

# LOCALISM 2015

## Where next for the political parties?

Edited by Jenna Collins and Rosie Phillips



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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# FOREWORD

**Simon Parker**

Director, NLGN

**The politics of public service reform is slowly moving towards a critical juncture. There is a cross-party consensus for more austerity, and a shared desire to spare health and education from the brunt of the cuts. This means that local government is almost certain to suffer deep and transformative budget reductions in the next parliament.**

The kind of policy environment in which this transformation takes place is of the utmost importance. That is why we have gathered together views from some of the country's leading councillors, asking them to make the case for their political parties to take a more localist direction.

The opportunity is crystal clear: by devolving power, a new or returning government can unlock community budgeting, do new deals with councils to secure economic growth and help put councils on a more sustainable financial footing. The likely result is that the impact of the cuts will be muted. The alternative is depressing and predictable. No one wants to see another round of simply tinkering with the structures of local services, and a turn back to centralism is the surest way to guarantee that the public feels the full impact of the cuts.

National political parties often do not take their councillors seriously enough. I recently saw one front bencher thank his local activists for going out in the cold to post leaflets through doors, but neglect to mention that some of them also run a £200m local authority.

Councillors are more than just foot soldiers. Leaders wield power and authority that would make some junior ministers weep tears of envy. We hope this collection can bring this local knowledge and experience to the fore as all three parties plan their manifestos in a continually challenging political environment.

# INTRODUCTION

***“The Conservative party wants nothing less than radical decentralisation, to reach every corner of the country” Rt Hon David Cameron, 2009***

The 2010 manifestos from the Conservative Party, Labour Party and Liberal Democrats, all outlined a clear mandate for a more locally-led way of generating economic growth, providing services and reviving democracy. The approaches varied between the documents: for the Tories localism meant a council tax freeze and the ability for councils to keep above average increases in business rates. For Labour a continuation of total place schemes was the priority and the Liberal Democrats proposed an overhaul of the council tax system. But despite the differences the ambition was clear: to empower local government – and subsequently local people and communities – to have more say in the things that matter to people’s lives.

Certainly, the Localism Act 2011 suggested that the Localist intentions set out by the Coalition government were firmly on track. Other initiatives such as City Deals have also reinforced a more Localist approach to doing business. However, have we seen the ‘radical decentralisation’ that we were promised? We’ve certainly made progress but the general consensus amongst local government – and within this essay collection - is that there is a lot more to be done.

A budget “black hole” faces local government and it can only be filled by doing things differently. If local government is going to meet this challenge, then innovation needs to happen at a bigger scale and faster pace. But local government does not operate in a vacuum; it requires more devolution from Whitehall to allow it to pool budgets, combine resources, and work together (and make savings together) with other agencies from the public sector.

How can the three parties move localism forward going in to 2015? This is the question we asked council leaders from across the political spectrum, and whose responses make up this collection. The manifestos coming out of the three political parties in advance of the 2015 election will be crucial in outlining where localism goes next, and we hope these essays can spark the debate which will map that path.

Several ideas and themes appear throughout the essays, cutting across political boundaries. For example, giving councils the levers to raise finance and locally invest is elaborated in Sir Albert Bore's (Lab) and Cllr Dombey's (Lib Dem) essays. Cllr Jones (Con) outlines what a place-based settlement might look like as we build on the success of the Coalition's community budgets programme. Local planning reform also features heavily in the collection; Cllr Peck (Lab) demonstrates how this would allow councils and citizens to truly take ownership of their neighbourhoods and high streets. Localist approaches to key policy areas such as education (Liz Green, (Lib Dem)) and employment (Catherine West (Lab)) also feature in the collection.

It seems the real question that local politicians are asking is to what extent does Whitehall *really believe* in local government to do what's best for its residents? As Cllr Dombey puts it: 'Let's trust local people to act as responsible adults and make decisions that balance the needs of the vulnerable and the aspirations of the many'. If the trust is there, then hopefully we'll see some of the ideas outlined in these essays appearing in the Conservative, Labour and Liberal Democrat manifestos in 2014.

