

# A Labour Vision for Community Power

Participation, prevention  
and devolution

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Local Trust



# About the report

*A Labour Vision for Community Power* is an ambitious agenda for action, driven by the principles of participation, prevention and devolution. It sets out how in practice a mission-driven approach to government would redistribute power out of Westminster, across our system and into the hands of communities. Far-reaching proposals would give people more control over their neighbourhoods and shift our system of public services towards prevention, away from high cost reaction in order to support better, more sustainable outcomes.

Even against a challenging backdrop of broken public finances and big global challenges, this report is clear that there is another, better way of doing government. This is one that restores trust in our system and enables communities everywhere to prosper, especially those facing the biggest barriers.

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# Foreword

The power of communities can be taken for granted, but really comes to the fore during times of crisis. When my sister Jo was murdered, our community came together and surrounded us with love and support. When Covid hit, communities across the country sprang into action, neighbour looking out for neighbour and sustaining vital human bonds through that dark time.

But why should it take a crisis to recognise this power and potential? Instead of being the last resort, we should build connected, compassionate communities and look to them for the answers that our national system is struggling to find. As Keir Starmer has set out, the promise to 'take back control' is a distant memory – people feel less in control than ever. Too many are disengaged from society and politics. Re-engaging them will mean making them feel invested in the system again, which will require transforming it so that their voice and lived experience is heard and valued.

That's why this paper is so important – a group of Labour council leaders who have firsthand experience of achieving change locally, bringing fresh ideas to how Labour nationally could achieve this in practice. It shows how an active local state and empowered communities working together can be the route to addressing the big challenges we face as a society – from loneliness and poor health and wellbeing to deep structural problems like inequality and rising levels of alienation from traditional democracy.

This has got to be a combined bottom-up and top-down endeavour – grassroots initiative matched with national level action. I often find myself in the 'Westminster Bubble' hearing people discuss policy and I think "take that to Dewsbury and they'll tell you to get lost". We need to bridge the worlds of the distant corridors of traditional power and our communities where life happens. The reality of daily life varies massively between different neighbourhoods, even those in close proximity to each other. So, it stands to reason that the best people to make decisions are those who live there day in and day out.

A big part of this is collaboration and working across different sectors – public, voluntary and private. The local voluntary sector is often the lifeblood of communities, and building trusted relationships with the public sector where each can bring their insights to bear is vital. The role of businesses locally playing

their part should be recognised too. For those of us working at a national level – particularly politicians and civil servants – we need to recognise our role supporting these trusted relationships to flourish locally.

We desperately need some optimism for our communities, who have been through a lot in recent years. This paper gives us that. The vision for community power set out here is something we can all get behind and get excited about. It's my hope that we can keep this conversation going and build our ambition together. The Labour Party has a once in a generation opportunity to bring about meaningful change for our communities and we should all grab hold of it.

## **Kim Leadbeater MBE**

Member of Parliament for Batley and Spen

# Executive Summary

Giving power to communities without voice or agency is a principle that runs deep within the Labour Party's traditions and wider movement of co-operatives and local associations. This radical spirit of grassroots pluralism and energy needs to be renewed for the challenges facing our country into 2024 and beyond. Our communities have been on the frontline coping with the fallout of big national challenges like our ageing society and global phenomena like deindustrialisation. Within our top-heavy governance system, they are all too often on the receiving end of decisions such as austerity made in the abstract in Westminster. Too little regard is given to real life consequences, leaving communities buffeted by forces beyond their control.

A Labour Vision for Community Power is an ambitious agenda for action, driven by the core principles of prevention, participation and devolution. These would enable the Labour Party to achieve its historic mission, in the context of today's challenges. By committing to a Take Back Control Act, Keir Starmer has already recognised the urgent need to restore agency from the ground up. This would finally give legislative force to promises broken by the current Government since the EU referendum vote. This case for reform sets out how this can be achieved in practice, for the Labour Party to demonstrate that there is another, better way of doing government. This would give people real agency, underpinned by a system that is more effective and responsive to communities.

Community power is based on the principle that people have insight, experience and capabilities which should play a meaningful role in the big decisions taken by central government, local government and the wider public sector. Recognising this has big consequences for how decisions are made – both for *communities of place* based around a geographic area, and for *communities of experience* based around shared conditions, demographic characteristics or life stages. In our current system, the innate assets and social capital of these communities can often be bypassed by formal organisations. If decision-making was opened up, allowing for the parity of community expertise alongside that of professionals, then better and more sustainable outcomes could be achieved.

There are three current and pressing reasons why community power should be renewed as a guiding principle for the Labour Party today:

**1. Public services need to shift towards prevention:** Our system of support urgently needs to break out of the cycle of treating symptoms and be more able to address root causes to stop problems occurring in the first place or deteriorating if they emerge. Genuine prevention relies on people actively participating in their own health and wellbeing.

**2. The deep challenges we face as a society require active, resilient communities:** The depth and complexity of many modern problems from climate change to deindustrialisation or social isolation are beyond the ability of any single institution or actor to resolve. We need to build a new statecraft that recognises how institutions can achieve impact in this context – moving beyond treating communities as passive recipients or transactional customers, and recognising their role at the heart of sustainable solutions.

**3. Communities have a basic right to have a say over the system that exists to support them:** Traditional representative democracy is creaking, with rising levels of alienation and mistrust of those in power. This matters deeply for Labour as a party which has always believed that the democratic state has a key role in making sure everyone can get on in life, in particular those facing the biggest hurdles. Creating new and more varied ways for communities to engage with decisions affecting their lives is thus urgent and will be a litmus test for a successful future government.

Recognising that communities have a need, a role and a right to be active participants in their own outcomes implies a renewed role for the state, not a reduced one. A Labour vision for community power is based on a proactive state, with power redistributed across it guided by the principle of subsidiarity to take decision-making closer to communities. This involves a new settlement between a more strategic, mission-driven centre and empowered, sustainably resourced local government. In turn this provides a strong, secure foundation for councils and public services locally to work collaboratively together and alongside communities to enable genuine influence and agency over what matters to them.

A Labour vision for community power has three core principles, each supported by a series of recommendations to effect meaningful change from day one of a future Labour government:

# 1. Building community power in neighbourhoods to take back meaningful control

Too many communities feel overlooked politically, economically and culturally, and need tangible ways in which they can exercise more influence over their areas. Years of Conservative policy have punished communities through austerity. Despite promises of levelling up and localism, there has been no meaningful change.

Focusing on communities of place, the following proposals should form the backbone of Labour's Take Back Control Act and create a genuine shift in the ability of communities to exercise real control, which would build community-rooted resilience for the future. They rely on corresponding powers for local authorities to be able to respond to community priorities:

- **A series of new rights for communities** to own buildings and spaces of community value and to participate in spending decisions that directly affect their neighbourhood, including developer contributions.
- **A range of new powers and legal frameworks for local authorities and the wider public sector** to build community wealth and level up the playing field with the private sector locally. This would include a new legal baseline for social value in procurement, permissive rules for new co-operative and locally rooted businesses and more robust place shaping and enforcement powers to curb poor commercial practice in communities.
- **A renewed focus on tackling neighbourhood deprivation** with a new Community Wealth Fund that would target "no strings attached" funding to the 10 per cent most deprived communities and a new Neighbourhood Unit to maintain the pace and focus on sustainable change.

# 2. Shifting public services to prioritise prevention by making community power a reality

Following years of austerity which created fragility as we went through the pandemic, our public services are under extreme stress. Yet the challenge is more than one of just funding – demand pressures are rising due to underlying trends such as our ageing population and deepening inequality. On a local level, new ways of working have been pioneered by practitioners and in local government, often



Labour councils – which share a focus on working with the assets of people and communities as core to successful prevention approaches.

Lessons from the impact of these approaches inform a set of proposals for wider system change across all public services including health, welfare and the criminal justice system. Communities of experience have valuable insight into how our existing system could be more effective – better preventing problems occurring and more capable of supporting people to thrive:

- **A new community right to shape public services** would create a clear expectation that communities should be able to participate in the strategic decision-making and design of support across all public services. This would move beyond traditional consultation and engagement exercises which aren't capable of drawing in deep community insight. Support for skills development of the public sector workforce and community capacity building will be required to make this right meaningful in practice.
- **A new public sector community impact duty** would reflect and strengthen the community right to shape public services, by ensuring the onus isn't just on communities to organise themselves and respond. This would require all public services, departments and agencies to identify, understand and engage proactively with communities affected by decisions. This change is designed to shift the internal culture of all public services, normalising participation, deliberation and asset-led approaches.
- **A renewed drive to pool public service budgets locally to invest jointly in community-led prevention.** A major barrier to more effective joint working between public services locally in the interests of the communities is that silos created by Whitehall departments are replicated in places. Dire public finances and years of austerity mean it will not be possible for a future Labour government to squeeze out more efficiencies *within* service silos, so it must pursue more effective allocation of resource *across* them, where they interact in places and with communities. Adopting principles from the promising Total Place approach at the end of the last Labour administration, more ambitious pooling of public service budgets and joint planning should underpin collaboration and share the risk of upfront investment in community-led prevention.

### **3. A strategic centre organised around a vision for community power which builds prevention and resilience across the system**

Community power is a grassroots phenomenon which can't be mandated by government but can be bypassed or undermined by it. Labour's early commitment to pursue mission-driven government is explicit about the limits of an approach that hoards power at the centre and relies on sticking plaster politics which is not capable of responding to the complexity and nature of today's challenges.

Labour needs to build a new statecraft that is fit for purpose for the challenges facing our society and capable of working alongside the assets that exist in communities. This would reorient our entire system of governance, inverting power concentrated at Westminster and Whitehall, and relocating it in communities. A series of measures would lead this shift in practice:

- **A new settlement between national and local government which clarifies respective roles and embeds long term funding stability, to provide a strong foundation for community power.**

A key enabler of community power is a good relationship between local government and communities. National government should support this, rather than micromanage or undermine it. A new settlement would involve a guarantee of the political, administrative and financial independence of local government, enshrined in legislation. A mission-driven government would mean a clear national framework which sets broad outcomes, with local areas given the power and accountability to meet these in ways adapted to their context.

In the immediate term, the first Spending Review of the next Parliament should give councils clarity of funding, informed by local needs, over three to five years. This would provide much-needed stability and support to enable longer-term planning and investment in community-led prevention. Increasing the overall levels of funding for local public services should be a medium-term goal as public finances permit. Alongside this, options for devolving fiscal powers should continue to be explored, which would increase local accountability with a proportion of taxes guaranteed to be spent in the local communities that generate them, alongside robust equalisation between areas.

- **Reform at the centre to embed prevention and enable community power across the system.** For prevention strategies to be effective, active communities need to play a core role, supported by an enabling state. There is an enormous amount of money and energy within our current system being directed in the wrong way, at the wrong time and on the wrong things. The status quo is becoming increasingly risky as the traditional levers of government have diminishing returns.

A set of measures at the centre would begin to bring about a shift in the way our national government does business. A new government should immediately set out to understand the costs of ineffective resource allocation across our current system. This should include an evaluation of the consequences of underfunding preventative and early intervention support in the form of rising demand for crisis provision such as acute healthcare and policing. This should inform the basis for an invest-to-save approach to public service transformation which would recognise value across the system over the longer term, rather than just count short term costs within separate service budget lines. Shared cabinet-level agreement of the priority to shift towards prevention should signal to departmental accounting officers the need to develop collective responsibility. This would be supported by a Cabinet office team to drive a cross-Whitehall approach and the Office for Local Government refocused on driving transformation by supporting learning and insight across national and local tiers.

- **A renewed devolution agenda, which takes a universal approach to redistributing power guided by the principles of subsidiarity, inclusive growth and participation.** To date, devolution has been pursued as a single policy initiative on the terms of national government, narrowly focused on technocratic growth objectives. There is an opportunity for a future Labour Government to set out a more universal approach guided by its five core missions. This would establish a framework and objectives through which longer term funding and accountability are devolved.

Three core principles should guide a renewed approach to devolution. First, subsidiarity would take decision-making to the level closest to those affected and embed a clearer understanding of the appropriate scale for impact across national, regional, local and neighbourhood levels of all domestic policy. Second, the principle of inclusive growth should focus on devolving powers

not just to drive growth but also supporting people locally to participate in new opportunities created by growth. Third, the principle of participation and accountability should ensure devolution strengthens democracy so that communities feel a tangible shift in how power is exercised and shared.

This Labour vision for community power is rightly ambitious and determined to set out a new direction for a future government which inspires hope and optimism that another way of doing government is possible. This would share rather than hoard power, recognising the wealth of assets and capabilities that already exist within our communities. The prize is a country where everyone can reach their potential, where public services have the greatest impact on people's lives and where public trust in institutions is restored.

# Introduction

The Labour movement's founding purpose was to organise and empower working class communities. This was not just to secure better pay and welfare. It was also to pursue the dignity of a powerful collective voice, through which those communities could better shape their places and futures.

This mission to secure agency and grassroots influence through community power runs deep in the Party's history: in the diversity of local union and party branches; the tradition of municipal socialism which predated Labour securing national power; and in the century-long association with the Co-operative Party and movement which champions mutualism and shared ownership. It threads through Labour's historical commitment to valuing diverse, regional working class cultures and institutions in the face of denigration or attack by wealthy and powerful elites. In recognition of this history, the Labour Party constitution commits the Party not solely to winning elections and enacting policy but also to "making communities stronger through collective action".

This radical spirit of grassroots pluralism and energy may have faded in the post-war era as many of Labour's defining achievements in office, including the establishment of the welfare state, became more associated with large scale state power. But it urgently needs to be renewed to confront the challenges of our current era.

Our communities are now on the frontline coping with the fallout of big national challenges and global trends. Decades of deindustrialisation and stagnating national productivity have deepened regional inequality. Too many places now feel left behind by the pace of progress in the capital and its surrounds. Even in London and the South East, inequality is pervasive. We witnessed in real time how a global pandemic quickly ricocheted across the country, hitting different communities at different points and exacerbating underlying health inequalities between postcodes. Of those future challenges we can already anticipate – from the climate emergency to the advance of AI shifting the nature of work – we can be confident that already less resilient parts of our country will feel the effects more deeply than others.

