Devolution, Localism, and Good Governance in England

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Abstract

Globalization continues to raise questions about the future form of the nation state which has led to increasing academic interest in sub-national forms of government and governance (Hooghe, 2012, Rhodes, 1996, Putnam 1993). In Britain there was substantial popular disengagement from conventional national politics before the 2008 economic crisis (Power, 2006). Devolution and "Localism" have been themes espoused by all recent British governments though they vary in their interpretation, level of application and consistency of approach. The Labour Government (1997-2010) first embraced regional devolution to Scotland, Wales, and N. Ireland and attempted unsuccessfully to develop regional governance within England. Later it moved towards a New Localism agenda placing emphasis on sub-regional levels. The present Coalition Government, elected in 2010, also embraces Localism and has replaced the English regional structure with its own sub-regional approach based on Local Economic Partnerships. In this paper we review developments, consider some of the practical implications of "New Localism" in England, and make some recommendations, illustrating with our own data drawn from our study (2009, 2012) in which we interviewed members of regional and local elites including local council leaders, politicians, local authority CEOs, local business leaders, and representatives from the 3rd sector.

Keywords: Devolution, Localism, Good Governance, Labor, Big Society, Economic Development, Local Enterprise Partnerships

Introduction

Globalisation has raised questions about the nature of the nation state as the 'sovereign' unit of power (McLellan, G., Held, D., and Hall, S. 1984; Hirst, P. and Thompson, G. 1996) and the impact of the global financial crisis since 2008 has exacerbated public lack of confidence in national governments. In Britain there was evidence of substantial disengagement from formal and conventional national politics well before the World Banking Crisis (Power, 2006). At the same time, it is argued that globalisation has increased pressures on governments to enhance the role of sub-national levels and increase participation by individuals and enterprises (Cheema and Rondinelli, 2007) so that academics have become increasingly interested in sub-national forms of government and governance (Hooghe, L. 2012; R.D. Putnam, 1993, Rhodes, R. 1996). Devolution and 'Localism' have been themes espoused by recent British Governments of all political complexions but interpretations of these ideas, the level of application, and the consistency of approach have been very varied.

In this paper we review what has taken place in England and consider some of the practical implications of the popular mood among politicians towards this 'New Localism,' referencing current policy debates and referring to our own data drawn from our current study of regional and local political, business and 3rd sector elites.
Devolution

Devolution can be most readily defined as: 'dispersal of power from a superior to an inferior political authority' (Bogdanor, Vernon, 1979). In most of Europe and the USA this has meant devolution to a regional level. In the British case, however, while the New Labour government of 1997-2010 instituted the process of giving devolved powers to Scotland, Wales and Northern Ireland (Birrell, 2012) attempts to create elected Regional Assemblies in England were unpopular and seen to be unsuccessful. Some argue (Jones, 2010) that English regions lack the clear sense of regional identity to be found in Scotland and Wales. Whereas old kingdoms like Mercia and Northumbria might have had some comparability to Scotland and Wales, they were substantially subsumed into Norman England in the eleventh century. Without distinct regional languages and distinctive cultures, English regions, with a few possible exceptions, like Cornwall, have little resonance with their populations and so "are not spontaneous natural units …… but are artificial, based on lines drawn on maps by central bureaucrats" (op cit). So, Jones (ibid) argues if one wants greater decentralisation of political power then one should look below the region to local government and avoid what he terms 'regional centralisation' which "can be more constraining for local government than national centralisation since it is exercised closer to hand." (op cit).

Within any federal system powers and functions should be distributed so as to seek to maintain a balance between the levels, preventing no level of government from becoming sufficiently dominant that it can dictate decisions to the other (Blick, 2009). In practice, within England the tendency of all political parties has been to extend devolution of power beyond democratically elected bodies to a much wider representation within the community; in other words, a move towards multi-level systems of governance.

Governance

There is now an extensive literature on 'Governance' (Kooiman, 1993; Rhodes, 1997; Kohler-Koch and Eising 1999). Traditionally the term was used as a synonym for government (Richards and Smith, 2002; Leach et al, 2007) but in recent years it has come to mean something distinctive. Stoker (1997) argues that 'government' refers to formal institutional structure and authoritative decision-making while 'governance' focuses on the relations between governmental and nongovernmental forces and how they work together. In other words, "'governance' usually involves a range of actors wider than elected representatives or appointed officials" (Loughlin, 2007).

