

Keep it Local: Manifesto 2021

LLOYDS BANK
FOUNDATION
England & Wales



locality
the power of community

Keep it Local is Locality's campaign – with Lloyds Bank Foundation for England and Wales – to build transformative local partnerships between councils and communities.

Our manifesto harnesses the learning from our Keep it Local Councils and their community partners. We show how the powerful partnerships these places have built have charted a way through the coronavirus crisis – and provide us with a blueprint for recovery.

We make a series of policy recommendations for how central government can support this growing Keep it Local movement and make it a key means of realising its ambition to level up the country.

Keep it Local: Manifesto

We have identified three big opportunities that the government has to harness the Keep it Local way. These are our recommendations of how they can do that in practice.

1 Turn community spirit into community power

Community power at the heart of the Devolution and Recovery White Paper.

A Community Wealth Fund to provide long-term investment in communities using existing funds from dormant assets.

A new Neighbourhood Recovery Fund to strengthen community organisations through the recovery.

2 Create collaborative public services

Long-term investment in councils and communities.

Make collaboration – not competition – the guiding principle of public services.

Localise social value.

3 Support a community-powered economic recovery

Put communities in charge of the Shared Prosperity Fund.

Devolve future rounds of the Levelling Up Fund and distribute to areas according to need.

Use the Community Ownership Fund to capitalise communities.

Introduction

The last 12 months have seen local areas challenged like never before. The coronavirus pandemic has brought untold grief to local communities and changed our lives in unimaginable ways. But up and down the country, places have stepped up together – charting a way through the crisis and showing the path to a better way of working in the future.

Across our Keep it Local Network, we've seen powerful and inspiring partnerships form between councils and communities. Sometimes these have built on the solid foundations of existing relationships. Calderdale have learnt from their tried and tested community flood recovery hubs, building on well established relationships with local organisations and wider communities. Newcastle's established community infrastructure support partners were well-placed to support the city's community response – from policy development to grant management and essential communications. Leeds was able to quickly mobilise thousands of volunteers across its network of community care hubs.

Elsewhere the crisis has created new partnerships. South Gloucestershire, for example, has accelerated a shift to "whole system" working, with better collaboration between the local authority, Clinical Commissioning Group (CCG) and voluntary, community and social enterprise (VCSE) organisations. And across the country we've heard how established community organisations have worked closely with new mutual aid groups.

Many of the great success stories of the last year have come from local areas working together to unlock the power of community. Relationships, connection, local knowledge and trust: deep and nuanced networks which have built up over years have proved their worth a thousand times over during the crisis.

Local authorities we have spoken to recognise they might not have always placed appropriate value on this community power in the past – but they certainly do now. We've heard over and over again how councils are looking at communities in a different light, with increased respect for their work and understanding of their skill. Their role has changed from being the commissioner and controller of activity, to being its convenor and supporter; plugging in resource to things that are already working well and helping them go further and faster.

What's more, councils know the local partnerships that have developed are not just critical to their ongoing crisis response, they are fundamental to what comes next. Indeed, what we have seen, in effect, is levelling up in action: local areas working creatively to harness the skill, innovation and talent they know exists in their communities to drive their neighbourhoods forwards.

The government is now seeking to make its ambition to level up the country the framework for national recovery. It is vital that we use this moment to build common purpose, and ensure our national strategies and resources plug into the innovation that's happening locally and enable it to flourish.

Everything in its right place

When we look back at the public policy successes during the pandemic, so much of what has worked well has been about recognising appropriate scale. Local knowledge and trusting relationships are why communities have been able to respond so effectively.

For example, in Manchester, Levenshulme Inspire had been working with older people in their neighbourhood for years, so already knew who might be vulnerable and could get to them quicker than anyone else. In Grimsby, Centre4 has a social action programme which had built up volunteering capacity and a partnership with the local Blue Lights Brigade of mostly retired police and fire officers. Together they mobilised quickly to get support out for people across the whole borough. In Coventry, Moat House's Grub Hub service - a social eating community pantry providing affordable meals - swiftly became a delivery service to people's homes across the neighbourhood's estates, bringing in support from other local partners including - Coventry FC, Jaguar Land Rover and Warwick University.

