

National Commission on the future
of governance in the public sector

Place roundtable

The future of Place and governance in the UK

The National Commission

The National Commission is an independent project established to make a unique and necessary contribution to UK public life. We believe a strong and effective public sector is essential to the UK's democratic principles and for a just, sustainable and equitable future.

The National Commission was established out of concern that rapid changes in the world have created enormous threats for the public sector.

The importance of good governance has come into sharp focus during the coronavirus pandemic and the National Commission will provide the fresh thinking needed to drive change in the post-pandemic world.

The commission is built around three pillars: place, digital and citizens. They provide the basis for our framework of enquiry. These capture the central issues facing the public sector in the next decade and will be used as lenses to explore a range of topics that are essential to good governance, including: sustainability, ethics, accountability, policy, leadership and regulation.

Place focuses on issues that are specific to a locality, community or neighbourhood. At the level of place, public sector organisations and partners come together to achieve local social, environmental and economic outcomes.

Digital covers technological transformation, artificial intelligence, machine learning and innovation. The future of good governance must go beyond organisational transformation and tackle issues of legitimacy, ethics, trust, power and data ownership.

Citizens relates to ordinary people's engagement with governance and their changing relationship with public institutions. Public sector governance is struggling to embrace the consequences of increasingly engaged citizens. We're here to explore whether there are alternatives to the current models.

The commission produces evidence-based reports and stimulus papers which make recommendations for the public sector. We hold events that bring together leaders from across society to explore the role of governance in securing a positive future for the public sector.

To help develop a vision for this future, the Good Governance Institute established the National Commission on the future of governance in the public sector.

The Commission was established and continues to be supported by the Good Governance Institute as part of its mission to create a fairer, better world.

This report is authored by Sam Currie, with support from the National Commission team.

<https://www.nationalcommission.co.uk> <https://www.good-governance.org.uk>

Place – Giving a voice to local communities

Place, meaning a closer focus on cities, regions or communities, is a central theme within the National Commission. This not only encapsulates policies and public sector structures based around an area, but also reflects the drive towards citizens' economic development and wellbeing with their unique needs and context in mind. Place means an approach tailored to the citizen in all parts of their life from health to housing and education to arts.

Attention to Place over the past decades has been patchy and reflected the changing political climate. Smart cities, asset-based development and industrial policy have all drawn on this idea but, particularly in the UK, these are yet to be realised in a meaningful way.

However, Place and localism are once again back on the agenda as recent political events have shone a light on regional inequalities and the erosion of community. The National Commission will explore whether this time will be different to previous attempts at local empowerment and how power can be most effectively returned to local communities across the UK.

Purpose of roundtable

In November 2020 we brought together a wide selection of policymakers, local councillors, academics and senior figures in the NHS to discuss the future of Place in the public sector. The roundtable was intended to provide much-needed time, space and stimulus for thoughtful reflection on complex issues. The importance of this discussion has been made all the more pertinent following the leaked response to the NHS ICS consultation paper.

The roundtable began with the follow question:

“Place-making and Place-based governance are critical to delivering better public outcomes over the next decade. What needs to happen to make it all really work this time?”



Roundtable themes

The discussion revolved around **six themes**. These are captured in single statements behind which was a detailed discussion that is summarised in the following pages.

1. Empowering local communities and citizens

Place-based policies will only work if they are focused around the specific needs of citizens and communities. Place must simultaneously empower a range of stakeholders at a local level and facilitate the continued growth, and in some cases, regeneration of communities.

2. How perceptions of Place have changed during the COVID-19 pandemic

The pandemic has laid bare the deficiencies in the Centre to Local relationship in British politics, underlined the importance of communities and local input and revealed the absence of these in local government in much of the country.

3. Learning from the experience of devolution

Many of the arguments currently being made for greater devolution to localities have been made before in various guises and at different times. Lessons need to be learned from these experiences to ensure the current support for Place-based governance does not fade away without substantial policy change.

4. The centralisation of power within Britain

The architecture of the British state was regarded as a structural barrier to providing local governments and communities with more power. The London-centred mindset that permeates all policy discussions serves to perpetuate the structural centralisation seen in the overwhelming power wielded by the Cabinet Office, Treasury and Number 10.