Held optimistically sees this as the link between the governing institutions and the conditions which make for the possibility of the political participation of all citizens or what he calls "double democratization: the interdependent transformation of both state and civil society" (Held, 1987). Rhodes (1996) goes further and describes it as signifying a "change in the meaning of government, referring to a new process of governing" from which he later develops his own hermeneutic approach (Bevir and Rhodes 2006). However, Rhodes and Bevir (2003) also argue that the term has strongly politicized origins on the political Right, with growth in usage linked to the emergence of neo-liberalism and the New Public Management (Cheema and Rondinelli, 2007).

Governance and Partnerships

The essence of multi-level governance in this modern sense is partnership between government and nongovernmental forces and the process of interaction between them. "It's about participation, stupid!" (Edlar-Wallstein and Kohler-Koch, 2008). For Rhodes 'governance' refers to governing with and through networks. Unquestioningly, partnership "has emerged as a standard feature of policy and decision-making" (Giguere and
Considine, 2008) and partnerships typically "gather representatives from the public, private and civil society sectors, often relying on voluntary participation and mutual agreement" (Op Cit). They are frequently referred to as 'policy networks' (Rhodes 1997) and consist of formal and informal policy linkages between government and other actors, structured around shared interests in making or implementing public policy with a degree of autonomy from the state. Policy itself emerges through bargaining between network members. Rhodes argues there is a mutual need: the government needs legitimated spokespersons and the groups need the resources and legislative authority of the government.

However, in practice there are different types of partnership and some are more centrally directed and relatively goal-oriented in terms of national or local governmental targets while others are more independent of governmental institutional authority and these may have different aims from government. Institutional bodies typically seek for effectiveness of policies but public, private and civil society partnerships may prioritise other objectives. They certainly have the potential to offer an important participatory dimension but that may result in their prioritizing local goals and needs, such as co-operation, which could run counter to the wider goals of delivering effective services. So, it is not, as sometimes presented, an apolitical technical process of decision making, it is "wrapped up in the exercise of power and politics" (Chhotray and Stoker, 2009).

If partnerships are successful some claim that it could lead to the disappearance of "the distinction between the state and the society" (Atkinson and Coleman, 1992). This might mean that actors and community institutions acquire dominance over local political decision-making though where the necessary resources might be derived from to support decisions is an open question. Manpower resources may be provided by local actors but other financial, managerial and professional resources are not so readily available within the social capital of local communities, and in the absence of government resources, what is available may have to come from the private sector or not at all. As Stoker says: "The rise of governance undoubtedly reflects, to a degree, a search for a reduction in the resource commitment and spending of government" (Stoker, 1997). Yet reliance on resources from private firms, which may be global players with the power that that gives them to decide on wider priorities, could result in the decision-making by community actors being restricted merely to making low level decisions about how such resources or services are allocated at the local level.

New Localism

The idea that there should be greater decentralization to the local level is not a new idea in Britain. It can be found in the Layfield Committee Report (1976) and the Lyons Inquiry (2007). As Filkin et al (2000) argue, central government has tended to approach localism from the top-down seeing "local government primarily as a means to deliver its own policies, as its agent." Yet, they argue: "It is not possible to govern Britain from Whitehall alone and attempting to do so increases the public's alienation" (Filkin et al, 2000). At the same time 'New Localism' is seen as going beyond local government institutions and applying a governance approach to the local neighbourhood level. To be effective localism requires "active participation by citizens" (Aspenden and Birca, 2005) or community engagement achieved through a system of local governance, delivering optimum decentralization and devolution of power, preferably to the most local level and underpinned by principles relating to effectiveness, accountability, participation, equity, diversification and innovation (Cory and Stoker 2002). It requires a pluralist model of governance in which government will be less directive, with local government being a community leader and mediator (Corry et al, 2004).
Localism has proved very popular with think tanks and politicians. Writing in 2008 Griggs et al stated that: "We have seen how the popularity of neighbourhood approaches has grown in recent times and how these are increasingly depicted as an answer to many contemporary problems within public policy (Griggs, Smith and Bramah, 2008). The approach has been taken up by both the political left (Hirst 1994) and the right (Green, 1993). At Parliamentary level, all major political parties have in recent times advocated some form of 'localism' and have generated an extensive 'think-tank' literature on it (Burwood, 2006; Barrow, Greenhalgh and Lister, 2010; Walker, D. 2007; Boyle et al, 2010; Milburn, A. 2004). As Walker (2007) claims: "We are all, to coin a phrase, localists now"! The NLGN have produced a series of very useful pamphlets outlining each political party's position (Boyle et al, 2006; Hope et al, 2006; Carmichael et al, 2007). Even so, the New Economics Foundation (1995; 2009) felt that: "Britain is still, despite devolution, one of the most centralised states in the World".