These examples show the agility and responsiveness that is possible at the neighbourhood level. Some aspects of the coronavirus response have seen central state action at its most effective: providing unprecedented protection for people's incomes through the furlough scheme; procuring and distributing vaccines at phenomenal speed and scale.

Yet even centralised, large scale actions need to be knitted together with community knowledge and expertise to maximise their impact and make sure no-one is left behind.

The local implementation of the vaccine roll out is a perfect example of this - this has been so effective precisely because it combines national resource with local networks, established partnerships and relationships. The Modality Partnership in Bradford, for example, is working closely with local community organisations, using funding from the local social prescribing Primary Care Network - to make sure vaccine take up is high in communities experiencing health inequalities.

The key therefore is to recognise at which scale the right answers lie and to coordinate the system accordingly. The major failures of the past 12 months have been where this insight has not been heeded, and government's traditional instinct to centralise has overridden the opportunity of unlocking local strengths. Test and trace; the NHS volunteer scheme; these have been missed opportunities to harness the skills and expertise of local areas.

Local levelling up

Our experience of working with our network of 12 trailblazing Keep it Local councils is that these local places offer a blueprint for how to embed community power at the heart of our recovery. It is clear that the government's levelling up ambitions can only be effectively achieved through a more decentralised framework, where Whitehall seeks to build supportive partnerships with local areas and puts communities in the driving seat of local levelling up.

The Levelling Up Fund itself is a good example: the fund offers vital new investment in the economic and social fabric of our places, but as currently designed it is too tightly controlled by the centre to truly unleash its transformative potential for communities.

We know local government has learnt important lessons about the way it behaves over the last 12 months, nurturing supportive local systems rather than seeking to command and control local activity. Can central government do the same? Rather than unveiling a raft of new initiatives, policy measures and funding pots to direct activity from Whitehall, can it instead support places to level-up themselves by plugging power and resources into the local partnerships that are emerging and growing in confidence?

In **"We Were Built For This"** – our report into the community response to coronavirus¹ – we argued the government has a number of ready-made opportunities within its own policy agenda to do precisely this: the Devolution and Recovery White Paper, the Community Ownership Fund, the procurement flexibilities which were introduced during the crisis.

The Community Ownership Fund has since been announced in the 2021 Budget, which is a great start. But it's still far from clear the "community moment" we've witnessed over the last 12 months is being decisively seized. The Devolution and Recovery White Paper has been delayed, then delayed again. The new procurement green paper misses the opportunity to make collaboration rather than competition the driving force behind local services.

Danny Kruger has produced an excellent report at the Prime Minister's request, with some clear recommendations for how the government could take this agenda forward.² But while there have been some encouraging words from government, including in the Budget, it has yet to make its presence truly felt in its policy agenda.

1. Locality, 2020. 'We Were Built for This.' Available at: <https://locality.org.uk/policy-campaigns/leading-the-coronavirus-recovery/>

2. Kruger D, 2020. 'Levelling up our communities.' Available at: <https://www.dannykruger.org.uk/communities-report>

So how do we change that?

On the eve of a bumper set of local elections, we've produced a Keep it Local Manifesto. It sets out what policy change is needed at a national level to build on the partnerships that have emerged during the pandemic and unlock community power.

Our manifesto shows how national policymakers can catch up with the innovation that's happening locally – and put policy measures in place to embed it and spread it as we emerge from the crisis. These recommendations are aimed at addressing three big challenges facing our country:

- 1. Helping us through the current public health crisis.** By ensuring local places have the right resources to enable local partnerships to work effectively to keep communities safe and well and address rising demand for local services.
- 2. Setting us on the right path to level-up and support local economic recovery.** By investing in the social infrastructure, local organisations and businesses that will be the bedrock for local jobs, prosperity and renewal.

