

cles bulletin cles bulletin cles bulletin cles bulletin

CLES Bulletin is a topical summary of articles which have appeared in the professional press. Its aim is to provide a pithy précis of a subject area, drawing out the specific and common issues raised in the individual articles.

CLES Bulletin No. 20
March 2004

NEW LOCALISM

Introduction

New Labour has extended democratic principles further than any previous government. Under the 'catch all' banner of new localism, a whole raft of initiatives and bodies now decide things at the local level. For example, The New Deal for communities schemes have been created, regional assemblies may be created later this year in three of the regions in Northern England, while foundation hospitals have now held elections for their governing boards. Labour is pushing for further localisation of power, with proposals to make police authorities either partially or wholly elected, and to give decision-making powers to 'neighbourhood boards' for the management of public spaces. In this bulletin we wish to explore some of the recent coverage of New Localism.

Public Finance^{1, 2} brings together advocates on either side of the new localism debate to discuss their views of the emerging concept. Stoker, a key proponent of the new localism agenda argues for a grass-roots approach to public service delivery. While Tony Wright MP, chair of the Public Administration select committee, explores the

tensions between new models of public service organisation and delivery and the centralist tendencies.

Stoker explains that we are witnessing new localism, if for no other reason than it reverses the trend towards centralisation over the past 25 years. Additionally, the development of any new approach to the local, has to reflect the new social and economic realities. Firstly, globalisation has affected the context in which all communities now operate. Secondly, a national welfare system conditions how much the public will tolerate local variation in resources and service quality. Thirdly, communities are not now homogeneous. Diversity in lifestyle, economic circumstances and social norms characterise our communities now more than ever before.

For Stoker 'locality can make a difference in service delivery' and for the reasons of innovation, flexibility and choice. But a central plank of the new localist argument is about trusting people to find solutions to their local problems, which can engender creativity and a real sense of ownership. All these potential advantages of new localism are underpinned by the responsiveness of services delivery to local need and circumstances.

By the same token Stoker recognises the potential weaknesses of new localism. Ineffectual local politics is the biggest problem facing new localism. This then links to the question of what type of democracy is needed- representative, participative or stakeholder? The challenge for local democracy is that it reflects the diverse and complex nature of localities. This needs to be preceded by a debate on the territorial level at which to conduct new localism. For Stoker this will all be in vain unless new localism 'can deal with the big issues', the issues that really concern people. In the end, Stoker advocates a vision for new localism that goes beyond a 'set of managerial freedoms' and is about making choices locally.

Tony Wright' bases his article on the premise that the Labour Government, after five years, has realised the limitations of the levers of the central state to change the lives of the UK's citizens. This is irrespective of the fact that the state has been more ingenious in deploying the available tools than ever before. The problem as Wright sees it, is that this approach is just inadequate. He states that '*this kind of mechanical centralism can in fact make it more difficult to develop the capacity building and community building that are the only durable remedies*'.

But even if the centre has accepted that an overbearing centralised approach does not work, it is not tantamount to wholesale devolution of responsibility

¹ Stoker, Gerry Going Local ,Public Finance 28 June 2002 pp20-22

² Wright, Tony, The curse of centralism, Public Finance 28 June 2002 pp22-23

for service delivery to the local level. It is evident that the centre still retains ultimate control, as we see through the setting of national outcomes and the notion of 'earned autonomy'. The outcome from this changing emphasis in service delivery has resulted in the creation of new tensions, ambiguities and mixed messages.

At the heart of the tension, is that in an ideal world the government should 'let go' of power, but the government's political future has been gambled on achieving improvements in public services. Thus, while political accountability rests at the centre so too will control. The challenge is over how to manage these tensions.

Local Government Chronicles³ article acknowledges the kudos afforded localism recently, and how its stock has risen within political circles as it gathers credence amongst politicians, and more importantly ministers, as an alternative approach to centralism. Here the people with responsibility for local government from the three main political parties, Nick Raynsford (Labour), Eric Pickles (Conservative) and Edward Davey (Lib Dem), are asked to give their views on what localism means from their parties perspective.

For Eric Pickles the debate reflects the renewed importance of the 'local' at a time when greater emphasis is being placed on neighbourhood, community and society whilst, conversely, there is a decline in the importance of traditional structures of democratic participation. The Conservative response to the changing local landscape is captured by the notion of 'community government'. This is the central plank in the party's efforts to restore power to local people, encompassing diversity, variety, local need and democratic accountability. This is underpinned by guaranteeing a strong and vibrant future for local government.

The Labour view from Nick Raynsford, is based on devolution of power and responsibility, as well as fashioning a new relationship between local government and the communities they serve. It is about strong, innovative and responsive local government, in which councillors act as community leaders. Where councils are active at the heart of their communities, where they provide the necessary strategic vision and harness resources. While local

³ Raynsford, Nick, Pickles, Eric & Davey, Edward New Localism is the new black, Local Government Chronicle 7 July 2003 pp14-15

people, communities and other partners are able to make decisions about local issues that reflect their concerns and aspirations. Essentially for Labour, new localism is recognising the '*need to remove unnecessary constraints and encourage initiative and innovation at a local level*'.