Yet our communities have little power to respond. Our system of government is the most centralised of large wealthy peer countries, with decision-making initiative concentrated in Whitehall and Westminster. Policies decided in SW1 have massive

consequences locally. The gradual erosion of our social safety net as a result of austerity policy is the obvious example, hitting already deprived areas harder, and fragmenting public services everywhere. But across a range of policy areas, from the ill-conceived Universal Credit rollout to the failed contracting models for long term unemployment support and criminal justice rehabilitation, local partners have had to pick up the pieces when choices made in the abstract at Westminster hit hard against reality. Communities are all too often on the receiving end of decisions made far away from them, by people with no direct experience of what is happening in their area.

As a result, mutual mistrust runs deep within our system. The Westminster Bubble – shorthand for our centralised political and policy culture – tends to infantilise communities as parochial. A Treasury-dominated system of financial prioritisation can't always recognise the 'business case' for investing in what people living in neighbourhoods value. The Whitehall model of governance doesn't credit local areas much ability to make decisions for themselves, preferring micromanagement and only a very tightly managed form of devolution.

In turn, communities increasingly mistrust 'out of touch' Westminster decisionmakers who they hold responsible for a system that they feel isn't working for them, with capacity to support what matters to communities eroded. For the most part, the business of policymaking carries on oblivious to the consequences of this systemic cynicism. We get glimpses of the discontent that simmers – such as when the "take back control" mantra of the Brexit campaign resonated strongly (and unexpectedly for many) during the EU Referendum. But despite the shock this vote issued to those in established power, which sparked a promised new agenda to 'level up' the country, nothing of substance has changed. Inequality is getting worse, with life expectancy having stagnated since 2011 now deteriorating further.<sup>1</sup> The cost-of-living crisis is hurting, with those areas already poorer and facing exclusion feeling more pain.<sup>2</sup> Communities continue to be buffeted by forces beyond their control.

This precarious status quo matters deeply for Labour as a party which seeks power because it is ambitious to ensure everyone is able to get on in life, particularly those facing the biggest hurdles. Labour can only fulfil its mission to restore security and prosperity in our country by actively rebuilding people's

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<sup>1</sup> For a discussion of this, see: <https://www.kingsfund.org.uk/publications/whats-happening-life-expectancy-england>.

<sup>2</sup> Rodrigues, G. and Quinio, V. (2022) *Out of pocket: The places at the sharp end of the cost of living crisis*. Centre for Cities: <https://www.centreforcities.org/publication/out-of-pocket-the-cost-of-living-crisis/>

trust in the system and ensuring it works for them. The big challenges our country faces – growing poverty, deep inequality, exhausted public finances and a climate emergency – cannot be overcome without the consent and active participation of people themselves. Keir Starmer has outlined the scale of these challenges:

***“Our job in 1997 was to rebuild a crumbling public realm... in 1964 it was to modernise an economy overly dependent on the kindness of strangers, in 1945 to build a new Britain, in a volatile world, out of the trauma of collective sacrifice – in 2024, it will have to be all three”.***<sup>3</sup>

Yet a future Labour government will not be able to rely on the levels of growth-enabled investment available to Blair’s government, the deference to hierarchy of Wilson’s era or the public appetite for large scale technocratic solutions which Attlee channelled during his landmark administration. Labour in 2024 will need to forge a new statecraft, capable of addressing the complex, interwoven challenges of today. This would need to mark a clear break from previous waves of renewal, which were calibrated to the demands of different eras. For example, the Third Way analysis influenced the approach taken by New Labour in the late 1990s regarding the role of the national state and the reality of economic globalisation and individualism.<sup>4</sup> This sought an accommodation between the state and market which emphasised partnerships, between public and private sectors and with civil society organisations. Viewed from the perspective of the mid 2020s, the role of people and communities themselves is largely absent from this analysis – the third way accommodation is largely a bilateral endeavour between state and market power.

So, a renewed statecraft fit for today’s challenges would need to be based on an understanding of the limitations of traditional approaches to governance and public services from the perspective of communities themselves. The role of the state is essential but conventional models have diminishing returns. Big, top-down, one-size fits all responses are proving too rigid in response to complex, inter-connected challenges that manifest differently in different places.<sup>5</sup> Deficit-led practice seeks to manage people as cases, resolved by what the professional deems best within a set range of options. The limits of market-inspired efficiency initiatives and large scale private sector outsourcing are increasingly recognised. They focus on driving economies of scale removed from localised needs, encouraging only a transactional relationship with communities and diverting investment away from

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<sup>3</sup> Speech to Progressive Britain Conference, 12 May 2023.

<sup>4</sup> See Giddens, A (1998) *The Third Way: The Renewal of Social Democracy*. Polity.

<sup>5</sup> For a discussion of this, see Lent, A. and Studdert, J (2019) *The Community Paradigm*. New Local.



building more resilient local capacity.<sup>6</sup> There is increasing awareness that more effective, sustainable and legitimate solutions are devised *with* and *by* people, rather than simply *done to* them.

The Labour Party has already made some moves in this direction. By making an early, compelling commitment that a Labour government would take power out of Westminster and put it into the hands of communities, Keir Starmer has been clear about the need to restore agency and purpose from the ground up. His New Year 2023 speech set out a clear vision for reform and a commitment to a Take Back Control Act that would give legislative force to these ambitions, recognising the failure of attempts to give people meaningful influence since 2016.<sup>7</sup> Gordon Brown's Commission on the UK's Future, which has been welcomed by the Labour Party, was focused on economic renewal and contained a radical set of proposals for devolving power to local government.<sup>8</sup> This was guided by the principle of subsidiarity and double devolution beyond the town hall to communities, supported by a series of social rights. Underpinning this, Labour's approach to mission-driven government recognises the need to devolve decision-making away from Westminster to those with expertise: retaining clarity of ultimate vision while enabling flexibility and innovation on the means of delivery.<sup>9</sup> Taken together, Labour's platform for the next Parliament proposes the biggest redistribution of power we will have seen for generations.

Labour now has a once-in-a-generation opportunity to renew how it fulfils its enduring purpose: improving the lives of working people. In the context of the 2020s, this means an approach to government and public services that actively focuses on closing inequality gaps and securing better outcomes from public spending, while working within the context of our hyper-connected, networked age. This paper will set out how a Labour vision for community power can respond, by creating more opportunities for participation, shifting public services towards prevention and devolving decision-making throughout. This will show how the system can be made to work for people, and that communities really can take on meaningful control over what matters in their lives.

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<sup>6</sup> See, for example the discussion of the UK Government's reliance on large consultancies during the covid response, in Mazzucato, M. and Collington, R., *The Big Con*. Penguin (2023).

<sup>7</sup> See <https://labour.org.uk/press/keir-starmer-new-years-speech/>.

<sup>8</sup> A New Britain: Renewing our democracy and rebuilding our economy. The Report of the Commission on the UK's Future. Accessed here: <https://labour.org.uk/wp-content/uploads/2022/12/Commission-on-the-UKs-Future.pdf>.

<sup>9</sup> A mission driven government to end sticking plaster politics – The Labour Party, 2023. Accessed here: <https://labour.org.uk/wp-content/uploads/2023/02/5-Missions-for-a-Better-Britain.pdf>.



## What is community power?

Community power is based on the principle that people have insight, experience and capabilities which are meaningful and real. Recognising this simple principle has big consequences for how decisions are made, both over the local areas that communities live in and over the services that people collectively use. The combined insight of communities into how they experience the local economy, public services and wider civic life is vitally important – they understand deeply the barriers and opportunities that exist in their daily lives. If communities had more influence, and where possible more direct control over the decisions and resources that affect them, this would better inform the nature of support, increase the impact of investment and result in improved, more sustainable outcomes.

Strong, thriving communities are a good in themselves, because they directly improve the lives of those within them. These are communities which are rich in civic assets – grassroots community organisations, a strong local civic realm of active groups and associations, places where local people can come together, where relationships, connection and social capital are nurtured.<sup>10</sup> A wealth of evidence links community power to a range of individual health, community wellbeing and cohesion outcomes.<sup>11</sup> Research has found that where these community features are lacking and social fabric has decayed, outcomes for people across a range of measures are worse.<sup>12</sup> Therefore, the ability of the state to work in ways that support community-based prevention and social foundations is critical – recognising the value of relationships in communities and informal networks of support that bind people together.<sup>13</sup> Whilst public services play a very large and vital part in improving lives they are not the only drivers of many outcomes, which are determined by wider social, economic and environmentally rooted factors.<sup>14</sup> For outcomes across a range of areas from education to health to crime, living in a strong, inclusive and empowered community is often just as important as a service intervention alone.

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<sup>10</sup> Leach, M. (2023) 'Can resilient communities relieve the burden on public services?' Local Trust. Accessed here: <https://localtrust.org.uk/news-and-stories/blog/can-resilient-communities-relieve-the-burden-on-public-services/>.

<sup>11</sup> Lent, A. et al (2021) *Community Power: The Evidence*. New Local.

<sup>12</sup> *Left Behind? Understanding communities on the edge* (2019) Local Trust and Oxford Consultants for Social Inclusion (OSCI).

<sup>13</sup> Leach, 2023.

<sup>14</sup> For a landmark exploration of these wider determinants, see Marmot, M (2010) *Fair Society, Healthy Lives (The Marmot Review)*.

In our current system, these community assets are all too often bypassed by professionals in services working to their own assumptions and organisational priorities. These may have the best of intent, and there will be times when trade-offs between different priorities need to be navigated and respected. But overall, community powered approaches recognise that the solutions to big challenges are often to be found within the community, not just inside institutions. This means decision-making needs to open up and actively seek the participation of communities to design, shape and sometimes directly own public assets or play a role in delivery.<sup>15</sup>

Broadly, there are two interlinked types of community which are important in this context:

- **Communities of place** refers to geographic communities sharing the same area, the scale of which may vary but is likely to feel meaningful and recognisable, such as a neighbourhood, town or city.
- **Communities of experience** refers to groups of people with important shared features – this could be demographic characteristics such as ethnicity, class or age, a medical condition such as people managing diabetes or of life experience such as new parents.

Communities are not rigid, fixed entities around which a ring can easily be drawn – communities of place and experience are connected, and we all move in and out of many different communities over our life course. So, for services and institutions to adopt community powered approaches, this requires methods and mindsets capable of recognising such complexity. This means working in new ways which are open to deep engagement, empowerment and adaptable to different circumstances – with parity between professional and community expertise. It also means opening up opportunities for communities to take on full ownership and control of assets or provision where they have the appetite to; and that they are supported to do so where necessary, including through funding.

Community powered approaches rely on a renewed role for the state, not a reduced one. After the predictable failure of the largely rhetorical Big Society approach which accompanied austerity policy in the early 2010s,<sup>16</sup> there are some on the

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<sup>15</sup> For an overview of community power from a co-operative perspective, see Birley, A. (2022) *Community Power*. The Co-operative Party.

<sup>16</sup> See *Whose Society? The Final Big Society Audit* (2015) Civil Exchange.

left who are sceptical of *any* approach which seeks a greater role for communities. The Big Society viewed the relationship between the state and community as zero-sum rather than umbilically linked. As services were cut or rationed due to lack of funding, there was an assumption that armies of local volunteers would automatically step into that void. Of course, that did not happen, and years of austerity, compounded by the demands of the pandemic response have led to services facing intolerable pressure and an overstretched workforce. This has knock-on effects for communities, who have witnessed the withdrawal of funding from places they value and who find it increasingly hard to access services and support. As such, community power is fundamentally different to the Big Society vision. It emphasises strong collaboration between the local state and communities, each drawing on respective insights as equals, rather than the former simply stepping back. It recognises that if communities are to regain the dignity of voice and agency, the local state needs to work hard to rebuild the capabilities and confidence within communities that decades of inequality, poverty and austerity have destroyed.

Beyond the core point that all communities should have the dignity provided by voice and agency, there are also three current and pressing reasons why community power should be adopted as a guiding principle for a renewed approach to increasing participation in decision-making:

**1. Public services need to shift towards prevention:** Demand pressures on public services are rising. Our population is ageing, meaning that overall, we are living longer – many more of us with long term conditions that require ongoing management. Our NHS was set up to treat ill health, but what is increasingly required in parallel is support for the creation and maintenance of good health and wellbeing, which starts where people live rather than at a clinical facility.<sup>17</sup> Inequality is persisting and deepening, and our siloed approach to managing different aspects of complex life circumstances is fragmented across welfare, employment and family support. Each service is forced to react to a crisis or mitigate specific problems, rather than work together to stop them happening in the first place. This increasingly results in worse outcomes for people and builds up costs on provision of last resort such as A&E or policing, because problems are not sustainably resolved.

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<sup>17</sup> See Leadbeater, K. (2023) *Healthy Britain: A new approach to health and wellbeing policy*. The Fabian Society.

Our public services need to break out of the cycle of treating symptoms and become more focused on addressing root causes to stop problems occurring in the first place, or deteriorating if they emerge.<sup>18</sup> Prevention is not something that can simply be administered in a traditional service sense or simply mandated nationally from a distance. For genuine prevention which supports the creation of good health and wellbeing, communities need to be at the heart, with people actively participating in their own outcomes. There is evidence that having more control over one's own life is in itself a driver of good health and wellbeing – feeling less power and agency is associated with poorer health outcomes.<sup>19</sup> As part of a shift to prevention, public services need to recognise the longer-term value of nurturing self-efficacy in how they work with people, in order to sustainably resolve problems and support people to live independently.

**2. The deep challenges we face as a society require active, resilient communities to resolve:** Many modern problems are beyond the ability of any single institution or actor to resolve. The effects on communities going through change, related to deindustrialisation, relocation of business or the loss of community spaces, require radical new thinking from the public sector to ensure community capacity is rebuilt and reimagined rather than left to market forces alone. Increasingly pervasive modern phenomena like loneliness and poor mental wellbeing cannot be tackled by a service response alone, they require relationships and active local networks to be nurtured and supported.<sup>20</sup>

The depth and complexity of these challenges means that we need to build a new statecraft which understands how institutions can achieve impact in this context. This would recognise the limits of traditional approaches to achieving change on behalf of the national and local state – such as treating people like passive recipients or transactional customers. It would acknowledge the value and potential of communities as active participants in solutions, and work in new ways that nurture and support this to flourish.