5. Whitehall's attitude to devolution

Our attendees often felt that previous attempts of devolution to Place had been stymied by the attitude of Whitehall. The London civil service's view of local government was likened to an adult-children relationship with local institutions distrusted and undermined when seeking to influence policy.

6. Navigating local relationships to make Place work

It is essential that local stakeholders make use of their varied expertise and networks and do not get caught up in their own(?) efforts to centralise at Place. When power is devolved to Place it is essential that it is used effectively, meaning local actors collaborate and share power actively to produce the best outcomes for citizens.

Summary of discussions

1. Empowering local communities and citizens

“We don’t have a representative system of local governance in this country” – Paul Hildreth

“Local politicians cannot achieve their aims when they have such few levers at their disposal” – Karime Hassan

“The key challenge is to bring back power from placeless power to Place-based power” – Robin Hambleton

“It’s not just about individuals or institutions, but restoring life at the level of the neighbourhood” – Cormac Russell

“Our system creates the lowest level of learning from the bottom-up” – Phillip McCann

“We are measuring quality of programme when we should be measuring quality of life” – Cormac Russell

“We need to be rooted in community, to work collaboratively and really focus on inequalities and outcomes”

“We need to ensure that we don’t delegate to people, only for them to become the centralisers” – Gill Morgan

“We can’t engage with community until community is built” – Cormac Russell

“Place is so central to people’s identities” – Robin Hambleton

“The role of the citizen has been defined as that which happens after the seeming important work of the professional is done, and that’s just become institutionalised” – Cormac Russell

“We must start seeing the neighbourhood as the primary unit of change” – Cormac Russell

Local government has historically been disempowered across the UK. In recent years it has been granted progressively fewer resources and seen diminished influence over decision-making. While this is a key element to Place-based policymaking, it only tells part of the story. Crucially, community itself has been eroded in the last few decades, be it through employment that previously provided esteem and a cohesive identity for residents, community organisations that bound neighbourhoods together or a high street that was the heart of a town. The demise of these various structures can be seen as a broader pattern of prioritising impersonal economic priorities over the pillars of local life. Therefore, part of Place-based policy must involve rebuilding communities.

People’s perceptions of their day to day lives is shaped at the level of neighbourhood, therefore it is essential that they feel that they can influence this and have agency over their lives. Empowering communities cultivates a sense of value and engagement with decision-making among citizens. As such viewing communities as key agents and units of change not only fosters bonds between residents, but can foster pride and meaning. Place not only means devolving power to local authorities but giving greater priority to local projects and community assets and empowering citizens to build these.

2. How perceptions of place have changed during the COVID-19 pandemic

“Our assumptions about the local and national have been laid bare by the COVID crisis. Our assumptions about the efficiency of agglomeration are out of the window” – Jen Wallace

“We have a cultural tendency to assume the efficiency of command and control which we’re seeing through Test and Trace does not always work” – Jen Wallace

“The pandemic gives us an opportunity to rethink” – Jen Wallace

“There’s an opportunity not because all those assumptions were wrong but because we can suddenly see assumptions that we didn’t previously know we had collectively” – Jen Wallace

“This gives us the opportunity to almost start from scratch to think about what good governance looks like” – Jane Tarr

COVID-19 continues to have profound impacts on all aspects of life. Regarding Place, it has underlined the perils of the UK’s centralised state apparatus, but also revived many people’s sense of social cohesion. Although the virus necessitates restrictions on our social contact, many have found their local ties and community strengthened during the pandemic. In the past year, we have seen phenomenal examples of social actions as many local groups mobilised themselves during the crisis and formed new links in a spirit of cooperation: coordinating food packages for the most vulnerable, community phone calling to alleviate loneliness, and the thousands of NHS volunteers have really underlined this. The enormously positive impact to citizens’ wellbeing that these actions have produced demonstrate the power of community and importance of maintaining these bonds after the pandemic.