# DEVOLUTION WITH CITIES AT THE HEART

## David Skelton

Director, Renewal

**Devolving power further needs to be at the core of a future Conservative offering. And cities need to be at the core of this new wave of devolution. ‘Trusting the people’ and empowering cities will be a central element to balanced economic growth and urban revival over the next few decades. A devolution of power to cities must be a fundamental part of the Tory agenda for the next decade.**

Most of the high growth during the Blair years benefited only the South East of England and failed to reach the low-paid. Although economic growth was over 11 per cent between 2003 and 2008, real incomes actually stagnated and the North-South divide widened. That can't be allowed to happen again and empowering our cities is a real way of delivering economic growth that benefits everybody.

Edward Glaeser, in his superb ‘Triumph of the City’ has set out why the city will be at the core of economic growth in a globalised economy. And the more autonomy and power a city has, the more likely it is to pull in talent and investment and to become a thriving centre of regional economic growth. The Government's ‘City Deals’ represent a great start to making that happen and they provide a real platform to build on over the next few years.

Government should be ready to devolve powers over planning and welfare to work to cities, in a way that will give our great cities the ability to innovate and promote job creation. The role of central Government should be to ensure that our cities have the right transport and digital infrastructure to be able to flourish. Devolving powers over welfare conditionality would enable cities to take active steps to help people back into work. Cities should follow the example of Preston, which was the third fastest growing city in the UK between 1998 and 2008 because it was able to adopt a much more liberal planning policy, meaning that businesses were much more likely to invest there.

If cities in the North and Midlands did adopt a more liberal planning policy, it would stand in stark contrast to parts of the South who seem completely resistant to further development. Allowing cities to expand, so that good quality homes could be provided within easy reach of all the amenities of a big city could tempt workers and companies sick of the cramped South East to relocate to the North or Midlands.

It's also clear that the most successful cities globally are those with strong leadership figures who can represent the city both nationally and internationally. Despite badly mishandling the referenda for directly elected mayors, the Tories should again make the case for an elected Mayor with proper powers, representing the city or city-region.

Over the next few years, Conservatives should look to be even more ambitious in devolving real powers to cities. If Government is ready to give up real powers to our cities, then these cities will be culturally vibrant centres of renewed regional growth.



# A PLACE-BASED SETTLEMENT PLEASE

## **Councillor Mike Jones**

Leader, Cheshire West and Chester Council

In the current political climate, it is often said that “we’re all localists now”. In Cheshire West and Chester this is a reality, and there is strong support on all sides for a future which places more power and responsibility in the hands of our citizens and communities. Formed as a new council in 2009 we were determined to be a new type of council with localism at its core. For us, it’s about the five Cs:

- **Communities:** We have forged strong relationships with local communities and are tailoring services in line with local aspirations. Our council is structured in line with four localities, we are building comprehensive neighbourhood plans and we are continuing to develop a thriving voluntary and community sector to play a greater role in public service delivery.
- **Collaboration:** We recognise that we cannot afford to operate in a world of fragmented public services which don’t make any sense to our residents. Our Altogether Better programme – known nationally as a whole place community budget – has identified over £100 million of savings to local services over the next five years with the transformation of service delivery by reducing duplication and getting services right first time. In addition, we are expanding our shared services with a number of neighbouring councils.
- **Commissioning:** We take the view that what matters most to local people are outcomes, i.e. actions being delivered. We have to find new ways of securing those outcomes and be open-minded about the best way to deliver services. New approaches like public service mutuals are being rolled out in Adult Social Care and all services are being reviewed to ensure they are best placed to meet the challenges of the future.
- **Commerce:** We are supporting a dynamic local economy working with businesses and developing a huge expansion of apprenticeships, more locally focused training, and a significant programme of capital

investment. Sharing the proceeds of this success will be crucial to maintaining this momentum.

- **Courage:** All of this requires courageous leadership – being prepared to challenge how we do things, not dragging our heels and not waiting for permission from Whitehall. We also need to be prepared to have a grown up conversation about the responsibilities that individuals and communities have themselves – the council doesn't have all the answers.

By definition you can't really legislate for localism, but the biggest lever national government has to accelerate this agenda is finance – not how much we get but how funding is allocated and who is accountable. I would like to see the next Government adopting radical plans for place-based settlement with a spending review based on places rather than Government departments. Imagine the transformational impact if all local leaders had to co-operate, focus on what was required for residents and had clarity on the funding they had available over a five year period, alongside more flexibility to invest in local priorities. A win-win situation is possible – a reinvigoration of local democracy, an ability to make scarce public money go further, stronger growth, and better outcomes for local people.

