Tokenism not Localism?
Learning the lessons from Local Area Agreements: a case study of Rossendale in Lancashire[1]

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Introduction

Following the election of the coalition government, and in the context of an economic recession, a lot has been written on the subject of localism. In this paper a different approach is taken to understanding the theory of localism from the bottom-up. By examining the impact Local Area Agreements in Rossendale have had upon delivering localism, this paper identifies potential barriers to the Coalition's localism agenda with the anticipated Decentralisation and Localism Bill set to go before parliament later this year.

Localism is 'where power is decentralised to the lowest possible level' ('Control Shift', 2010)[2] meaning that local community and voluntary groups have more power to say how their local area is run. Yet the concept remains somewhat confusing as it overlaps with other key policy rhetoric, not least 'Big Society'. However, for the purposes of this Local Work, the attention is focused on the role of local government.

The examples in Rossendale make direct comparisons between Local Area Agreements and the coalition government's localism policy. Like most local authorities, Rossendale felt the squeeze of the global recession and is also adapting to the recent change of government. Furthermore, Rossendale is part of a two-tier system which is well known for creating 'tensions' between local and central government. This power struggle in Rossendale makes an interesting context for examining the theory of localism. More broadly, the general election of May 2010 makes now a relevant time to reflect on Local Area Agreements – a product of the 'New' Labour years – and consider how the coalition government will take forward local government monitoring.

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[1] Based on a dissertation by Alexander James Rowe submitted to the University of Manchester entitled 'How local are Local Area Agreements: the case of Rossendale, Lancashire 2008-2011'. This Local Work was written during Alexander's time as an intern at CLES in summer 2010.
[2] Conservative Party (2010), Control Shift, accessed 21/09/10 at:
http://www.conservatives.com/News/News_stories/2009/02/Its_time_to_transfer_power_from_the_central_state_to_local_people.aspx

This edition of Local Work sets out some key lessons from Local Area Agreements in Rossendale, both the positive and the negative. It examines how the 'local' is constructed in the Local Area Agreements, by seeing how it is consulted, performance/financially managed and the degree to which local people are able to influence the localism debate; making recommendations for policy and practice.

Constructing the 'local' in Local Area Agreement

> "*It is called a Local Area Agreement but it is not local. It is however, local at a County Council level... Whereas Rossendale's Sustainable Communities Strategy is local as it was consulted with local people in mind*"[3]

The Lancashire Local Area Agreement is the 'delivery mechanism' of the Sustainable Community Strategy vision for the two local areas of Lancashire and Rossendale. The 'local' is constructed in the Lancashire Local Area Agreement in a number of different ways. We can understand the ways the local is constructed is through comparing Rossendale and Lancashire's Sustainable Community Strategies.

	Rossendale Borough Council	**Lancashire County Council**
Sustainable Community Strategy:	This is the vision for Rossendale, which is based on the needs and aspirations of 'local people'. It divides Rossendale's local vision into a set of 'Principles' and 'Priorities'.	This is the vision for the County Of Lancashire, which is based on the needs and aspirations of 'local people'. It divides Lancashire's vision into a set of 'Principles' and 'Priorities'.
Vision:	"By 2018, Rossendale will have strong communities with an enhanced environment and heritage. It will be an attractive place to live where tourists visit and employees invest"[4]	"To position Lancashire by 2025 as an area of outstanding opportunity, combining a world-class economy with a breath-taking environment and exceptional communities"[5]
Principles:	• Reducing Inequalities; • Community Engagement and Development; • Community Cohesion Promoting Equality and Valuing Diversity.	• Narrowing the gap; • Active and Involved Citizens and Communities.
Priorities:	"People, Place and Prosperity"	• Economy; • Health and Wellbeing; • Education Training and Skills; • Environment; • Community Safety.

When comparing the two visions of Lancashire and Rossendale it is strikingly obvious that the two visions were consulted at different times, giving them very different outcomes. Consequently these inconsistencies mean that local people are not fully engaged in Rossendale's or Lancashire's Sustainable Communities Strategy vision because each of the visions are represented at different spatial scales, lowering the possibility of local engagement. Because of this the two visions are unable to appreciate the wider aims of what their local area wants to achieve by 2018 or 2025.

By looking at the two ways the local is constructed in both Rossendale and Lancashire, we are able to learn some valuable lessons.