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<sup>18</sup> Leach, M. (2023) 'Can resilient communities relieve the burden on public services?'. Local Trust.

<sup>19</sup> For example, two longitudinal studies of health outcomes of civil servants known as the Whitehall Study (1987) and the Whitehall Study II (1994) found significantly higher mortality rates in those occupying lower grades compared to higher. See for example, Marmot M., et al 'Health inequalities among British civil servants: the Whitehall II study'. *Lancet* 1991;337:1387-139. This social gradient in health outcomes has been explored in Marmot's later works including his seminal Marmot Review (2010) *Fair Society, Healthy Lives*.

<sup>20</sup> Crouch, T. and Leadbeater, K. (2023) 'Loneliness is a drain on our communities and the NHS, but we have the means to confront it'. Accessed here: <https://www.politicshome.com/thehouse/article/loneliness-is-a-drain-on-our-communities-the-economy-and-the-nhs-but-we-have-the-means-to-confront-it>.

**3. Communities have a basic right to have a say over the system that exists to support them:** In recent years, rising levels of alienation and mistrust of those in power have come to the fore. They have complex causes and manifestations, but cannot be ignored by mainstream politicians, either nationally or locally. In particular for Labour, as a party that seeks progressive social change and prosperity for all, the achievement of this in government will rely on building a stronger foundation of agency for all communities over the issues that matter to them.

The growing sense that people are losing faith in democracy and political parties requires a proactive response – and a recognition that communities have basic rights to participate in decisions that matter to them. Developing new ways for people to feel tangibly more in control over their neighbourhoods, local opportunities and the services which support them should be a priority. As traditional representative democracy creaks at the edges, creating new and more varied ways in which communities can engage with decisions that affect their lives is increasingly urgent. There is a real risk the legitimacy of our governing institutions will continue to erode unless communities have more ways to get involved and feel influence.

These three principles set out a new direction for a Labour vision for community power, driven by participation, prevention and devolution. They have a common underlying theme: that communities cannot simply be 'done to' and always be on the receiving end of choices and judgements by others. They have a need, a role and a right to be active participants in their own outcomes. It is no longer sustainable for choices that directly affect their lives to always be made on their behalf and for communities to be left feeling buffeted by forces beyond their control. Traditional state-led or market-inspired approaches are not capable of working with communities to embed prevention, empower them or increase their sense of ownership over their lives. A more proactive state needs to work in creative new ways alongside existing networks and nurture community capacity rather than bypass it or extract from it. Labour now has an opportunity to rethink and rewire a vision of reform that gives communities real power and agency over what matters to them: their local area, their opportunities and the services that support them to thrive.

# A Labour vision for community power: Participation, prevention and devolution

Drawing on Labour's deep historical mission to empower working communities and facing the reality of society today and as we approach the 2030s, Labour's vision of community power would be based around three guiding principles:

**1. Building community power in neighbourhoods to take back meaningful control:** A series of new community rights which hardwire entitlements to take on ownership of assets and participate in decision-making, empowering communities of place. To be made meaningful these would be underpinned by new powers and secure funding for local government to respond to local challenges. In practice this means being able to take active steps to strengthen local economies, shape places and build wealth locally according to community priorities. This universal approach to all places should be combined with a renewed focus on tackling neighbourhood deprivation.

**2. Shifting public services to prioritise prevention by making community power a reality:** Public services need to work with community assets and insight to build community-led prevention and reduce the impact of inequalities, rather than simply responding to crises when they emerge. Focused on communities of experience, a new community right to shape public services and a new public sector impact duty are designed to work together to create a new expectation of participation and influence with community insight alongside professional expertise. A core part of this would be a skilled, motivated workforce with frontline autonomy to build relationships with communities and support people to live happier, healthier and fulfilled lives. Underpinning this collaboration is a renewed drive to pool public service budgets locally to invest jointly in community-led prevention.

**3. Organising a strategic centre around a vision for community power which builds prevention and resilience across the system:** Recasting the relationship between national and local government to respect and empower the latter to build strong relationships with communities – facing outwards towards the people the state exists to support,

not up the governance hierarchy towards Whitehall. This should involve a guarantee of the political, administrative and financial independence of local government enshrined in legislation and a commitment to stable, secure funding over the longer term. A series of measures at the centre would begin to shift how departments work collectively and how they interface with localities to better enable prevention and resilience. A renewed approach to devolution would align economic growth with social purpose and more active democracy.

This paper will now explore each principle in turn, which taken together would create a landmark shift bringing power closer to communities. This agenda would be built to last beyond the lifetime of a future Labour government, by investing in and nurturing the grassroots capacity of communities, to build future resilience.



# 1. Building community power in neighbourhoods to take back meaningful control

Too many communities feel overlooked politically, economically and culturally. This phenomenon has deep roots in industrial decline over the decades and has deepened due to the impact of austerity since 2010. The vote to leave the EU exposed the salience of the desire in many areas to 'take back control'. Keir Starmer recognised this "desire for communities to stand on their own feet" in his New Year Speech 2023, when he said they need the chance to control their destiny and that "decisions which create wealth in our communities should be taken by local people with skin in the game".<sup>21</sup>

Years of Conservative policy have delivered little meaningful change for communities. The Localism Act in 2011 created a series of 'rights' for communities, but these were set up in an opposition to councils and accompanied by an era of austerity which reduced the capacity of local government in parallel. The rights themselves don't have enough teeth to be meaningful. The Community Right to Bid to own local assets such as buildings, for example, is too weak for most communities to realise in practice. It is too open to competition from private companies who inevitably have the capabilities and resource to act quickly when an asset comes on to the market.

After the Brexit vote, Conservative governments have pushed the idea of levelling up left behind areas, but it has never reached beyond a long White Paper, some further limited devolution and a centrally-controlled, competitive funding pot. This has left communities increasingly reliant on short term, fragile resource with power and money allocated by central government in a high-handed and opaque way. Unsurprisingly, this has proved to be no basis for a shift in power to communities or over-stretched local authorities.

Communities need to have the power to identify their own priorities, and councils need to have the tools to respond effectively. The first without the second sets communities up to fail as it raises expectations and contributes to a sense that 'the system' isn't working for people. And council power alone won't support the development of community capacity over the long term. Labour can take lessons

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<sup>21</sup> See <https://labour.org.uk/press/keir-starmer-new-years-speech/>.



from the success of the landmark New Deal for Communities (NDC) programme, through which 39 local areas received regeneration investment between 2004 and 2011. Analysis has shown that 77 per cent of those areas saw deprivation fall relative to the national average.<sup>22</sup> Crucially, there is a correlation between strength of community engagement and falling levels of deprivation. The areas that experienced the greatest improvement under NDC were those with the strongest base of civic assets, such as community shops and charities, and the most engaged communities, which suggests that fostering local civic culture is an important element of regeneration.

When it comes to communities having more influence over their area, there can be a concern expressed by some on the left that this will inevitably be dominated by those with the sharpest elbows. This view has the best intent, but it should not simply protect the paternalistic status quo approach whereby state institutions make all the decisions on behalf of communities. In fact, under-resourced and generic consultation exercises can be prone to domination by better resourced or vocal groups, over more marginalised communities who struggle to navigate or access them. Community-powered approaches that create time and space and are led by skilled convenors, are able to ensure those least heard from groups have a louder voice and influence as part of the process. Well-run community participation approaches can consciously and proactively ensure representation and adopt a more interventionist stance across different equality groups to bring in less heard from perspectives. For example, deliberative engagement such as citizens' assemblies or panels are comprised of participants drawn by sortition to be a representative cross-section of the local population and people are paid for participating.<sup>23</sup> Community development is another route to long term community engagement, and the practice is led by skilled professionals able to initiate open engagement and support communities to consider, discuss and formulate priorities in an inclusive way. These practical approaches are in line with Labour's broad tradition of advocating for all communities to have the right to identify and address their own priorities.

A community which lacks economic investment does not necessarily lack a social, neighbourly and civic life. This social capital and the pride communities

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<sup>22</sup> See Tanner, W. et al (2021) *Turnaround: How to regenerate Britain's less prosperous communities by helping them take back control*. Onward: <https://www.ukonward.com/wp-content/uploads/2021/09/Turnaround-Publication-3.pdf>.

<sup>23</sup> See *Catching the Deliberative Wave: Innovative citizen participation and new democratic institutions*, OECD 2020. Accessed here: <https://www.oecd.org/gov/innovative-citizen-participation-and-new-democratic-institutions-339306da-en.htm>.

have in themselves whatever their economic circumstance is a valuable asset which needs nurturing. Some communities might need more support to develop a sense of voice, influence and control but no community, no matter how materially disadvantaged, should be written off or subject only to outside, professional expertise about what's best for them. Indeed, there are very strong examples (see case study on page 33) which demonstrates that where marginalised communities have the space, respect and support to identify their priorities, and the local state steps back into an enabling role, then far better and more sustainable outcomes can be reached.

For communities to genuinely 'take back control' of their local areas, legislation will need to establish new rights for communities and new powers for councils to fulfil them, and shape places in ways that are responsive to community priorities. These are focused on communities of place, designed to build resilience by creating locally rooted and community owned assets and capabilities. Putting power directly in the hands of communities is more sustainable and capable of enduring over the longer term and reducing exposure to external shocks.

## **1.1. Create new rights for communities to exercise more power and influence over their local area**

Labour's Take Back Control Act should introduce a series of new rights for communities, backed up by sufficient funding and legal powers for councils to make these meaningful. This should focus on creating more opportunities for community ownership and developing a wider culture of participation in decision-making processes between communities and local institutions.

A new Community Right to Own would give communities the right of first refusal when buildings and spaces of significant community value come up for sale or are vacant for a long period of time. This would be designed to improve on the existing, under-used community right to bid, for example, by extending the current moratorium of six months to 12 to give communities more time to raise funds. To support this right being meaningful in practice, a new High Street Buyout Fund should be available for communities to support the opportunistic purchase of important empty high street spaces, with the aim to transfer them to community

ownership over time.<sup>24</sup> New opportunities for communities to influence how these spaces should be used to community benefit could be created by requiring participation in decisions over how these funds are used. Where high street buildings have been empty over the long term, communities should have the right to fill them with activity, short of outright ownership which might be unachievable in high cost areas.

A range of additional measures should also strengthen these rights in practice. A new national register of community and commercial property ownership would create full transparency over who owns buildings and assets in communities, which at present can sometimes be opaque. This should operate on a similar model to Companies House which provides accessible information about company ownership. Another barrier to maximising existing community rights is that only land or buildings designated as an Asset of Community Value require formal notification to the local authority if the owner wishes to sell, which in turn must notify the local community. Measures should be taken to enable the pool of assets of community value to be expanded, such as through setting a baseline for what assets communities should have and proactively identifying them, rather putting the onus on communities.

A new Community Right to Participate in spending decisions that directly affect their neighbourhood would open up pots of funding such as developer contributions via Section 106 and the Community Infrastructure Levy. This right would create more transparency and accountability to communities over the direct benefits of development, triggering opportunities for participatory budgeting and other active engagement processes which encourage wide and deep participation with communities.<sup>25</sup> To support this right to be meaningful in practice, councils should have greater power to ensure developers commit up-front to invest in community infrastructure as part of new developments. To be responsive to community priorities and to ensure development makes a positive contribution to the wider area, councils need to be on a stronger footing in relation to developers when negotiating contributions.

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<sup>24</sup> Plumb, N. et al (2022) *Why now is the time for a High Street Buyout Fund*. Power to Change, accessed here: <https://www.powertochange.org.uk/wp-content/uploads/2022/03/Take-Back-the-High-Street-report.pdf>.

<sup>25</sup> For example, the London Borough of Barking and Dagenham have a Neighbourhood Fund using a proportion of their Community Infrastructure Levy, which is distributed to local community groups decided by a residents panel. See: <https://www.lbbd.gov.uk/council-and-democracy/get-involved/neighbourhood-fund>.

## 1.2. Create new powers and legal frameworks for building community wealth and levelling the playing field with the private sector locally

For communities to be emboldened and empowered in meaningful ways, an active local state needs to be able to respond to community priorities and be capable of generating change locally. The Take Back Control Act should create a legal framework for councils to level the playing field for communities with the private sector, ensuring it works to local priorities. This should provide a strong foundation for building community wealth – ensuring opportunities and prosperity are accessible to people locally and wider value is constantly sought. A series of measures would shift presumptions and the balance of power towards communities, supported by an enabling local state:

- **Establish a legal baseline for social value in procurement at 30 per cent:** To enable local anchor institutions to create more opportunities to support the local economy and to build community wealth, a new legal baseline should be established for social value considerations in procurement. Many councils have strengthened their social value requirements over and above existing legislation. For example, Manchester City Council has a 20 per cent social value evaluation weighting and an extra 10 per cent for procurements relating to climate change and the environment. Establishing a clearer threshold would mean that all local authorities and the wider public sector, including NHS organisations, are better able to ensure community and local benefit through spending (see the case study on Islington's approach on page 34). Based on recognition of the market-shaping power of public expenditure, considering social value at 30 per cent would shift the starting point for contracting between anchor institutions and suppliers, to use public spend to keep wealth and opportunity within local areas. It would give local public sector partners a strengthened ability to actively pursue beneficial objectives such as contributing to Net Zero targets or creating affordable workspaces where there are identified barriers to economic participation amongst under-represented groups.
- **Make it easier for new co-operative and locally-rooted ownership models to be set up:** To build community capacity and an inclusive local economy, legislation should proactively support the emergence and expansion of new models of co-operative and locally-rooted ownership.

