

Devolved approaches to local governance: policy and practice in neighbourhood management

The *Modernising local government and Neighbourhood management* policy initiatives are intended to reinvigorate local democracy and to ensure that government is more responsive to local needs. Drawing upon research findings of current practice, this study – by Aston Business School – reviews the underlying issues and constraints, explores alternative approaches to neighbourhood management and examines the consequences for central and local government. The analysis suggests that far more attention needs to be given to issues of organisational and cultural change, capacity building and the hidden costs of implementing these new agendas. The researchers found:

- f** Local authorities are already engaged in various forms of decentralisation and there is widespread confidence amongst authorities that they can respond to the emerging agenda. But, it remains to be seen whether all authorities as currently constituted have the necessary resources, organisational capacity and/or the political commitment to fully discharge the government's agenda.
- f** There is no single blueprint for change; choices range from wholesale political devolution to decentralised service delivery and from the targeting of geographical areas to focusing on policy themes or individual projects. The local authority's community strategy should help inform these choices.
- f** Authorities face various difficult choices, including what emphasis should be placed on area management and how far to devolve decision-making to local communities.
- f** Citizens need to be convinced that their views will be taken into account and that local authorities and other public agencies are willing to change their ways of working.
- f** Central government has a key role to play in devolving more decision-making by resourcing community engagement and facilitating local flexibility, pooled budgets and more risk-taking.
- f** The authors conclude that devolved approaches to local governance require:
 - government structures capable of responding flexibly to local issues.
 - a long-term commitment to building community capacity, including communicating information to citizens and training to deliver community agendas, by working with local leaders, local authorities and other partners. Information technology could play a key role in this.
 - consultation strategies – embedded in policy-making processes – so that public participation is transparent, properly planned and implemented, with the responsibilities of key stakeholders and realistic assessments of expected outcomes clearly identified.

Policy background

This study examines the current debate about new forms of local governance and its potential implications for central and local government policy and practice. It is widely acknowledged that decision-making has become too centralised and that programmes delivered on traditional departmental lines often fail to respond to the needs and expectations of local communities. The Government is seeking to tackle these failings through its programmes for *Modernising local government* and the *National strategy for neighbourhood renewal*. The aims are to achieve a holistic approach to policy development and delivery, focused on the requirements of local citizens, and to reinvigorate local democracy. Particular importance is attached to a community-led approach in which local citizens and stakeholders engage in capacity building, community plans and devolved forms of local government.

These developments herald a potentially significant shift in the way our communities are governed. However, unlike some other European states, UK government has not been designed with decentralisation or area management in mind. Previous attempts by central government to adopt devolved and targeted approaches to area regeneration have often foundered on rigid bureaucratic structures and a lack of understanding of how to engage local communities. Local authorities, too, are castigated for being remote and failing to meet the genuine needs of local communities. Parish and town councils offer a prototype for devolution, but their role in the modernising agenda has been strangely neglected.

The case for local devolution

The case for devolved forms of local governance presumes that they offer the prospect of:

- Providing better quality and more 'joined-up' forms of service delivery based on community priorities.
- Ensuring that local authority main programmes and budgets are better targeted at community needs and priorities.
- Providing a territorial focus for crosscutting measures, which emphasise outcomes for citizens rather than outputs for bureaucrats.
- Presenting the opportunity for enhanced community participation and partnerships with local authorities.
- Strengthening the role of elected councillors.
- Developing the enabling role of local authorities by involving local stakeholders in area-wide and local partnerships.

Key themes

The Government's programme for local government challenges established approaches and raises a number of practical considerations:

- How the various elements of the Government's agenda are to be brought together at national, regional and local levels.
- The need for organisational and cultural change and the political and financial challenges in implementing devolved approaches.
- The role of traditional representative politics.
- The means by which active community involvement may be translated into genuine forms of local devolution.