One lesson to learn from the mistakes of Lancashire's (2025) and Rossendale's (2018) Sustainable Communities Strategies' visions is that if both of these visions are to be achieved, then they will have to be consulted at the same time. If the two local authorities consulted their Sustainable Community Strategies'

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[3] Interview Rossendale Borough Council (2010) Planning Officer/Spokesperson
[4] Rossendale Alive (2008) Our Sustainable Community Strategy, 4-60
[5] The Lancashire Partnership (2008) The Lancashire Local Area Agreement, Lancashire County Council, 4-18

visions at the same time this would rule out basic inconsistencies, making the visions more transparent in the local community.

Nonetheless, the two visions of Rossendale and Lancashire are similar in the sense that they both have a singular overriding vision for an area which is supported by a structured sets of 'principles' and targeted 'priorities'. For example, Lancashire's 'principles' are "reducing inequality", similarly Rossendale's is "narrowing the gap". This approach presents a more realistic, achievable and targeted vision of improvement for a local area like Rossendale and is something the coalition government's localism agenda should take note of. Paradoxically the targeted visions of Rossendale and Lancashire are more intuitive as they allow for more local engagement by prioritising and targeting specific local people. This is because unstructured visions without 'principles' and targeted 'priorities' discourage local engagement because they are too comprehensive. Whereas targeted and prioritised visions are more intuitive and inclusive to local people and encourage local engagement to take place.

In summary, one of the key lessons to learn from this comparison is that whatever policy or vision forms part of the coalition government's localism agenda it needs to be prioritised and targeted so that there is consistency between local authorities and so that local people can play a part in working towards achieving these visions. Therefore the most appropriate means of achieving localism would involve having a narrower focused and more targeted vision for a local area like Rossendale.

This means that Sustainable Community Strategy policy has to be more targeted in the future. This is tokenistic in the sense that a more targeted approach would mean that some local people are more important than others. Nevertheless, if we are going to learn any lessons from Sustainable Community Strategy policy it is that if Local Area Agreements, or any other localism policy delivery mechanism, is going to be successful then local visions have to be targeted and prioritised. Essentially, promoting tokenism but delivering localism.

How can power be devolved to local communities?

Lancashire's Local Area Agreements affect Rossendale's local people through the selection of local indictors, the constructions of visions, and the funding of local partners. With these three aspects of localism in mind, it is important to consider how local people are able to influence these processes; making recommendations for policy and practice.

In the opinion of Rossendale Planning Officers/Spokesperson, Local Area Agreements should be about what local residents want. Conversely Lancashire County Council Planning Officer commented that Local Area Agreements are all about partnerships. In this instance, both Lancashire and Rossendale have contrasting opinions on what role 'local' people should have in influencing localism policy and practice. Lancashire County Council believes that the scope for local people to make recommendations is well established in the present relationship arrangements for Local Area Agreements in consulting and rewarding partners. Whereas, Rossendale Borough Council feels that local people, who are not members of local partnerships are being misrepresented in the Local Area Agreement so that their views are not taken into account in the localism debate. Hence a spokesperson for Rossendale Borough Council describing the present Local Area Agreement as:

> "*It is called a Local Area Agreement but it is not local. It is however, local at a County Council level... Whereas, Rossendale's Sustainable Communities Strategy is local as it was consulted with local people in mind*"[6]

This quotation encapsulates the frustration felt by lower-tier Local Authorities in two-tier systems. One solution proposed by Rossendale Planning Officer/Spokesperson was to select Rossendale's 11 Local Area Agreement indicators from Rossendale's Sustainable Communities Strategy's 14 Outcomes. This strategy would make the present 11 indicator's more 'local' to Rossendale, galvanising the council and more importantly increasing the scope for local people to influence Local Area Agreement localism policy and practice.

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[6] Interview with Planning Officer / Spokesperson, Rossendale Borough Council, 2010

In review of the present Local Area Agreement arrangement, local people that are not involved in partnership are underrepresented. There are several arguments put forward on this issue.

- The Public Health and Involvement in Health Act[7], which introduced the 'councillor's call for action' aimed to polarise public opinion by exercising Overview and Scrutiny Committees in the seven Local Area Agreement themes. This was designed to check that local people are consulted in the localism debate. This policy seems perfectly rational in theory, but in practice seems irrelevant; a sign of tokenism;

- Local Area Agreements are not 'joined-up' and as a result fail to reward local partners with funds, meaning that local people are not rewarded or recognised; tokenism.

- A third argument is that Local Area Agreements are simply too complex for local people to understand which makes then inaccessible/sometimes irrelevant to local people.

