



Centre for Local
Economic Strategies

rapid research

Localism: a raw deal for local government?

Rapid Research 18

Authors: Matthew Jackson, Head of Research and Jessica Smith, Policy Researcher, Centre for Local Economic Strategies (CLEES), 0161 236 7036, matthewjackson@cles.org.uk jessicasmith@cles.org.uk

Policy context

The first reading of the Localism Bill¹ took place in Parliament on 13th December 2010. It set out strong policy rhetoric from government to 'shift power from central government back into the hands of individuals, communities and councils'. It included new policies designed to:

- **Reduce bureaucracy** – including the abolition of Local Area Agreements and Comprehensive Area Assessment;
- **Enable communities and local government to take action** – including a General Power of Competence, new rights for communities to buy and build assets, and for communities to develop neighbourhood plans;
- **Increase local control of public finance** – including the development of a Community Infrastructure Levy;
- **Open up public services to a broader range of suppliers** – including a right for communities to challenge how public services are run;
- **Open up government finances to public scrutiny** – including a requirement to publish every item of expenditure over £500;
- **Strengthen accountability to local people** – including the introduction of Directly Elected Mayors for twelve cities.

CLEES has provided critique of the various elements of the Localism Bill in a recent bulletin². However upon reflection and based upon discussions with practitioners across the country, there is one real striking area of critique from the Bill; that is the role or lack of it for local authorities in the Localism agenda. The Bill appears to completely bypass the enabling and democratic role of local government to hand power to communities. This notion of the Localism Bill providing a 'raw deal' for local government is something that we wished to explore further through a piece of Rapid Research.

¹ HM Government (2010) *Localism Bill*. <http://services.parliament.uk/bills/2010-11/localism.html>

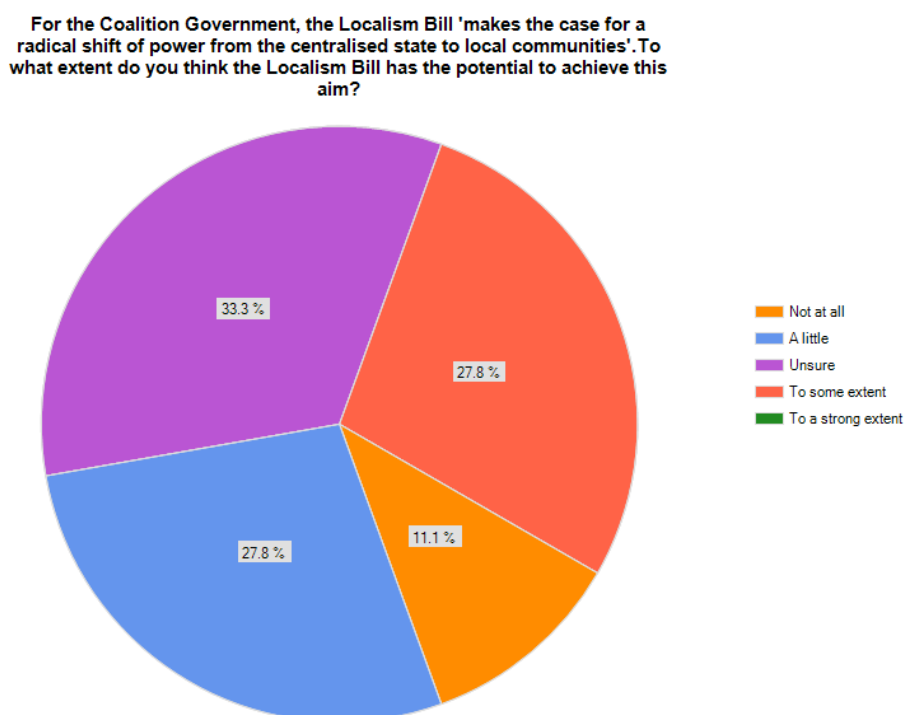
² Centre for Local Economic Strategies (2010) *The Localism Bill* CLES Bulletin No.80

The findings of this Rapid Research are therefore based upon results from a short online survey distributed to CLES and New Start's extensive network of members and subscribers. Because of the theme of the research, we decided to primarily target local authority contacts. The survey design incorporated both closed and open-ended questions in order to combine quantitative data with the opportunity for respondents to explain fully their thoughts and opinions on the Localism Bill and the potential role of local government. In total, the survey gleaned 20 respondents from local authority representatives from around England. This paper outlines the key results of the survey and concludes with some key thoughts upon the remaining questions that need answering in the further developments of the Localism Bill to enable a 'real deal' for local government.