The role of central government

Although devolved local government may be regarded as a local activity, central government has a responsibility to:

- Establish clear links between the array of emerging regional and local authority community strategies and neighbourhood management and regeneration partnerships.
- Co-ordinate national and regional responses that run across bureaucratic boundaries and assign greater discretion to the regional and local outposts of central government.
- Take account of local circumstances and the practical problems faced by those implementing neighbourhood management. All too often, centrally imposed solutions inhibit local innovation and sustainable solutions.
- Adopt a national programme for compiling data for small area analysis and promote the use of new technologies for training and information exchange and democratic engagement.
- Support pilot schemes, disseminate good practice and develop new approaches to the measurement of community engagement and 'quality of life' outcomes.
- Recognise that additional support will be required to cover the 'hidden costs' of the new approaches for individuals and organisations.

The challenges for local authorities

Improving service delivery and political devolution

Local authorities are already engaged in various forms of decentralisation and, whilst there is a widespread belief amongst authorities that they are well equipped to respond to the emerging agenda, it remains to be seen whether they have the necessary resources and/or the political appetite to do so. Authorities will need to explore a range of difficult choices, including

the emphasis to be placed on area management approaches and how far to devolve decision-making to local communities. Greater citizen engagement via Community Strategies and Best Value may be anticipated to improve service outcomes. But whether authorities are ready to devolve substantial decision-making powers and resources is far less certain.

Areas, themes and projects

Local authorities will also need to decide on the form of neighbourhood management to be applied. There is no standard model but three methods stand out within a spectrum of choices:

Area-based: The selection of localities of differing physical size for comprehensive, devolved forms of management covering a potentially wide range of policy areas and service delivery programmes. Several authorities are adopting an expansive model of neighbourhood management that nests within a local authority-wide approach to governance.

Thematic, client-based approaches: The complexities entailed in a comprehensive area-based approach have led local authorities and central government to adopt a thematic approach, where the emphasis is on issues including crime and disorder, education, the environment, parenting, and housing management. Such initiatives may extend across a whole local authority area, be targeted on particular localities or on the needs of specific client groups - young unemployed or disabled people. They frequently involve local partnerships drawing on funding from specially devised national programmes. But such centrally determined initiatives may prove difficult to reconcile with area boundaries and local definitions of neighbourhood. The approach can also lead to duplication in relation to policy issues and the targeting of clients and/or areas and create confusion about the roles and responsibilities of key players.

Project-specific approaches: the quickest and easiest way of securing community engagement and results at neighbourhood level is when the issues are specific and project-based, for example small environmental projects or play areas. In the longer term such schemes may act as a spur to greater community involvement.

Key issues for effectively devolved governance

Establishing the needs, priorities and aspirations of key players and individuals: Local devolution implies that the needs, priorities and aspirations of local communities are identified and a set of actions agreed with the key organisations responsible for meeting local needs. Local authorities experienced in area-based programmes should review the effectiveness of

mechanisms for determining needs and priorities. For others, the most pragmatic approach may be to begin with simple, project pilots. This should enable best practice to be established and relationships to be built around an achievable set of objectives and outcomes. Small-scale projects and less ambitious forms of decentralisation are best suited where needs and priorities are easily defined. With experience, and increasing self-confidence, lessons can be transferred to more complex forms of neighbourhood management.

Building community capacity: promoting participation: Local authorities apply a range of participation techniques, but it is often unclear how the results influence decisions or how participation may be used to stimulate inclusive local involvement in decision-making, implementation and capacity building. The experience of Best Value pilot authorities points to the need for participation to be properly planned and implemented. The scope, realistic outcomes and the time period of the exercise should be clear from the outset, the responsibilities of the local authority, councillors and other stakeholders defined and communities reassured that their views will count. A considerable commitment in terms of time, money and change in bureaucratic habits is required if communities, in particular 'hard to reach groups', are to become active participants. The network of intermediary bodies which assist local communities, and which are presently under-resourced, needs strengthening and consideration should be given to creating a government-supported fund, to facilitate community engagement. The key lesson to emerge is that participation is not a one-off exercise and building community capacity requires resources and a sustained commitment.