- 3. Securing a fairer, greener future for Britain after the pandemic.** Tackling embedded inequalities, supporting better physical and mental health, improving life-chances for children and young people, and tackling the climate emergency. These are big, complex problems which require mobilising local strengths and harnessing stronger connections between communities, civil society, government and businesses.

Our recommendations

We identify three big opportunities that government has to harness the Keep it Local way. While some of this requires new investment from government – much of this agenda is about using existing opportunities and committed spending to achieve the best outcomes for people and places.

1

Turn community spirit into community power

- Put community power at the heart of the Devolution and Recovery White Paper
- Establish a Community Wealth Fund to provide long-term investment in so called 'left behind' areas using dormant assets funding already identified by government
- Create a new £500m Neighbourhood Recovery Fund to provide the right resources for neighbourhoods to bounce forward from the crisis and enable local initiatives to take root and flourish

2

Create collaborative public services

- Support "power partnerships" to develop at a local level through long-term investment in councils and communities
- Make collaboration – not competition – the guiding principle of public services
- Localise social value

3

Support a community-powered economic recovery

- Put communities in charge of the Shared Prosperity Fund
- Devolve future rounds of the Levelling Up Fund, distributed to areas according to need
- Use the Community Ownership Fund to capitalise community organisations

1

Turn
community
spirit into
community
power



Community support has been a lifeline to many during the pandemic. Even before the first national lockdown was announced, thousands of new mutual aid groups were forming street by street, and existing community organisations were working together to get local support systems up and running. These incredible community networks of solidarity and support have continued to provide care and connection throughout the crisis. Now they have the power to support our national recovery.

The question of how to sustain and strengthen this phenomenal people power beyond the crisis has been the preoccupation of many since the outbreak began. This is because community power is not just an essential protective force in the face of a deadly virus; it is our country's greatest strength in tackling many of the huge and complex challenges we face as a society. From tackling health inequalities,³ to finding solutions to the climate emergency- citizen participation and community power is the foundation for effective action.

Race equality and community power

Keep it Local councils are channelling the new relationships and networks forged within communities during the pandemic into the citizen power that will drive local recovery agendas. Race equality and inclusion is a fundamental part of this. The virus exposed the stark health and structural inequalities experienced by Black, Asian and Minority Ethnic (BAME) communities; in part as a response to this,

many local authorities are now looking at how representation and partnership with equalities organisations must be strengthened.

Oldham Council, for example, have established an Equality Advisory Group to drive forward a focus on racial inequality and greater co-production with BAME communities. In **Lewisham**, one of the country's most ethnically diverse boroughs, the response of BAME-led and faith organisations to the pandemic has demonstrated the importance of infrastructure and funding structures which explicitly enable greater collaboration with equalities organisations.⁴



3. RSPH 2021. Publication pending ● 4. Goldsmiths University, 2021. 'Learning from the Lewisham Covid-19 Response Hub.' Available at: <https://www.lewishamlocal.com/launch-event-evaluation-of-lewisham-covid-response-hub/>

Community power in local recovery agendas

Keep it Local councils are developing their local recovery agendas through greater community partnership, participation and collective action.

Bristol City Council's "Your City Our Future", for example, has been the biggest community consultation in 30 years, with over 6,500 residents taking part, culminating in a new Citizens' Assembly on Covid-19 recovery. The priority topics for the assembly are climate change and housing, transport and health inequalities.

“The Your City Our Future conversation and the citizens' assembly is about giving Bristolians a way to shape the future of our city. Deliberative democracy is way of tackling complex and controversial issues from the ground up where there is not an easy way to reach a consensus. By listening to the voices of residents, we can create a city that offers opportunity for all”

Councillor Asher Craig,
Deputy Mayor and Cabinet
Member for Communities,
Equalities & Public Health

Leeds City Council are also developing their strategy to support thriving communities across the city in consultation with the volunteers and local organisations involved in their community care hubs, which played a pivotal role in supporting people during the crisis. This work builds on long established partnership with VCSE and faith organisations in the city and is looking at the supportive role commissioning and community assets can play in supporting resilience across Leeds' neighbourhoods.