Initial thoughts on the Localism Bill

The first part of the survey aimed to gauge respondents' initial thoughts and opinions on the Localism Bill. We asked to what extent respondents believed the Bill had the potential to realise the coalition government's vision for 'a radical shift of power from the centralised state to local communities'. As the figure below shows, none of the respondents answered 'to a strong extent'. 11.1% answered this question with 'not at all', i.e. that the Bill does not have the potential to create a radical shift of power, with the remaining respondents fairly evenly split between 'A little', 'Unsure' and 'To some extent'.

Figure 1



Explanations for these answers

Respondents were asked to explain their answers and here we detail some of the key qualitative themes that emerged:

The rhetoric is not matched by a decentralisation of funding or real powers

A number of respondents felt that the proposals set out in the Localism Bill remained 'cosmetic' and that the coalition government has failed to set out changes that would bring about fundamental changes to the relationship between central and local government. In particular, many respondents

were disappointed that the Bill does not detail any new funding sources, and neither does it devolve greater financial powers to local government. As one interviewee explained:

'Local government remains a child of parliamentary statute and almost entirely dependent on the centre for finance. A radical shift in power needs a formal constitutional settlement for local government as they have in many other countries.'

Who is going to deliver the coalition government's vision?

There was a sense amongst some of the respondents that the Localism Bill bypasses the role of local government and that it does not recognise the role local government already plays in meeting some of the Bill's objectives. The emphasis of the Bill is on the role of the 'community' at the local level, yet respondents remain sceptical as to what extent communities and the third sector have the capacity to engage with the proposals set out in the Localism Bill - as one respondent put it: *'it is overambitious and unrealistic'*. There was a sense of scepticism amongst some respondents that ultimately, it will be the private sector that benefits most from any opportunities to come out of the Bill.

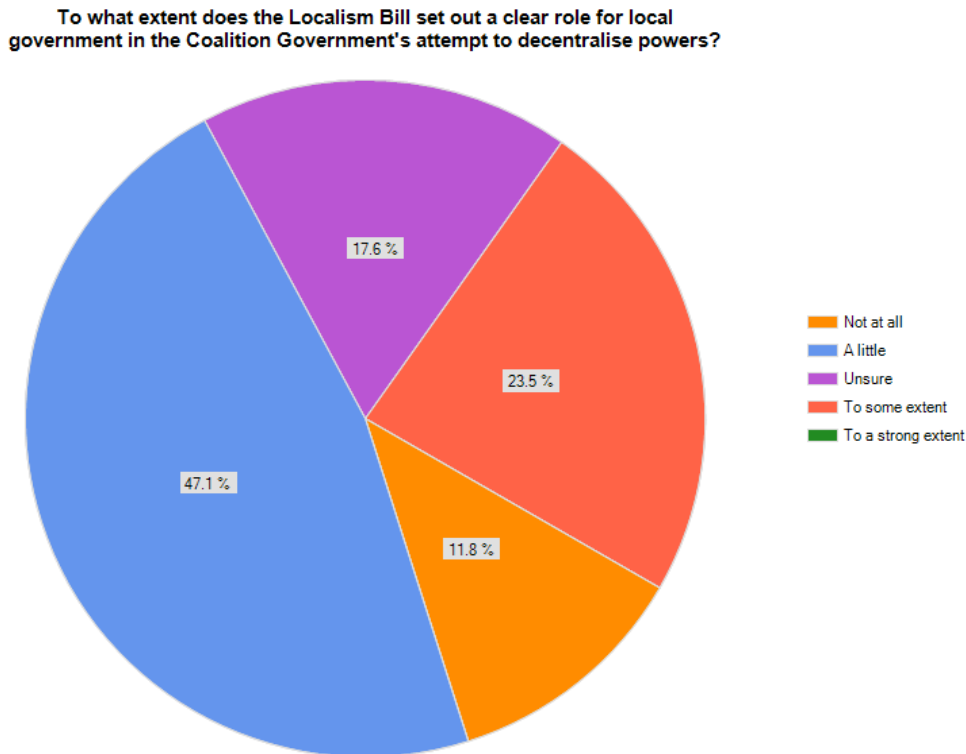
What counts as 'local'?