Labour has already committed to doubling the size of the co-operative sector in the next Parliament. This should be enabled locally with new incentives to support mutual ownership models and support for generating more opportunities for community ownership. Labour should use legislation to create a more permissive framework for other forms of locally-rooted ownership models, such as community businesses and community land trusts.

- **Empower councils to ensure the local private sector operates in the interests of communities:** To ensure the private sector acts responsibly and to the wider benefit of communities, local authorities should have more robust powers to play a proactive, positive place-shaping role. Councils should have more power over the local private rented sector, with the ability to implement and enforce licensing schemes, curbing poor practice and negligent management. Councils should have more power to support local businesses and curate local high streets through tax breaks, planning and licensing powers. For example, use classes for outlets should be reformed so that councils have more ability to stop the proliferation of one type of business and support the expansion of others that would have wider social benefit. For example, there may be a strong community priority to stop the concentration of anti-social and unhealthy outlets from betting to junk food, alongside encouraging more affordable healthy food shops and locally-run businesses or start-ups where they are most needed.
- **Require local growth plans to be focused on inclusive growth and co-produced with local communities:** As Labour develops its approach to economic security nationally, the role of active local economic development should be integral.<sup>26</sup> Labour's focus on 'securonomics', set out by Shadow Chancellor Rachel Reeves, recognises the role of an active state and the importance of economic participation across the country, as opposed to success being narrowly concentrated in a few places. Sustainable, inclusive local growth should seek to actively benefit local populations and build resilience in communities to future external shocks, recognising that some communities are more vulnerable than others. Overall national economic resilience will be comprised of a series of active, inclusive local growth strategies. These should involve the deep participation of communities who understand the barriers to economic participation in their locality first hand.

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<sup>26</sup> 'Securonomics' Speech by Rachel Reeves, Peterson Institute, Washington DC 24 May 2023. Accessed here: <https://labour.org.uk/press/rachel-reeves-securonomics/>.

- **Give councils a clear role in reaching Net Zero and to target investment where needed locally:** To effectively tackle the real-world impact of the climate emergency and build community resilience, councils should be empowered in a variety of ways to work with their communities to move towards Net Zero. Labour's Local Power Plan sets a promising direction for investment in community energy, with the proposed nationally owned GB Energy to partner with councils and communities to put in solar panels and develop local clean energy projects.<sup>27</sup> Beyond this, councils should be given a clear role in directing funding over a range of green infrastructure to where it is needed, including retrofitting housing and public buildings and installing EV charging infrastructure. In an area where more private investment is needed, such as district heating, local government can play a role in closing the gap between what the community can do and where private investment is needed, such as by taking on risk or using public funds to leverage investment.
- **Ensure all areas have access to affordable buses:** To better connect communities to local economic opportunities, bus franchising powers and TFL-style transport arrangements need to be devolved to combined authorities. This would mean they could work collaboratively with councils and communities to ensure transit routes meet the reality of where local people need to travel. This is particularly important to connect areas that are isolated and where the social value of affordable, accessible transport is under-recognised by national or market-led approaches alone.

### 1.3. A renewed focus on tackling neighbourhood deprivation with a new Community Wealth Fund and a new Neighbourhood Unit to drive sustainable change

Recognising that communities which have been overlooked for decades have a different starting point, a renewed focus on investing in the most deprived neighbourhoods and building their confidence and capacity is urgently needed.

Plans for a Community Wealth Fund funded from the expanded dormant assets scheme have garnered cross-party support but have not yet progressed to

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<sup>27</sup> Labour's Five Missions: Make Britain a clean energy superpower. Accessed here: <https://labour.org.uk/wp-content/uploads/2023/06/Mission-Climate.pdf>.



specifics of delivery.<sup>28</sup> The provision of this long term, 'no strings attached' funding is designed to develop confidence and build capacity amongst the residents of neighbourhoods most in need of investment. These are areas not only facing the most severe deprivation, but which also lack social or community infrastructure in the form of places and spaces to meet; access to green spaces, community organisations and activities that help foster wellbeing and connectivity; and appropriate transport and digital connectivity. The people living in these areas have worse outcomes across every key socio-economic metric – including employment, skills and health – than those in other equally deprived areas, indicating the impact of this compound disadvantage.

There is an opportunity for Labour to go bigger and further by making a Community Wealth Fund a core route to tackling neighbourhood deprivation. This would supplement a universal approach to community rights and local empowerment, with a targeted fund direct to local communities in the most deprived neighbourhoods to spend according to their priorities. This would be based on an awareness that deprivation is experienced differently in communities in different parts of the country, and can be compounded by other factors such as lack of social capital or extreme inequality. Labour should move swiftly towards plans for delivery of the Community Wealth Fund which meets the principles of long term, community-led funding with confidence and capacity building to neighbourhoods most in need of investment. The fund should be nation-wide, rather than a bespoke pilot which cherry picks particular areas. It should be available to the 10 per cent most deprived wards, offered on the basis of full transparency and allocated to areas that both score highly on deprivation and community needs including lack of social capital.

Evidence from previous regeneration programmes, particularly the New Deal for Communities<sup>29</sup> and Big Local,<sup>30</sup> shows the value of putting communities in the lead and focusing on building community capacity through long term funding. Some local areas are developing their own place-based community wealth funds, which also should contribute learning to a national model. For example, in Camden, a mission-led approach will align a £30m community wealth fund with two of the borough's core missions, related to diversity and opportunities for young people, and citizen roles as part of the fund oversight, including in relation to approving

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<sup>28</sup> Proposals for a Community Wealth Fund have been advocated by a consortium of nearly 700 predominantly civil society organisations, including 50 local and combined authorities. See <https://communitywealthfund.org.uk/>.

<sup>29</sup> *The New Deal for Communities Experience: A final assessment. New Deal for Communities Evaluation: Final report - Volume 7* (2010) Communities and Local Government.

<sup>30</sup> See *Building Big Local Futures: Building systems of community connection and control* (2022) Local Trust and Sheffield Hallam University.

investments.<sup>31</sup> There should be limited prescriptions attached to Community Wealth Fund allocations, beyond appropriate assurance so that communities can identify their own spending priorities. Learning shows this needn't involve large sums of funding initially, but should be enough to build civic capacity and bring others around the table. For example, Big Local areas each comprised around 9,000 residents and received £1 million over 10-15 years, an asset which then enabled each community to come together and identify priorities. The experience of Big Local areas demonstrates that community leadership itself builds confidence and capacity, and over time residents become more ambitious in the projects they seek to deliver.<sup>32</sup> They develop the knowledge and skills to raise other external funding and to work effectively with the public sector.

This should be a core part of a wider focus on neighbourhood regeneration for the next Labour government. A new Neighbourhood Unit should be established in government to examine how to build on the Community Wealth Fund to create a genuine shift in prospects for areas experiencing extreme deprivation. This could include a remit to work across Whitehall to build the conditions for the public sector to respond more effectively to their needs and aspirations. This would involve better understanding the context of hyper-local deprivation, the impact of a lack of social capital on wider life chances and the prospect of better targeting public services and investment across departments. A renewed focus on targeting funding at those areas experiencing the greatest deprivation will ensure places which have been overlooked can invest in what matters to them and grow capacity over the medium term – putting down roots for sustainable change over the long term.

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**The combination of these measures is designed to establish a positive framework for community power to thrive locally. Community rights need to establish expectations for influence and participation, while the financial and legal framework for local government needs to enable councils to support and respond to these rights. The first without the second is doomed to fail, the second alone does not create the space for community participation. Within this universal approach to all communities, a renewed focus on targeting funding at those areas experiencing the greatest deprivation will ensure their confidence and capabilities are nurtured in ways that are sustainable and can endure.**

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<sup>31</sup> Mazzucato, M. et al (2022) *A mission-oriented community wealth fund for Camden*. Institute for Innovation and Public Purpose.

<sup>32</sup> See *Building Big Local Futures: Building systems of community connection and control* (2022) Local Trust and Sheffield Hallam University.



## Case Studies

### Ambition Lawrence Weston Big Local – Bristol

The experience of the Lawrence Weston estate on the outskirts of Bristol demonstrates what can happen when a deprived community has the time and support to establish its priorities, backed up by the resource of Big Local and the commitment of a local authority.<sup>33</sup> In the early 2010s, frustrated at feeling overlooked at the loss of community amenities, residents came together to try to change things.

Supported by community development workers, they began holding open meetings and carried out a door-to-door survey of everyone locally to identify priorities. Residents cited the biggest issue as the lack of a local supermarket meaning there was nowhere to buy affordable healthy food. The results informed a community development plan, and backed up by Big Local funds of £1 million to spend collectively over 10 years, they then had both the power and resource to put this into action. Where previously any investment in the community had been fragmented, determined by outside national or local bodies, it was now and continues to be prioritised based on the community's own plan – making it more holistic and preventative because it is serving a clear purpose they have decided.

Over the years, Ambition Lawrence Weston has enabled changes that have led to direct, tangible benefits to the quality and sustainability of life for those on the estate. After residents convinced the council that there was demand for a supermarket, one was attracted to open on a vacant site which had originally been earmarked for housing development. A new bus service has opened up which better connects residents and a new community health hub has been established. The role of the council has shifted to a more enabling stance, for example by contributing land for a solar farm which sees 50 per cent of the profits reinvested in the community. The community successfully led plans for England's largest onshore wind turbine to be built, which is owned and led by the community. It now provides them with both a financial asset and the means to produce low carbon electricity for 3,500 homes.

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<sup>33</sup> See 'Becoming the dog, not the wagging tail': Transforming a Bristol Estate, New Local, 24 May 2021. Accessed here: <https://www.newlocal.org.uk/articles/transforming-bristol-estate/>.

## Islington's approach to community wealth building

The London Borough of Islington experiences acute inequalities, containing some extremely wealthy areas yet over a third of children grow up in poverty. In Islington, tackling inequality is central to their economic and social justice challenge. The council takes a proactive approach to working in this context and identifying opportunities to drive social value for communities using the tools at its disposal. A core aspect of this is a progressive approach to procurement. Islington spends over £650m with about 6,000 providers annually to keep public services going and needs to make sure that every pound spent maximises the benefits for local people.

For that reason, when evaluating bids for new contracts, the council scores as a minimum 20 per cent against social value. This means explicit outcomes, particularly more jobs, apprenticeships, and work experience opportunities, in all procurement activity. As part of Islington's vision for a new economy, there is an explicit aim to increase the capacity of SMEs and the council proactively creates opportunities for their inclusion in the supply chain, including those which are black-owned and black-led. The council's definition of social value also embraces a response to the climate emergency, embedding targets to achieve net zero carbon emissions by 2030 across all relevant contracts. Islington's policy is only to contract supply partners who pay their staff a living wage and actively develop and support their career progression.

To further expand this work, the council has convened the Islington Anchor Institutions' Network including local health trusts, universities, colleges, the business improvement district, a major housing association and large businesses such as Arsenal Football Club and the Business Design Centre. Their collective aim is to make a positive and material impact on tackling economic inequality and other barriers to engagement faced by too many of the borough's residents and local businesses. The network is currently developing a shared approach to procurement for wider social impact and delivering net zero.

The council has also used section 106 agreements through the planning process to require developers to make available a proportion of floorspace in new office sites for a peppercorn rent. In a UK first, social value is embedded in the contracts, by passing on the full benefits of peppercorn rent to operators in return securing benefit for local people and businesses – whether this is incubation support to under-represented entrepreneurs such as female founders, skills workshops for school pupils, or through community 'hackathons' to help local

people solve local problems.<sup>34</sup> The programme has now delivered over £2.2m of social value return in its first four years of operations.

## South Tyneside Pledge

Emerging from Covid, South Tyneside Council's Economic Recovery Plan involved a commitment to rebuild networks that had been affected by the pandemic and nurture inclusive economic growth.<sup>35</sup> A key part of this was the South Tyneside Pledge, a community wealth building project focused on the power of local anchor institutions in the public sector and key private and voluntary sector organisations to help reduce barriers to growth and economic participation.

Through the South Tyneside Pledge, more than 200 organisations have signed up to a commitment to spend, recruit from and support the local area, residents and businesses. Launched in January 2022, this is designed for local organisations to be part of a broad consensus and develop their own social responsibility commitments rather than rely on targets or compulsion. It includes a list of suggestions and options for practical action, including advertising recruitment opportunities locally and amongst core groups facing exclusion including care leavers, local procurement and suppliers, school engagement, implementing a climate action plan and supporting healthy lifestyles amongst their workforce. A wide range of local employers are part of the South Tyneside Pledge, including large local companies Hitachi, Equinor and Ford Aerospace, to big local anchors including Port of Tyne, the NHS Foundation Trust and Tyne Coast College.

A survey of pledgees conducted in partnership with Northumbria University estimated a total of £3m a year has already been added to the South Tyneside economy through commitments in the Pledge.<sup>36</sup> This includes 60 per cent using more local suppliers, 57 per cent taking on local people, 61 per cent having put in place climate measures and 45 per cent providing work experience. The council is planning to evolve the Pledge, particularly to encourage more organisations to collaborate and to boost links between private sector and VCSE in areas like volunteering, improving workforce health and supporting companies to make progress towards Net Zero.

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<sup>34</sup> Delivering Impact: Social value in Islington's Affordable Workspaces 2020-2022. Islington Council: [https://www.islington.gov.uk/~/\\_/media/sharepoint-lists/public-records/economicdevelopment/publicity/publicconsultation/20222023/affordable-workspace-social-value-impact-report.pdf](https://www.islington.gov.uk/~/_/media/sharepoint-lists/public-records/economicdevelopment/publicity/publicconsultation/20222023/affordable-workspace-social-value-impact-report.pdf).

<sup>35</sup> See 'Pledge promotes prosperity', Cllr Tracey Dixon, 4 July 2023, LocalGov. Accessed here: <https://www.localgov.co.uk/Pledge-promotes-prosperity/56473>.

<sup>36</sup> Ibid.