The crisis has also amplified the deficiencies of the UK’s centralisation. While public health and infectious diseases is a competency typically overseen by Public Health England but delivered in coordination with local government, the test and trace regime has been highly centralised. Testing and tracing is a vital element of the pandemic response and the British government has chosen a highly centralised national test, track and trace system, which has not utilised local knowledge or infrastructure. As such the initial testing response was slow and disjointed and was seen as an encapsulation of an approach that centralised and failed in its early pandemic response with rates of testing lagging behind those of other countries. On the other hand, Germany has adopted a highly decentralised system, seen as one of the key factors behind its low fatality rate and as an approach which stands in stark contrast to the UK’s local lockdowns, power battles with local politicians and local public health bodies lacking timely access to data on their areas.

3. Learning from the experience of devolution

“The day-to-day demands of the system take attention away from us and let us down every time” – Gill Morgan

“when people are busy trying to reform the system, they’re doing it in silos” – Cormac Russell

“The culture of governance is essential. Having the right people around getting a variety of voices, especially young people” – Jane Tarr

“Many attempts have been made at this in past, making the same arguments over and over again” – Phillip McCann

Attempts to devolve power to local communities have gathered momentum before, but has invariably been unsuccessful. While many structural barriers were noted by our contributors, they also felt there were key lessons to be learnt. These efforts were previously spread across numerous charities, pressure groups and government departments and failed to communicate and develop

the coherence that is essential to achieve such large structural change. Indeed, these discussions must move beyond these circles to engage more groups in society whilst maintaining the clarity that is essential to gaining purchase at the top of government.

4. The centralisation of power within Britain

“Power looks out from Westminster to the rest of the country. We’ve seen this time and time again through the COVID crisis and the way London has dominated the narrative” – Paul Hildreth

“There’s a lack of respect for the local from the centre” – Paul Hildreth

“We are the most centralised state in Europe” – Robin Hambleton

“Relocating responsibility but not relocating authority” – Cormac Russell

“The UK is more inter-regionally, economically unequal than any other country in the world” – Phillip McCann

“Decision-makers make decisions about places without caring about the impact” – Robin Hambleton

“In the UK we do not have a towns and cities problem, we have a regional growth distribution problem” – Phillip McCann

“We have a top-down system that is centralised – it maximised degrees of separation” – Phillip McCann

“Local authorities are structured to have limited powers” – Karime Hassan

“Big cities in the north of England are below the UK average in terms of prosperity. They are below everywhere in the Netherlands, everywhere in Belgium, nearly everywhere in Germany. Why? It’s to do with governance” – Phillip McCann

While the pandemic has underlined the degree of Britain’s structural centralisation, this concentration of political authority is part of a broader culture that inhibits uptake of knowledge from, and empowerment of, local communities. Many of our contributors noted that for decades Britain was the most centralised country in Europe in terms of political decision-making. The length of time that London has dominated the UK’s politics has diffused across society and created a self-perpetuating culture of centralisation.

Britain’s political system demands that any entity seeking to influence policy, be it a think tank or pressure group, must be located in London. Coupled with much of the media and economic activity being centred around the capital and the south east, it becomes very difficult to shape the agenda from elsewhere in the country. Moreover, as the majority of the cultural, intellectual and political activity is focused on London, a cycle is created whereby individuals decreasingly look elsewhere for innovation or decisions. These factors all lead to a situation in which Place-based thinking and working is increasingly difficult and will need to be overcome if localism is to be seriously attempted.

5. Whitehall’s attitude to devolution

“There is a lack of joining up at a national level. Departments don’t value other parts of the sector” – Gill Morgan”

“The enablers do not want to see a truly devolved system where decisions are taken as close to the citizen as possible” – Gill Morgan

“Things are run from the centre; it’s very top-down and there’s a serious lack of respect for the local”
– Paul Hildreth

“If you talk to senior civil servants, they link the local is often childish” – Paul Hildreth

“The lack of trust in local communities is continually and daily exhibited” – Paul Hildreth

“You have a very small number of people right at the top make massive decisions for enormous numbers of people” – Phillip McCann

Perhaps the starkest manifestation of British centralisation is Whitehall’s approach to local government. Contributors at the roundtable felt a reluctance within the civil service, and in particular the Treasury, was a key impediment to change.