The concept of the 'local' is fundamental to the Localism Bill, yet as respondents highlighted, not all residents share the same sense of 'locality'. In the Localism Bill there is an implied assumption that local equals the neighbourhood level, but as one respondent highlights:

'Community is a concept hard to define and are not all spatially definable - we all live in various some physically local - some are religious - not necessarily local - some are online.'

We were also keen to find out to what extent respondents agreed that the Localism Bill set out a clear role for local government in the coalition government's attempts to decentralise powers. As Figure 2 shows, the majority of respondents answered 'A little'. 23.5% thought that the Bill sets out a clear role for local government 'To some extent'.

Figure 2



Explanations for these answers

Again, respondents were asked to explain their answers and here we detail some of the key qualitative themes that emerged:

A lack of recognition of the inherent role of local government and elected members as place stewards

There was a sense amongst some respondents that the Localism Bill fails to recognise the need for democratically elected and accountable decision-makers. Whilst there was a sense that the spirit of the Localism Bill is sound, there was concern that the coalition government has failed to detail who or what will take a lead on making the vision become a reality and ensuring that the interests of residents are protected. Indeed, it was suggested that the Bill fails to recognise the role of elected members in this respect. Whilst the Localism Bill focuses on devolving power to communities and neighbourhoods, a number of respondents were keen to emphasise the need for an independent, strategic voice. As one respondent explained:

'Local decision making needs to be accompanied by some form of independent assessment as well as developing local capacity to make decisions politically and in the community'

A lack of recognition of the diversity of local government function

Some respondents were frustrated that the Localism Bill does not address the wide variety of functions that local government performs. Whilst attention is given to planning policy and decision-making processes, little is said about other aspects of local government's role. This led one respondent to conclude: *'it focuses on too narrow a field to have the radical effect that was promised'*.

A lack of recognition of the importance of geography

There was a sense of frustration amongst some of the survey respondents that the Localism Bill fails to take into account the importance of geography and that the proposals will resonate differently in areas depending on whether they are rural or urban.

The future role of local government

The second part of our survey asked practitioners what they felt the future role would be for local government in the four themes of:

- Planning;
- Economic development and regeneration;
- Service delivery;
- Big Society.

Theme 1 - Planning

The Localism Bill holds much promise for the theme of planning, particularly for communities in developing their own neighbourhood plans, challenging planning decisions, and reducing the bureaucracy historically associated with planning. Our practitioners felt that the role of local government could be as follows:

Managers of plans

Moving planning strategy and delivery away from regional and local levels towards neighbourhood plans means a potential management role for local government. There may well be significant contradictions in neighbourhood plans requiring a neutral broker to coordinate priorities for an entire locality and also responding to any challenges to neighbourhood plans.

A less strategic role

Some of the key bureaucracy associated with the planning process has been removed over the course of the last year and through the Localism Bill. Gone are regional level strategic vehicles, targets and allocations; alongside statutory requirements around the Local Development Framework. This

potentially means that the role of planning officer in local government becomes much more focused upon delivery as opposed to consultation and strategy development.

An uncertain role

Some of the practitioners felt that there was a degree of uncertainty for the future role of local government in planning. Whilst the rhetoric suggests reductions in bureaucracy, greater responsibility for decisions, and increased cross-departmental relations; the reality may well be different as a result of budget cuts and local determination of the services which remain crucial within local government.

A refereeing role

The Localism Bill talks of a renewed role for communities in shaping the places in which they live, particularly through neighbourhood plans. They will however need specialist support and skills to enable them to do this. Community planning has also often led to tensions over what different sectors of the community want for place. A key role for local government may well be refereeing, brokering and advising upon the development of neighbourhood plans.

A realisation that it would be daft not to have a role for local government

Practitioners felt that planning was crucial to the function of local government and place. There is no other organisation better placed to provide delivery advice in the planning process and ensure it links strategically to other local agendas around the economy and growth, for example.