# LOCALISM...THE DEVON WAY

## **Councillor John Hart**

**Leader, Devon County Council**

**There is a lot talked about localism, but in Devon - the third largest local authority by area in the country - we're trying to put it into practice.**

We are a very diverse county which includes the city of Exeter, numerous market and coastal towns and many small villages encompassing two coastlines and two national parks. So it makes real sense to do only what needs to be done centrally at County Hall in Exeter with as much as possible being carried out locally.

We are delighted that Ilfracombe, in the north of the county, is one of the two rural towns piloting the national neighbourhood community budget pathfinder programme. This is in its early days so far but we are committed to the transfer of assets, and citizens have already set up a local board to run their community.

Whenever we build new libraries, we now develop them as community hubs. So in Newton Abbot, Cullompton and Totnes we are ensuring there is enough community space to enable people to gather together.

We have got work hubs in these buildings - as well as in other centres around the county - where Devon's large contingent of home-workers and small enterprises can rent space and secretarial support – by the hour if they wish – to help their businesses to grow.

And we have information and advice to help support people back into work. Indeed, our Free Fridays provide free computer access in all our libraries for jobseekers and people seeking information about welfare changes.

After the appalling winters of the last few years, we have supplied grit, training and equipment for local volunteers to become snow wardens and clear the roads in their communities which – with more miles of road than Belgium – the county council cannot get to.

And we have helped local people develop plans to support the elderly and vulnerable in their communities in the event of emergencies like floods or power cuts. This is necessary because, in a largely rural county like ours, it sometimes takes time to get the utilities back on and restore communities to normal.

Localism is all about developing resilience and helping people to help themselves. After four years of budget cuts, and with more to come, it is vital we reinvigorate the spirit of self-help in our communities.

In Devon I have pioneered a way of helping this process practically with our joint Town and Parish Fund.

Each of our 62 county councillors has £10,000 available to support community groups and organisations in their ward through our Locality Fund. We have also allocated £1 for every elector into our Town and Parish Fund, which is shared out to each district council area, and we have encouraged the district councils to top that up with 10p per elector.

It is then for the towns and parishes to bid for this TAP Fund money to develop projects and initiatives locally to help themselves.

Together the TAP Fund and the Locality Fund cost the county £1.2 million. But it is money well spent in bringing communities together to work on schemes of their choice to enhance their localities, often boosting our seed money with extra revenue raised from other sources.

Following examples like these is perhaps another way the Government can drive forward the new localism agenda, by codifying the relationship between national and local government and giving councils more power to raise taxes and spend the money where they think it will do the most good for their communities.

# LOCALISM: A CONSERVATIVE WAY FORWARD

## **Councillor Paul Carter**

Leader, Kent County Council

**As the economy turns the corner, it is time for a renewed relationship between central and local government and a new drive for localism through local councils.**

In the age of austerity, local councils have been in the vanguard. We have seen our budgets reduced by more than a third, we have taken the cuts and we have delivered the savings.

At the same time, we have responded to major new responsibilities including Council Tax Support and Public Health, while performing at the highest levels (with improved public satisfaction ratings) and developing a new, more self-reliant model of council localism.

Through radical service modernisation and change, we have delivered austerity with the minimum of fuss - and made a success of the new roles we have been given.

But as we face the next wave of savings – in Kent a further £330m on top of the £269m to March 2014 - there could be casualties. Rumours of council tax hikes and service meltdown are growing. With the next General Election in sight, political opportunism also begins to rear its head. If we are to avert this, the relationship between central and local government has to be bolstered. The LGA and others need to earn their crust. Local MPs need to understand that local services will change.

At the centre of this new relationship, we have to be able to plan for the future with certainty. Last minute changes (ie Early Intervention Grants; Local Authority Central Equivalent Spend Grants) or further top-slicing of existing funding streams to fund new initiatives (e.g. New Homes Bonus to fund Local Growth

Fund) must be resisted if we are to avoid unmanageable holes in carefully balanced budgets.

