



# **RENEWING NEIGHBOURHOOD DEMOCRACY**

Creating powerful communities

By Joe Fyans and Callin McLinden

# About Localis

## Who we are

We are a leading, independent think tank that was established in 2001. Our work promotes neo-localist ideas through research, events and commentary, covering a range of local and national domestic policy issues.

## Neo-localism

Our research and policy programme is guided by the concept of neo-localism. Neo-localism is about giving places and people more control over the effects of globalisation. It is positive about promoting economic prosperity, but also enhancing other aspects of people's lives such as family and culture. It is not anti-globalisation, but wants to bend the mainstream of social and economic policy so that place is put at the centre of political thinking.

In particular our work is focused on four areas:

- **Decentralising political economy.** Developing and differentiating regional economies and an accompanying devolution of democratic leadership.
- **Empowering local leadership.** Elevating the role and responsibilities of local leaders in shaping and directing their place.
- **Extending local civil capacity.** The mission of the strategic authority as a convener of civil society; from private to charity sector, household to community.
- **Reforming public services.** Ideas to help save the public services and institutions upon which many in society depend.

## What we do

We publish research throughout the year, from extensive reports to shorter pamphlets, on a diverse range of policy areas. We run a broad events programme, including roundtable discussions, panel events and an extensive party conference programme. We also run a membership network of local authorities and corporate fellows.

# Foreword

A nation cannot hope to recover or enjoy peace if its citizens are overwhelmed by anxiety and feelings of helplessness. At the time of writing, the country is about to enter a second nationwide lockdown, before we have really had the chance to understand and draw lessons from the first.

One lesson is already clear, however: when it comes to protecting the vulnerable and generating hope across the country, the local and the communal must be mobilised and prioritised above the central, the top down and the anonymous.

Communities have no need to 'step out of the shadows' for the sake of a national media narrative of hope and self-help. They are already scripting innumerable individual stories and rewriting countless destinies in ordinary life. As they have been doing day in and day out since long before the present crisis.

If this is to be a moment of transformation, in the face of the overwhelming health, economic and social impacts of COVID-19, we must learn that the antidote to helplessness and anxiety is community empowerment and courage.

We have seen the vital role ordinary people play in banding together in a shared commitment to protect others using their own or shared assets when all else at other levels fails. We must build on this now, providing local communities with the support they need to develop greater genuine autonomy and control over their own lives and local areas.

Empowering and encouraging communities to take on social assets and infrastructure and deliver crucial local services should now come centre stage for policymakers. But this must be accompanied with an investment in social capital, strengthening the institutions, skills, trust and networks necessary for communities to realise fully their potential to help themselves.

This means the value of subsidiarity and double devolution must be at the heart of the Local Recovery and Devolution White Paper. The paper must be the first step in producing a route map to community power that avoids the mistakes of previous community policy, which all too often has left behind those communities without existing capacity to engage.

For the potential of the Levelling Up agenda and the billions about to be spent on infrastructure '*grands projets*' to connect and mobilise will come to naught if these do not improve the amenities and lived experience of ordinary people. In 'left behind' areas, which are still playing catch up from the structural shifts of four decades ago, there must be parallel investment in social infrastructure and economic support.

We should also learn from recent history and the previous attempts to push down power to community level that have been frustrated by bureaucracy and high bars to entry and participation. We must not bury the principle of subsidiarity in administrative complexity and unreasonable expectations of time, money and expertise from those communities that would most benefit from empowerment. Can the promise of double devolution be realised through a

flatpack approach which capable people everywhere can make their own?

As the report that follows shows, we can learn much from successful domestic initiatives and from international examples. There are key principles for effective community empowerment: a relational approach in the interaction between local authorities and communities; strong networking systems, with clear points of contact; capacity building in financial and social capital; and the strengthening of community institutions able to access resources independently of local government.

The Local Recovery and Devolution White Paper is a huge opportunity to restore the golden thread of community solidarity, to retie the bonds between people, place and identity, advancing progress made since the passing of the Localism Act in 2011. But something vital is at stake here. Unless it considers how we lay the foundations for strong and empowered communities, the Local Recovery and Devolution White Paper risks providing recovery without resilience and devolution without localism. We can, shall and must build back better than this.

**Jonathan Werran**  
Chief Executive, Localis

# Executive Summary

## The meaning of community power

The effects of lockdown and the massive strain placed on public services throughout 2020 have led to a renewed focus on local response, on the resilience and ingenuity displayed on a volunteer basis across the country. This report looks at initiatives to increase the power of communities and strengthen neighbourhood-level democracy. An area of particular interest is post-pandemic reform to local governance structures in England, embodied in the forthcoming Local Recovery and Devolution White Paper, and how these reforms can open up space for greater community power. The report sets out recommendations which build on the recent 'Levelling Up Our Communities' report as well as other solutions proven effective in practice. Its methodology is a combination of qualitative research – case studies, interviews and surveys – and critical analysis of how community empowerment has been approached nationwide.