Theme 2 – Economic development and regeneration

Despite the Localism Bill and other developments around Local Enterprise Partnerships (LEPs), the Regional Growth Fund, and welfare reform and worklessness; there remains key uncertainty over the future function of local economic development within local government. This has been exacerbated by the removal of area based initiatives. Our practitioners felt that the role of local government could be as follows:

A complete bypassing

Some practitioners felt that the perceived emphasis in emerging government policy upon private sector delivery and economic growth marginalises the role of local authority economic development departments. With no special initiatives to manage, reductions in strategy, and the drive to private sector led LEPs, local government might be bypassed.

It could be dependent upon relations with the LEP

The future role of local government in economic development and regeneration may well be dependent upon local relationships with emerging LEPs. Where there are strong existing relationships and joint working between commercial and public economies, the role of local government may well be prominent. In localities with less mature relationships the role of local government might be less clear.

As an enabler of collaboration

Through LEPs and Big Society, partnership working and networking will become an increasingly important part of economic development. As historical shapers of place, local government will have to develop relationships further to enable economic growth. Economic development departments have the experience of developing and supporting collaborative working for specific initiatives and with the voluntary and community sector.

As promoters of place

With a renewed emphasis upon growth, our practitioners felt there would be a requirement to bolster the importance of attracting investment at the local level. This would mean an increased importance upon localities promoting the offer of their place. Whilst focused upon growth, inward investment could lead to job creation and wider community benefit.

As researchers as opposed to deliverers

Practitioners felt that there might be an increase in the role of economic research and partnership support activities for economic development. This would include developing the evidence base for

LEPs and other vehicles. The delivery role of the local government economic development function is dependent upon the extent to which central government is truly prepared to let go of powers, finance and freedoms and flexibilities.

Theme 3 - Front line public services

There was an overriding sense amongst respondents that local government will move from a direct deliverer of public services to a contractor and commissioner, one respondent speculated that this role might ultimately be performed *'from a back office outside of the area'*. Some suggested that this opens up the opportunity for increased efficiency, but respondents also outlined a number of key challenges:

- Retaining strategic and democratic focus;
- Ensuring that the most effective services are contracted/commissioned, not just the cheapest;
- Preventing polarisation between the services received in different areas;
- Ensuring that local needs are met, particularly in localities with greater diversity and poverty.

Theme 4 - The Big Society agenda

The majority of respondents answered that they were 'unsure' to what extent the Localism Bill decentralised powers to local government to deliver the coalition government's Big Society agenda. This perhaps reflects the wider perception that the Big Society concept is underdeveloped and that there remains a lack of clarity about what the shift in policy will mean in practice. There was some optimism that that Big Society agenda might encourage greater use of social enterprises to deliver locally specific services that meet local needs. Interestingly, two very different visions for local government's role in the Big Society emerged. On the one hand, some respondents felt that there is a significant role for local government if the coalition government's vision for the Big Society is to become a reality. Indeed, one respondent suggested that they were already doing this:

'my colleagues and I have to some extent always worked (thanks to our collective community development experience) in a "facilitating communities to do" rather than "doing for communities" way.'

Yet, on the other hand, some respondents commented that the Big Society agenda is actually about *'dismantling local government'* and that the role of local government has been bypassed with the Localism Bill focusing on the role of communities and neighbourhoods. Once again, respondents were concerned about this trend and suggested that there is a key role for facilitating and supporting Big Society type activity.

Summarising the future role of local government

CLES is interested in developing typologies which highlight what the future role of different sectors, organisations and themes might be. For the purpose of this research we have developed a typology of the future role of local government which consists of the following six categories:

