.

How we get there

The basic characteristics of localism – open, networked, democratic – have been set out above. The eventual destination will be reached only through steady progress.

30 *Working Together in Minto Review* 2006, quoted by Government of New South Wales in *Rethinking Place Management and its relevance to Social Housing Estates*, presentation to the 6th Australian Housing Researchers' Conference, 2012 available at http://www.adelaide.edu.au/churp/ahrc12/program/sessions/Lilley.pdf

31 *Your Place or Mine? An evaluation of the Brisbane Place Pilots*, University of Queensland, February 2003

32 *Place management as a core role in government*, John Mant. Journal of Place Management and Development, 2008

Structures in organisations can be reorganised quickly – although people take a while to start thinking in new structures. Community participation and a culture of openness take longer to build, and have to start with councils and communities building mutual trust.

This does not mean 'no change yet'. There are several things councils should do now to move localism and democracy forward in their area.

Act on principle

Agile and flexible working practices, even if guided by local vision, need to understand the direction that the service as a whole is taking, and the ways in which services need to develop to make them ready for the future.

This means that the setting of vision, based on evidence and on political and managerial leadership, is just as important in a localist organisation as in a hierarchy.

It is important for political leaders to set out some local principles that will guide action on both sides.

My organisation's work on democratic conversations in Lewes, East Sussex, began with creating a set of principles for local participation, drawn up with the council as a statement of principle,[33] and Tessy Britton's work for Lambeth Council on the Work Shop in West Norwood begins from a set of 10 Design Principles.[34]

33 *Principles of Local Participation*, The Democratic Society in association with Lewes District Council 2012. Available at http://www.demsoc.org

34 *The Work Shop Report no. 1*, Social Spaces, 2013.

Building the local Internet of citizens

The use of open platforms and technologies for civic action is essential if we are to create a localist public service. Single proprietary providers cannot flex their products rapidly enough to meet different local demands, small local organisations cannot afford expensive licence fees.

The interests of commercial companies in retaining data for advertising all data mining purposes militate against the sharing of information that is necessary for true transparency.

Councils should be contributing to an Internet of citizens rather than a Facebook of citizens, and to that end councils should ensure that the services they are commissioning around democratic engagement, transparency, and localism are based on platforms that allow free sharing of information, are interoperable, and are based on open standards.

Bristol City Council, with a commitment to small-scale open source solutions provides an excellent model.[35]

Experimentation

It goes without saying that the localist approach requires experimentation. But it does not need pilots in the traditional sense, devised and tested within the council structure. It needs experiments that are undertaken across sectors, as

35 For some of the history behind Bristol's open source work, see *Democratising Softwares, Bristol's Open Source Success story* at the Open Government Summit site: http://opengov2013.zaizi.com/democratizing-softwares-bristol-city-councils-open-source-success-story/

far as possible in safe spaces with good evaluation, and in such a way that when failures happen they can be identified and corrected quickly.

Tolerance of failure requires political and managerial courage. It also requires an adult-to-adult conversation between politicians and voters on what is being tried, and the bigger purpose.

There are examples of councils that are very willing to work with outside bodies. Lambeth, as well as in the Work Shop, has used a great deal of external expertise in service redesign and change.

In Philadelphia, the mayor has set up an Office of New Urban Mechanics within the organisation, operating in a very open and public way – so much so that its project management software is on the Internet, and people from anywhere in the world can apply to be added to its discussion spaces.[36]

Collaborative learning

Alongside experimentation comes collaborative learning. This means collaborating across organisations in different geographies, as well as working together with partners at local level. Local government has often been poor at picking up innovation and applying it, something that risks getting worse as budgets shrink further.

Isolation is unnecessary in the networked world. Councils should be, like Philadelphia, encouraging people from outside the area and other disciplines to bring expertise into their product design and management. In this light, it is

36 http://www.newurbanmechanics.org/philadelphia/

disappointing that the LGA is planning to close the Knowledge Hub which, for all its faults, did bring together people with different backgrounds and disciplines.

It is to be hoped that any successor to Knowledge Hub, whether run by the LGA or created externally, allows even better conversation and collaboration between people undertaking public service reform work.

A democratic conversation

The idea of better and more democratic conversations is at the heart of this vision of localism. It is not a model of a new Athens, with universal participation or a soft-libertarian model of small organisations that have nothing to do with the state.

Instead, it is an ongoing dialogue between citizen and state, each developing the others' work and ideas, and engaged in a shared public service venture.

This will not be possible without trust, and where trust is to be built transparency and participation are needed.

Networked, democratic localism is inherently variable. Different areas will want to proceed at different speeds on different issues. However, it is also inherently connective, and work across the sector needs to be well-networked so people can share tools and experience.

The open platform requirement of the work should reduce reinvention. If councillors and officers are well-prepared for their new leadership role, they can look forward to a position that has lost none of its authority or leadership, but has shifted their focus away from organisational process and crisis management to collaborative governance and service.

"The task for government is to find ways of encouraging each of us to contribute as much as we can."

Connected localism and the challenge of change

Sophia Parker

The innovation imperative

There has never been a time when transformation in local government is more urgently needed. Council leaders point to budget cuts that are unknown in their lifetime.[1] At the same time as pressure on budgets reaches fever pitch, the pressure on councils to tackle a wider range of issues than ever before is also growing: where current policies aren't working well enough (for example youth crime, cutting carbon emissions or public health), or where new issues are emerging that haven't been on the agenda in the past (for example, the UK's ageing population, or childhood obesity).