Local government should be recognised (rightly) as the most efficient part of the public sector. Local leaders should be used more extensively to identify wider public service efficiencies.

Direct relationships across Whitehall other than DCLG must be encouraged – such as in Health, with BIS and, increasingly, the Treasury, with councils seen as the agents of local change.

Government must also build on success. It must keep to its localist course in health reform, supporting democratic councils to work with GPs in their new Clinical Commissioning Groups to streamline and integrate wider health and social care services.

In growing new business and jobs, Whitehall must look to councils to deliver balanced growth, working with business through LEPs as needed. The role of spatial planning – looking across counties at transport corridors, business clusters and housing growth, maximising the use of what we have now, in planning ahead for the economy that we want in the future – must be revitalised.

But at the heart of a new localism, must be a renewed relationship between central and local government and a renewed trust and vision of the role that councils can play in a post-austerity Britain.

# ADDRESSING LOCALISM THROUGH EDUCATION

## **Councillor Liz Green**

Leader, Royal Borough of Kingston upon Thames

**If we, as Lib Dems, have learnt anything from the march from complete local authority control, through self-management of schools and on to the drive for academies and free schools, it is that localism in education should not just be about empowering head teachers and governing bodies but must also raise standards across the board. If this means bringing back some of those vital local authority-run ancillary services that allow heads to concentrate on the quality of teaching, so be it. Dogmatic opposition based on historic myth or anecdotal evidence has no place in education policy.**

As we have witnessed over the last three years, the relentless approach of the Secretary of State to a continual reform agenda\* has meant that problems such as the provision of sufficient school places and the needs of vulnerable pupils haven't had a proper look in. Whilst it is okay to notice OFSTED looking at regional structures in order to undertake improvement, as well as inspection, is it enough without the input of the localised knowledge only a Council can supply? I think not.

Whether academics, journalists or Eric Pickles like it or not, local authorities are part of localism. As the originators of localism in action, we Lib Dems understand this. We also know that some services are too important to devolve to the micro-level. Councils, of all political persuasion, have so much they can contribute to the new education landscape beyond the morsel of being 'children's champions'. Responsibility without authority rarely works and, in the context of education, is a damaging missed opportunity; we need all levels to be working together, not carving out territories from which others are excluded.

It is with all this in mind, and a belief that disconnecting local elected Councils from the education improvement process will lead to more problems requiring extensive intervention later, that I propose my one priority recommendation to the Lib Dems: When looking at the future of localism in education we have to

ensure a positive meaningful role for Councils. We need to be promoting the position that local authorities should have the powers and the ability to help *all* children, through working with and in schools, to maximise the value of their local education. Not only is that good education policy - it is effective, realistic localism in action.

(\*a few good, many not so good, and some downright awful from our local government Lib Dem perspective)



# NO QUICK FIX FOR REAL LOCALISM

## **Councillor Peter Thornton**

**Leader, South Lakeland District Council**

**I'm the leader of South Lakeland District Council, a Liberal Democrat Administration committed to localism. We have a political test for all of our proposals: is it fairer, is it greener and is it more local?**

I was recently asked to set targets for the localism agenda in South Lakeland. This caused me to pause for a moment and eventually to say,

*"No, we can't set targets for achievements in Localism and to do so would mean that we didn't really understand what it means."*

And there is the problem. It is not possible to 'drive' localism. Its essence is that it is driven from below, not from above. Our job is to enable and to encourage, not to oblige sometimes unwilling communities to take on roles they are not currently seeking.

The promotion of localism takes time – and we're talking years rather than months. Our lower tiers of government (and I include District and County Councils) have been weakened by the gradual withdrawal of their powers by successive governments. This cannot be reversed overnight. The lack of real power and funding to make things happen has led to a lower level of ambition at all levels and to Councillors who perhaps joined up for a quiet life rather than a challenging one. Suddenly landing a Town or Parish Council with new responsibilities will not change it overnight - this will take several election cycles.

So, what's the recipe for successful and enduring devolution of power and responsibility?

1. Accept that it will take years to accomplish and don't look for quick fixes.
2. Make sure your organisation has resources in place to talk to all levels of local government – don't make it an appendix to someone's job description.