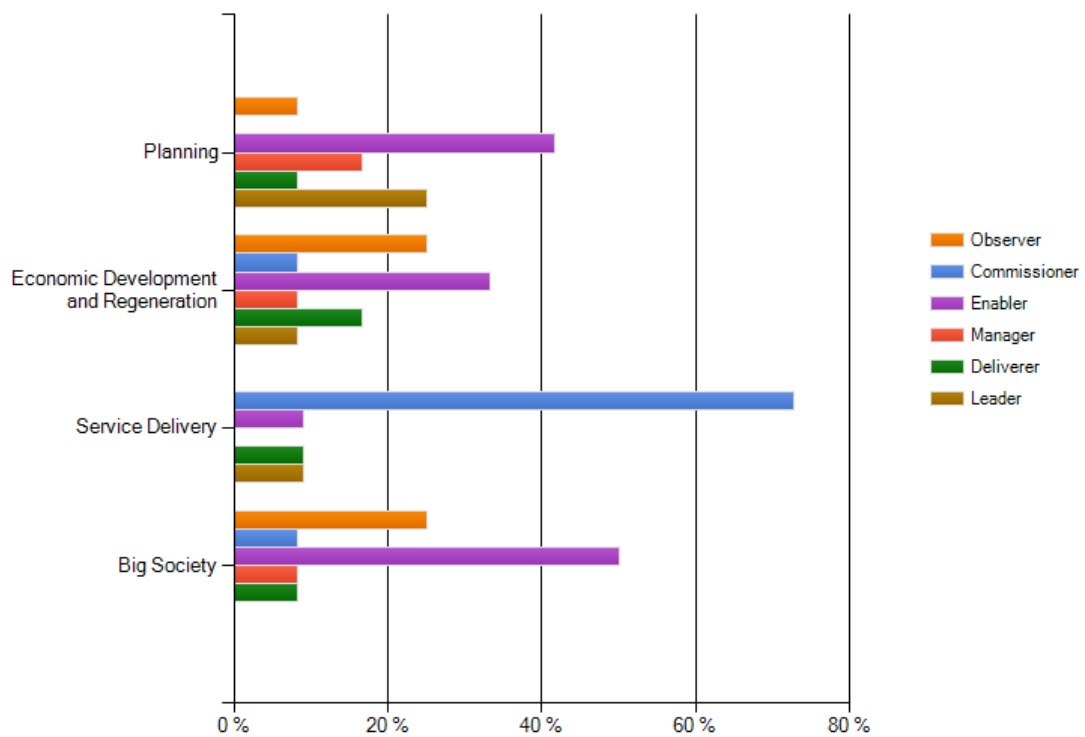
- **Observer** – local government watches over the function and ensures rules are kept but does not really get involved in strategic or delivery terms;
- **Commissioner** – local government develops services strategically but sources out their delivery to others in the commercial and voluntary and community sectors;
- **Enabler** – local government watches over a theme, develops the strategy and supports partners and others to deliver;
- **Manager** – local government develops strategy, delivers elements of it and monitors the performance of others;
- **Deliverer** – local government develops services strategically and provides them in-house;

- **Leader** – local government provides the political, strategic and delivery overview for a service.

Again for the themes of planning, economic development and regeneration, service delivery, and big society we asked our practitioners to detail where they felt the potential roles of local government would sit on the typology under the proposals of the Localism Bill. Figure 3 provides a summary of the findings:

Figure 3

The table below sets out a typology of potential roles for local government. For each function please indicate what you think the role will be under the proposals of the Localism Bill?