South Gloucestershire Council are embedding metrics around strengthening community spirit into their recovery plans. Their new four-year Council Plan makes a commitment to “enable communities to work together to help improve their lives and address the problems that are important to them.” The Key Performance Indicators (KPIs) put in place to monitor achievement of this commitment include those from the ‘Framework for Measuring Community Spirit’ produced jointly by Locality and the Royal Society for Public Health (RSPH).⁵

These indicators are now replacing activity targets in Service Level Agreements with a range of VCSE groups giving those groups more flexibility about how to achieve the desired results. This enables them to respond more quickly and effectively to changing circumstances. For instance, Volunteer Bureaus funded by the council are considering how to change their practice to support Mutual Aid Groups rather than concentrating on the traditional measures of counting volunteers they have placed with groups.

Measurement of the indicators across the whole of South Gloucestershire also helps identify disparity between areas and groups in order to help target further support.

5. RSPH 2021. 'Community Spirit Level: a Framework for Measuring, Improving and Sustaining Community Spirit - Available at <https://www.rsph.org.uk/our-work/programmes/community-spirit-programme.html>

Sustaining community spirit and turning it into greater community power

Strengthening community spirit lies at the heart of a healthier, fairer and more resilient society. But to capitalise on these benefits, we must channel community spirit into a new model of community power. Doing so requires focusing on the right resources, relationships, infrastructure and governance required at a local level to unlock this power.⁶

Polling from the Royal Society of Public Health (RSPH) and Locality has recently shown that while community spirit increased during the crisis, the public are fearful that the closure of community spaces and loss of opportunities for connection will damage it in the long-term.⁷ The same research also found that higher earners were more likely to identify gains in community spirit than those on lower incomes. Onward's latest report on the 'Policies of Belonging' also cautions that it is the communities with higher levels of social trust prior to the crisis which were more likely to experience higher levels of community support during the pandemic.⁸

The potential for community power lies in every neighbourhood. But to develop and sustain this power requires investment in social infrastructure, the local assets, groups and amenities which bring communities together for collective action. And it requires making partnership with citizens and communities the core organising principle of our decision-making and public service systems.

There is no one-size-fits-all solution for how to grow and strengthen community power in the wake of the pandemic, but the work which some councils are already undertaking paves the way.

6. Localism Commission – four domains of localism: relationships; institutions; capacity; powers. <https://locality.org.uk/policy-campaigns/localism-devolution/the-localism-commission/> ● 7. RSPH 2021. 'Socially Distant? Community Spirit in the Age of Covid-19' Available at: <https://www.rsph.org.uk/our-work/programmes/community-spirit-programme.html> ● 8. Onward, 2021. 'The Policies of Belonging.' Available at: New Onward research: The Policies of Belonging | ukonward.com



Our recommendations

1 Put community power at the heart of the Devolution and Recovery White Paper

We believe that localism can only truly flourish within a decentralised political system. The upcoming Devolution and Recovery White Paper is an opportunity for government to set out a comprehensive framework of devolution to local government and combined authorities.

The crisis has shown the huge capacity and potential within neighbourhoods as an organising unit for local power. It is where local services can best be coordinated and where local people can feel real control over the important decisions that affect their lives. Therefore, alongside a framework of devolution to local authorities, we are calling for a renewed commitment to community power which would enable greater transfer of power and resources to a neighbourhood level.