3. Back away if Town and Parish Councils aren't yet ready to move forward – but leave your offers on the table.
4. And, most importantly, be consistent.

Now if only Westminster could adopt the same list...

# LOCALISM? IN PARTS

## **Councillor Gerald Vernon-Jackson**

**Leader, Portsmouth City Council and Leader, Liberal Democrat Group on the LGA**

**No one can argue that Labour, when last in power, did everything wrong - or everything right. The same is true for this government. The last government can be characterised as right wing, authoritarian and centralising. The question now is whether the current government has similar traits.**

The Coalition in 2010 did away with much of the central control imposed by Labour. Out went ring fencing of most budgets and the massive inspection and reporting regime.

This has been replaced with a Localism Act and real devolution of power by some Whitehall departments. The best of these has been the Department of Health; their work on public health and care budgets has been most effective. Yet there seems to me to be three different responses by this government to the localism agenda.

Firstly, the rhetoric of the Localism Act has given councils the power of general competence. It has also given some powers to local people which were already standard in Lib Dem councils but sometimes denied elsewhere.

Secondly, there has also been the reality of the centralisation of power away from local areas and into Whitehall by some departments, including DCLG and DWP. The mess on planning changes, council magazines and weekly waste collection shows how little some ministers understand localism.

Finally, there has been a fragmentation of services; it is now almost impossible for citizens to hold people in authority to account. The privatisation of education to academy companies hides huge flows of public money, with no public accountability to local people.

So the jury is out about how localist this government is. The answer is, probably, in parts.

# LOCALISM: LET US GET ON WITH IT

## **Mayor Dorothy Thornhill**

**Watford Council**

**The Liberal Democrats have long seen themselves as champions of localism. Participation in the coalition government has given us a chance to put our principles into practice, but against the constraints of austerity and working with a Conservative party which often seems viscerally hostile to local government.**

There have been real achievements. The Localism Act, whatever its flaws, has removed the costly and oppressive inspection regime, and has signalled a change of direction from Westminster in favour of greater freedom for local authorities. The City Deals programme is giving more local autonomy to Britain's urban centres. These are achievements that should not be underestimated.

Yet even in our party, there seems to be a division between those at Westminster and those of us involved in local government over what is meant by localism. I sense that some ministers are disappointed that councils have not wholeheartedly embraced initiatives such as the community right to challenge, neighbourhood plans and assets of community value. For me, the problem is that these represent a kind of 'top-down localism' in which government grants us the powers they think we and our residents ought to want rather than letting go and allowing local solutions to flourish.

For example, neighbourhood plans can be a useful tool for involving local people in planning decisions. But, as they must conform to councils' local plans, in many areas they will be costly and time-consuming while having no real impact. The more so if councils have consulted, listened and reflected the diversity of different neighbourhoods in producing their local plans.

Despite the government's localist rhetoric, we still find the Secretary of State for Communities and Local Government attempting to micromanage such matters as how councils collect refuse, control parking policy or provide for the storage of bins in new developments. And councils are more heavily constrained than ever in setting levels of local taxation.

In my view, more important than any specific new power for local government is a change in the culture of relations between central and local government. One gets the impression that civil servants and ministers of whatever party consciously or subconsciously believe that it requires their intervention to force councillors to listen to local people.

What we need, though, is space for a thriving local politics, which recognises that some things are controversial, but that they have to be decided by local debate not ministerial pronouncement. If decisions on parking, planning and refuse collection prove unpopular then there will be petitions, councillors' inboxes will bulge with emails, opposition groups will propose motions in the council chamber, and there will be a lively debate in the letters pages of the local press. Council majority groups will either have to change tack in light of criticism or persuade people that they have done the right thing. In the end the voters will decide at the ballot box. All these things are a sign of a healthy local democracy in which people participate and exercise influence.

So for localism to flourish, we need ministers to refrain from sounding off on slow news days about matters that are really better decided locally. It would be good to see Liberal Democrat ministers and parliamentarians consistently championing local decision-making and challenging the continuing tendency to meddle that seems to be a constant temptation to certain ministers.

