

One Nation Localism

How Labour councils
are delivering fairness
in tough times

Executive summary

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Executive Summary

1 Although localism is a contested term, Labour cannot afford to cede the localist agenda to other political parties, and to the right in particular. The challenges faced by the country and our party mean that we must prioritise the development of an identifiably 'Labour' localism which can tackle social injustice in an increasingly unequal society. Within our One Nation approach, we have an opportunity to develop a renewed policy agenda, based on the actions of Labour councils who are on the front line of the Tory Government's damaging policies yet who nonetheless are at the forefront of putting our values into practice.

Within a highly constrained financial climate and amidst incessant political attacks, Labour councils have shown they are determined to find new ways of delivering on our party's enduring values. This must have consequences for our party nationally: we should accept the benefits of a Labour localist approach which has the ability to respond flexibly to the diverging local needs of our increasingly unequal society and devolve decision-making closer to those who are affected. This can improve access to and quality of public services and lead to better social outcomes.

2 While devolution to other nations in the UK has brought greater access to local and national democracy for people, England remains a highly centralised state by international standards of large democracies. Despite a strong social culture of localism, our political system has not evolved to reflect this. There is increasing evidence that local government is more trusted than central government. Pressure to devolve more power is likely to grow as financial pressures, increasing demand and rising expectations for quality require more effective links between people and decisions about their public services, which strong local government has the democratic legitimacy to forge.

3 Although the Labour Party is an inherently localist organisation - its creation and political energy driven by the activity of local branches and societies to counter the top-down governance of the few - over time it has become overshadowed by a more elitist, centralising approach, particularly post-1945. The 1997-2010 Labour Government had many achievements but saw local government largely as a delivery arm of the centre's priorities and placed growing demands on councils through duties, targets and monitoring. This had several consequences including diverting resources away from the frontline and 'up' the governance hierarchy; a distancing of local democratic control and influence over public service priorities; and the growth of an increasingly complex bureaucracy. The lack of a stronger footing for local government left it more vulnerable to the ideological whims of this Tory-led Government.

4 The particular nature of Tory-led localism must be fully understood to appreciate the significant threat that it poses. Tory-led localism has several clear characteristics:

- **It is more rhetorical than a reality:** the Tory-led Government has presided over a significant centralisation of power across Whitehall.

- Far more than it devolves actual power to local authorities, Tory-led localism seeks to **devolve only responsibility and political blame** for their austerity agenda by cutting council budgets by 33% and passing down other hidden cuts.

- Tory-led Localism is **resulting in reverse redistribution**, whereby the cuts are hitting the poorest areas the hardest and the principles of funding based on need are being attacked.

- Tory-led Localism is encouraging **a fragmentation of the locality**, with the role of the democratically elected council bypassed and undermined from above and below, as more power is given to new 'sub-local' bodies and new national quangos.

5 A definably Labour Localism, based on practical examples of what Labour councils are doing, is emerging, with clear characteristics:

- **Social justice and fairness:** Labour Localism recognises that because inequality has significant spatial variations, centre-led one-size fits all approaches are not always most appropriate to deliver the best outcomes. Labour councils are demonstrating how social justice can be pursued successfully in ways that identify and respond to communities' specific needs, setting up Fairness Commissions and developing proactive strategies to tackle poverty.

- **Co-operation and collaboration over competition and conflict:** Labour Localism seeks consensus within communities and promotes participation, particularly amongst excluded groups. Labour councils are finding new ways to build community capacity and involve people in decision-making over public services, by developing co-operative models and participatory forums.

- **Good leadership - democratic accountability and a vision for places:** Labour Localism also values strong local democratic leadership, creating a shared vision for areas and pursuing ambitious agendas for communities. Labour councils have been proactive in tackling the challenges their communities face and finding new ways to deliver on our values in tough times.

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The particular characteristics of Labour Localism that can be identified underpin how Labour councils are delivering for their communities across a range of policy areas, which has implications for a future Labour Government's emerging policy priorities.

6. **Jobs and Growth:** Despite the Tory-led Government's failed economic policies causing a prolonged period of recession and stagnating growth, Labour councils have been finding new ways of driving growth in their areas. In the absence of a coherent national growth strategy, many Labour councils have initiated their own local growth plans and are supporting local businesses. Amidst continuing high unemployment, Labour councils are working to create jobs and training opportunities and to match residents to these, including young people and the long-term unemployed.

- A future Labour Government will need to base a national growth strategy on highly variable and increasingly polarised local economies and labour markets. Councils should be able to pursue growth in ways that suit the capacities of their areas and build on localised opportunities that exist. A greater proportion of funding for skills and welfare-to-work should be devolved to local authorities with councils well-placed to connect provision to the needs of local employers.