On top of this, the face of local democracy is changing fast, as public health responsibilities come back to councils, elected police commissioners get their feet under the desk, and the new powers conferred by the Localism Act take hold.

The scale of these changes makes it very hard to see how councils can avoid thinking differently about their purpose: innovation in some form or another seems inevitable. The question is what *kind* of innovation might emerge. Here there is not yet a clear answer. Recent years have seen a

1 'Council Cuts Will Bring Local Government To Its Knees', *Guardian*, 26 March 2013 http://www.guardian.co.uk/society/2013/mar/25/council-cuts-local-government-knees

number of councils, such as Barnet and Suffolk, attempt to meet new challenges by outsourcing large chunks of their services. Many councils report increased rationing of existing services such as adult social care.[2] More recently, there are reports of whole services such as youth provision being decommissioned. These approaches to innovation share a common starting point: how to save money, and save a lot of it fast.

But is this 'less is less' approach really the best or most appropriate route through the difficult times that local government now faces? Slicing existing budgets ever more thinly may have worked in previous years, but the financial settlements of this and coming years are such that traditional cost-cutting tactics simply won't be enough. Similarly, competition and outsourcing might help, but they are unlikely to solve all of the headaches that council leaders and chief executives now face.

Advocates of this position argue that the answer rests not only in delivering with lower costs but also in achieving better outcomes. To this end, a growing number of councils are beginning to explore how they can focus on *better lives* rather than just cheaper and more efficient services. And as many are coming to realise, taking this approach will require a willingness to consider fundamentally different ways of working. How can services empower and build community capacity as well as deliver more effectively? How can public, voluntary and private sector organisations knit together to provide not only safety nets but also springboards? What

2   'Social Care Funding: A Bleak Outlook Getting Bleaker', ADASS press release, 6 May 2013 http://www.adass.org.uk/index.php?option=com_content&view=article&id=914:social-care-funding-bleak-outlook-bleaker&catid=160:press-releases-2013&Itemid=489

kinds of partnerships and delivery models would be needed to achieve these goals? As the rest of this essay argues, for the connected localism agenda to really take hold, these are the kinds of questions that need to provide the point of departure for councils wanting to think differently. Simply focusing on costs may yield some innovations, but they will not necessarily lead to better lives.

Why connected localism demands new approaches

While the increasingly dire financial settlements have made these questions more pressing, they are not wholly new. Governing in the 21st century is no mean feat. Increasingly, the kinds of challenges society faces cut across institutional and indeed state boundaries. And the kinds of problems governments are expected to solve are likely to require the participation of citizens themselves. For example:

● *Health:* the current UK system of healthcare was developed in an era where the predominant concern was acute illness. In the 21st century, the overwhelming concern is chronic illness and 'lifestyle diseases' – issues the current systems are ill-equipped to deal with. For example, diabetes accounts for 10 per cent of the NHS's budget today, but on projected figures that is set to increase to 17 per cent by 2035.[3]

3   Hex, N Bartlett, C Wright, D Taylor, M Varley, D. *Estimating the current and future costs of Type 1 and Type 2 diabetes in the United Kingdom* (York Health Economics Consortium, 2012) http://www.ncbi.nlm.nih.gov/pubmed/22537247

- *Care:* An ageing population, combined with a pensions crisis and increasing numbers of women and men working full time, risks creating unsustainable demand on the formal care sector in coming years. OECD figures indicate that long-term care spending could double or even treble as a percentage of GDP between 2007 and 2060.[4]

In both of these examples, and indeed many of the other most pressing issues – energy supply, youth unemployment and community cohesion – it is clear that outcomes simply cannot be achieved through applying greater pressure to existing models of public services, or trying to squeeze yet more productivity out of them.

Success depends in part on how we use public sector (and indeed private sector) resources, but it will also be determined by the resources we, the public, bring to the table.

People in the public sector have known this for some time. If standardisation and mass production were the defining characteristics of our relationship to the state in the 20th century, personalisation, participation and co-production appear to be the public service watchwords of the 21st century.

Embraced enthusiastically by the Labour administrations, these principles continue to drive government policy across Whitehall and local government under the coalition government.

4   *Spending on Health and Social Care Over the Next 50 years: why think long term?* http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/Spending%20on%20health%20...%2050%20years%20low%20res%20for%20web.pdf

Is the sector ready to embrace connected localism?

As successive administrations have discovered, the challenge is to translate these lofty ambitions into real policy and practice. Here, local government could play a catalytic role, in three related ways:

- Councils could incubate wholly new models of public service provision that capture the spirit of connected localism through focusing on co-production, community empowerment and building resilience. Oldham's work in growing an entirely new model of social care – what subsequently became self-directed support – is a pioneering example of what this might look like in practice.

- Councils could drive local innovation, creating new partnerships across sectors to join up services, unlock new resources of support and strengthen local economies. Stoke's ambition to become an energy self-sufficient city is a particularly bold example of this role, as they create a local energy company and seek out new ways of drawing in the local private sector and citizens.

- Councils could act as constructive disruptors, working together to highlight areas of national policies that are inconsistent or counterproductive to enable new models of public service provision to emerge. The Community Budget pilot authorities are a recent example of a government-supported model

here; in previous years the sector-led Innovation Forum also saw this as its role.

The degree to which the sector successfully acts in any of these three ways is the subject of some debate.