# TRUST AT THE HEART OF LOCALISM

## **Councillor Ruth Dombey**

Leader, London Borough of Sutton

**Everyone's talking about Localism now - we've even got a Government Act. Yet when that very Act gives the Secretary of State 126 new powers over local government, you have to wonder if we all mean the same thing.**

Liberal Democrats have been advocating devolution, double devolution and subsidiarity for many years. But central government continues to tighten its throttlehold over local authorities with little trust in local politicians and local communities and their ability to do what's best for local people. London boroughs receive 74% of their income through central government grants, compared to 31% for New York, 18% for Paris and 8% for Tokyo. Whitehall gives and Whitehall takes away.

What does this mean for people and communities and local politicians? A growing sense of frustration and disempowerment. Falling turnouts in local elections. Disengagement with local decision-making. What's the point in making the effort to campaign on local issues if a Government Minister can ignore the majority view and decide on a whim?

Just recently over 98% of people in Sutton indicated their preference for one of our best local secondary schools to sponsor and support a struggling primary school. Even though that school is formally recognised by the DfE as a sponsor, the Minister decided in favour of the Harris Federation - with no right of appeal. The wishes of local parents, residents, Councillors and the Council's education department - all irrelevant.

The clumsy, top down, one-size-fits-all Whitehall approach to government has to change. And it will change, and change dramatically, because of one stark fact - there isn't enough money to carry on as before.

The only way to kick-start the economy is to give local government and local communities the powers and the ability to raise finance to invest in local

infrastructure and housing. The only way to ensure that our youngsters are learning the skills that will ensure they find jobs is to devolve further education funding and allow local government to work with local businesses to match jobs and skills.

We have to stop concentrating on fixing failure and start to prevent it happening in the first place. Only local councils can work efficiently with the local health service, voluntary sector, police and business sectors to find tailor-made local solutions to local issues such as integrating health and social care, tackling local unemployment and deprivation, and reducing antisocial behaviour.

The key to this is trust. Trust in local government and trust in local communities to do what is best for their local area. If you want people to trust you, you have to start by trusting them and treating them as adults.

So let's start with a real bone of contention for local people. Let's abolish the Bristol-based Planning Inspectorate and allow local areas to set up properly constituted and trained Appeal Panels, made up of local people who understand the strategic planning and housing needs of their area and are able to have a proper dialogue with residents about the future of the place where they live.

Let's show we are serious about localism and local decision-making. Let's trust local people to act as responsible adults and make decisions that balance the needs of the vulnerable and the aspirations of the many. Let's accept that Birmingham and Berwick and Bude and Bexley are different and need different solutions. Let's shift the balance of power away from Whitehall and watch as local people come up with radical and imaginative solutions to build resilient communities based on fairness, equalities and pride in their areas, enabling everyone to get on in life.

Real localism - it could surprise us all.

# TRIPLE DEVOLUTION FOR THE CITY REGIONS

## **Sir Albert Bore**

Leader, Birmingham City Council

**The cities and city regions must be at the heart of the next Labour manifesto. It is in the cities that the innovation which will create a new and more balanced economy will happen. It is now more than a quarter of a century since metropolitan government was dismantled by the Thatcher government. Labour restored strong governance to London and must now do the same for the other great city regions.**

David Miliband used to refer to a “double devolution” from government to councils and from councils to communities. If the cities are to succeed, I believe there needs to be a *triple* devolution of powers and resources – from Whitehall to the city regions and councils and from the councils to their neighbourhoods.

I believe this idea can provide a framework for Labour’s approach to localism and the cities but also a response to the looming crisis in the funding of public services. It brings together the twin priorities for the next Parliament of modernising our economy and our public services.

Firstly, Labour must deliver on the promise generated by the City Deals and the Heseltine review. There must be a genuine single pot created by pooling most of the money currently allocated to government departments for economic development, skills, housing and infrastructure investment. This must be set out in the manifesto in detail and driven through in the Spending Review as a separate budget heading.

But if the city regions are to make the best use of this flexible resource then they must have adequate governance structures. Combined Authorities should be created for all the core city regions and the council leaders of those Authorities should take direct control of the single pot, giving strategic direction to transport, housing, economic development, skills policy and strategic planning across their



area, whilst sweeping away the current complex mesh of joint committees and other bodies. Local Enterprise Partnerships should become advisory bodies to the Combined Authorities – the same arrangement that operates in London.

