



Is Localism a Good Idea?

A debate between David Walker and Lord Richard

NLGN



New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Introduction

NLGN invited two of local government's most noted thinkers and commentators, Lord Michael Bichard and David Walker, to go head to head and argue the case, *centralism versus localism*. From a centralist perspective David Walker kicks off the discussion with the localist Lord Bichard providing his responses.

This piece takes the form of three rounds of responses between David and Michael and has been lightly edited by NLGN with the agreement and endorsement of both contributors.

Centralism versus localism

Dear Michael,

I'm puzzled by the fashionableness of 'localism'. In a world where power has concentrated in the board rooms of multinationals, where everyday problems (money, growth, productive capacity) demand international cooperation it's peculiar – even perverse – that a philosophy extolling the miniature and the confined should have taken hold. If we replaced 'localism' with 'parochialism' it would feel different. Yet both those 'isms' come out of the same historical bag, in which you also find male gender supremacy, white ethnic mastery and authoritarian and deferential rule.

Perhaps the salience of this back-to-the-future idea is explained by a non-sequitur. I've long admired your practical criticism of Whitehall norms and practices, based on your experience as a top public manager. We need a better civil service; a reformation of what ministers do; constitutional change. But the deficiencies of central government don't mean local authorities would be any better, were there some great decentralization of power and finance.

Councils are also departmental. Councils haven't really found a stable division of labour between elected politicians and permanent officials, either. When asked, the public is as suspicious of councils as of central government.

Localism fills me with anxiety, because its advocates seem to have lost their grasp on power, that's to say where power is located. Economic power – decisions about employment and investment – isn't in small businesses. It's in big banks, FTSE 100 companies and global corporations. The markets in which such firms operate are far larger than cities, counties or regions, often larger than nation states. Why are we thinking about fragmenting public power, dismembering governmental capacity at a time when – more than ever – we need to recalibrate and even re-regulate markets?

Council leaders or mayors, however brave and capable, are puny when corporate boards can, on a whim, shift jobs hundreds and thousands of miles.

Dear David,

Government, local and central, could learn more from business. But government is different to business which is why I find your arguments for less localism and the greater centralisation of power in Government unconvincing. In fact, we already live in probably the most centralised of all developed countries and it is time to accept that it has not worked-and shows no sign that it ever will.

The way in which Whitehall steadfastly clings to its silos means that coherent policy will never be developed any more than accessible, seamless, functional services, which make sense to citizens, will ever be delivered. Nor do our current arrangements allow us to provide value for money in a time of austerity. In addition for 'centralist' we should read 'metro centric' because our governmental system is dominated by the Capital and its village of politicians, civil servants, think tankers and media groupies who know little of life outside of London. They fail to understand the passion which so many people in this country have for their' place. They fail to appreciate the importance of flexible delivery to reflect the differences of history and demography and they fail to see the advantages of realising the many resources which exist in communities and which can make such a difference to the quality of peoples' lives. Then there is the small matter of Democracy. Hansards latest 'Audit of Public Engagement' shows just how dramatically citizens have lost trust and interest in politics and politicians. There are many reasons for this but the reduced power of local people to influence the issues which matter to them must play a part and, sadly, the Governments fragmented response will do little to address this.

But, you argue, localism would be no better. Well, yes, local services, including Local Authorities, can be departmental, risk averse and parochial but they are closer to the flame of accountability and more likely than Whitehall mandarins to respond. And as your own Audit Commission showed, the best of local government shows that the future could be effective, efficient, and even exciting. I now see little hope of Whitehall and Westminster delivering that.

MB

Dear Michael,

During your own time in Whitehall, something remarkable happened. The centre (Whitehall-Westminster) gave up a great chunk of power. A parliament with tax-raising powers was created in Edinburgh and assemblies with significant executive responsibilities in Cardiff and Belfast. Devolution has turned out to be dynamic: who can predict the shape of governance in these islands in years to come.

Devolution happened because people said 'we want self government', and said it with political force. Why don't the people say, with the same political vigour, 'we want more power to local government'? Because if they did, localism would be unstoppable. But they don't cry 'empower the town halls', for two sets of reasons, one historical and the other sociological.

Localists like to extol Joseph Chamberlain and Birmingham and what was, of course, impressive modernization of the urban fabric through the agency of a city council, albeit one elected on a restricted franchise. What they don't notice is that in the latter decades of the 19th century, local government elsewhere was failing to deliver (partly because property owners would not pay for services) and the newly-enfranchised working class had nowhere to go except to central government, for subsidies and mandates. Centralization wasn't some conspiracy: it followed from the nature of the local class system and, especially after 1945, the Labour movement's capture of power.