**New Labour and Localism**

The New Labour governments from 1997-2010 placed considerable emphasis both on devolution of power and on partnership and community engagement. As we have seen (above), New Labour instituted devolution of governmental authority to various levels, with degrees of devolution to Scotland, Wales and Northern Ireland creating either Parliaments or Assemblies. In England it intended to devolve power to elected Regional Assemblies but this failed at a first referendum and instead a degree of devolved governance went to unelected Regional Assemblies serviced by Regional Development Agencies. These unelected Assemblies were later abolished, with the intention of replacing them with sub-regional bodies based on co-operation between local authorities, though these never really got off the ground before their 2010 election defeat. While some of our own regional elite respondents found merit in Labour’s system of regional governance, there was also much criticism in detail of the regional institutions and the Government's top-down approach (Smith and Wistrich, 2010).

At the more local level of partnership and community engagement, two mechanisms in particular were used: Local Strategic Partnerships (LSPs) and the New Deal for Communities programme (NDC). Under the Local Government Act, 2000, some localities created 'Area Committees'. These created a wide range of tensions which needed 'pragmatic localism' to overcome them: ie: greater trust between local councils and citizens, fewer targets, closer consultation with stakeholders and greater managerial discretion and flexibility (Coaffee and Johnson 2004). In general the regional political elite respondents in our own study (Smith and Wistrich 2010) were favourably inclined towards such local initiatives and as Geddes (2008) points out, these did offer gains "including a greater voice for community organizations, more joined up local strategies, and improved trust within local governance networks."

One of the inevitable tensions between elected local government and nonelected community organizations or activists concerns notions of 'public value' (Moore, 1995). Each have different conceptions which they wish to contest publicly and this has led some to argue that New Localism should be based firmly in local government "by virtue of its electoral mandate" (Goodwin, 2004). However, whilst local authorities were given a lead role in partnerships, they were not given related statutory powers (Jones, 2010) so "in contrast to early rhetoric, there has been a recent tendency on the part of [the Labour] central government to regard local institutions as dependent mechanisms to achieve central targets and to prioritise managerialist control over local autonomy and initiative" (Geddes, 2008). Partnerships, then, could work but tended to be dominated by centrally generated managerial targets (Hardy, Bibby-Larsen and Freeland, 2004).
However, they don't always work. Geddes (2008) argues that whilst in some localities "a 'virtuous circle' of positive partnership working could be discerned, in others "ineffective leadership, the limited resources and capacity of partnerships, and the unresolved issues of accountability combine in a 'vicious circle' in which the transactional costs of partnership working outweigh the benefits". Also, while supporters of governance theory stress its emphasis on collective decision-making engaging with the community (Chhotray and Stoker, 2009), it is not always clear who is the local community. It is all very well calling for engagement with community activists, as one of us has done in the past (Smith and Blanc, 1997), but "there is an important difference between community activists ….. and 'ordinary' local people" (Morris and Heiss, 1975; Geddes, 2008). So-called ordinary local people may be as inactive in community organizations as they are in voting in local democratic elections and community activists may have a less clear mandate within the neighbourhood than they actually claim.