This would include:

- Increasing the scope of local powers for neighbourhood forums, driving forward a new wave of community-led plans and activity. This should include a programme of support to help new groups form and take on new powers, focusing particularly on areas of multiple deprivation.
- A new “Community Partnership Power” to support neighbourhood forums, and other accountable community organisations and parish councils, to draw down local budgets to support service transformation and co-design in their neighbourhoods.
- A new ‘Community Right to Own’ to give communities power to reclaim local land, buildings and amenities that are in decline and under threat and repurpose local assets for community benefit.
- An expansion of the community economic development (CED) programme to provide resources for neighbourhood forums and other accountable community organisations and parish councils to develop local economic plans.
- An increased support programme for neighbourhood planning, specifically targeting areas of multiple deprivation, and supporting these places to progress neighbourhood development orders (NDOs). NDOs can support local places to take forward plans for affordable housing, town centre regeneration and creation of new green spaces.

Our recommendations

2 Establish a Community Wealth Fund

In January 2021, the government announced its intention to lay new legislation to unlock £800m in dormant assets (unused pensions, insurance and investment) for social and environmental causes. This is a potentially transformative funding pot which should be used to unlock long-term capacity and capitalise communities through investment in social infrastructure in our most deprived places.

We support calls from the Community Wealth Fund Alliance (CWFA) for dormant assets to be used to support a new independent endowment to provide long term investment in so called “left behind” areas.⁹ This would support communities to build a solid foundation of social or civic infrastructure and assets, connection to economic opportunities and community engagement in their neighbourhoods.

This Fund would go hand in hand with a renewed agenda for localism and community power, building long-term community capacity, confidence and capital.

⁹ For more information, please see the Community Wealth Fund Alliance: <https://localtrust.org.uk/policy/community-wealth-fund-alliance/>



Our recommendations

3 A Neighbourhood Recovery Fund to protect, strengthen and grow community organisations

While the process of unlocking dormant assets and establishing a Community Wealth Fund may be longer term, our vital local charities and community organisations need support now to recover from the crisis and play a full role in building back better.

We recommend a £500m Neighbourhood Recovery Fund is established to provide revenue and capital funding to support new and existing community organisations to stabilise from the crisis, adapt and grow stronger. This fund would support these organisations with community engagement, local community

economic development work, and development of enterprising and resilient business models, enabling them to fulfil their full role in local recovery.

The funding would also be used to support emerging groups and mutual aid organisations to develop into community hubs. Not all mutual aid groups will want to become formalised community organisations¹⁰, but ensuring the routes are there for such groups to become established or link into local governance and decision-making is crucial.

Given the particular challenges highlighted for the financial sustainability of Black, Asian, and Minority Ethnic (BAME)-led community organisations, the fund should be co-designed with BAME infrastructure organisations to ensure funding and support is targeted to strengthen BAME-led organisations.



¹⁰. Ubele Initiative, 2020. Ubele Initiative, 2021. Research on the impact of Covid-19 on BAME-led organisations and communities. Available at: <https://www.ubele.org/publications>

2

Create
collaborative
public
services



We know, now more than ever, the value of collaboration between community organisations and councils to provide high quality services meeting the needs of local people. These powerful community partnerships have not only helped us through the crisis of the last year but are also key to tackling the big long-term challenges we face as a society – from social care to mental health to unemployment.

Community organisations act as “cogs of connection” within their neighbourhoods.¹¹ Their depth of local knowledge, relationships and trust with local people, and ability to mobilise social action means that they are able to connect up, often disparate, parts of the local system. This is what makes them such a powerful resource within public services systems, and why councils within our Keep it Local Network are building collaborative public services by tapping into and strengthening these networks.

Yet, the success of these powerful partnerships is threatened by the lack of long-term funding for local authorities and an inflexible procurement regime.

Over the last decade, even before the effects of the pandemic, we were seeing the impact of stretched finances of local authorities across the country. This has resulted in significant cuts to preventative spending, and the type of services which VCSEs deliver, at a time of rising demand.¹² Pressure

on local authority finances has led to scale and standardisation within commissioning systems and has restricted the ability of the public sector to provide long-term funding for community organisations to combat complex problems in their communities.