Decentralisation of power currently held in Westminster is key to both local government and local communities gaining more autonomy. Yet power is more than simply a function of the location of government decision-making – whether local or national. Undoubtedly, government policy must contain provisions that increase the autonomy and participation of communities. But it must also recognise the value that comes from community self-organisation as a good in itself.

Communities in England, particularly those in deprived areas, face a multitude of challenges to and restrictions upon their ability to take control of their own destiny. Weak and weakening social infrastructure, complex bureaucratic structures, poor connectivity and a history of ever-changing, overlapping initiatives all act as barriers to neighbourhood democracy. This is particularly problematic now, at a time where the ability for communities to act with autonomy at the hyperlocal level could not be more important. The pandemic has shone a light on how reliant we are on this social infrastructure locally. It has also demonstrated how vital community involvement is to the functionality of social infrastructure, and how effective communities can be in providing crucial services. However, the COVID-19 crisis has also shown the extent to which a reliance on communities stepping up to take responsibility for themselves has limits, not least the extent to which responses community by community often reflected the pre-existing civic capacity of communities as the pandemic hit.

## The current opportunity

We are moving towards a reformation of English local governance, to be laid out in early 2021 with publication of the Local Recovery and Devolution White Paper. Recently, particularly in the context of COVID-19 recovery, actions and rhetoric from the government have seemed to suggest that they are partially

informed by a subsidiarity principle, with a series of moves towards hyperlocal legitimisation. From piecemeal shifts toward community power from successive governments and the emergence of many models and organisational structures, a clearing is opening up for communities to build their own capacity to govern independently of traditional structures. Expanding this space further, whilst refining and contextualising models of community control, power and organisation could help to maximise local participation and improve quality of life across the country.

Community spirit rose greatly in the early months of lockdown, concurrent with the rise in community action. At the same time, the national emergency required an entirely different fiscal approach from the government, one that already seemed prepared to abandon austerity to some degree. With the International Monetary Fund urging against any austerity in response to the pandemic, and the British Medical Association among others linking austerity directly to the severity of the pandemic's impact, the political-economic case against austerity is currently made by a broad and diverse coalition. There is an opportunity in this moment to embed community autonomy through legislation and provide resources to those communities in need.

On 23 June 2020, the prime minister asked Danny Kruger MP to review and put forward proposals for how charities, communities and the third sector might build on their successes so far and aid the COVID-19 recovery effort. Reporting in September 2020, Kruger highlighted the willingness to collaborate and showcased the community spirit brought on by the pandemic. The report recommended a suite of new measures to understand and track the contribution to the national economy of civil society and provide funding to community organisations. The Government response was somewhat muted, with a response from the prime minister that was non-committal in policy terms. However, the pandemic and its effects are far from over, and communities across the country are likely to once again be asked to step up in the name of national resilience over winter 2020/21, with a one-moth national lockdown announced on 31<sup>st</sup> October. As we once again look to our local communities to provide crucial networks of support and service delivery, the need for a fairer settlement going forward is clear.

## Recent history

The early years of New Labour were accompanied by a raft of legislation around devolution and decentralisation, ostensibly aimed at empowering communities. The primary criticism of these early schemes – that the rhetoric of localism could not sway the desire to control and monitor all levels of policy, would continually dog community power initiatives under New Labour. In 2008, just as the global financial crisis hijacked the policy agenda, a Community Empowerment White Paper was published. The white paper failed, however, to address issues of structure, complexity and accessibility of the public sector to civil society, in themselves complicated by the overlapping initiatives of the preceding decade. The need to simplify and a desire to cut through to civil society partially underpinned the advent in the 2010s of the 'Big Society', promoted as a drive towards devolving power to localities and their communities.

In 2011, the Localism Act afforded communities three new "community rights", all of which are, to varying extents, important legislative tools in the broader goal of creating powerful communities. Since then, central government has

embarked intermittently on a policy of community integration, coalescing around the idea of strong mutual commitments and responsibilities whilst emphasising the shared aspirations, values and experiences of local residents. The conversation around the Big Society agenda remains polarised, with much debate as to its underlying rationale. Looking beyond the motivation however, a concrete result has been the proliferation of community ownership of local assets through the Community Rights empowered by the Localism Act. Community Asset Transfers have empowered volunteer groups, but the success of the policy overall has been limited due to severe capacity constraints in the context in which it tends to be implemented. The mixed results of the policy are example *par excellence* of the need to combine the devolution of power to communities alongside resources for the kind of capacity-building needed to bring those left behind parts of the country along.