Enhancing and legitimising the role of elected members: Devolved approaches to neighbourhood management present opportunities and challenges for councillors. It allows them to be seen to be more involved in local issues, but may be a source of conflict if their priorities, those of the community and local authority staff, assigned to help to deliver community priorities, do not match. Tensions may also arise between councillors fulfilling a neighbourhood role and those at the centre engaged in new forms of cabinet style government. In each of these circumstances clarity of roles, responsibilities and declarations of interest are vital.

Improving service delivery: Service delivery should be improved if account is taken of community views. But staff in local authorities and other public agencies will need to develop new skills to work with local communities and client groups and operate across professional and departmental boundaries within and

between organisations. Attention also needs to be given to resolving competing local interests and balancing local priorities with the need for an equitable distribution of resources and effective service delivery across a wider area.

Developing the enabling role of local authorities:

Local devolution may accelerate the process in which local authorities become 'enablers' rather than direct service providers, as authorities begin to support cross-cutting and capacity building measures, through strategic and local partnerships. This will require innovative ways of working, including networking skills and new approaches to accountability. Careful consideration needs to be given to the costs and benefits of direct and indirect service provision.

Producing better 'joined-up' working: Political and institutional commitment to 'joined-up' working is essential if it is to succeed. Central government has a key role to play in devolving decision-making in its own structures and facilitating flexibility and pooled budgets at local level. Implementation of proposals in the Cabinet Office Report *Reaching out* and the launching of the Urban Renewal Fund should have an impact in due course.

Devolving budgets from main programmes: There is little evidence that the 'bending' of programmes is taking place yet on a significant scale, although Best Value and the pilot Public Service Agreements are encouraging local authorities to examine new approaches to resource allocation and service delivery. Many authorities fear that devolved forms of local governance will be more costly than traditional approaches. Moreover, authorities presently operate within a legal framework that limits the ceding of significant decision-making and budgets to local residents and organisations – a key issue to be dealt with if local devolution is to proceed.

Encouraging innovation: Local devolution may entail additional risk, and attention needs to be given to new approaches to regulation and public auditing. Encouraging innovation is easiest when people understand and relate to the objectives and required outcomes. It becomes more difficult in area-based and thematic approaches. As complexity increases innovation all too often takes the form of process changes and outcomes for residents are replaced by more easily measurable outputs. But moves to more devolved governance are dependent upon innovations – 'doing things differently' – that deliver better, more accountable and transparent outcomes. An unwillingness to change will quickly become apparent to citizens and other local stakeholders. Expectations

about the outcomes of local devolution should not be overstated.

The way forward

The researchers conclude that at this stage in the modernisation process diversity is the keynote. Local authorities should adopt approaches that best suit local needs, political structures and the capacity and willingness of local institutions and communities to adopt alternative forms of local devolution. Learning from best practice and disseminating different working models are vital in order to avoid 'reinventing wheels' and to maximise impacts. Experimentation and risk-taking should be encouraged. Making mistakes is part of the process of capacity building and changing the way people and institutions act. At this stage action research and pilot programmes could well prove valuable. The hidden costs of fostering community engagement, partnerships and innovation need to be more fully recognised. But, ultimately, it is the willingness of local authorities and central government to learn and transform their bureaucracies through clear political leadership that will determine whether the stated desire for more devolved forms of local governance is met.

About the study

The report was prepared by Graham Pearce and John Mawson of Aston Business School, Paul Burgess, Visiting Research Fellow, and by Stephen Hall of the Centre of Urban and Regional Studies, Birmingham University. It draws in particular upon the work of the Policy Action Teams set up to develop the National Strategy for Neighbourhood Renewal, the evidence presented to the Local Government Association's Urban Commission hearing into neighbourhoods and research on the Best Value pilot authorities, conducted at Warwick University and elsewhere.

How to get further information

The full report, *Devolved approaches to local governance: Policy and practice in neighbourhood management* by Paul Burgess, Stephen Hall, John Mawson and Graham Pearce, is published for the Foundation by YPS (ISBN 1 84263 012 1, price £6.00).