7. **Housing:** The Tory-led Government is presiding over the worst housing crisis in generations: housebuilding is falling off a cliff, social housing is being undermined and in the private sector quality is declining while costs are rising. Despite the inaction from the Government, Labour councils are finding new ways of meeting local housing needs. Many are delivering on ambitious housebuilding targets and new investment models are being pioneered. Labour councils are defending the rights of social tenants and engaging in the long term challenge to assure the sustainability of the sector. Labour councils are tackling problems in their local private rented sector caused by rogue landlords and setting up their own licensing schemes to encourage good practice.

- A future Labour Government will need to urgently address the housing crisis and consider the central role councils can play in delivering on local needs, which will be very different given the highly variable housing market. Councils' potential to play a major role in housing delivery can be unlocked by pursuing new investment and financing models and removing HRA borrowing caps. Councils should also be empowered to play a greater role in regulating their local private sector and have more effective powers to bring empty homes back into use.

8. **Health and social care:** The Tory-led Government has focussed on a top-down reorganisation of the health system which has created flawed new local accountability frameworks. Although the national policy context has been confused and chaotic, Labour councils have already been demonstrating their ability to deliver on public health, linking this to other public services they are responsible for and using all their resources to greatest effect. The Tory-led Government has ducked the challenge of social care, which is now reaching crisis point, and although this is creating difficulties for Labour councils whose ability to deliver is increasingly constrained by national inaction, they are still working hard to meet the care needs of their residents.

- A future Labour Government will need to prioritise the development of a truly integrated health and social care system, and Labour councils are ready to work in partnership to tackle this challenge. Localised approaches to public health, with councils as integrated commissioners across the range of local services can improve outcomes if there is an appropriate balance of funding. Reform of social care must be based on fair and sufficient funding with clarity of contribution from the state and the individual, a simplified legal framework and better integration.

9. **Education and children's services:** The Tory-led Government's centre-led structural upheaval of the schools system is undermining local accountability and centralising decision-making about schools. Where the Tory-led Government's approach is creating competition and conflict at a local level, Labour councils are seeking to promote collaboration and co-operation, and demonstrating the value that local accountability and wider community understanding can add. While the Tory-led Government is cutting funding for early intervention, Labour councils are protecting children's centres as much as possible and finding new ways to ensure children and their families can access the support they need.

- A future Labour Government will need to resurrect local accountability within the schools system. There are roles for local authorities in commissioning new provision to meet need and ensuring access for all; encouraging collaborative working to share good practice; and to intervene if things go wrong and respond to early warning signs. A renewed national commitment to good childcare will need to ensure funding keeps pace with demand, and Labour councils are ready to work in partnership with a future Labour government to ensure local childcare needs are met.

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10. A future Labour Government would need to define an appropriate balance within a One Nation framework for locally devolved powers. This would involve:
- **Legislative reform:** a new constitutional settlement should enshrine local authorities in law as independent and sovereign entities and codify their duties. This would identify what services and activities local government carries out on behalf of the centre, and what are entirely local. New legislation could have a 'presumption in favour' of localism whereby decision-making power is passed to local authorities to decide how to implement policies best, within a clear framework of parameters.
 - **Financial reform:** within Labour's proposed zero-based budget review, there is an opportunity to forge a truly historic financial settlement which puts local government on a secure, sustainable footing and removes its vulnerability to the whims of central government. A reformed local government funding system would need to be based on clear, equitable principles that achieve a balance between the financial independence of local government, while also ensuring resource equalisation between authorities with differing capacities to raise revenue and levels of need. An independent commission could be set up to review options and make recommendations for reform.
 - **Post post-regionalism:** after the Tory-led Government abolished the regional tier and within the current increasingly complex sub-regional terrain, a future Labour Government would need to consider the future of co-operation above the level of the local authority. A sophisticated approach to regionalism would not be led from the centre but recognise sub-regional identities and similarities as they exist and enable co-operation between local authorities in different ways on different issues.
11. In conclusion, between small state Tory-led localism on the one hand, and outmoded centre-led command and control on the other, a modern progressive Labour Party should chart a different course that respects the value localism can add to a healthy democracy and its potential to achieve fairness overall within a diverse nation with varying needs.

For policies that resonate and a politics that is relevant, Labour Localism offers a valuable way forward for our party nationally. For us to build One Nation in which all can prosper, we need to recognise the different starting points that exist in different areas. For every community within our One Nation to flourish, each must be able to pursue different means so they can achieve our shared goal of fairness for all. Far from being compromised by localism, social justice is reliant upon it: social justice and localism go hand in hand. ■

The LGA Labour Group

The LGA Labour Group represents Labour councillors at a national level, both within the cross-party Local Government Association (LGA) and at Westminster. The Group provides a strong voice for councillors and activists, and acts as a platform for ideas and argument for all those committed to an effective localist element to Labour politics and policies.

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