The Coalition, Localism and the 'Big Society'

Whilst New Labour favoured devolution to 'nations' and regions as well as localities, the emphasis of the other two main parties has been almost exclusively on Localism and it has become a key aspect of the 2010 Coalition Government's programme. A Conservative Policy Green Paper (No. 14, 2010) published immediately prior to the 2010 election made their priorities clear: abolition of all regional bodies and emphasis instead upon "Localism and the 'Big Society'". In other words, an intention to promote 'decentralisation and democratic engagement' with the purpose of ending the 'era of top-down government' by giving new powers to 'local councils, communities, neighbourhoods and individuals' (Ibid).

There are three key pieces of legislation involved: the Planning Act (2008), the Localism Act (2011) and the Public Bodies Act (2011).

i) The Planning Act already existed when the Coalition Government came to power but its provisions were modified in the Localism Act. It governs procedures for major infrastructure projects such as railways, motorways and power stations and came into force in 2012 along with the new Localism Act.

ii) The Localism Act (2011) gave local authorities a general power of competence to do anything an individual can do which is not specifically prohibited. It also designated Council Leaders in the larger cities as 'shadow mayors' and provided for a referendum in major cities on whether to directly elect a mayor in 2012. Jones (2010) points to the irony that central government," much criticised for its 'presidential' prime ministers…. should urge a similar one-person rule on local government" and, in fact, all but one referenda rejected this option.

In planning, the regional strategies for new development set out by central government in 2004 were abolished to be replaced by Neighbourhood Development Plans. Community organisations in the form of Neighbourhood Councils may propose new developments which have local support. These may be existing Parish Councils or can be set up elsewhere (in urban areas for example) and then authorised by local authorities. They are intended to be a partnership of residents, community groups, business, institutions and local councillors- and they must have a constitution approved by the local authority in order to take part in the planning process and a membership which includes representatives of various organisations, business and community groups and local councillors. Following consultation a neighbourhood plan can be submitted to a local authority and will then be subject to an independent examiner. The local authority may then decide to put the plan to a referendum.
However, neighbourhood plans must be compatible with national policy and the strategic elements of local authority plans, as well as with EU environmental assessments. So, national policies still dominate over neighbourhood plans. The Infrastructure Planning Commission which was responsible for decisions on national infrastructure projects is merged into the Planning Inspectorate and the powers subsequently transferred to Government Ministers. iii) The Public Bodies Act (2011) allows Ministers to abolish, merge or transfer functions of any public body listed in the schedules of the Bill to any 'eligible person' eg a Minister, a company, community interest company or body of trustees, or a new corporate body created for the purpose and to modify the constitutional arrangements of such a body. Ministers must consult with the office holders affected and changes should only occur if it does not prevent the exercise of rights and freedoms which those affected "might reasonably expect to continue to exercise".

This Coalition approach sounds to some like participatory governance at the local level but is seen by others as a threat to the local democratic authorities. English Local Government had lost its monopoly over service provision during the Thatcher Conservative government (1979-1990). Now both private industry and community groups can bid directly for the provision of all public services including those currently provided by local authorities. At a time of huge cuts to their budgets some local authorities felt they were being undermined. It is perhaps also significant that despite the declared intention of national government to make neighbourhood plans the central focus of planning, the creation of Local Enterprise Zones (LEZ) was seen as a central government initiative. As one Local Authority CEO told us: "if there is one single common thread it is the by-passing of the local elected representatives".

The Coalition Policies in Practice
A number of important issues of implementation immediately arise in relation to the Coalition Government's policies:

Does 'Localism' mean more centralization?
There appear to be a number of contradictions between Ministries within the Coalition Government as to what is meant in practice by Localism. Whilst all Departments claim to be devolving responsibilities to the local level there is considerable variation between Ministries in the definition of local. Some central government departments are appointing people or offices to 'listen to' local concerns. The Department of Transport is one such, having identified a small number of area offices. Similarly the Office for Civil Society has appointed Local Intelligence Teams which operate within the old regions. The most 'regionalised' approach is that of the Department for Business, Information and Skills (BIS) which has created BIS Local. This has 6 regional offices (compared to 8 old regions) liaising with Local Economic Partnerships (LEPs) and businesses and providing local intelligence but not ceding any powers. Other central government departments claim to be local in intention but aim to devolve limited authority to specific institutions rather than to the community per se. The Department for Education, for example, will be devolving power to local schools some of which are 'state' schools and others 'academies' controlled by their own Boards. At the same time, its central grip on the curriculum for 'state' schools is tightening and it has recently announced plans to 'tighten' up control of examinations. Similarly, the Department of Health intends to devolve authority to GP Consortia via an NHS Commissioning Board Authority.
Yet other Ministries intend to devolve responsibilities to other elected individuals, bodies or to the community. Under the Home Office model, for example, some powers will devolve to elected Police Commissioners. These will be directly elected locally but will not be responsible to the locally elected government. It has been the Department for Communities and Local Government (DCLG) which has been most forward in pressing the Localism agenda, the Localism Act being its legislation. Whilst the Act offers local authorities a general power of competence it also strongly emphasizes the importance of neighbourhoods and communities.

Whilst such bodies can seek advice from local authorities, this was described by one of our respondents as 'the by-passing of the local elected representatives'. DCLG has also been widely criticized for imposing central dictates on local authorities from time to time on specific issues, like targets for the collection of garbage. It seems to reflect the general confusion as to what constitutes Localism and precisely what powers are being devolved. Indeed, in recent times the DCLG has begun referring to 'guided localism'. This government department generated a great deal of cynicism from our respondents. Thus: "I support it [Localism] in principle and the bits that I do support are the moves to more local powers….. [but here] it gets called the 'centralization' bill" (Local Authority CEO); "The Bill is an example of the general lack of coherence in much of the policies of the Coalition" (Local Authority CEO). Particular ire was felt towards the DCLG Minister Eric Pickles: "My experience of Government is that I will believe that [localism] when I see it…… There is a certain richness or irony in some of Pickles's decisions" (Local Politician); "It just seems absolutely bonkers" (Local Politician). So, as one world weary correspondent told us: "in the final analysis Government has never given a fig about local government until they need us to get themselves elected" (Local Politician).

Local Enterprise Partnerships, Economic Development, Localism and a Global perspective:

The Coalition Government's stated intention was that economic development and enterprise would be driven from the local level. To this end they have encouraged the creation of Local Enterprise Partnerships (LEPs) whose memberships are to be dominated by business leaders, (they have a majority of members and the chair), but supported administratively by local authorities. The original government intention had been that these would be created bottom-up, voluntarily, according to local needs. However, when it became clear that significant areas of the country were not interested in developing these bodies, considerable pressure was applied from the Whitehall department to do so. Even so, the size and scope of the LEPs varies considerably in accordance with the 'localism' agenda. So some cover a single county authority, some are loose alliances spanning local authority boundaries and some, mostly deriving from earlier co-operations through Multi-Area Agreements (MAAs), are quite tightly organized. A small number overlap one another.

Our respondents had mixed views about LEPs. Where there already existed strong local partnerships based on trust, the expectation was that the LEP would thrive. Others however were more doubtful and some LEPs are expected to fail. After all, they have to finance themselves without significant core funding. One Chamber of Commerce CEO also worried about the calibre of the business membership and their inability to comprehend his local business community's needs. His argument was that the predominant aim of the Government, and thus of the LEP, was economic growth with LEP membership dominated by representatives of large national or global companies, in contrast to his local business community which was dominated by small businesses whose CEOs valued local control over 'excessive' growth. This might be seen as an example of Moore's (1995) 'Moral Value' dilemma. Our Chamber of Commerce CEO feared his members might be disadvantaged. Members of the
voluntary sector were also concerned that they might be cut out of the loop. While some LEPs were setting up 3rd Sector panels others appeared not to be.