Secondly, at the level of the individual council, Labour should commit to a genuine transformation of local services. We cannot do this on our own. Government must open up departmental budgets and focus them on each local place, so that we can create fully integrated services, for example in health, social care, community safety, early intervention and welfare to work. This integration will provide the basis for investment in prevention and demand management, enabling sustainable public services and better social outcomes.

Thirdly, Labour needs to support a radical shift to more community and neighbourhood based services, based on learning from councils such as Birmingham that have long supported internal devolution. Providers such as housing associations, schools, social enterprises and community organisations can play a much wider role in supporting the life of the whole neighbourhood; not just housing services or environmental services or libraries or schools but joined up *neighbourhood* services. This approach will also enable co-production and the empowerment of communities and individuals - a key Labour value and objective.

But in addition to all of this we need new freedoms to raise funds and invest locally. Labour should legislate for genuine Tax Increment Financing and enable voluntary initiatives to raise local tourist taxes. There is a strong case for enabling more flexibility in the council tax bands to create fairer taxation and Labour should show its commitment to localism by genuinely scrapping council tax capping. Councils should also be given more freedom to invest in housing, perhaps linked to the creation of a new generation of community led housing associations.

Ultimately the electorate cares most about jobs and the economy and about the quality of life in their local community. Labour's positive messages about creating "One Nation" and a new economy must be matched by clear and radical policies for devolution. Triple Devolution must be part of a bold, distinct and optimistic message at the next election.

# GEARING UP TO 2015: NEXT STEPS FOR LOCALISM?

## **Councillor Catherine West**

Leader, London Borough of Islington

**Labour might be in opposition nationally, but in Town Halls across the country we are in control and putting policies into action that are making a real difference to people's lives. Already the most efficient part of the public sector, we know our areas and our communities, and I believe our experience at a local level is the platform for winning a Labour majority in 2015.**

In Islington, our Fairness Commission has established a framework for building a fairer society in a time of massive government cuts.<sup>1</sup> As an area with high levels of poverty and inequality, we've introduced the living wage for all council staff, free school meals for all primary school children and student bursaries for 16-18 year olds from low income families.

Whilst the government is cutting, we're building – on track to provide 2,000 new genuinely affordable homes by 2015, Islington's biggest affordable house building programme in 30 years. If a Labour Government removed the borrowing cap on local authorities, we could do even more – investing in the development we need to create much needed jobs and homes and get our economy moving again.

Local Labour councils across the country are already showing what we can do, but the next step has to be letting us do more.

Take jobs as an example. Barely 20% of public expenditure in this area is under the control of local councils. In Islington alone three government departments, five government agencies, five major private companies (commissioned nationally through the Work Programme and Youth Contract) and a large number of private training providers all have a role in providing training and skills and reducing youth unemployment. It's chaotic and wasteful, with no local accountability and young people being forgotten.

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<sup>1</sup> [The Islington Fairness Commission](#). London Borough of Islington, 2011.

Compare that to what we are doing locally. In Islington we're working in partnership with great local businesses like K&M McLoughlin who have set up an employer-led Painting and Decorating Academy. It's proving a very successful approach to addressing skills gaps in the industry and preparing young inexperienced residents for full apprenticeships in painting and decorating through a 5 week pre-apprenticeship course. The council's employment team and K&M McLoughlin work together to help create sustainable jobs and progression for successful candidates – including through our contractors – and the courses are now oversubscribed with young people wanting a first step into work.

Devolve the budgets and responsibilities of big failing national employment programmes to local councils, either individually or as part of a consortium, and we will have the resources to better meet the needs of our residents and rise to the challenge of helping even more local people into work.

# LOCAL PLANNING TO EMPOWER CITIZENS

## Councillor Lib Peck

Leader, London Borough of Lambeth

The speed at which our high streets have changed in recent months is astonishing. There are now 12 Sainsbury's and Tesco stores within a mile of the Town Hall in Brixton and many more across our borough. And sadly these new stores have replaced popular local pubs which provided places for the community to come together. Just around the corner from my office, a new Tesco store is set to open on the site of the former George IV pub in Brixton Hill, despite widespread concerns from local residents. I'm sure this is a familiar story to local authorities up and down the country.