You talk of people's 'passion' for place. The sentiment is genuine, but place is cross-hatched, between estate, street, neighbourhood, town, parish, borough, conurbation, county, region – it doesn't make a straightforward basis for government. Let's not fall for 'community' either. Spatial or geographical identity competes with other identifiers, other sources of identity that come from age, employment, class, ethnicity, sexual orientation and at-a-distance - virtual social interaction through the internet. Place doesn't embrace, or trump these other passions, so why should it be the unique basis for political or administrative organisation?

DW

Dear David,

Like you I have always been sceptical about the Chamberlain model and I have to accept that the public demand for greater localism is disappointing. But we shouldn't be surprised by this given the way in which Local Government, in particular, has been criticised even ridiculed by Government and the media for so long. In addition powers have either been given to new agencies or relentlessly taken to the centre. Citizens have hardly been encouraged to invest respect in local governance. Where real powers have been devolved-in London, for example, people have responded and would now fight to retain them.

But this Government needs to move beyond the rhetoric of Localism and develop a convincing vision for the future if things are to change. And that vision has to include the power to reallocate resources between services at a local level because that is at the core of real devolution. What we have seen to date is more bluster and departmental micro trending (I understand that is the modish term!) than strategy and vision. So the government supports local mayors but takes away much of their power by installing police and crime commissioners...and it experiments with a couple of whole place community budgets rather than committing all departments to a vision of localism which allows local people to make decisions about priorities and pooling budgets. Otherwise all that is being offered is the ability to administer services on behalf of individual departments and that kind of technocratic/bureaucratic model will never convince local people that the game is worth the candle. True Localism is the power to make choices which reflect local needs.

MB

Dear Michael,

We're agreed a) on the cynical approach of the Cameron government. Its ministers talk the talk on 'localism' but their gait is centralist. You cite mayors. I'd add adoption and schooling where elected local government is simply being written out of the script, leaving an administrative and accountability vacuum.

We agree b) on the deficits of a Whitehall model that are manifest in the quality of policy making no less than in delivery. What's also striking is the absence of any genuine conversation among the denizens of departments about their shortcomings and the possibilities of reform and improvement – and that's despite your efforts to give them opportunity and space when you were at the Institute of Government. But I can only repeat that the failings of the centre are nothing to celebrate. Amid financial market turmoil and, pardon the phrase, a veritable crisis in the governance and stability of capitalism, strong central governments are vital, if only to conclude the bilateral and multilateral deals with other nations that are a precondition to wider economic welfare.

Nor do the failings of the centre mean councils can deliver – delivering services, enhancing public trust or securing citizens' assent to the taxation without which the public realm is impoverished and mean. Let me focus on that. Your model of community or pooled budgets is attractive; at least in conurbations such as Manchester or free-standing cities such as Sheffield (I am not sure Lincolnshire is a 'community'). But the model begs the question, *who pays?*

It won't do for localists to say we'll spend while you (central government) raises and distributes the money. But all localist models for finance run up against these rocks. The first is the asymmetrical distribution of capacity to pay and need to spend: between the two lies a necessarily complex formula for moving money around, which reduces transparency and is permanently controversial. The second is historical antipathy to local taxation. It goes back a long way. Central grants to local government increased fastest in English history not under Tony Blair or Margaret Thatcher but under Lord Salisbury in the 1890s, because Tory burghers simply would not raise the tax necessary to provide the social infrastructure of urban England.

DW

Dear David,

Let's be clear, I do not 'celebrate' the failings of the centre. I have persistently pointed out the need for fundamental reform of Whitehall and Westminster for 20 years and the disastrous state of the relations between the two is no surprise and justifies what I have been saying. But it is not a cause for celebration because, as you say, now more than ever we need a strong centre. However, and this is the point, we need a centre which knows where it needs to focus its energy. And that means that it should not be devoting its time to issues which are far better dealt with closer to the citizen. And if, as you say, there are lessons to be drawn from successful business it is to know what the centre should and should not do.

It's surprising, I suppose, that we have got this far without debating local taxation, the rock on which much talk of localism has foundered. But I am not sure that needs to be the case. Yes, it would play a big part in transforming the relationship between local governance and the people but does it need to be the first step? I think it is wrong of you to suggest that taxation is 'Central Government' money. It is raised from the likes of you and me and central government should be most concerned with how well it is spent. If that requires more of it to be devolved closer to the action, so be it. More power and money to local governance could be followed by changes in the way that money is raised. But does it need to be preceded by it?

Finally let me return to your concerns about the quality of local governance. It's not perfect but then show me a system of public administration that is. The fact is that it has responded to the crises of the 1980s and has improved significantly. In some places it is now outstanding and in most places it is better than Whitehall and I see no likelihood that Whitehall will reform itself in the near future. So why invest more time and money in hoping for that to happen?

MB





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