As the ultimate test of political authority lies in the distribution of money, the exchequer has the ability to block devolution to local governments. Indeed, this is frequently the case as arguments for Place-based working, which are often framed in terms of citizen wellbeing or empowerment, fail to capture the attention of Treasury officials, who remain focused on market efficiency and GDP growth. Therefore, it is essential that advocates for local empowerment provide the economic case for devolution.

6. Navigating local relationships in making Place work

“It is obvious that we will achieve more if we blur our own autonomy. It is an absolute no-brainer that pooling our resources will lead to new and innovative ways to serve local communities” – Gill Morgan

“Many sectors need to be aligned, no one institution has them at their disposal” – Karime Hassan

“in order to have a greater impact on our locality, we need to give up some power... it needs local authority leaders to realise, if they’re going to engage, they have to surrender some control” – Karime Hassan

If power is devolved to communities and individuals at the level of Place, it is essential that it is managed well. There is a danger that the organisations receiving devolved powers concentrate their new competencies in their hands, rather than distributing it across the community. For local empowerment to be successful, local authorities will have to make use of all the organisations and knowledge spread across a region. This would be mean aligning infrastructure spending, education, housing and jobs to create a strong, viable economy. One institution also does not have the power or remit to coordinate this. Therefore, each organisation will have to be content to give up a small amount of influence to be a smaller part of a stronger whole.

Concluding comments

Maintaining sufficient momentum in policy circles to achieve the ambitious agenda of Place-based governance will not be easy. Placing working will need governance structures to support devolution of power and proper decision making if it is to turn the tide against the centralisation agenda. Indeed, while making arguments for the devolution of power to various audiences, the inherent value of Place-based working should not be lost. The efficiency and viability of the future public sector will depend on the right delivery of services at Place level and as close to the citizen as possible as the sustainability of public services and public sector will revolve around Place based models of care and delivery. Finally, it is essential that in areas that to whom power is devolved, they demonstrate a positive model for effective Place-based operating. It is essential that all organisations recognise this, sharing power and making the best of one another’s expertise to make of the most of partnership working.

Participants

Jessica Crowe, Corporate Director of People Policy and Performance, Newham Council
Jeff Farrar, Chair, University Hospitals Bristol NHS Foundation Trust
Richard Fradgley, Director of Integrated Care, East London NHS Foundation Trust
Robin Hambleton, Emeritus Professor of City Leadership, University of the West of England
Karime Hassan, Chief Executive & Growth Director, Exeter Council
Paul Hildreth, Chair (Policy Committee), University College London
Joyce Liddle, Head of Centre for Leadership and Strategy, Northumbria University
Rima Makarem, Independent Chair, Bedfordshire, Luton and Milton Keynes ICS
Phillip McCann, Chair in Urban and Regional Economics, Sheffield University Management School
Gill Morgan, Independent Chair, Gloucestershire ICS
Sue Musson, Chair, Liverpool University Hospitals Foundation Trust
Cormac Russell, Managing Director, Nurture Development
Jane Tarr, Director, Organisational Resilience, Environmental Sustainability and Newcastle, Arts Council England
Benjamin Taylor, Chief Executive, Public Sector Transformation Academy
Jennifer Wallace, Head of Policy, Carnegie Trust

On behalf of the National Commission and GGI:

Mark Butler, Convenor of the National Commission and Executive Partner, Good Governance Institute
Professor Andrew Corbett-Nolan, Chief Executive, Good Governance Institute
Darren Grayson, Executive Partner, Good Governance Institute
Sir Ian Andrews, Commissioners an Advisory Group Member, Good Governance Institute
Dr John Bullivant FCQI, Commissioner and Chair of Advisory Group, Good Governance Institute
Ian Brandon, Consultant, Good Governance Institute
Rory Corn, Research Analyst, Good Governance Institute
Professor Mervyn King, Commissioner and Advisory Group Member, Good Governance Institute
Dr. Charles Tannock, Commissioner and Advisory Group Member, Good Governance Institute
Baroness Glenys Thornton of Manningham, Commissioner and Advisory Group Member, Good Governance Institute



www.nationalcommission.co.uk