One version of the story is that local government has a long history of innovating new services, dating back to the glory days of municipal government in the late 19th century, and reflected today in a rich seam of innovation, with councils adapting and inventing new and better services around the country.[5]

Another version of that story presents the sector as a more or less innovation-free zone, stymied by a well-documented set of barriers such as a pressure for compliance and risk avoidance, a poor connection between what happens on the frontline and policy work, and a difficulty in exporting successful new practice and services from local contexts.[6]

As ever the truth almost certainly lies somewhere between these two accounts. But most people working in local government would struggle to argue with the fact that successful innovations still have the feel of a happy accident, led by bloody-minded, determined individuals who will not take no for an answer.

New practice remains fragile and is all too easily stifled by performance metrics, politics, inflexible job descriptions and budget allocations, never getting beyond pilot or proof of concept stage.

5   See for example Leadbeater, C. *The Man in the Caravan And Other Stories* (I&DeA, 2003)
6   See for example Mulgan, G. *Ready or Not: taking innovation in the public sector seriously* (NESTA, 2007)

In short, local government is littered with the debris of good ideas that never quite took off.

Perhaps today's grim financial outlook for local authorities presents a paradox: the pressures to innovate are themselves reducing the likelihood of local councils achieving the step-change that is required.

Conceptually it is easy to make the case for why councils need to change their game, but on the ground, the brutal cuts of the last couple of years translate into turmoil. Entire budget lines are being taken out, teams are being sliced apart, staff are being shed at an unprecedented scale.

These are the things shaping the realities of most people working in the local government sector in 2013. It is hardly a newsflash that such a challenging work environment might make individuals less inclined to get involved in the risky business of innovating.

Generating the innovations that matter

There are many places that councils can go to if they are looking for support on how to run innovation projects – the Innovation Unit's radical efficiency model,[7] NESTA's Open Workshop toolkit,[8] the Social Innovation Lab for Kent's methods deck[9] – to name a few.

If every council used these kinds of approaches, there's no doubt that new ideas would be more rigorously developed and more frequently translated into real, tested practice on the ground. But it is important not to over-estimate the role

7   See http://www.innovationunit.org/knowledge/our-ideas/radical-efficiency
8   See https://openworkshop.nesta.org.uk/
9   See http://socialinnovation.typepad.com/silk/silk-method-deck.html

of this kind of training and methodologies in transforming the sector.

In addition to such capacity-building efforts, councils committed to serious change would need to tackle some of the more systemic barriers to new approaches, many of which – leadership, the role of politicians, culture change – are familiar and well-rehearsed. Other issues that hold councils back include:

- An approach to risk that focuses on mitigation and avoidance, rather than active management, and a balancing of risk with reward.

- A lack of 'enterprise' skills – for example, thinking in terms of business casing, business modelling and finding new legal/corporate models to achieve outcomes.

- Often-isolated HR departments – meaning that there is poor alignment between programmes seeking to transform services and people's actual job descriptions, which drive behaviours.

- A deeply ingrained suspicion of collaboration with other councils – leading to lost opportunities in terms of sharing the risks and costs of work on new models of public services.

All of these problems are difficult and complex to overcome. However, there are two deeper issues that the sector needs to grapple with in order to develop the kinds of innovations that will unlock the connected localism that this essay

collection describes. First, truly understanding how the world looks from the eyes of citizens – easy to say, very hard to actually do. And second, fundamentally re-imagining the resources that councils have available to achieve their goals. The next two sections consider each of these in turn.

Changing things for the better means truly understanding how things look from citizen perspective

On a wintery day in a county council HQ, a group of staff gathered to talk about a new project that had been commissioned by the council's Leader to look at ways of improving the outcomes of the area's so-called 'troubled families'.

These staff came from a wide range of backgrounds – social work, education, policy, libraries, and children's services – but what united them was a deep-held commitment to improving the lives of such families.

That day, they were gathered to participate in an 'assumptions workshop', designed to surface the often hidden beliefs and attitudes that shape professional behaviour. Two simple questions structured the session: what challenges do these families face, and what strategies do they use to cope?

To begin with the participants were polite and measured – many of them hadn't met before, and the workshop was being facilitated by an external organization. But as everyone became more comfortable, some more pejorative assumptions about the families were revealed. 'Chavs', 'thieves', 'lazy' – as the group reviewed the work afterwards, a reflective silence descended about some of the words that had emerged.

If this group of people – supposedly the advocates of such families – held these beliefs, what did it say about others who were less close to the coalface and more influenced by a relentlessly negative media? And what did it mean for how such advocates related to the families they were seeking to support?

That workshop helped to show the group that despite their daily interactions with such families, they could not truly say they understood how the world looked from their eyes.

This is just one (true) story from one council but it reflects a wider challenge for local government: too often officers and members alike assume they do understand the world from their citizens' perspective, and therefore have no need to interrogate it any further.

The failure to truly engage is a collective loss to the sector for a whole host of reasons. First, it reinforces the distance between government and people's lives, at precisely the time that public services need to draw people in and engage them in the pursuit of better outcomes.

Second, it diminishes democracy and reduces trust, as people will not be satisfied with what the public realm has to offer until they are given the choice to become more active participants in shaping it.

And third, it means that the public sector loses out on an incredibly rich seam of insight that might help to solve the conundrum of delivering better outcomes for much less money.

There is one simple but significant reason behind this gap between the commitment to understanding people's lives and the reality: fear. Most relationships between staff and users are steeped in the paternalistic tradition of public service provision, where professionals are situated as

experts and gatekeepers to services and support, rather than as navigators and advocates. It is one thing engaging with the public from this position of power; it is entirely another to try to shed that position and truly look at things from the same vantage point as a citizen or service user.

This was something that Lambeth discovered for itself when it started to work with ESRO, an independent ethnographic research agency. Lambeth's drive to become a 'cooperative' council had prompted reflections on the challenges of really knowing the borough's diverse populations.