### **Models from abroad**

Since the financial crisis, particularly in Europe, political devolution has become something of an international trend as governments find themselves forced to experiment, in the face of democratic pressures and austere budget cuts, with new approaches to the role which the state, both national and local, should play in relation to the communities they serve. One such approach is 'new municipalism', characterised by a focus on establishing common goals and ascertaining through participation the priorities of local residents. This approach can play an important role in building the power base of communities, enabling them to become more functionally effective. In practice, the model has produced some thought-provoking strategies and results, increasing input from local communities into the management of public assets and delivery of public assets. The approach has its limitations, however, often faced with major institutional challenges. Attempting to merge the concerns of communities with the complexities of governance can be transformative, but this is by no means guaranteed. Another international model, participatory budgeting is an effective way to involve communities in decision-making and facilitate their power. It is a local policy with its roots in Latin America which has been trialled in the Netherlands and several other EU countries in recent years. In Porto Alegre, Brazil, the deliberative and inclusive nature of the budgeting process has been linked to favourable environmental and social outcomes such as greatly increasing access to clean water and expanding and upgrading the city's waste management system.

However, these examples also rely on a vision of "extending" local government out to the community, embedding the community within the local state bureaucracy. It is not clear that either – founded in models of governance very different to our own – provide models that resonate or reflect the history or culture of the UK. Rather than attempt to import models wholesale, it is important to look at those lessons which have been learned which might be instructive for UK policy. Looking ahead for community power in the UK, these elements might be looked at as crucial to capacity building. Expanding the role of the citizen can help bring a broader understanding of the roles and responsibilities of the council, at the same time bringing together residents at the neighbourhood level as part of the process. Particularly in areas with little social infrastructure in terms of community organisations and networks, this kind of process can help build capacity across multiple domains – building social capital and trust within the

community whilst also creating more effective channels of communication with local government.

## Where we are now

Hyperlocal, community-based activity is vibrant in the UK, and there are 'oven-ready' policy proposals to support and expand the sector. A recent report from NCVO found nearly 13,000 non-profit organisations operating at the local community or neighbourhood level not identifiable through other sources. The breadth of community activities which emerge where this support exists is evidenced, for example, in the experience of Big Local neighbourhoods across England over the last few years. Established by the National Lottery Community Fund in 2012, the Big Local programme has given 150 'left behind' areas £1m each to spend as the community decides over a 15-year period. An idea in this vein gathering steam is the proposal for 'pop-up parishes'. These would be temporary, hyperlocal institutions that are established to tackle specific local issues and develop the area of control. The concept was endorsed in the Kruger report, with funding suggested through a 'top-slice' from the Stronger Towns Fund and Shared Prosperity Fund – with the money to be given without conditions attached, potentially avoiding some of the bureaucracy of previous policy. Looking at case studies in detail illustrate further policy priorities for creating powerful communities.

## Case studies

The case studies in the appendix to this report look at recent initiatives in the UK aimed at overcoming previous policy failures and instances from abroad where some of the emerging models have been applied. They indicate where there may be opportunities to open up local government reform to double devolution, how this might be done and what pitfalls are to be avoided. From the studies, some key principles for creating powerful communities can be drawn:

- A relational approach to governance.
- Strong networking and communication systems.
- Dedication to building capacity.
- Work rooted in listening to communities
- A willingness to cede some power and control
- A culture that is engaged and facilitative

Empowering communities requires government, both central and local, to adopt a broad change in mindset – from administrative to relational. An example of putting a relational mindset into practice would be for local authorities to strive towards making their decision-making processes more participatory for communities. This may appear to be an impractical suggestion in the UK, but as the approach of Wigan Council has demonstrated, having this mindset embedded in the approach, training and strategy of local authorities can lead to more holistic practices on the ground. Strong systems for social networking and connecting with the local authority are present across our case studies. Creating and sustaining powerful communities is an easier task when community organisation is well connected both to the local authority and to the wider ecosystem of local action.



Finally, resourcing is of course crucial, both in terms of financial resources and broader elements of capacity. The revenue support for social infrastructure of neighbourhoods; parks, libraries, pubs, hubs and the like is a key priority across our studies. Perhaps the most striking elements of our case studies are those where the local state is entirely facilitative, providing resource and advice for communities to act autonomously. This can be achieved if capacity is built, social infrastructure resourced and, in the first instance, the networks of communication between council and community are strengthened. These are the conditions that must be in place for a meaningful transfer of power in any aspect of community life and local governance. In the upcoming reforms to the system in England, there is an opportunity to embed these conditions.