The changes on our high streets aren't restricted to supermarkets. We have seen the proliferation of payday loan shops, pawn stores and betting shops. Their lurid messages promising easy money are hard to avoid; last month one local payday loan shop took the extraordinary decision to target children using cuddly kangaroos outside a local tube station.<sup>2</sup>

New betting shops, payday loan companies and supermarkets are making big changes to the character of our communities, yet despite the government's rhetoric of 'localism', local people are often powerless in the face of these changes.

In the case of the George IV pub, remarkably Tesco didn't even need planning permission to change the use of the building. The concerns raised by residents were ultimately in vain, because planning law did not empower them to influence the final decision.

'Localism' should mean central government trusting councils and trusting citizens to take control of decision-making so they can shape their own neighbourhoods, rather than their neighbourhoods being shaped around them. Yet the government is making it harder and harder for local people to have a say. Decisions about

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<sup>2</sup> [Councils need to crack down on payday loan companies](#). *The Guardian*, 22 May 2013.

whether a local shop gets turned into an off licence or coffee shop, or whether an area needs more housing or more jobs, are being taken away through recent changes to planning law. So despite the steady rhetoric of localism, the everyday experience of communities around the country is one of powerlessness.

This lack of influence and control over local decisions has consequences which should trouble us all. I am often asked why people should vote in council elections when decisions about the type of shops in their local high street could be taken by people who may have never visited the area.

I think the Labour Party should make localism one of the priorities on which we focus the next election. We should set out a range of changes to current planning legislation which allow councils, with citizens, to take control of their own neighbourhoods. Making localism a reality on the ground could deliver big changes for millions of people, bringing communities together and improving the quality of life. And how better to demonstrate the value of elections and democracy than to give local elected representatives real power?

# A PLACE-BASED BUDGET FOR MEANINGFUL LOCALISM

## **Sir Richard Leese**

Leader, Manchester City Council

**Within the context of grossly unfair funding allocations the Manchester city-region is grappling with two inextricably linked agendas. One is the promotion of job-creating and sustainable growth and the other is public services reform and particularly the development of place-based budgets. Activity on both of these is constrained by the excessive centralisation that is characteristic of English government and by fragmentation of public services, services unaligned and lacking a focus on shared outcomes even when they obviously have shared objectives.**

The two agendas are linked by people and places. A thriving high value economy needs an enormous pool of well-educated and skilled workers. Healthy communities need to give their youngest citizens the best start in life, provide education and training to enable citizens to participate and benefit from a modern economy, and have minimal levels of worklessness and benefit dependency. Healthy communities need to give older people with care needs the right support in a dignified way and with full regard for optimising quality of life.

Manchester has two very substantial pieces of evidence that make the case for doing things in a radically different way. The first is the Manchester Independent Economic Review, thorough research work that underpins our Greater Manchester Strategy and the welcome but still limited devolution achieved through our first city-deal. Much if not most of what we want to do in this area could be achieved by a more ambitious and complete implementation of Heseltine's 'No stone left unturned' report.

The second chunk of evidence is the work we have done initially as Total Place, then as part of the Whole Place Community Budget pilot and have continued to develop since. This work has convinced us that we now have, through place-based budgets, the means to revolutionise the way public services are delivered,

and, in the medium term deliver better outcomes for people at reduced cost. From a Labour perspective this gives us the opportunity to end social determination, that what people become is essentially a consequence of where they are born and who they are born to. It gives a route to an aspiring and socially mobile population where nobody need lose out, and everybody can make a contribution.

This approach requires more than simply devolution. It requires, in a number of key service areas - including complex families, tackling worklessness, integrating health and social care - for local and national to work as one to the same place-based performance framework. This is not a quick-fix, and will require incremental implementation, but the evidence from Manchester is we are now capable of resolving our most intractable, multi-generational social challenges. The potential prize is enormous and the Labour Party needs to show that it is strong enough and bold enough to grasp the opportunity place-based budgets offer.

How can the three parties move localism forward going in to 2015? This is the question we asked council leaders from across the political spectrum, and whose responses make up this collection. The manifestos coming out of the three parties in advance of the 2015 election will be crucial in outlining where localism goes next, and we hope these essays can spark the debate that will map that path.