The team decided it was time to devise a new model of engagement, part of which involved training up staff to become ethnographic researchers. As ethnographers, they would be equipped to engage with communities 'on the ground', rather than in more artificial forums.

The team were trained and supported by ESRO's experienced ethnographers, working alongside them across five projects with some of the borough's hardest-to-reach populations. By the fifth project, the Lambeth team was confident and skilled enough to go it alone.

This kind of commitment remains striking in both its scale and the willingness of officers to accept that existing approaches to engagement were not delivering. As well as yielding some very powerful insights, Lambeth has found that this model of training staff means that there is much stronger ownership of the new knowledge and insights generated by the work, thus increasing the impact of the findings internally.

Already many of the insights are actively shaping policy and practice, rather than languishing in a report that gets stuck on a dusty shelf in the depths of the town hall.

People have become skilled at talking about community engagement and insight gathering, but examples of genuinely exciting practice in this area – like Lambeth – are few and far between. While this remains the case, a crucial source of innovation – the insight of users and citizens – will be lost. This gap between the rhetoric and the practice is, in my view, one of the most problematic challenges that the sector faces today.

Connected localism demands that councils re-imagine the resources that they have available

Government's mental model of public service provision is that of a delivery chain. But most of our lives are more naturally characterized by a complex web of relationships. Connected localism demands that councils find a way of bridging the gap between these two perspectives. Total Place,[10] and the subsequent Community Budget pilots,[11] were both attempts by central government to encourage local areas to get together and map out the total resources currently spread between a host of public sector bodies, in order to spend them more effectively.

However while this approach goes some way to meeting the connected localism challenge, it doesn't go far enough. Councils today need to focus on *all* the resources that people rely on in the round – not just those in the hands of public bodies. By taking this genuinely holistic outlook – considering informal resources as well as formal, visible and public as well as invisible and private – councils can unlock innovations with potentially far-reaching consequences.

10 See http://webarchive.nationalarchives.gov.uk/20130129110402/
   http://www.hm-treasury.gov.uk/psr_total_place.htm
11 See http://www.communitybudgets.org.uk/

To illustrate this point, take for example the support that all families rely on to get through the week. There is the formal support that families are eligible for – for example, free nursery hours for two and three year-olds. Other forms of formal support are not necessarily publicly funded but they are easy to spot – childminders and nannies for example.

But spend time with any family and sooner or later it will become clear that in and around these supports lie a host of informal but essential interactions – from the neighbour who picks up the kids once a week to the granny who gives them tea when parents need to work late, from the cousin who babysits to the friends who take it in turns to shop for each other.

The key question is how can public services work *in tandem* with these informal networks of support, rather than in isolation from them. This question applies not only to bringing up children, but to all sorts of other areas such as: supporting older people, tackling mental health problems, achieving educational outcomes and so on. Part of this shift from focusing on the internal workings of services towards improving the interactions between services and people's lives is about recognising that citizens have more than needs alone. They need to be seen as people who have something to contribute to the outcomes of public services and indeed to the broader goal of public value. The task for government is to find ways of encouraging each of us to contribute as much as we can.

But this agenda is not simply about recognising the resources we can all bring to achieving outcomes, important though that is. It is also about seeing the things we can offer to others. For example in education, we know that it is

parents, not schools, who have the greatest impact on learning outcomes. The value of informal care adds up to £119bn,[12] for example, dwarfing the care provided by formal services, and having a major impact on the quality of people's lives.

Wigan council is grappling with exactly this challenge in adult social care. Like many other councils, they are trying to move towards a service model that is more self-directed, and that taps into under-used and unrecognised resources in the community.

But Wigan, as one of five Creative Councils supported by NESTA, is trying to go further than this to imagine a new economic model for social care. It is finding ways to incentivise a social care market that is based on local micro-enterprises and more volunteering, and it is exploring how to use a local currency to ensure that the value of these many care interactions stays firmly in the local economy. It is only some of the way through its journey, but if the council successfully delivers on the ambition, it will have incubated a truly innovative new approach, based on the simple but profound principle of reimagining its available resources.

Conclusion

The word 'innovation' can often be innovation's own worst enemy. Since the early 2000s, an industry has grown up around public sector innovation, which many in the local government are somewhat cynical of – perhaps with some justification. Innovation projects should not be seen as being

12   Buckner, L. and Yeandle, S., *Valuing Carers 2011* (Carers UK/Leeds University 2011)

all about beanbags and post-it note walls. They shouldn't feel like a holiday from the day-job, or a break from reality. Far from it: serious innovation should feel like a real engagement with the purpose of that job and a long hard look at how things can improve in real life. Successful innovations do not stop at the point of a set of good ideas, or perhaps some slides that are be used at sector-wide conferences: they are good ideas that are developed, tested and finally – but crucially – translated into real changes on the ground.

But it is important not to let this cynicism about innovation cloud the importance of engaging in the transformative work that connected localism demands. There is no question that the fiscal situation most councils face is the worst in living memories. Innovation *will* happen as a result of these circumstances, whether we like it or not.

The question is the degree to which the sector grasps the nettle and actively drives that innovation to focus on more than cost-cutting alone. Better lives and lower costs cannot both be achieved unless councils are willing to engage seriously in a debate about fundamentally new relationships between citizens and state, between the formal resources of the public sector and the less visible, informal resources possessed by communities and individuals.

With this in mind, the connected localism agenda presents councils with an opportunity to reimagine and redefine their role in relation to local people and the local economy. It is from here that the most exciting innovations will emerge – the ones that might actually have a real, tangible impact on the quality of people's lives and the places in which they live.