On the other hand, there was concern from some that the overly local perspective of some LEPS and a lack of coherent national government strategy was in danger of militating against an appropriate global perspective. This is most clearly illustrated with reference to the location of Enterprise Zones. LEPs were encouraged to bid for Enterprise Zones which would offer certain tax incentives to start-up businesses. Once again there was some confusion about Government policy intentions. Whilst the Prime Minister's rhetoric emphasised Enterprise Zones as a means of assisting in local regeneration, the relevant Minister argued that their emphasis was rather upon economic growth (Mark Prisk, quoted in BBC File on Four, 2011). The latter view is supported by the locations of successful Enterprise Zone bids. The lack of any overall national economic strategy has meant that in some cases LEPs which are geographically quite close to one another plan to specialise in the same business sectors. Local politicians and Local Authority CEOs worry that, rather than driving the local economy, they could find themselves closely competing with each other for business in the global market to the detriment of local interests.

City Regions

A further policy development, again shared with 'New Labour' is the creation of 'City Regions'. City region is a long established concept among economic planners and geographers (Tewdwr-Jones, M. and McNeill, D. 2000). In 2005 seven of the EU's 61 designated city regions were in England (CRC City Regions Report). Although the initial emphasis of the Coalition government towards economic development was focused on LEPS, the Deputy Prime Minister and the Minister for Cities have argued that cities are the "major engines for growth" (Clegg and Clark 2011) and have developed a series of 'City Deals' which are "binding agreements which enable cities to negotiate the devolution of the specific powers, resources and responsibilities required to meet locally-determined economic and social objectives" (Ibid). Each deal is different but powers may include tax increment financing, management of local transport including some devolved transport budgets, and control of a 'skills' budget and apprenticeship training. Some, but not all, have also been part of a superfast broadband programme. This looks more like devolved budgets following devolved powers although, since each 'Deal' is different, there is no consistency of approach. For example, some will form Combined City Authorities to run their regions but some may not.

Furthermore, some LEPs without major cities want similar powers to City Regions. In rural Cornwall, for example, there are local authority plans for coordination and improvement of local road and rail transport, locally funded Further Education bursaries and Higher Education scholarships, superfast broadband, and some commissioning of Health Services (www.cornwall.gov.uk/). It is not clear if any of these powers will generally be devolved to LEPs but if LEPs do not get similar opportunities for tax raising powers then economic development is likely to be very unevenly spread across the nation.

The lack of a national economic strategy and the abolition of regional strategic plans has been acknowledged by the present government as inevitably leading to substantial local variations in the nature and levels of economic growth achievable in different areas. If economic development is to operate at a level no higher than the sub-region then there will be no mechanisms for balancing growth rates between the richest and poorest areas of the country. This sits ill with the Prime Minister's slogan that 'we are all in it together'. Ironically, it was
precisely what the Coalition Government criticised the Regional Development Agencies for not doing in the lead up to their abolition (PricewaterhouseCoopers, 2009).

Clarity of implementation:
The English system of local government is complex (Henig 2006). In practice there are three formal levels. At the top there are Unitary authorities. Where no unitary authority exists there are instead two principal levels of local government: county and district councils. Both of these have different devolved powers. At the bottom are Parish or Town Councils which currently have very limited powers and many of which have not held contested elections, often co-opting members in the absence of willing candidates. Analysis of local government often pays little attention to the subsidiary levels but the Coalition government are keen to increase Parish Council powers (Open Public Services Bill 2011). “The importance of the Parish Council sector in delivering the Localism Agenda of the new coalition government cannot be understated [but] ... if the new government's localism agenda is to gain any credibility in our sector, surely we need to see legislation to place a statutory obligation on principal authorities to transfer funding streams along with responsibility for service provisions at local levels to such town and parish councils as aspire to deliver them”(Buchanan, J. Sept 2010). So, finance is the key. However, any additional funding for Parish Councils is only likely to come from further cuts in the higher levels of local government.

Government Finance
It became clear very quickly that the budget made available by the Coalition Government to local authorities was to be substantially reduced and that this would impact upon their ability to provide even existing services. The comprehensive spending review announced on 20/10/2010 not only drastically cut their budgets but frontloaded the cuts to reduce local authority spending disproportionately in the first year. Whilst the central government's intention was clearly to rationalise services and reduce administration costs, local authorities complained, first, that since many of their services were mandatory, the opportunities for cuts would fall disproportionately on their support for local voluntary associations. Secondly, since the bulk of the cuts came within the first year, and after staffing commitments had been made, there was insufficient time for them to easily seek savings in administration costs through major reorganisation.