## The Devolution and Planning White Papers

The Local Recovery and Devolution White Paper is a chance to set out how councils can facilitate communities to self-empower. The white paper could, if ambitious enough, make explicit the role of local government as part of a facilitative local state, where autonomy and self-empowerment are enabled as a matter of process. To do so, the route to double devolution for local communities must be clearly laid out in the final legislation resulting from the white paper and ensuing debate. The importance of clear lines of communication has been a recurring theme throughout this report, and any reform to local government in England would do well to give statutory heft to this principle by making it a requirement of local authorities.

Beyond this, there are options available to begin charting the course to neighbourhood democracy. The paper is an opportunity to begin a discussion on community power in service delivery and set out the process for situations where communities are willing and able to design and deliver local services – either in partnership with the council or autonomously. Extending the parish council powers first established under New Labour, to include the right for communities to form ‘pop-up parishes’ would be a major step towards creating a facilitative local state. The paper also has the potential to lay the groundwork for the Kruger report’s recommendation of a Community Power Act which allows third sector organisations and charities to carry out elements of service delivery, by enshrining and delineating the facilitative role of the local state.

At the very least, the white paper presents an opportunity to redress some of the issues with previous legislation and provide an evidence-based update to the Localism Act 2011. The onus previously placed on communities to come together and save local spaces should be replaced by one of assumed protection, with the public sector in the position of justifying the removal of an asset. Whilst potentially beyond the purview of the white paper, the establishment of a community wealth fund, which has been called for by multiple organisations across sectors, would be a suitable companion to a genuine programme of double devolution.

A wealth fund for communities would begin to deal with the issue of financial capacity, however there is also the issue of that capacity which comes with social capital – particularly pressing in the realm of planning. Neighbourhood plans are rightly reinforced in the paper, but the need to build local capacity to engage with the process must be stressed if the policy is to deliver true community control. Along with proposed changes to the Community Infrastructure Levy, failing to legislate for capacity building at the neighbourhood level risks repeating the

mistake of previous community-focused policy: leaving behind communities without significant resources.

### Policy recommendations

- **The Local Recovery and Devolution White Paper should codify the role of councils in a facilitative local state by beginning the process of creating clear, statutory pathways to community autonomy.**
  - The white paper should identify areas of service delivery that could be co-designed, run in partnership or devolved entirely to the neighbourhood-level, particularly if the size of local authorities is to increase with reforms.
  - A statutory role should be created in local authorities for managing double devolution and community relations, to act as a single point of contact and information for community groups looking to establish forms of local control.
  - Building on previous work from London Councils and Danny Kruger MP, the ‘pop-up parish’ or Community Improvement District model should be extended as a statutory community right alongside the previous rights established in the Localism Act 2011.
  - Pathways should be developed for communities to take control of non-core service spending at neighbourhood level through initiatives like the People’s Budget in Frome.
- **To enshrine the principle of double devolution and expand upon the Localism Act’s establishment of Community Rights, the Local Recovery and Devolution White Paper should extend these rights to give the community greater power over local assets and social infrastructure.**
  - All assets that qualify as having community value under the current system should be designated as social infrastructure.
  - If a community group decides to take on a community asset, they should be supported, both procedurally and financially, in their endeavours to do so.
- **The introduction of localised lockdowns has further emphasised the importance of front-line action from community groups. The government should urgently renew and extend financial support for voluntary, community and social enterprise (VCSE) organisations to respond to the pandemic, particularly as the reintroduction of lockdown measures escalates.**
  - To ensure fast and targeted response, a fund could be distributed to community organisations by local councils in lockdown areas in a manner similar to the distribution of the pandemic-related Small Business Grant Fund

- As with the Small Business Grant Fund, the focus should be on rescue at any cost for the sake of national resilience, and the overall fund should be matched to need rather than to a specific cash limit.
- **In order to strengthen social infrastructure, and properly resource endeavours to empower communities in a manner that is participatory and gets results, central government should commit to establishing a Community Wealth Fund.**
  - The fund would specifically target the social and civic infrastructure of 'left behind' neighbourhoods across the country. It would be an independent endowment that would be distributed over the course of 10-15 years, include investment at the hyperlocal level, decision-making would be community-led and, as part of the package, support would be provided in order to build and sustain the social capital of communities and their capacity to be involved. Recently, this call for a hyperlocal focused funding of £2bn was echoed by Danny Kruger MP in his proposal for a 'Levelling Up Communities Fund'.