"Local authorities
need to pursue
not only stronger
communities
in themselves,
but brighter
opportunities for
the individuals
that comprise them."

Localism and opportunity: friends or foes?

Richard V. Reeves

The coalition government is committed to both social mobility and localism. Can it have both? After all, social and economic differences between localities are often a barrier to upward movement. Geography can be a trap. Policy makers frequently refer to differences in local provision as a 'postcode lottery'. Like being born to poor parents, being born in the 'wrong' place is brute bad luck.

The job of policy makers at the national level, according to this analysis, is to try and level the playing field – to smooth over spatial differences with tools and materials controlled and produced at the centre.

On the other hand, many of the engines of personal advancement are at least partly in the hands of local institutions: in particular, education, housing. Less visible – but maybe equally important – factors such as social networks and norms cannot be generated from Whitehall.

The social texture of place is necessarily a local affair. Spatial differences cannot be 'smoothed' over from the centre. Local factors are too distinct and too distant; worse, the attempt to do so can kill the community institutions and energy that are essential to generating greater opportunities.

Equally, a naïve localism that simply assumes central government has to get out of the way, and all will be well, is no recipe for greater fairness. 'Failed' places will fail their

citizens in terms of promoting life chances, as well as in a range of other dimensions. Improving intergenerational social mobility is a national mission, requiring national investments and interventions.

But this national goal must become a local one too. It requires partnership between national governments and local authorities. Empirical evidence for the influence of locality on intergenerational mobility is limited. By definition, it takes decades to trace the effects of childhood environments on life chances. Recent trends towards greater spatial segregation will not show up in longitudinal data on mobility for many years (if of course they show up at all).

But the evidence that is available, both in the UK and in other nations suggests that geographical factors can militate against or foster the conditions for greater mobility. Local political power is therefore a necessary part of the policy ecology of social mobility.

The 'hard power' of local authorities in key areas of institutional policy has important implications for intergenerational mobility – especially in housing and schooling. But of perhaps equal importance is the 'soft power' of local authorities in terms of generating local culture and norms, and developing social capital and networks.

Attitudes towards education, work, family, community and welfare are factors influencing both individual mobility and local regeneration. Jonathan Carr-West, CEO of the LGiU, is developing a vision of local authorities as 'curators' of place. They are certainly curators of local culture.

Before examining some of these specific issues, I provide a brief summary of the national policy architecture for social mobility. I then also address the tension between the

traditional social mobility focus on individual life chances, and communitarian concerns about the role of and implications for local communities. (I'll offer a partial *mea culpa* here to Matthew Taylor of the RSA, with whom I've had a public disagreement on this question.)

The promotion of social mobility has animated British politics and policy-making for some years. Evidence that social background has a strong and possibly growing influence on adult outcomes strongly impacted on political debate. Within the academy, a fierce debate is still raging over the empirical evidence on mobility and its causes. (For what it is worth, my own view is that the evidence points to a flat-lining in relative social mobility in the last three decades.)

Politically, however, social mobility has become more salient by the year. In the final months of the last Labour government, Alan Milburn was appointed to lead the charge – albeit too late to have a big impact on policy. The coalition government has pursued the theme with more rigour and commitment than any of its predecessors, starting with a declaration that 'relative intergenerational social mobility, in terms of both income and occupation, is the principal goal for the government's social policy'.

Led by Nick Clegg, the Deputy Prime Minister (and my former boss), the government has created an architecture for policy-making aimed at promoting social mobility. The key elements of the social mobility push are:

1. A new, independent statutory *Commission on Social Mobility and Child Poverty*. The Commission, chaired by Alan Milburn, will report annually on national progress on social mobility, with particular reference

to the government's leading indicators. It will also undertake research on particular issues: so far these have been on access to the professions and university admissions. (The Commission also has responsibility for monitoring progress towards the Child Poverty targets, established in the Child Poverty Act of 2010.)

2. *Social Mobility Indicators* – annual measures of progress acting as 'leading indicators' of likely longer-term changes in rates of social mobility. By tracking short-term trends associated with long-range alterations in intergenerational mobility, the direction of travel will be clear. Examples of social mobility indicators are: gaps in academic achievement between children eligible for free school meals and their peers at 11 and 16; A-level grades for state and independent school pupils; and low birth weight gaps by socio-economic status. An academic study has estimated that the bank of indicators will capture more than half the trend in intergenerational mobility.[1] There is more to come: a few of the indicators required by the Social Mobility Strategy are still in development, including a measure of gaps in early child development.[2] The government's commitment to social mobility also explains the decision to allocate funding for a new Birth Cohort Study, following on the heels of the longitudinal studies that commenced in

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1   Gregg P and Macmillan L, Measuring Mobility. In Economic and Social Research Council, Britain in 2012 (2011).

2   https://www.gov.uk/government/publications/social-mobility-indicators/social-mobility-indicators#school-attainment-age-16-by-school-level-deprivation

1958, 1970 and 2000, and which have made a huge contribution to the quality of social science in the UK.

3. *Executive leadership*. The DPM chairs a cross-departmental committee on social mobility, which includes the Secretaries for Education, Work and Pensions, and Chief Secretary to the Treasury, as well as the Ministers for Science and Higher Education, Schools, Health, Housing and Equalities. (There is also now an All-Party Parliamentary Group on Social Mobility, which is active and influential.)

These are important steps towards embedding the goal of social mobility into the machinery of national government. Milburn wants to go further, and give the Office for Budgetary Responsibility (OBR) a role in monitoring poverty and mobility too.