Clearly some control over finance is essential for the maintenance of services but local authorities complained that they had been given neither the time nor the powers with which to achieve it while protecting services. As Carswell (2004) argues "attempting to localise control over public services without devolving tax-collecting powers would be to attempt to impose localism from the centre." (Carswell 2004). Quite how local authorities could best secure finances at the local level has been debated widely. Some have advocated local hypothecated taxes (Burwood, 2006) where tax is ring-fenced for a specific purpose, others argue for a local sales tax (Carswell 2004); yet others for local property and income taxes (Jones and Stewart, 1983). The latter is not a new idea. As long ago as the 1950s a study group of the Royal Institute of Public Administration "recommended a local income tax, though the proposal was never implemented (Imrie, 1956). The Coalition has proposed some discretionary business rates through local rate supplements, and for City Regions, the possibility of tax increment financing. What those advocating greater Localism have been arguing for is the opportunity for local authorities to raise their own revenue and spend it according to local conditions and needs. As one of our respondents told us: "I am all for Localism so if government lays its hands off local councils and allows it to raise the money it needs that's fine" (Local Politician).
Whilst at least part of the Coalition's intention has been that the 3rd Sector engage with the Localism agenda even to the point of providing services for local authorities, research by False Economy based on freedom of information requests (http://falseeconomy.org.uk/) reported that £110 million in funds would be lost to charities in 2011 because of reductions in local authority resources. Whilst the Public Services White Paper proposes a generous extra £2 million to charities this will immediately be halved if False Economy is correct. Other sources of future funding have been promised from elsewhere (Rural Services Network On-Line July 2011). In the meantime, the Association of Chief Executives of Voluntary Organisations claims that "charities are instead going to the wall because of cuts and you cannot magic them back into existence again" (www.acevo.org.uk). Three of the Voluntary Organisation CEOs that we interviewed had lost all their staff, taken massive pay cuts in their own salaries and were, even so, expecting to close within the year because of lack of funds.

Given that the idea of 'Localism' is shared by all major political parties and their think tanks, it is perhaps not surprising that it has proved an important strand of the present Coalition Government's approach. In one sense New Localism is an experiment in England that cannot afford to fail. Regional Governance was abolished almost overnight, their functions either abandoned, incorporated into the responsibilities of central government departments, or made available to be taken up in local initiatives. The sub-regional bodies like LEPS are dependent upon business and local authority goodwill, both in their structures and their funding. There is to be no required consistency of size, structure or operation. No doubt some will be successful but what of others and what are the consequences of failure? Variable devolution is an interesting idea (Unlock Democracy, JMT 347, 2011) but one not without risk.

Conclusions.
In this paper we have pointed to some concerns about perceived contradictions within the government, consistency of approach and implementation, ability to achieve consistent levels of economic development and security of finance to support the new arrangements. Of course, the very nature of Localism suggests that it should include bottom-up initiatives and these will inevitably lead to local variations in policy and practice. However, this devolution as yet appears to lack any consistent framework within which it is to be applied.

Our preliminary conclusions are:

- Bottom-up Localism has a potential to radically extend participation at the community level but empowering 'networks' does raise issues in regard to representative democracy which need to be addressed;
- Localism can only succeed once it is clear what the distribution of power and responsibilities is between the various levels of government and governance. Arbitrary policy interventions by central government on specific issues undermine certainty and seriously damages both credibility and morale.
- Localism can only be effective if it has significant local financial and economic control. This is probably most likely to occur if localities are allowed serious revenue raising powers.
- Localism can only plan structural projects for the local or at best sub-regional level. What is more, different localities will make different decisions. National infrastructural projects are the responsibility of national governments but mechanisms need to be found to integrate national and local policies to the satisfaction of both parties.
• Locally driven economic development can only satisfactorily deal with local or at best sub-regional economies. In the absence of any regional or national economic strategy it is likely to lead to increased relativities between local economies and so increase relative inequality between geographical regions.

• Whilst some local authorities have been very effective in engaging with global companies and global markets, the absence of a national economic strategy is in danger of having a deleterious effect upon abilities to engage effectively in global economic relations.

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