## Bath & West Community Energy

Founded in 2010, Bath & West Community Energy (BWCE) has become one of the largest community energy co-operatives in England and is a successful example of community power in the energy sector.<sup>37</sup> Community energy refers to collectively-led initiatives which seek to generate and store renewable energy while reducing energy demand. All projects are community and co-operatively owned – helping to empower local communities to have greater control over their energy generation, usage and storage. This provides communities and local residents with a new relationship to the energy system, providing them with a greater stake in achieving decarbonisation and net zero.

BWCE operates as a community owned business which develops and operates renewable energy projects and energy demands schemes to provide community benefit to residents. BWCE's renewable energy comes from solar panel and hydro installations, with surplus income being distributed by the BWCE's community benefit fund to community projects. BWCE now generates enough energy to meet the demand of 4,500 homes annually and has reduced CO2 emissions by an average of 3,300 tonnes per year.

The introduction of the Feed in Tariff (FIT) in 2010 enabled the business model to become viable, instigating the creation of BWCE. The FIT provided payments to organisations which generate their own renewable energy, but in recent years this has been reduced and ended for new applicants – making it harder for new community energy organisations. BWCE used the FIT, bank loans and community share offers to rapidly expand its generation capacity, primarily through solar panel installations. Since 2010, BWCE has raised £20m through community financing and the ethical bank Triodos – enabling it to expand into wind turbine power and generate 12.35MW of renewable power. With effective future Government support, the BWCE model could become common place across the UK – empowering communities in every region and nation of the UK.

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<sup>37</sup> See <https://www.bwce.coop/>.

## Plymouth Nudge Builders

The Nudge Community Builders was founded in 2017 with the ambition of regenerating an entire street in Plymouth for the benefit of the local community.<sup>38</sup> The project focuses on Union Street – which was once a thriving area of commerce and community activity but had become blighted by empty buildings. The local community in Plymouth encouraged the founders of Nudge Community Builders – a community benefit society – to take action. The Nudge Community Builders used crowdfunding via community share offers and loans and grants from the local authority and private investors in order to renovate empty buildings and put them back into community use. The close partnership between Nudge Community Builders, the local council and organisations such as Power to Change have been instrumental in reviving Union Street. Over the course of five years, 25 per cent of the empty buildings have been returned to productive community use.

Through the work of the Nudge Community Builders, Union Street has been transformed in recent years to have a community-owned market, a café and an alternative shopping arcade for local SMEs and creatives. There are now 15 independent businesses operating on the street, with the street hosting events and community parties. The community ownership model provides permanence to the development, helping to ensure the new initiatives provide community power in the long term.

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<sup>38</sup> See <https://www.nudge.community/>.

## 2. Shifting public services to prioritise prevention by making community power a reality

Our public services are under extreme stress. The effects of years of underfunding during austerity have reduced capacity across local support systems, meaning services were already in a fragile state when the pandemic hit. Since Covid these weaknesses have come to the fore – with the public sector workforce overstretched and feeling undervalued, and services reaching breaking point. The effects of this are plain for all to see. Hospital waiting lists are at record highs and healthy life expectancy is now falling in many areas.<sup>39</sup> Deteriorating health is undermining the labour market with rising levels of economic inactivity.<sup>40</sup> The criminal justice system is subject to exceptionally long delays and communities report crime and anti-social behaviour as priority issues.<sup>41</sup>

Yet the challenge for our model of public services is more than one of just funding. Demand pressures are rising due to underlying demographic trends– notably our ageing society and deepening inequality. The overall trend of longer life expectancy means that more people have conditions which require ongoing support. The creation of the NHS was one of Labour’s defining achievements. It was established in the mid-20<sup>th</sup> century era of low life expectancy and poor overall population health due to the prevalence of communicable diseases. Having been set up to provide treatment largely in hospital settings at a time of much shorter overall life expectancy, it is now struggling to respond to the 21<sup>st</sup> century priority to support people to live healthier lives independently for longer. As Keir Starmer has identified, the NHS needs to shift from a sickness service to have a deeper focus on prevention, ‘one that is a bit less about the community hospital and a bit more about the community’.<sup>42</sup>

Deepening inequality also requires a different response from public services which recognises the powerlessness associated with deprivation. When it was established,

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<sup>39</sup> Marmot, M. et al (2020) *Health Equity in England: The Marmot Review ten years on*. The Institute of Health Equity and The Health Foundation.

<sup>40</sup> Charlesworth, L. and Hashmi, I. (2023) ‘Levelling Up: The labour market and the health of the nation’. New Local. Accessed here: <https://www.newlocal.org.uk/articles/levelling-up-the-labour-market-and-health/>.

<sup>41</sup> Hawksbee, A. and Menon, S.H. (2023) *Levelling Up Locally: A guide for local leaders to level up their communities*. Onward.

<sup>42</sup> Keir Starmer’s speech setting out Labour’s Health Contract, 18 January 2022. Accessed here: <https://labour.org.uk/press/keir-starmer-s-speech-setting-out-labours-health-contract/>.

our welfare state lifted thousands out of poverty and provided unprecedented security across society. Yet as Hilary Cottam has powerfully set out, it has now become more akin to a 'management state', able only to manage needs, taking an industrial approach to assessment and referral rather than sustainably resolving problems.<sup>43</sup> It is increasingly apparent that one-size-fits-all models of provision and narrow professional remits are ill-equipped to respond to complex life circumstances. People's experiences cannot be parcelled up into the different professional boxes. For example, poor health is a barrier to work, and being out of work can lead to poor health, and yet our public service infrastructure deals with the two predicaments entirely separately. The limitations of the DWP response to worklessness is an example of this, through which large sums of public money have been spent with little lasting beneficial outcome for people who need more personalised support.<sup>44</sup>

There are reasons to be optimistic that a different way is possible. At a local level, different ways of working are being pioneered by practitioners and in local government – often Labour councils – which share a focus on working with the assets of people and communities as core to successful prevention approaches. For example, Camden Council is making an explicit shift away from traditional hierarchical and transactional approaches to service delivery and pioneering new ways of bringing in community insight and participation into decision-making on an ongoing basis.<sup>45</sup> On a strategic level, and building on a long track record of deliberation with residents, the Good Life Camden wellbeing framework was co-designed with staff and residents to set out what it means to live a good life in the borough (see case study on page 48). This now underpins a mission-driven approach to work across stakeholders and with communities in the borough, with open data tracking core metrics and progress. On an individual service level, the council has adopted a relational approach to children's services. This is changing what had been described by some as a "traumatic" traditional approach to child protection which emphasised transactions, to one that seeks to build trust by taking human centred and creative approaches to working with families.<sup>46</sup>

As part of this, staff have licence to step outside traditional approaches when the situation requires it – in one case tracking down lost grandparents outside

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<sup>43</sup> Cottam, H. (2017) *Radical Help*. Penguin.

<sup>44</sup> See the Government's own evaluation of the Work Programme, which cost £2.9 billion and participants in the two year programme only had an average additional 46 days in employment. Accessed here: <https://www.gov.uk/government/publications/the-work-programme-evaluation-2020/the-work-programme-evaluation-2020-html>.

<sup>45</sup> See Hill, D. (2021) 'Georgia Gould sets out vision for new era of municipal imagination in a digital age. OnLondon. Accessed here: <https://www.onlondon.co.uk/georgia-gould-sets-out-vision-for-new-era-of-municipal-imagination-in-local-government/>.

<sup>46</sup> Ibid.



London using remembered clues, google maps and a leaflet drop in an identified location.<sup>47</sup> This has transformed the dynamic between professionals and families facing hardship, resulting in better, more sustainable outcomes.

In Manchester, the council is tackling health inequalities from a population level health perspective.<sup>48</sup> The five year strategy *Making Manchester Fairer* is based on data demonstrating how health inequalities and structural discrimination manifest across the city. To supplement this, the strategy was also developed with direct community insight – informal feedback through guided conversations with representatives of people with lived experience of health inequalities, alongside neighbourhood-based staff in local organisations. The approach is explicit about the relationship between communities and power. It recognises that connected communities where people feel valued and involved in decisions which affect them and have a greater sense of control over their lives, are good for health and wellbeing and improving health equity. The approach is leading to shifts across a range of provision and support including adapting or creating culturally appropriate services and freeing up services to be more creative in working with communities directly (see the case study on page 50).

The work of Hilary Cottam and others has highlighted the value of relationships, and the benefits of public services adopting relational, human-focused approaches in practice.<sup>49</sup> These approaches generate important insight into the system's sometimes perverse ways of working and can unlock new methods which are both better for individuals and capable of reducing the duplication of service silos. A range of community-focused practice is also flourishing along similar principles, developed through a number of similar models including asset-based community development (ABCD),<sup>50</sup> Local Area Coordination<sup>51</sup> and Health Creation.<sup>52</sup> All have a starting point of looking at "what's strong, not what's wrong" with a community, being open to going in any direction and working from there.

These examples and methods signal the route to wider system change. Adopting a community-powered approach to public services requires a fundamentally different

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<sup>47</sup> Ibid.

<sup>48</sup> See *Making Manchester Fairer: Tackling Health Inequalities in Manchester 2022-27*, Manchester City Council.

<sup>49</sup> See, for example Curtis, P et al (2023) *The Preventative State: Rebuilding our local, social and civic foundations*. Demos.

<sup>50</sup> See <https://www.nurturedevelopment.org/asset-based-community-development/>.

<sup>51</sup> See <https://lacnetwork.org/>.

<sup>52</sup> See <https://thehealthcreationalliance.org/>.



mindset. This is one which recognises the value of community insight alongside professional expertise, and seeks to build relationships with people rather than rely on transactions. From the perspective of the state's renewed role, this is a combined national and local shared endeavour. There is a clear role for concerted national action to ensure funding and regulation supports the conditions for effective prevention, which is the focus of the next section of this paper. On a local level, it involves taking an approach to communities which understands their fluid and diverse nature and organising provision to work with that complexity. This envisages a different, more rewarding role for public servants – shifting from one of mitigation and enforcement of eligibility thresholds, to a more empowered and dynamic focus on building relationships with people as equals. Practitioners would need to be supported with the time and skills to start open conversations and build human connection rather than working to a predetermined set of conditions or targets.

To embed a community powered approach across public services, our recommendations focus on supporting local relationships to develop between frontline public service practitioners and communities. Effective prevention cannot be achieved within a single service silo, it would involve a different relationship between communities and public services across a whole area. Community power would mean that the insights of communities are consistently sought on a deep level to inform how services are designed and delivered, and how resource is strategically prioritised. It would also involve a greater focus on investment within communities to support civic infrastructure and local networks which can support people to live independently, and are ready to intervene early if something goes wrong, before crisis point is reached.

## **2.1. A new community right to shape public services**

To begin to shift the expectation of participation in strategic decision-making and service design, communities need a clearly established right to shape the public services they use. This would mean that identified communities of condition who collectively use a service would be able to contribute their insights of the service and other factors which are meaningful to them for support to be most effective such as how easy the system is to navigate. This would mean building in scope to identify and proactively seek deep engagement with people experiencing the condition the service supports, from parents who have gone through maternity care to children with disability and their families. This would move on from more traditional customer-satisfaction style feedback surveys which are more limited. It would also bring to life health inequality strategies. Those communities identified

as experiencing unequal outcomes, for example connected by race or class, would have a clearer right to be proactively engaged in a meaningful dialogue about barriers to access and the experience of marginalisation, to better inform how provision should be shaped to meet their needs.

The right to shape public services is designed to enable a close partnership between staff within a service, who are more empowered to work dynamically with the communities they serve, and communities who have a more clearly established entitlement to be heard. This would be available to all public services, and it would move on significantly from previous attempts to give service users more voice. The Localism Act's 'right to challenge', is oppositional in nature, as it can only be triggered in the event of service failure. This is less helpful as it creates a sense of all or nothing – power for communities only when a crisis has happened. The right to shape public services has collaboration at its heart because it enshrines the mutual expectation of meaningful participation on an ongoing basis, which should in itself better prevent service failure.

A community right to shape public services would also move on from the narrower 'choice' agenda for public service users. This has developed a degree of choice to individuals, separately to each other, usually over what provider could be available to them – for example which hospital they would like planned treatment in. This is a purely bilateral transaction between the service and the individual, with no recognition of the value of wider insights from communities of service users as peers facing similar challenges, who might inform how the service could be better attuned, accessed or deployed for more effective outcomes. In this way, the power is retained with the providers, and actual individual influence over the system limited.

## **2.2. A new public sector community impact duty**

The onus cannot be solely on communities to organise themselves and respond to services. The community right to shape public services should be implemented in parallel with a new requirement on public services to work with communities. A long-standing achievement of the previous Labour government was the public sector equality duty, part of the Equality Act 2010. This requires public bodies to consider and evidence the impact of policy decisions on individuals from an equalities lens, which has resulted in the use of equality impact assessments in every policy decision. Using this model, a new public sector community impact duty would require public bodies to consider the impact of policies on communities. This would apply to all public services, government departments and agencies and relate to the local

population they serve. It would mean they need to identify, understand and engage proactively and early with communities affected by the range of decisions that are made, including those facing inequalities. Such a mechanism would be designed to shift the culture and mindset of institutional procedure, rather than simply tick a box. There are limits to the extent to which it is possible for national government to mandate institutional behaviours and culture, but the legislative framework that underpins an organisation's priorities and focus is a key mechanism.

A supported, skilled and motivated public sector workforce is essential to effective working alongside communities. Over the years as services have become underfunded and overstretched, staff have been operating in increasingly constrained environments, with consequences for morale, recruitment and retention.<sup>53</sup> The approach set out here would rely on a public sector workforce that has access to training and support to work in ways that are open to community insight, and intended to be more rewarding for staff in being better able to fulfil their driving passion to support people. On a practical, frontline level, this means training in asset-based practice and ethnographic techniques that support deep listening and having the license to work creatively with communities. On a strategic level, it means organisations promoting the skills to convene and deliberate with communities to capture their insight and those in leadership roles equipped in distributed and inclusive styles.