Even as the new mechanisms were being created, the government's focus on social mobility was influencing policy: not least in terms of the additional expenditure on early years education; expansion in programs for families including health visiting and the Family Nurse Partnership; a Youth Contract to combat long-term unemployment; investments in improving access for lower-income students to higher education; and reforms to school funding, including the Pupil Premium, aimed at reducing gaps in educational attainment.

We can certainly argue about whether these policies will work in terms of their stated aim of boosting mobility, and/or whether other policy decisions will act in the opposite direction. But one thing is for certain: the political commitment to social mobility is real, and is impacting policy development and assessment.

But so far, the debate about social mobility has been conducted at a national level. The data are national. The targets are national. The leading politicians are national. But the focus of attention, in terms of policy, is the individual. Improving school performance, increasing access to university, widening the doors into the professions: in all these cases, the unit of analysis and agent of change is the single pupil, student or worker. Social mobility has appeared as a policy goal administered at a national level for the benefit of individuals. Localities and communities have barely had a look in.

In part, this is because the liberal philosophy underpinning social mobility contains a strong strand of scepticism towards communities. This is because communities can crush life chances and individual freedom as well as enhancing them. At its most extreme, a liberal drive to promote social mobility is about saving the individual from their local surroundings: throwing a lifeline to one or two individuals, rather than a lifeboat to the whole crew.

To be honest, this has essentially been my view to date. But I am in the process of revising it, in large part because of US empirical work showing the difficulty of detaching the life chances of individuals from the quality of their localities. Earlier this year, I had a public 'wonk-spat' on the CentreForum blog with Matthew Taylor of the RSA on precisely this point. I took issue with a critique Taylor and Patricia Kaszynska made of the social mobility approach – which was essentially that helping a few bright individuals did little to help whole communities. Here is what they said:

"Lifting a few talented people out of disadvantaged communities (even if we knew how to do it) makes

the communities left behind even less able to turn themselves round...These expectations are further fuelled by individual inducement policies, such as scholarships to prestigious schools. The effect of these policy measures has been to move a small number of individuals up the social ladder and leave their communities behind."

And here is part of what I said in response:

"It is almost certain that if these talented people had 'stayed put', their home communities would have been better for it. But is that really what we should be advocating? Do we think community trumps the individual in such a strong way? (I don't. That's why I don't live in Peterborough.)... The Taylor/Kaszynska version of communitarianism – that says poor talented people should stay put for the sake of their communities – is in fact deeply conservative and wildly anti-egalitarian. It would worsen the social divides that exist in our society."

(The whole exchange is on the CentreForum blog.[3]) I now think that I was too quick in my dismissal of the Taylor and Kaszynska position. It is true that if we worry too much about communities and not enough about individuals, we risk allowing social divides mediated through geography to harden. But I now believe that a concerted effort to promote social mobility, even one that retains the individual as its primary focus (which it should), cannot ignore the profound,

3   http://centreforumblog.wordpress.com/2013/03/07/richard-reeves-why-rsas-matthew-taylor-has-got-it-wrong-22-social-mobility/

self-replicating influence of local cultures and institutions. Only the most heroic individuals can escape their social environments: and a policy agenda requiring widespread heroism is unlikely to succeed. So attending to communities in the service of individuals must be part of the mix. It is not a case of either rescuing talented individuals from disadvantaged areas (the 'lifeline' approach) or reviving communities on the immobile backs of the most talented (the 'Atlas' approach). It's both. So, as I said, half a *mea culpa*.

Still, there is a question of fact remaining: do areas matter? In the US, a rich vein of empirical evidence is being mined on the importance of local circumstances for social mobility. In the vanguard is Professor Patrick Sharkey of New York University, whose latest, stunningly good, book – *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality* – exposes the 'inheritance of the ghetto'. Seven out of ten black children living in high-poverty neighbourhoods in the US have parents who lived in them, too. Even when income, family form, education, health are taken into account, neighborhood still has a huge influence on life chances.

Sharkey's conclusion is that 'residential contexts play a prominent role in the reproduction of social and economic status across generations...[they] serve as an important pathway by which the economic circumstances, the social ties, and the cultural norms and practices of one generation are transmitted to the next'.[4]

In a related piece of work for the Economic Mobility Project at the Pew Charitable Trusts, Sharkey has shown

4   Sharkey, p.20

than US whites protect their position in relation to blacks, in part through spatial segregation:

> *"When white families advance in the income distribution they are able to translate this economic advantage into spatial advantage in ways that African Americans are not, by buying into communities that provide quality schools and healthy environments for children."*

Sharkey's work is based on the unique circumstances of the US with regard to race. But the conclusions he draws about the importance of place for the dynamics of intergenerational mobility are likely to apply to class as well as race, and to other nations as well as the US.

I am not aware of UK studies that have addressed, directly and empirically, the link between geography and social mobility: but studies of spatial inequalities in housing, education, health, transport, employment, welfare suggest a likely connection.

This interaction between place and mobility takes place in two 'hard' dimensions – education and housing – and two 'soft' ones: culture and social capital.

1. Education

It hardly needs saying that education is important for social mobility. Of the government's 17 mobility indicators, eight relate directly to gaps in educational attainment or progress, and another three concern the early years and 'school readiness'. One of the measures takes a quasi-geographical approach, by measuring overall performance at age 16 for

the top 10 per cent and bottom 10 per cent of schools by disadvantage at the school rather than individual level (as measured by the proportion of children eligible for free school meals). This acts as a powerful proxy for neighbourhood socio-economic status. In 2010/11, 82 per cent of pupils in the most advantaged schools gained at least five GCSEs graded A*-C, compared to 41 per cent the least advantaged.