Edward Davey, for the Liberal Democrats, understands new localism, based on the Labour government's actions, as lacking a definite internal philosophy or a clear policy framework. Liberal democrats have a long-standing commitment to the reform of local government. In this way they do not view their approach as 'new localist'. Their proposals would be to reform and strengthen local government, particularly through increasing financial freedom-local income tax and local land value tax. This would kick start a virtuous cycle of civic renewal, such as encouraging more people to stand for council. They would also seek to reform the electoral system to introduce proportional representation, which they see as replacing ineffective 'political monopolies' with more party competition. Above all the centre has begun to show trust in the ability of local politicians and officers. Only when this happens will we see a meaningful new localism.

Office of the Deputy Prime Minister (ODPM)⁴ minister Nick Raynsford, called for a new localism, which would be essential if THE Government was to achieve its aim of 'thriving, sustainable and inclusive communities.' Raynsford, quoted speaking at a conference, sets out why there is a need for a new localism, but also what shape that vision should take.

"Localism is not just a process of reversing the excessive centralism of the immediate past. We need to build a more substantial and lasting consensus recognising the differing pressures and priorities that early 21st century expects from those given the responsibility to govern at national and local level.

I believe there is real scope for a more refined and sophisticated approach to delivering public services. One that provides national standards, devolves power to councils giving them additional freedoms to meet local needs and allows for flexibility to deliver better services through effective community leadership."

But this strengthening of the town hall, whilst central to the vision of new localism is not the end point.

⁴ Office of the Deputy Prime Minister Time for a new localism, says Raynsford News Release 17 March 2003

Central Government argues that devolution goes further, beyond traditional local government, and on down to local neighbourhoods and communities.

Public Finance⁵ carried an article by Matthew Taylor, who at the time was Director of the Institute of Public Policy Research and has subsequently moved into the No.10 Policy Unit. His understanding of new localism is as a *'pragmatic reaction to problems stemming from the current command-and-control strategy.'* But while the rhetoric on new localism across the political spectrum talks of reforming and strengthening local government, there remains a fear that it is not the councils who will ultimately be the beneficiaries of the new powers and freedoms.

If as Taylor suggests that new localism is a response to political pressures, then due consideration has to be given to how those pressures are changing. For example, if the trends of the global economy continue, some difficult choices will need to be made with regard to public finances. Invariably this is linked to the question of whether to raise taxes or not. And if taxes are raised, will they have a noticeable impact on the quality of services?

Taylor posits the idea for a new way of doing politics and policy through a more open, honest and informed debate on the choices facing the nation. The rationale for this approach is that primarily at the local level, connections can be made and new types of relationship can be formed between state and citizen. To strengthen the new forms of local engagement, there should be a new guiding principle. This is that central intervention should be in inverse proportion, to the degree that local agencies are acting, on the informed wishes of their service users.

What role will local government play in this particular new localism? Taylor is clear that new localism is a challenge to local government, because of the questionable quality of the political leadership it currently provides and whether they are the best bodies for promoting 'relevant and effective forms of accountability and public engagement'. The challenge for local government is to demonstrate that they are part of the solution when it comes to public service, modernisation and democratic renewal.

5. Taylor, Matthew, *There's Local, then there's local*. Public Finance, June 27- July 3 2003.

Conclusion

New Labour has plans to extend its principles of new localism, a green paper has already been produced for the issue of elected police authorities, bigger plans for making the NHS's primary care trust boards fully elected are still at the early thinking stages. Tony Travers, of the London School of Economics believes that many of the current ideas about further extensions of democracy will find their way into Labour's election plans. Travers⁶ said "Will this feature in the next election manifestos? You bet. Lots of things will be badged under new localism".

Differing Local government party responses to the concept of New Localism have been outlined. The Conservative response from Eric Pickles is captured by the notion of 'community government'. The Labour view from Nick Raynsford is based on devolution of power and responsibility, whilst Edward Davey, for the Liberal Democrats, argues that we will only see a meaningful new localism when local government is reformed.

The central support for 'new localism' is however much stronger than that from local government. Austin Williams⁷ argues that under the guise of new localism, we are seeing a "celebration of fragmentation". Sir Jeremy Beecham believes that the proliferation of new bodies will fragment local governance and reduce attempts to join-up policies and services.

Travers also agrees that going too far down the road of new localism will make the "already challenging task of joining up local services a lot more difficult". Local governments warn that there is a limit to how much you can devolve, the more functions devolved the more conflicts will arise, where local individuals or groups compete for the good of the wider locality. Going down this road will require a strong local government to step in and make the difficult decisions, a much stronger debate needs to be opened up between central and local government on the concept of 'localism'.

For more information on this topic please contact:

Chris Mawdsley or Stuart MacDonald
Centre for Local Economic Strategies (CLES)
Express Networks, 1 George Leigh Street, Manchester

6. Mithran, Samuel, *Labour's Localism is here to stay*, LGC, p9, 20.02.04.

7. Williams, Austin, *Going Loco over new localism*, Municipal Journal 20 Nov 2003 p.11

M4 5DL, Tel 0161 236 7036 Fax 0161 236 1891
Email info@cles.org.uk Web www.cles.org.uk