Support should also focus on community capacity building. Where community members are drawn in to work in a peer support capacity, they should be properly paid and supported to progress. There is a role for a national centre for best practice to support and develop understanding of community powered Approaches. The UCL Citizen Science Academy offers a good model to embed and broaden recognition of high quality, community based practice and real world applications, including a citizen science certificate which is a qualification community members can gain that can help support wider career progression.<sup>54</sup> Taken together, the community right to shape public services and the public sector duty to consider impact are designed to embed a culture of active partnership and engagement with communities on behalf of public services. The combination of legal rights and public sector duties, underpinned by capacity building within both the public sector workforce and communities themselves are intended to create

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<sup>53</sup> For a discussion of the challenges, see *Fit for the Future? Rethinking the public services workforce* (2022) House of Lords Public Services Committee 1<sup>st</sup> Report of Session 2022-23. Accessed here: <https://committees.parliament.uk/publications/23110/documents/169292/default/>

<sup>54</sup> For more details, see <https://www.ucl.ac.uk/bartlett/igp/research/ucl-citizen-science-academy>.

strong foundations for a shift in mindset that is open to working with communities and to responding to their expertise. Culture is an under-recognised force and contributor to impact within public sector organisations, relating to the norms and behaviours of the people within them.<sup>55</sup> National government should recognise the role it can play in creating a legislative framework conducive to community power. This would clearly signal that the priority of public services is to face out to communities rather than internally within their organisation, normalising ongoing participation, deliberation and asset-led practice.

This holds the prospect of transformational change across public services, including those recognised as being beset by the most toxic cultures detached from community priorities, and where local public trust needs to be restored with direct and transparent accountability. For example, the Casey Review found severe institutional failings in the Metropolitan Police.<sup>56</sup> The range of findings and recommendations are complex but a core aspect was the need to rebuild trust, confidence and consent in policing by bringing in the voices of communities into how they are policed, where currently Londoners' voices and local accountability are absent. The community right to shape public services combined with the community impact duty could play a role in shifting the internal culture and external expectations of ongoing dialogue and participation in defining and refining procedure. There is particular potential in areas of practice which affect some groups disproportionately – for example resetting the use of stop and search as part of the wider urgency to eradicate institutional racism. A community impact duty in the context of community safety more generally would need to be based on a thorough understanding of how communities perceive and experience safety, to form the basis of organisational priorities and resource allocation (see the case study from West Yorkshire on page 52).

### **2.3. A renewed drive to pool public service budgets locally to invest jointly in community-led prevention**

A pre-condition to public services working effectively with communities is them working effectively together. The major barrier to more effective collaboration between public services locally is that the silos created by Whitehall departments are replicated in places. Across health, care, education, skills, employment support,

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<sup>55</sup> Lent, A. and Studdert, J. (2017) *Culture Shock: Creating a changemaking culture in local government*. New Local.

<sup>56</sup> Baroness Casey Review, An independent review into the standards of behaviour and internal culture of the Metropolitan Police Service, March 2023.

policing and the wider criminal justice system, separate services are accountable to their parent department. This creates systemic barriers for developing joint working and coordination around local populations. From the perspective of communities themselves, a vast array of different services and agencies may interact with them, each with particular remits, creating duplication on one hand and large gaps on the other. Public service reform over the years has tended to focus on maximising efficiencies within single services, rather than considering how effectively existing resource is allocated across places to support communities.

One exception to this was Total Place, which was initiated in the final months of the previous Labour government. It never had the opportunity to reach its full potential, but it has an enduring logic which could be picked up again and repurposed to address the circumstances facing services today. The original initiative was based on learning from 13 pilot areas, which identified all public spending across services in each place, including local authorities, primary care, police, fire and rescue, and a range of third sector and service delivery bodies. This demonstrated how provision could be better aligned by starting from the perspective of the citizen and providing collective leadership across organisations with people at the heart of service design. The findings identified significant potential to drive out the waste associated with duplicating, confusing and fragmented services, and ensure more effective investment of public money on holistic joined up working locally. Despite a promising report by the Treasury in March 2010 which identified the opportunities that new ways of working across places had for generating improved outcomes and financial savings,<sup>57</sup> Total Place was scrapped by the incoming Conservative-led Government. Since 2010, successive administrations have pursued the logic of austerity, which seeks cuts and 'efficiencies' *within* largely unreformed service silos, rather than pursuing effectiveness *across* them, where they interact in places and with communities. The limits of this are now clear, and the underlying imperatives driving the Total Place approach remain as urgent as ever. If our system of public services is to be put on a sustainable footing, we must fundamentally shift the focus of activity from managing the symptoms of problems in ever-more pressurised silos, towards addressing the root causes.

Labour has unfinished business with Total Place. A future Labour government would have an opportunity to renew the drive to collectively pool local service budgets, led by local authorities with their democratic mandate. This would be underpinned

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<sup>57</sup> Total Place: A whole area approach to public services. HM Treasury and Communities and Local Government, March 2010. Accessed here: <https://www.communityplanningtoolkit.org/sites/default/files/AlignmentR20.pdf>.

by the guiding principle of embedding community-led prevention to secure better outcomes for existing spend. A renewed approach fit for today's challenges would identify how spend is allocated across places to tackle complex issues such as long term health conditions or families at risk. It would then focus on building collaborative relationships between different organisations and agreeing joint investment in holistic, multidisciplinary provision that meets community needs.

Pooled budgets hold the prospect of closing the gap between the costs of investing in prevention and the rewards of budget savings from reduced demand. These currently occur across different service silos and therefore disincentivise up-front investment in new models of working, because one organisation bears the cost but another benefits. For example, local authority investment in youth provision might decrease pressure on adolescent mental health services or local policing. Moving on from the previous phase of Total Place which sought 'citizen engagement', a new approach should be driven by the deeper insights of community power whereby communities should be more actively involved in creating shared place strategies – both in terms of deciding overall priorities and directly in shaping the nature of support.

A renewed approach to Total Place would need to build on integrated architecture that has already emerged, including Integrated Care Systems across health, care and wider partners. There is wide recognition that more structural reform is not what our health system needs – the focus should now be on shifting the system out of crisis mode and towards prevention. ICSs are not yet in a position to drive the deep change required in terms of integrated public services and community power. They remain too dominated by the NHS at the expense of all other local services and not sufficiently incentivised or supported to place community-led priorities at the heart of their plans. As a result, while a handful of ICSs are working effectively with other public sector partners and moving towards a community powered approach, most are not.<sup>58</sup>

There is an opportunity for Labour to go further and better coordinate health spend with that of other departments in places, through a Total Place style approach. Given the evidence that health outcomes are strongly affected by wider social determinants to a greater extent than health service interventions,<sup>59</sup> there is a real opportunity to shift health spend to be more balanced towards early intervention

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<sup>58</sup> The State of Integrated Care Systems 2022/23: Riding the Storm, NHS Confederation, August 2023.

<sup>59</sup> See Broader Determinants of Health: Future trends, The King's Fund. Accessed here: <https://www.kingsfund.org.uk/projects/time-think-differently/trends-broader-determinants-health>.



and prevention, shaped by communities. This would better realise the potential of a wide range of community assets including access to good food or spaces to be active – all of which occur outside formal healthcare institutions but contribute directly to good health and wellbeing. There is also an opportunity to better align and coordinate provision to more effectively support those with the most complex life circumstances, meeting their needs in the round, such as overcoming health barriers to economic participation.

As part of a renewed approach to Total Place, public sector partners could better build a shared picture of local population needs, gathered through robust data-sharing agreements and collective agreement of priorities. They could then identify shared objectives and joint investment plans with clear shared metrics for tracking progress, identifying where demand has reduced or shifted and realigning plans over time – for example where investment in youth provision may have improved school attainment or reduced antisocial behaviour, or where peer support for communities with the same conditions has reduced clinical demand.

By better working across a place in this way, the contribution of community groups, civic organisations, the voluntary sector and business communities could bring their assets and insights to bear on shared place-led approaches. This holds the prospect of increasing ambition over time, as relationships of trust and risk-sharing are developed between public service partners – both being bolder in developing joint investment in holistic models of support and in opening out to strategic community involvement in shaping plans

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**These recommendations are focused on culture change within public services and across places to create a stronger institutional framework and expectation for collaboration with communities. This would seek to drive a change towards more responsive, accessible and ultimately more effective provision suited to what communities themselves identify is needed. Local action and relationships need to be supported by a national framework which incentivises this approach. Currently the national system works in ways which disempower both communities and local government, making the realisation of relational, asset-based approaches too often the exception rather than the operating norm. The final section sets out how a new national framework for community power can help bring about the system change needed.**

## Case Studies

### Camden Council – We Make Camden and a relational approach to children’s social care

Building on a long track record of citizen deliberation and participation, We Make Camden encompasses the overall ambition for change in the borough, adopting a missions-oriented approach. This takes forward key issues identified as part of Camden’s post-Covid 19 Renewal Commission and provides a common sense of direction for activity across the Council and borough. This is an open, iterative process which is an opportunity to align activity across the borough and get people and organisations to feel excited and empowered to think and work more strategically towards shared ambitions. This includes a range of local actors and decisionmakers across the public sector and civic organisations; residents and people who work in the borough and influential organisations and businesses who could play a role through corporate social responsibility. Two core aspects of this approach support accountability to communities and help create a shared understanding of progress: the State of the Borough report and the Good Life Camden wellbeing framework.

The State of the Borough report is designed to act as a shared evidence base for residents, the council and local partners. It brings together the best data available about the borough, both in terms of understanding who lives there, but also what life is like for residents, including wellbeing outcomes and lived experience. The first State of the Borough report was taken to the annual We Make Camden Summit in early 2023, where it informed discussions with community groups and partners about where things were and where they needed to go next to deliver a shared strategy.

The Good Life Camden wellbeing framework has been co-designed with residents and staff to articulate what it means to live a ‘good life’ in Camden. The ‘Good Life Camden Framework’ offers an alternative to traditional measures of societal welfare, such as GDP, which measure ‘success’ according to how much we produce and trade. Instead, the ‘Good Life Camden Framework’ puts resident wellbeing front and centre, improving the understanding of what matters to residents, and enabling this to be measured consistently over time and identifying where data is lacking. The framework is a tool that, alongside other research and participatory methods, will support the council, community and partners to make decisions that are better informed by the needs of residents.



Residents identified nine themes that are important for living a good life, with three of those as central and cross-cutting: health, equality and safety (the other six are: income and affordability, education and lifelong learning, social connections, empowered citizenship, environment and housing). They also explored data and selected signals to articulate the change and the measures that underpin these. The council is now working to develop a data dashboard that will be available publicly, as well as to embed the use of the framework internally and with its community partners. Good Life Camden forms the core dataset informing the State of the Borough report.

Camden has also adopted strengths-based practice to shift the culture of frontline services from a default paternalistic, transactional stance to a more relational approach. That this has been pursued through children and family support services demonstrates that the approach can work to give people facing the most challenging life circumstances more influence and control within the system. In 2018, a participatory research project, Camden Conversations, was led by parents within the Family Advisory Board.<sup>60</sup> This explored child protection practices, engaging with other parents to talk about their experiences and enabling them to participate and influence the system.

Working through this project has meant parents and professionals have developed a better mutual understanding and broken down the barriers that had previously separated them. By giving the parents a voice, the project empowered them to take control of their own lives and to be active agents of change. The results of the project provided valuable insights into policies and practices within the child protection system that would better support families. One direct change has been the development of peer advocacy, through which parents or carers who have been through the system themselves use their experiences to help others navigate the system, providing support, information, and advocacy on their behalf. This has given parents a stronger voice and helped shift the balance of power in their favour, which in turn has led to more positive outcomes for families, including improved decision-making, better relationships with local authorities, and an increased sense of agency and control.

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<sup>60</sup> Camden Conversations Full Report: Our Family-led Child Protection Enquiry. Accessed here: <https://www.camden.gov.uk/documents/20142/1006758/Camden+Conversations+-+full+report.pdf/675d7d6c-827b-a4ba-08a9-1fbaa9378d10>.

## Early Help for Children and Families and neighbourhood working in Manchester

Manchester City Council's approach to early intervention and prevention is based on recognition that traditional service models are not joined up around how people live their lives, the strengths and assets in communities and the types of support that people really need. This 'deficit model' involves decreasing resources available to react to those with the highest needs when they reach crisis. The council has developed a shift in approach and is forging strong partnership and neighbourhood level working in order to wrap support around the whole person or family, which is securing better outcomes. One significant aspect of this is the Early Help for Children and Families approach.

Manchester has three Early Help hubs in the north, central and south of the city that provide different options and levels of support based on need, including intensive support from a key worker where required. Evaluation of this approach has tracked the outcomes of over 10,300 families since 2014/15. Using this evidence to identify the impacts of early help on reducing demand for expensive reactive services has provided the confidence to continue to invest up front despite wider resource pressures. Progress has been achieved across 22 metrics and amounts to a cost-benefit ratio of £1.90 for every £1 invested, including:

- 96 per cent of families who received an offer of early help had no further interaction with social work teams within 12 months.
- 83 per cent of children and families who received early help support and were Child in Need had sustained changes a year later and did not need a statutory intervention.
- 30 per cent of families had children with persistent absence from school (less than 90% attendance) before support, reducing to twelve per cent after, a 60 per cent positive impact.
- Overall, Manchester has two per cent fewer children in care between 2008 – 2020 compared to a 35 per cent increase nationally, and despite a 28 per cent increase in the population of children and young people over that time.

There have also been wider reductions in demand for police and criminal justice agencies as a result of Early Help for Children and Families. 59 per cent of families

had at least one call out before support, reduced to 35 per cent after. 27 per cent of families had at least one police call out relating to domestic violence before support, reduced to 10 per cent after.

Neighbourhood working is also a strong feature of Manchester's approach. 13 teams around the neighbourhood (TANs) cover all parts of the city. They are multi-agency forums where key operational leads from different partner agencies meet regularly to agree a neighbourhood plan with 4-5 priorities for the area, that they all then work on together. Partners include the Manchester Local Care Organisation, GM Police, housing providers, the voluntary, community and social enterprise sector and the council's neighbourhood teams.