When I was in government, I saw data showing that there were hundreds of secondary schools in the UK from which not a single pupil has ever gone to Oxbridge. Maybe that's not surprising, given that most state secondary teachers say they do not advise even their most gifted pupils to consider an Oxbridge application, according to a survey by the Sutton Trust.[5]

During the Labour years, significant progress was made to narrow school quality and attainment gaps, especially at the primary school level. Much more and faster progress is needed: and a redoubling of effort at the secondary level, where inequalities harden, and from which gaps in progression to HE principally stem.

At a national level, clearly there is a need for a comprehensive, progressive overhaul of the funding formula, and a significant boost in the value of the Pupil Premium, as well as continued efforts to improve quality of teaching – especially in the most disadvantaged areas. But Local Education Authorities have a vital role to play too. How many have social mobility as a core goal? OFSTED is beginning to assess the success of schools in terms of closing attainment gaps: but that should be an LEA target, too. All too often,

5   http://www.guardian.co.uk/education/2012/apr/27/state-school-students-oxbridge

LEAs appear, fairly or otherwise, as defenders of a status quo that is unacceptable. LEAs ought to see themselves as champions of mobility, ruthlessly focused on the quality of education received by their most children, especially the most disadvantaged.

Local authorities are also necessarily critical in the delivery of early years education. After a fierce internal row, the coalition government decided not to ring-fence this element of local authority financing. I agree with that decision. But there are legitimate fears that some local authorities will take short-cuts in their delivery of early years education to free up funds for other hard-pressed areas. If, as I hope, local autonomy is not in conflict with social mobility, this fear will prove unfounded. While there is no Treasury ring-fence around the money, there should be a ring-fence in the minds of every local councillor.

2. Housing

Housing policy is a powerful instrument for promoting – or demoting – social mobility. One way in which people can become 'stuck in place' is through poorly designed tenure arrangements, and geographical concentrations of joblessness and welfare dependency. One of the most dramatic social trends of the last half-century is the transformation of social housing into a safety net for the poor. Nearly half of all social housing is now located in the most deprived fifth of neighbourhoods. Fewer than a third of social housing tenants are in paid work.

Professor John Hills of the LSE produced a landmark report on social housing in 2006 showing how social housing was now undermining, rather than promoting, social

mobility. In an interview for a Radio 4 programme on the issue he said:

> *"You are creating a situation where one group of people who end up with difficulties in the labour market to start with are away from contact with the run of the mill services, jobs, knowledge about jobs that one would expect in the rest of society...*
> *I also think that from the point of view of society as a whole, the idea of walling away one group of people from the rest of the society, so that people become invisible to the mainstream, is not a healthy part of the political process."* [6]

The link between social housing and social mobility is hard to tease out. People in receipt of social housing are, by definition, disadvantaged on other important dimensions, most obviously income. A recent Parliamentary Taskforce on Social Mobility and Social Housing (SMASH), concluded that social housing was not, in itself, a problem for mobility.[7]

Most observers are less sanguine. The Hills report found that tenants in social housing were less likely to move into paid work than those in subsidised private rentals, controlling for other factors. Given that social housing is supposed to provide a stable footing from which to seek work, this was a sobering finding.

6 'Anti-Social Housing', R4 Analysis, 1 May 2009
   http://www.bbc.co.uk/programmes/b00hr4lt
7 Social mobility and social housing: Parliamentary Taskforce Report,
   Chartered Institute of Housing, June 2012, http://www.cih.org/
   publication-free/display/vpathDCR/templatedata/cih/publication-
   free/data/Social_mobility_and_social_housing_Parliamentary_Task
   force_Report

The government is attempting to make it easier for social tenants to relocate, and to allocate social housing more efficiently. Reforms to the benefit system are likely to have strong indirect effects. The dangers are clear: the 'ghettoisation' of social problems in social housing; lack of mobility; and self-perpetuating cycles of disadvantage. The future of social housing has to be very different to the 'council estate' model we have inherited: smaller groups of affordable homes, in mixed tenure areas, spread out more evenly across localities, with greater incentives to work in our approach to tenure.

Of course the social housing problem is a sub-set of the broader housing problem in the UK; which is that land is absurdly expensive, under-taxed and over-regulated. Again, the government is battling to liberalise planning laws, and liberals continue to argue for more coherent land taxation. And again, local authorities, as much as national government, hold the balance of power.

3. Culture

It is hard to quantify culture. Let me rephrase that: it is impossible to quantify culture. But it is absolutely clear that one of the most powerful elements of the 'neighbourhood' effect detected by scholars like Sharkey in the US and Hills in the UK is the prevalence and perpetuation of certain social norms with regard to schooling, welfare and work.

Following his report on housing, John Hills expressed concern about alteration in social norms on estates scarred by joblessness: "just at the crudest level, if only one in three social tenants is in full-time work and you have two social tenants living next door to you, the chances that they're both

going out to full-time work in the morning is only one in ten. That must begin to have some kind of effect on what children growing up in that kind of neighbourhood see as being the norm…"[8]

Alan Milburn, researching access to higher education, discovered that many less-affluent young people viewed selective universities as being 'not for people like me'.[9] These subtle, often partially self-inflicted, social wounds act as powerfully against upward mobility as many of the more tangible barriers considered by policy-makers.

The role of social norms and local culture in terms of promoting social mobility is an under-researched area, but is likely to explain a significant portion of the 'neighbourhood effects' that influence life chances, quite independently of other social and economic factors. Teachers that have low expectations of their pupils; pupils content to live down to them; parents who are disengaged; gangs offering more immediate rewards and status; multi-generational poverty: all the evidence is that people are acutely sensitive to their immediate social environment, taking their cues from their neighbours, relatives and classmates.