One suggestion to address this would be that lower-tier local authorities should fully embrace localism, which would make local authorities like Rossendale more responsible for managing their own indicators. This approach goes against the existing the Local Area Agreement arrangement where the upper-tier local authority Lancashire County Council micro-manages localism. However, this is an important step if localism is going to be more successful then under the previous Local Area Agreement framework.

In summary, the present level of scope that local people have to influence Local Area Agreements is only through the partnership structure. Yet the existing partnership structure in Lancashire's Local Area Agreement is under considerable strain and tension within the two-tier system; further restricting opportunities for local people in Rossendale to influence or recommend policy in practice; which is essentially tokenistic.

All things considered, Local Area Agreements are local in name, but not in practice. If localism policy is going to emerge from transition, lower-tier local authorities like Rossendale should be given the opportunity to performance manage their own local indicators so that a true local reflection of the local authorities' performance can be gained. This would mean that lower-tier authorities would be responsible for the delivery of localism and the role of upper-tier authorities in a two-tier system would be to 'safeguard' lower-tier authorities like Rossendale.

Auditing and financial management arrangement for Local Area Agreements

One obvious difference between County and District financial management is that Lancashire County Council takes sole responsibility for auditing the Local Area Agreement. On the one hand, this makes Lancashire County Council more autonomous than Rossendale, undermining the theory of 'freedoms and flexibilities'[8]. However, on the other hand, a Planning Officer at Lancashire County Council commented during an interview that this actually benefits the District Council as it reduces Rossendale's auditing burden[9], thereby maximising the significance of 'earned autonomy'[10].

> **Definition of earned autonomy-** "It seems the government is, at least in its rhetoric prepared to concede to the local authorities measure of local autonomy, but it is 'earned' or 'conditional' autonomy, that is, conditional on local authorities doing what central government wants and in ways it approves" (Jones, G. & Stewart, J., 2002)[11]

This creates an imbalance of power in two-tier systems: a sign that the financial management arrangements of Local Area Agreements are really local at all, which undermines the decision-making autonomy of local authorities like Rossendale.

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[7] Communities and Local Government (2007c) The Government's Local Government and Public Involvement in Health Act (London; CLG) 119
[8] Office of The Deputy Prime Minister (2004) Local Area Agreements: A Prospectus. Local Vision London, 5-19.
[9] Interview Lancashire County Council Planning Officer (2009), County Hall Preston
[10] Communities and Local Government (CLG) (2008a) Area Based Grant: General guidance (London; CLG), 4-7.
[11] Jones, G. and Stewart, J. (2002) Central-local relations since Layfield Report, Local Government Studies, 28 (3) 22.

There are many reasons put forward why the County is best placed to audit the Local Area Agreement. Theories of 'joined up-government'[12] ideas of 'streamlining'[13] central government resources, 'improving value for money' and introducing 'non-ring fenced' auditing approaches, are all examples that are deemed to be better managed at the County Council level[14]. Nevertheless, the fact that Lancashire County Council is considered better equipped to audit Rossendale's indicators is a clear indication that the values of localism are being undermined by Local Area Agreement's policy of tokenism. In this case, it is the local authority of Rossendale that is experiencing tokenism as its abilities to audit its own indicators has been compromised.

The funding of Local Area Agreements is based on 'Single Pot' financing whereby 'pooled funding' arguably increases efficiency[15]. However, sceptics of the present 'Single Pot' funding arrangement, which they see as favouring the County, argue that Rossendale has a 'good' auditing record and should be granted the necessary, 'freedoms and flexibilities' to audit its eleven individual performance indicators[16]. When interviewed, Lancashire County Council's Planning Officer conceded that the present 'Single Pot' pooling mechanism was not an ideal financial management arrangement and suggested a potential solution to make the reward system fairer. The solution put forward is 'Total Place' and is described in the following way:

> "'Total Place' is the future: one big pot of money that is not 'ring fenced'. The money goes direct to Lancashire County Council and then is distributed to partners, as this way Lancashire knows how well each partner/local authority is doing."[17]

In this instance Lancashire would have the power to decide who deserves what, in terms of the amount of success judged worthy of reward. There are two sides to this argument.

The first is sympathetic to the above solution as the 'Total Place' arrangement would give more power and provide more funding to local partners in Rossendale. Put simply in this case, by promoting tokenism you are able to achieve localism. This is because localism essentially puts more power in the hands of local people, which in this scenario would involve increasing local partnership budgets and by doing so gives more power to local people.