## Reducing childhood obesity in Leeds

Obesity rates in children of four and five years old have declined significantly in Leeds since 2009, counter to the national trend. This reduction has been seen primarily among the most disadvantaged children in the city.<sup>61</sup>

A coordinated approach was led through a partnership involving Leeds Public Health (Children and Families) Adult and Health Directorate, the national children's charity HENRY, and with academic support to evaluate impact. In 2009 a local obesity strategy was launched relating to pre-school age children, involving the provision of training to health visitors and children's centre practitioners and a range of dedicated programmes for both parents and young people in community settings. This included support for parents raising awareness of healthy eating options and parenting techniques which emphasise boundaries and responsiveness to support children making positive food choices.<sup>62</sup> The approach was based on a recognition that "parents are experts in their own lives and they know what they can and can't achieve", so the strategy is about "sitting alongside parents and thinking through what's right for them."<sup>63</sup>

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<sup>61</sup> This case study is drawn from the article 'Leeds becomes first UK city to reduce obesity in children living in the most deprived areas', 7 May 2019, Nuffield Department of Primary Care and Health Sciences. Accessed here: <https://www.phc.ox.ac.uk/news/leeds-becomes-first-uk-city-to-lower-its-childhood-obesity-rate>

<sup>62</sup> "Leeds becomes first UK city to lower its childhood obesity rate", 1 May 2019, The Guardian. Accessed here: <https://www.theguardian.com/world/2019/may/01/leeds-becomes-first-uk-city-to-lower-its-childhood-obesity-rate>

<sup>63</sup> Ibid.

The impact of the approach was evaluated using data collected through the National Child Measurement Programme between 2009 and 2017. This showed that outcomes in Leeds were challenging national trends overall and for the most deprived children. In four to five year olds, obesity levels fell from 9.4 per cent to 8.8 per cent over that time, while levels remained unchanged in similar cities (9.8 per cent) and England as a whole (9.5 per cent to 9.4 per cent). The reduction was most significant in the most deprived children in the city – with levels falling from 11.5 per cent to 10.5 per cent – and children from more affluent families also saw a drop, from 6.8 per cent to six per cent.

## **Taking a public health approach towards policing and crime in West Yorkshire**

Using her joint role as police and crime commissioner and mayor of West Yorkshire, Mayor Tracy Brabin is bringing together partners and powers to create a public health approach to policing and crime. This means looking at issues not as isolated incidents or solely police enforcement problems. It requires a focus on the preventable consequences of a range of factors which can impact on communities and individuals, such as adverse early-life experiences or harmful social or community experiences.

The approach is based on widespread consultation with communities across the sub-region, including older people, younger people, Black, Asian and Minority Ethnic communities, families, community workers, the police, Gypsies and Travellers, sex workers and representatives from business, transport, health and education. Four core priorities emerged from this engagement – to be victim-focused, to adopt a person-centred approach to keeping people safe and building resilience, a focus on place-based crime which affects communities and to reduce offending and reoffending by responding to multiple and complex needs.

A core route to achieving this approach is the priority placed on community-level funding and capacity building. The Mayor's Safer Communities Fund commits resource to hundreds of charitable and voluntary groups that are close to the grassroots communities across West Yorkshire. The four priorities each have clear progress metrics and provide a framework for partnership working with local authorities, the police, other emergency services and the wider NHS.

## Edberts House, Gateshead

Edberts House is a community hub in Gateshead, which has helped turn an area which had the highest anti-social behaviour rates in the borough and many vacant houses into a thriving neighbourhood.<sup>64</sup> In 2009 the council leased the empty Edberts House building in the neighbourhood to a local charity, and sought community input into what activities could be offered to support the area. One idea was an on-site creche to look after children while their parents secured maths qualifications to help get back into work – one of the first and many examples of community-led services which were developed.

An initiative which has snowballed is the social prescribing service, whereby community link workers from Edberts House are embedded as part of GP teams. Clinical practitioners can directly refer people to the community link workers to discuss issues going on in their life – such as having benefits stopped, struggling with housing or relationships, or losing their job – which were leading to health issues. The community link workers are trained in asset-based conversations, starting with the question “what matters to you” rather than coming at the relationship through the lens of a problem-solving expert. The workers are also trained to work with people to identify practical solutions to their challenges on their own terms. This has led to a reduction in unnecessary visits to GPs. Following a grant from Power to Change which expanded the programme from its pilot phase to extend its capacity, the social prescribing service now operates in 13 surgeries with plans to sign contracts with all 30 surgeries in the borough – making the model sustainable and reinvesting back into the community hub.

## Southwark Works

Southwark Council has established a locally delivered employment and skills system, providing support to help residents into work and to progress in work. This is alongside training and skills provision operating in partnership with local employers.

The front door to this local system is Southwark Works, the council’s employment support programme and a key channel through which the council delivers its ambition to create a thriving and inclusive economy. Unlike the Job Centre, the service is free from conditionality, providing help for anyone who wants to find

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<sup>64</sup> See [https://www.powertochange.org.uk/case\\_study/edberts-house/](https://www.powertochange.org.uk/case_study/edberts-house/).

a job, not just those in receipt of particular benefits. The service has supported thousands of residents to find work and change their lives.

Southwark Works is delivered by a network of third sector providers rooted in the local community, who offer a range of tailored employment support based on underlying needs, such as mental health, homelessness or disability. The programme integrates two main elements. For residents it offers employment support tailored to the needs of different cohorts. For employers it provides a free recruitment service, helping them match their vacancies with local residents and to successfully employ people who face challenges entering and progressing in the workplace.

An independent evaluation of Southwark Works found that it out-performed similar national programmes for all of its client groups, with a higher rate of people starting a job or apprenticeship.<sup>65</sup> When those who entered training are included, Southwark Works had the highest success rate of all compared programmes. Similarly, in terms of retention, people who started a job or apprenticeship through Southwark Works are far more likely to stay than was the case for similar national programmes. The evaluation also revealed that residents feel that Southwark Works has had a positive impact on their mental wellbeing, demonstrating the broader impact of a holistic employment service.

Southwark Works is only one part of a broad employment offer. The council has also worked with local businesses and training providers to establish a Construction Skills Centre, a Green Skills Hub and a business skills and training hub. All are designed to provide training that is both tailored to the local employment market and accessible to local residents, from entry level qualifications to degree level apprentices.

This comprehensive local strategy has created over 2,000 new apprenticeships over the past four years. The approach demonstrates how a locally-led approach to employment support is capable of bringing together key elements and partnerships into a localised, more adaptive and nimble programme, catering to the needs of residents and businesses.

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<sup>65</sup> *Southwark Works: Final report*. September 2022. Rocket Science.

### **3. Organising a strategic centre around a vision for community power which builds prevention and resilience across the system**

Community power is a grassroots phenomenon that can't be mandated by national government, but can be bypassed and undermined by it. It can be most effectively nurtured and supported by local government. Yet our uniquely centralised approach to governance concentrates a large amount of power in the hands of a few decision-makers in Westminster and Whitehall. This model is increasingly proving far too rigid when confronted with complex challenges that require adaptive responses, and which are beyond the ability of any single institution to resolve alone.

The limits of our governance approach can often be hidden, the problems it creates attributed to other factors. But when the Covid-19 pandemic hit, we saw in real time how ineffective it is. A virus that was a global phenomenon played out differently in different areas, yet our national response was either too slow, or when it came, too standardised, to be effective. Mutual aid groups, reflecting the ultimate power of communities, flourished – especially in areas with existing social infrastructure – and filled the void left by national inaction. Local authorities were able to move quicker than national government, yet the links between our national and local levels were weak, set up to enable one way communication from the top down, not feedback loops for sharing local intelligence. Rather than pump resource into public health teams who had expert knowledge of their localities and existing relationships, the Government resorted to a large, outsourced and ineffective track and trace system it could directly manage. Instead of pushing power out to localities with the insight and existing networks to respond, the centre gripped control tighter. The instinct for direct, central oversight trumped the need to deliver effective outcomes, even in the heat of a crisis.

The pandemic response highlighted a wider structural issue: the traditional levers of government have diminishing returns when faced with the challenges of today. Deepening inequality means that different places have different starting points and pressures. Demand on traditional acute-focused public services is rising, which will continue without a concerted shift to prevention. The wider operating environment



is increasingly prone to crises and external shocks – whether from future pandemics, global and financial instability or the climate emergency. The previous Labour government attempted to meet these emerging problems often with a single service performance target supported by a dedicated ring-fenced funding stream. This approach will not be possible for a future Labour government, given the depleted state of public finances and the complexity of the challenges we now face.

Labour needs to build a new statecraft that is capable of confronting and overcoming the challenges of today and into the 2030s. This would involve becoming comfortable with pluralism and variation locally, to support community capacity and resilience to respond to multiple, complex imperatives. This means the Labour Party being confident to seek power nationally in order to share it beyond Westminster and redistribute it locally, so that communities can feel tangibly in control and closer to a system capable of responding to their priorities.

This can be a challenge to some instincts which run deep within the Labour movement. As a party with great ambitions for society as a whole and a universal vision for everyone, the impulse to go big and national is strong. The risks of a postcode lottery in services are often cited as a reason not to cede control from the centre.<sup>66</sup> But this perspective is increasingly problematic, as it ignores the vastly unequal needs and contexts of different areas and only seeks uniformity of service *outputs* rather than *outcomes*. Traditional mechanisms to demonstrate progress which politicians reach for relate to service standardisation, such as the NHS imposing universal targets for waiting times and identifying priority conditions. These can create perverse incentives for services to pursue some actions over others, which may have unintended consequences. There is less focus on ensuring broad outcomes like standards of living and quality of life are improved and equalised, which would involve letting local partners and communities pursue priorities appropriate to their context. The fact that the UK remains one of the most regionally unequal countries in Europe is indication enough that this persistent political focus on equal public service outputs over equal social and economic outcomes has comprehensively failed.

Labour's early commitment to pursue 'mission-driven government' is explicit about the limits of governance which hoards power at the centre and relies on departments working in silos focusing on separate outputs rather than real world

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<sup>66</sup> See, for example: Johnson, R. (2022) 'The Dangers of Devolution', in The Critic: <https://thecritic.co.uk/the-dangers-of-devolution/>.



impact.<sup>67</sup> This recognises the problems of short term “sticking plaster” remedies and sees the need to take long term, preventative approaches to the deep pressures facing our system. At the core of this approach is the organisation of mission-driven government around a shared vision, and we set out here how a deep focus on community power can provide that rallying point for the energy within the system. This would mean that mission-driven government is operationalised in a way that elevates the role of local and regional government to contribute to these outcomes, rather than just reinforce a dominant centre that tends to hoard control.

Our vision is of a system which would invert power concentrated in Westminster and relocate it in communities. The centre’s role is renewed, not removed – focused on enabling and assuring across a dynamic system that is fit for purpose. A series of proposals are intended to reinforce the national strategic role and better empower local areas to respond effectively and sustainably to their circumstances.

### **3.1. A new settlement between national and local government which clarifies respective roles and embeds long term funding stability, to provide a strong foundation for community power**

A good relationship between communities and local government is a key enabler of community power. As such, the expectations and requirements placed on councils by the centre can either catalyse and incentivise community power or they can be a barrier to it. The approach of national governments towards local government veers between overly directive and micromanaging to being dismissive and bypassing it altogether, creating new institutions which replicate its functions. One by-product of years of underfunding local government is the tendency for national government to pretend funding isn’t an issue, and play communities off against their council by raising expectations, such as by creating duties to provide services such as social care but not the resource to deliver it in practice. For trust and confidence across our system of government, it is becoming increasingly urgent to clarify the respective responsibilities of national and local levels of government and embed stability throughout.

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<sup>67</sup> See [5-Missions-for-a-Better-Britain.pdf \(labour.org.uk\)](#).

- **Legislate to guarantee the political, administrative and financial independence of local government.**

A new settlement should involve a guarantee of the political, administrative and financial independence of local government, enshrined in legislation.<sup>68</sup> This would recast the relationship between the centre and localities, the former being required to respect the role of the latter. In the context of Labour's emerging approach to mission-driven government, it would mean a clear new framework whereby the national level sets broad outcomes, and local areas have the power to meet them in ways adapted to their context.

This measure would contribute to ending the policy churn of recent years whereby local government has been on the receiving end of a highly changeable national agenda and poorly conceived policy. A new dynamic should involve better feedback loops between national and local government, with local expertise feeding into the initiation of policy, not just making do with the implementation. Creating this existential certainty for councils would ensure a firmer foundation to prioritise facing outwards and building relationships of equals with communities, rather than being forced to focus up the governance hierarchy and respond to constantly changing short term initiatives.

A new settlement would build a mature, respectful partnership between national government which needs the confidence that local areas can deliver and local government which in turn needs the certainty that national government will play its part in guaranteeing funding sufficiency in order to deliver. Of course, finance is a major factor. A future Labour government should recognise it has a strong role to play in providing stability locally and throughout the system, as a precondition to dynamic and vibrant community power. A fragile, depleted local state with an over-stretched, demotivated workforce is not a strong starting point for positive relationships with communities. Community power is not the cheap or quick option, it requires sustained investment – in the skills of frontline public sector workers and in local voluntary and community organisations which currently too often exist hand-to-mouth as a knock-on effect of public sector underfunding.

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<sup>68</sup> This was recommended in the Commission on the UK's Future led by Rt Hon Gordon Brown and has been called for by the Local Government Association: <https://www.local.gov.uk/publications/make-it-local>.

- **Commit to longer term funding settlements for local government of three to five years.**

Given the precarious state of our public finances, it will not be possible for an incoming Labour government to increase the levels of investment in local public services immediately, but this should be a medium term goal as the outlook becomes more secure. Our approach focuses necessarily on making better use of existing funding. In the short term, creating more stable, predictable funding and removing competition between places over scarce funding pots would be a welcome start. The first post-election spending review should provide clarity for local government over funding for three to five years, which would build in more certainty for local government and partners to plan around. This would better enable longer term investment in effective prevention that will take time to deliver outcomes. It would support the capacity and infrastructure needed to achieve this, including creating more stability in turn to voluntary and community sector partners.