For too long, liberals and progressives have been wary of engaging in debates around culture for fear of reinforcing a certain brand of conservative analysis that essentially blames poverty on the poor. But avoiding the issue doesn't help the people we most care about: the children born into poverty, disproportionately at risk of ending up poor themselves.

8   'Anti-Social Housing'
9   *University Challenge: How Higher Education Can Advance Social Mobility A progress report by the Independent Reviewer on Social Mobility and Child Poverty*, HM Government, October 2012

And local cultures are hard to influence from Whitehall. They are not much easier to shape from the Town Hall. But to the extent that local culture influences local prosperity and wellbeing, and by extension individual life chances, local authorities have to see themselves as being in the culture business.

4. Networks

Social capital, in particular in the form of social networks, is another 'soft' but powerful factor in social mobility. Witness recent rows over the decision by James Caan, a new government adviser on social mobility, to hire his own daughters. Or the firestorm generated by Nick Clegg in 2011, when he attacked the practice of internships being allocated on the basis of personal or professional connections, when it transpired his father had done just that for him.

These stories provide the media with good sport for a news-cycle. But they also vividly demonstrate the role of social, personal and familial networks in the transmission of valuable information and the allocation of valuable opportunities. Networks matter, whether we like it or not. This means that in order to promote mobility, we need to work hard to build social capital within less affluent neighbourhoods and – vitally – connect them with broader networks, too.

In a report for the Department for Work and Pensions, Alex Nunn and colleagues concluded that networks and social capacity were important and under-evaluated dimensions of the social mobility challenge: "Social capital is also important at a community level, and the voluntary and community sector can play an important role in

mobilising people and also in developing capacity and social capital, which may impact on individual mobility."[10]

To which we should add: and local government too. As well as supporting the creation of physical connections with other communities – for example transport facilities to centres of employment – a local strategy for economic and social growth should include the cultivation of social networks within and between communities. Jobs are often filled 'on the grapevine' rather than through job centres. Tending and extending that grapevine is therefore an inescapable element of employment and therefore social mobility strategies.

Conclusions

The Dutch sociologist Talja Bloklund defines a social ghetto as the 'spatial expression of social processes'. But this holds true for all localities, not just the most deeply disadvantaged. The question is the extent to which lack of mobility between generations is not only expressed in space, but reproduced in space too – how far social mobility is a dimension of the 'postcode lottery'.

The relative contribution of local, or 'neighbourhood' effects as separable from individual or family characteristics remains difficult to pin down – as highlighted by David Manley and Maarten van Ham in a 2010 study using Scottish longitudinal data.[11]

10 *Factors influencing social mobility*, Dr. Alex Nunn, Dr. Steve Johnson, Dr. Surya Monro, Dr. Tim Bickerstaffe and Sarah Kelsey, Department for Work and Pensions Research Report No 450, 2007

11 *Neighbourhood Effects, Housing Tenure, and Individual Employment Outcomes*, IZA, IZA DP No. 5271, David Manley & Maarten van Ham, October 2010

But there is sufficient evidence to say this: the social mobility mission needs to be localised if it is to stand any chance of success. In part, simply because local institutions have a degree of power over the institutions cultivating individual success – especially schools and homes; but also because places themselves are likely to be factors in the replication of inequality.

None of this signals any lessening of support for individuals, especially through education. But a sole focus on individuals runs the risk of missing important effects generated within communities. As part of a concerted, continued drive for social mobility, national policy makers need to think local. And local authorities need to pursue not only stronger communities in themselves, but brighter opportunities for the individuals that comprise them.

"Connected localism is not proposed as either a political ideology or a public management method, but as a way of thinking and doing that builds on the creativity and civic energy of local people."

Conclusion

Jonathan Carr-West

While we may disagree about how to achieve them, there are certain aspirations that the vast majority of people share. We all want to be able to fulfil our potential, to have productive engaging jobs, to live in safe attractive neighbourhoods, to be part of strong, sustainable communities. We all want our elderly to be cared for, our children to be educated and the vulnerable to be protected.

And yet it too often feels that there is an unbridgeable gap between these basic aspirations and the reality we currently inhabit. The essays in this collection all argue that a significant factor in this shortfall is a long-term failure to sufficiently localise and diversify systems of power and decision making in the UK.

Increasingly, within local government, there is a recognition that we are approaching a moment of crisis. Both short-term and long-term pressures on public services, many of which are described in this collection, mean that we need to think hard not simply about how we deliver our current services, but fundamentally about what a council is and what it does (and does not do), about the nature of public service and about the boundaries between citizens, state and communities.

As localists we do not believe that there can, or should, be a single answer to these questions; local authorities, and

indeed local areas, will be re-imagined and re-made in ways that suit different places and the people within them.

The essays in this collection represent the leading edge of thinking in this debate. They unapologetically pose more questions than answers but we hope that they will provide some inspiration to those who are engaged on the hard road of local government transformation and some ideas as to what the next steps on that journey might be.

Connected localism is not proposed as either a political ideology or a public management method, but as a way of thinking and doing that builds on the creativity and civic energy of local people and connects it into a dynamic network of innovation and strategic governance.

The ideas gathered in this book are only a beginning. Much, much more thinking and experimentation needs to be done to bring this concept to life. No-one can pretend this is easy, particularly in a tough financial climate, but it is an endeavour worth undertaking if we are to build, together, a future fit for sharing.