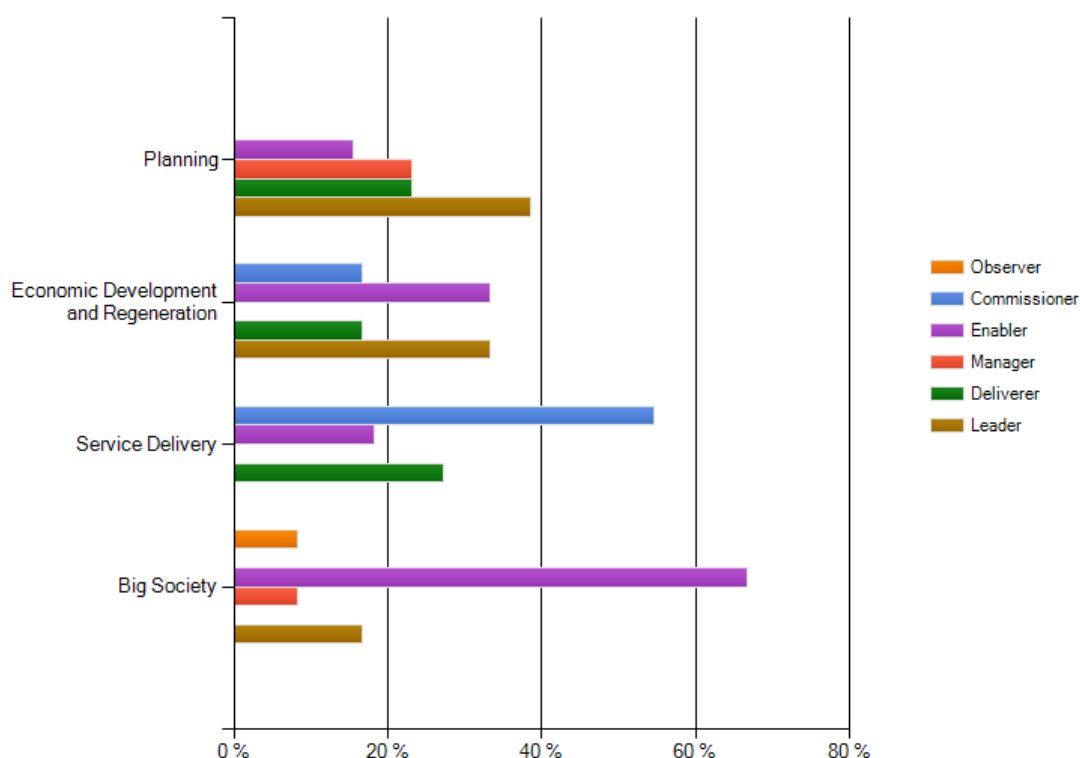


It is clear that for the themes of planning and big society the primary perceived role for local government under the proposals of the Localism Bill will be as an 'enabler'; providing the expertise and skills for other sectors to deliver, whilst managing the function itself strategically. For service delivery the Localism Bill clearly has key outsourcing credentials with 72.7% suggesting a role of commissioner for local government.

Figure 4 shows the thoughts of respondents for the same themes and aspects of the typology but instead looking at what respondents felt the role of local government should be.

Figure 4

The table below sets out a typology of potential roles for local government.
For each function please indicate what you think the role SHOULD be?



The figures look quite different. For Big Society the percentage of respondents feeling that the role of local government should be an enabler increases from 50% to 66.7%. For service delivery, the largest role remains as a commissioner but reduced from 72.7% to 54.5%. The most marked change is in planning where respondents felt the role of local government should be much more of a leader of place, perhaps represented by the key role of the elected member.

Concluding thoughts and remaining questions

This rapid research has explored the role of local government in the government's emerging Localism agenda. It has particularly explored the thoughts of practitioners for the future role of local government in the themes of planning, economic development and regeneration, service delivery, and big society. The research has also highlighted a series of questions which central government and local government need to be considering in policy and strategic terms as the Bill moves towards legislation. These questions are as follows:

- Who is the Localism Bill actually for?
 - Is it for communities?
 - Is it for the needy or for the NIMBY's?
 - Is it for local authorities and communities or just one of them?
- Are the community and the voluntary and community sector best placed to deliver public services?
- How is it going to be used to tackle ingrained inequality?

- How does the Localism Bill link community development to economic growth through Local Enterprise Partnerships and the Regional Growth Fund?
- How does local government address the paradox of the objectives of the Localism Bill and reducing revenue grant to deliver change?
- How does the diversity of place become more integral to localism and where do different authorities fit on the typology of roles?
- What is the scale of localism? Is it about neighbourhoods, local authorities, or natural economic geographies?
- Where is the finance going to come from to capacity build and up-skill communities?
- Does the Localism Bill provide sufficient opportunity for future revenue raising powers and re-distribution opportunities for local government?
- How does the commercial economy fit into the Localism Bill and what is the scale of their relationship with local government?
- What is the role of representative democracy in delivering the objectives of the Localism Bill?
- Is the local authority level the best one for the strategic planning function?

These questions will form the basis of CLES' continued research around the Localism Bill in the coming months and our advisory activities with local government. If you have any thoughts upon how innovative solutions can be utilised to address these concerns or examples of good practice in enabling localism please contact us.

Rapid Research is one of a series of regular reports published by the Centre for Local Economic Strategies (CLES). CLES is a not-for-profit think / doing organisation, consultancy and network of subscribing organisations specialising in regeneration, economic development and local governance. CLES also publishes *Bulletin*, *Local Work* and policy publications on a range of issues. All publications are available as part of CLES membership services. To find out more about membership visit the CLES website or contact CLES to request a membership leaflet.

Centre for Local Economic Strategies & CLES Consulting

Express Networks • 1 George Leigh Street • Manchester M4 5DL

Tel: 0161 236 7036 • Fax: 0161 236 1891 • info@cles.org.uk • www.cles.org.uk