The other side is to argue that 'Total Place' would make local partners more reliant on top-down funding. One of the consequences of this is that local partners in Rossendale become over reliant on top-down funding streams and are unable to adapt to changing economic circumstances, such as, for example, a global recession.

One of the obvious lessons to learn from the example of 'Total Place' is that localism has to be more than just logistics and partners. In the sense that partners are important but, in times of economic cuts-backs and when funding is not available, localism has to be adaptive. As a result, localism must not go down the route of promoting tokenism to achieve localism as this means that local partners are unable to adapt to change. A further point to make is that under this model local people who are not members of partnerships are not proportionally represented in the localism of Local Area Agreement because 'Total Place' only rewards partners. This presents challenges of inequality in the coalition's localism strategy.

How could you do localism differently?

It must be noted there is an ongoing power struggle between Lancashire and Rossendale, which is a recurring weakness in two-tier systems. If localism is going to learn any lessons then one of the solutions, which was proposed by a Rossendale Borough Council's Planning Officer/Spokesperson, would be to give lower-tier local authorities like Rossendale the 'freedom' to financially manage their own budgets independently. Clearly lower-tier local authorities like Rossendale independently managing their performance indicators is central to the values of Local Area Agreement localism. However, an alternative approach would be to:

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[12] Gillanders, G. and Ahmad, S. (2007a) 'Win-Win? Early experience from local area agreements', Local Government Studies, 33: (5), 744-756.
[13] National Audit Office (2007) Local Area Agreements and the third sector: public service delivery National Audit Office, 2-7.
[14] Communities and Local Government (CLG) (2008a) Area Based Grant: General guidance (London; CLG), 4-7.
[15] Gershon (2004:57) Releasing resources to the frontline, Independent Review of public sector efficiency, HM Treasury, 57.
[16] Interview Rossendale Borough Council (2010) Planning Officer/Spokesperson.
[17] Interview Lancashire County Council Planning Officer (2009), County Hall Preston

- Allow third sector, voluntary and community groups the opportunity to select their own 'local' indicators, so that these indicators/targets can be selected on the basis of what a local neighbourhood or ward wants to achieve in the future, thus making them more 'local';

- The role of the lower-tier authority, Rossendale Borough Council, would be to work with the local community groups at a local level by trying to 'deliver' these indicators;

- The role of the upper tier authority, in this case Lancashire County Council, would be to performance manage these 'local' indicators, by 'safeguarding' lower-tier authorities and providing assistance where necessary. Crucially this means having less powers of scrutiny over lower-tier local authorities like Rossendale when it comes to service delivery.

In this scenario lower-tier local authorities would be allowed to be more creative in their service 'delivery' as there would be less emphasis on performance management. Furthermore, this approach offers a distinct opportunity in that the power struggle in a two-tier system could be less influential, as the indicators/targets would be set by the third sector. This model is a far more 'local', bottom-up approach to localism, which is something that the coalition government should take note of. Another possible solution to make localism more 'local' would be to:

- Link performance indicators so that when an indicator is achieved then it is directly connected to the next, i.e. a cross-cutting indicator. For example, a local indicator might be targeted at encouraging more people to use public transport in their community as part of their travel to work journey. Through the achievement of this local indicator, the outcome could result in helping reduce carbon in the local authority and therefore should be rewarded. It must be noted the 'cross-cutting' indicators already exist in Local Area Agreements, but they are set at a national level when ideally they could be integrated into 'local' indicators;

- Partnerships networks should be less about 'joining-up' existing partners in the public sector like the Primary Care Trust with the Police, rand more about encouraging partnership to flourish between the social and private sectors within the local authority area;

- Local people who are not members of partnerships should be given the opportunity to influence the localism debate.

Summary of thoughts

By showcasing examples of the shortcomings of Local Area Agreements in Rossendale this paper has made it clear that the coalition government's Decentralisation and Localism Bill has some salient lessons to learn from Local Area Agreements. By examining the relationship between localism and tokenism, this edition of Local Work concludes that Local Area Agreements are local in name but not in practice. This statement suggests localism has to become genuinely more 'local' in order to be more 'successful'. To become more local, Local Area Agreements need to fully embrace the theory of localism. This means setting targets at a local level, employing a more inclusive method of consultation and granting lower-tier local authorities, like Rossendale, the necessary 'freedoms and flexibilities' to independently audit and performance manage their individual Local Area Agreement targets. Finally, if Local Area Agreements are going to be replaced then what ever takes their place in the future needs to be genuinely more local.