Longer term, Labour should explore options for devolving more fiscal powers with an emphasis on enabling local areas to retain a greater share of tax they generate.<sup>69</sup> This should include devolving a proportion of existing national taxation such as income tax, which would build in greater local benefit from driving positive action on growth and increasing the quality of local jobs. This wouldn't increase the tax burden on individuals. Rather, the direct community benefits of taxation would be boosted, if a share of the tax communities themselves contribute could be retained and invested locally. This has the potential to enhance local democracy by creating greater local accountability to communities over taxation generated by them and in their areas.

England's fiscal system is an outlier internationally in terms of the extent of its centralisation and regional inequality, and future policy should take lessons from countries such as Denmark and Germany which combine more devolved fiscal frameworks with more equal regional outcomes.<sup>70</sup> In these countries a core aspect of fiscal devolution is a robust system of equalisation between areas to account for different starting points, but overall the framework enables more diversified and independent local revenue bases as part of a mature system of governance across national, regional and local tiers.

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<sup>69</sup> For a discussion of options for fiscal devolution, see Studdert, J. (2023) Fiscal Devolution: Why we need it and how to make it work. New Local. Accessed here: <https://www.newlocal.org.uk/publications/fiscal-devo/>.

<sup>70</sup> Ibid.

## 3.2. Reform at the centre to embed prevention and enable community power across the system

Our public services are in crisis. But a future Labour government would not be in a position to simply spend more on the problems it inherits, so it must be a priority to spend existing funding more effectively. There is an enormous amount of money and energy in our system being directed the wrong way, at the wrong time and on the wrong things. The weight of evidence and analysis across health, care, criminal justice, education and skills systems suggests our public services are too preoccupied with mitigating failure and crisis, rather than focused on investing in prevention and early intervention. This is a vicious cycle which needs to be interrupted. The costs of doing nothing are growing inexorably. Only a deep shift to prevention, embedded in and led by communities, will put our system on a sustainable footing.

For prevention strategies to be effective, active communities need to play a core role, supported by an enabling state. This starts at the centre, with a shared Cabinet purpose and Whitehall departments reoriented around core missions. It flows to the financial, regulatory and accounting frameworks which incentivise and support partners across services in local areas to focus on understanding population needs and shifting resource to meaningful shared prevention approaches. These would involve public services that are co-designed with communities who use them, a vibrant voluntary and community sector locally embedded in communities and people themselves feeling part of active local networks and civic life. To enable this, we set out here a series of reforms at the centre which can begin the process of embedding prevention and enabling community power across our system:

- **Build a strong evidence base for the costs of ineffective resource allocation within our current system:** The National Audit Office should be tasked with evaluating the costs inherent in our siloed Whitehall model. This currently only accounts for efficiencies and spend reductions within separate departmental budget lines, not across them. A particular focus for enquiry should be the extent to which costs reduced in one budget create knock-on effects for other budgets, especially across major public service spending departments including those responsible for health, welfare, education and communities. This should involve an evaluation of the consequences of underfunding preventative and early intervention support and the rise in demand for acute, crisis provision which occurred during austerity years.<sup>71</sup>

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<sup>71</sup> For example, local government budgets were hit the hardest during austerity, underfunding vital early intervention-focused provision like social care, Sure Start family support, youth services and neighbourhood policing. This has been accompanied by rising pressures on acute provision of last resort – such as on hospital beds, children’s services and policing.

- **Develop 'invest to save' accounting for prevention:** Existing Treasury orthodoxy hardwires a bias towards short term cost saving efficiencies at the expense of long term and tangible value for communities, which is at the heart of our "sticking plaster politics". There is increasing awareness of the need to more formally account for prevention spend when the rewards may pay back over a longer period than financial cycles traditionally require. The Independent Review of Children's Social Care demonstrated how up-front investment in children's social care reforms could be recouped within a decade because it would lead to fewer costs on formal care.<sup>72</sup> The idea of 'Prevention Investment Expenditure' has been mooted by the think tank Demos as a way that the Treasury could formally account for prevention spend separate to existing DEL and AME accounting.<sup>73</sup> Meanwhile in Wales, Labour in national government has introduced a Wellbeing of Future Generations Act which ensures public bodies take account of the long term and employ an integrated, collaborative approach to preventing problems such as ill-health and isolation occurring or getting worse.<sup>74</sup> There is a need to review existing Green Book accounting practices and develop accounting mechanisms for upfront investment in prevention which may create value and reduce costs over a longer time period.
- **Agree a shared Cabinet-level understanding of the priority to shift towards prevention:** The rationale for a shift to prevention needs to be hardwired across Whitehall, and this starts with a collective agreement across the Cabinet based on recognition that this approach sits across departmental silos. Secretaries of State will then need to drive this focus on prevention within their departments. The role of accounting officers (usually permanent secretaries) is a significant barrier or enabler to cross-departmental working: they need to develop clear collective responsibility instead of pursuing departmental policy and budget agreement in isolation to each other.
- **Create a Cabinet Office team to coordinate and drive a cross-Whitehall approach:** Pursuing mission-driven government, reducing the impact of silos and embedding prevention across departments will need

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<sup>72</sup> Independent Review of Children's Social Care – Final Report, May 2022. Accessed here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1141532/Independent\\_review\\_of\\_children\\_s\\_social\\_care\\_-\\_Final\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1141532/Independent_review_of_children_s_social_care_-_Final_report.pdf). See also Curtis, P et al (2023) The Preventative State. Demos.

<sup>73</sup> Curtis, P. (2023) 'The British government needs to recognise that prevention is better than cure', Financial Times, 23 April 2023.

<sup>74</sup> See <https://www.gov.wales/well-being-of-future-generations-wales>.

effective coordination. A new team based in the Cabinet Office should be charged with implementing this cross-Whitehall endeavour. Their role should involve supporting departments to map existing expenditure in places, in order to develop local level cross-sectoral views of public spending, to inform the development of greater localised budget pooling and joint investment plans across services. As part of implementation, the team should be tasked with identifying and removing national regulatory barriers to joint working locally and developing more effective place based approaches to regulation. These would better intersect with system issues across a place and recognise the contributions made by public services across it.

- **Evolve the Office for Local Government:** The Office for Local Government (Oflog) has been established with a remit to provide data and analysis about the performance of local government.<sup>75</sup> This risks being a vehicle for judging performance on narrow output measures and bypassing the wider direction of travel towards place-based integration and reorientation of public services towards communities. There is an opportunity to give it more of a role driving a more transformational, less static stance across government departments and places by focusing on learning and insight. This could involve creating a valuable community feedback loop by seeking wider citizen input on metrics that matter for wellbeing and using that to hold places to account for progressing change, such as understanding how much power has been transferred to communities and how many new opportunities for participation have been created. Oflog could also take a clearer cross-Whitehall approach to develop a more consistent view of place across different departments, strengthen the interface and feedback loops between national and local government and develop oversight of the contribution of local government to the achievement of national missions.
- **Develop mechanisms for holding places to account collectively for core outcomes linked to mission driven government:** A cross-Whitehall commitment to prevention then needs to create the financial incentives and the regulatory permission for developing local pooling of budgets across services informed by Total Place principles and investing up front in community capacity. It is only at a local level that the relationships and trust can be forged, to plan joint, up-front investment in prevention, then use data and locally agreed metrics to track the impact and over time shift greater

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<sup>75</sup> See: <https://www.gov.uk/government/organisations/office-for-local-government>.

proportions of budgets towards prevention. This should then be the basis for accountability of places collectively, to a better coordinated, more strategic centre. This would gradually begin to shift the balance of public service spend away from a reactive focus and towards the community networks and civic infrastructure that can better support ongoing well-being and independence, for improved quality of life for communities and more effective prevention from a service perspective.

### **3.3. A renewed devolution agenda, which takes a universal approach to redistributing power guided by the principles of subsidiarity, inclusive growth and participation**

To date, devolution in England has been pursued through a particular deal-making model by which those councils prepared to join together in a combined authority, most with a directly elected mayor, receive some limited powers and funding. Despite being a policy for ten years, devolved budgets have still been subject to strong central oversight, limiting local discretion to strategically plan. Only recently has a devolution framework been announced with transparency over what powers are available. Two specific 'Trailblazer' areas of Greater Manchester and West Midlands have been able to negotiate more autonomous 'single pot' funding, which will provide greater leeway to plan and invest. But overall, devolution has been conducted very much on Whitehall's terms – some departments have opted in, some have not. There is an opportunity for Labour to develop a more radical and transformative approach to devolution which genuinely puts power back in the hands of communities.

A renewed approach would recognise that devolution is more than a single policy initiative and see the redistribution of power throughout the system as core to a more dynamic statecraft fit for the challenges of the future. The ad hoc deal-making model should evolve clearly into a universal approach that would eventually seek consistency everywhere. This need to be done in phases, as some areas are yet to receive any devolved powers at all, but a future Labour Government should be clear about the end goal to set the pace. This would require reform and realignment at the centre as it becomes more strategic overall, rather than creating an ever more complex series of opt outs for different areas with different levels of powers devolved.



Labour's five missions provide the foundations of a framework by which funding and accountability should be devolved.<sup>76</sup> Powers alone are not sufficient, as slow progress on devolution to date has shown. A more ambitious approach would involve working towards each area having a three to five year single pot of funding to deliver against all five missions. This should create the overall objectives with each area having flexibility to achieve agreed outcomes as part of deals.

With this ambition and pace clearly set, three core principles should guide a renewed approach to devolution:

- **Subsidiarity:** Devolution should be driven by the principle of subsidiarity, devolving decision-making power to the level closest to those affected. This would invert the current logic within our system that presumes most initiative is held at the centre, and instead national government would only take decisions that cannot be taken locally. In this way, the starting point of devolution should not be "what is Whitehall prepared to cede?". The question at the heart of our governance system should be "what do communities need to thrive?".

Embedding the principle of subsidiarity would involve a clearer understanding of the appropriate scale at which to make decisions over different activities and resource allocations, and consider the respective merits of regional, local and neighbourhood levels for impact. Some actions require a national scale – they might be transactional and suited to one single agency delivering something well and consistently such as issuing benefits or setting education curricula. Or they could be related to rarity such as the treatment of rare conditions which happen too infrequently at a lower level to be cost effective to respond and would benefit from a more focused concentration of specialism.

Other actions suit the scale of a region or functional economic area, such as transport planning and economic development, where there is a need to work with population patterns and sector opportunities at a sub-national but larger than local level. For more complex issues with multiple drivers, such as child development or social isolation, there is a strong case for recognising the value of working collaboratively across a local area. At this scale, people across different services and organisations can build human relationships with each other and coordinate their skillsets with the particular

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<sup>76</sup> Five Missions for a Better Britain, The Labour Party 2023. See: <https://labour.org.uk/missions/>.

assets and needs of local communities. This in turn would often recognise the role of neighbourhood levels through which to build relationships and secure real impact with people, supported where they live and in the context of their social networks. In order to embed subsidiarity across our system of governance, Whitehall departments should consider more systematically the appropriate scale for impact of decision-making and resource allocation, and this should inform the next phase of devolution.

- **Inclusive growth:** Enshrining the principle of subsidiarity would also open up a more holistic approach to devolution across all domestic policy domains. Having to date been mostly focused on 'hard' economic growth levers, the devolution agenda needs to expand to include the interplay with people-focused public services. This includes not simply policy that would drive growth, but also the provision that would support people locally to participate in new opportunities created by growth.

This would better create local and regional foundations to pursue *inclusive* growth which improves wellbeing and living standards in the round. For example, devolution solely focused on traditional growth metrics and job creation won't necessarily benefit the local population unless the range of skills, health and welfare barriers are addressed in parallel. At worst, economic levers detached from public service reform will result in population displacement and increased marginalisation of the most deprived communities, while new opportunities accrue only to those most able to access them. Devolution should seek to better integrate economic and social purpose in places, which is needed if areas are to transform their circumstances and the lives of the people within them.

- **Participation and accountability:** Devolution needs to contribute to strengthening democracy, not simply be a technocratic response to weak regional growth. Communities feeling a tangible sense that they can participate in and potentially influence decisions which affect them should be the litmus test of devolution. To date, the focus of devolution and new governance arrangements has been vertical accountability and assurance to national government, rather than new democratic innovation beyond electing a mayor.

In the future, horizontal accountability across places and to citizens needs to be developed and strengthened – giving people more opportunity to get involved in deliberation and prioritisation outside of formal election cycles.

New deals and further powers devolved should build in requirements to seek wide and varied participation of communities in decision-making processes. The specifics should be open to innovation but would broadly involve greater use of deliberative approaches, digital and participatory methods. This should be designed to build a stronger culture of institutional openness and more capacity to conduct meaningful, ongoing engagement as standard operating practice for devolved governance.

Adopting a more ambitious, principled approach to devolution would have the potential to transform our national statecraft to shift power sustainably out of Westminster, into regions and local areas and more directly into the hands of communities themselves. This would not be zero-sum between national and local government, which devolution to date has been prone to, often to the exclusion of communities. Instead it would require a new partnership, based on a realignment of roles and respect for different areas of responsibility and potential for meaningful impact for and with people.

# Conclusion

Labour has always had fire in its belly for deep social, political and economic change. In its early decades, Labour's passions were focused on the self-organisation of working class communities to secure the equality and dignity they were denied. The power of the approach lay not just in the ends but the means. Self-organisation itself was a source of self-confidence, pride and power. After 1945, the passion shifted towards the good that the state could do by using its vast resource to lift people out of poverty and towards a better life.

As we enter a new era of formidable challenges and limited resource, Labour needs to consciously combine these two traditions by taking a community powered approach. This would see an active local state work to empower communities and mobilise their assets, intelligence and energy to change society for the better.

Working in this way, a new Labour government will be able to seize a once in a generation opportunity to genuinely shift how power and resource is distributed across our country and to make a tangible difference to communities who have felt overlooked for too long. It will undoubtedly require a shift in mindset on behalf of a Labour government to win power in order to give it away, but this is firmly located in the party's proud history of working class self-organisation. The prize is a country where all communities are able to realise their potential, supported by effective public services and with trust in governing institutions restored.

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