Turning the tide to Keep it Local

Battling against this tide and changing long established systems and cultures is easier said than done, but our Keep it Local councils are at the forefront of innovations in public procurement and commissioning. Often running against the grain of established ‘value for money’ and competition logics, these councils are seeking long term benefit to their places through focusing on social value and community collaboration.

An example of such innovation is **Wakefield’s Third Sector Framework**. This is a collaboration between Wakefield Council, Wakefield Clinical Commissioning Group (CCG), Nova (the local CVS) and Young Lives Consortium. It has been developed as a co-ordinated, open and transparent mechanism for funding locally-rooted voluntary and community organisations in the district. As well as providing a route for commissioning services from the sector, it is also designed to support local organisations to play a greater role in service design with a capacity-building stream to strengthen and grow local organisations.¹³

11. Locality, 2020. “Keep it Local: how local authorities can plug into the power of community.” Available at: <https://locality.org.uk/wp-content/uploads/2020/03/LOC-Keep-It-Local-Report-40pp-WG08.pdf> 12. New Policy Institute, 2018. ‘A Quite Crisis.’ Available at: https://www.npi.org.uk/files/7715/3669/7306/A_quiet_crisis_final.pdf 13. For more information, see: <http://thirdsectorframe.work/>

A further example is **Calderdale Council's** 'community anchor' strategy which underpins their approach to place-based working across the district. They work closely with community organisations based across the six towns, who in turn act as hubs within those places and play a key role in nurturing and supporting other community groups and local networks. The 'Staying Well' programme is an example of how this approach has been developed to tackle social isolation and health inequalities across the borough.¹⁴

Rotherham Council have put the Keep it Local principles at the heart of their Social Value Policy. The council see the six principles as a way of making a "shift towards a more collaborative approach grounded in local delivery, early intervention and prevention". As part of their social value commitment, the Council will: "Co-design services wherever possible; engage people with lived experience throughout the service design and procurement phase; review commissioning and procurement models to allow local provider organisations to collaborate and make best use of local assets; explore opportunities to develop new and innovative delivery models such as social enterprises, mutuals and consortium arrangements."¹⁵

Oldham Innovation Partnership

In 2019, Oldham Innovation Partnership launched a three-year innovation partnership on behalf of the integrated care organisation, Oldham Cares. It is a consortium of voluntary and community organisations which have taken the contracting approach available to them as an Innovation Partnership to co-design, establish and deliver a social prescribing model. This aims to tackle loneliness and isolation through a community-led approach using the flexibilities of the Innovation partnership model to coproduce with partners and residents rather than going for a "fixed" solution through a procurement competition at the outset.¹⁶

In the last year, Oldham has used this flexibility to respond to community need during the pandemic. The Innovation Partnership model allowed them to quickly shift staffing resource to wrap around their Covid community hubs, highlighting the responsiveness of this partnership working. Not only has the Partnership garnered international attention, it has also raised awareness within the council of the transformational potential that a community-led approach can have.

14. https://www.calderdale.gov.uk/nweb/COUNCIL.minutes_pkg.view_doc?p_Type=AR&p_ID=45829

15. For more information, see: [mgConvert2PDF.aspx](https://www.rotherham.gov.uk/mgConvert2PDF.aspx) (rotherham.gov.uk)

16. For more information, see: Case study: Commission services simply and collaboratively so they are 'local by default' - Locality

Sustaining the culture shift to create collaborative public services

We have heard from councils and community organisations alike that the crisis has accelerated a ‘culture shift’ in relationships between the public sector and voluntary and community organisations. Often this was because the community response was up and running before the council, and power relationships have been equalised. Successful local authorities have not sought to create or control, but to develop and influence what is already there.

This culture change was also accelerated by important procedural shifts in the procurement regime. The Cabinet Office promoted flexibilities during the pandemic which enabled councils to behave differently in their approaches to procurement and allowed them to get money out to small and medium-sized enterprises (SMEs) and VCSEs quickly. In turn, it also demonstrated to commissioners and procurement officers that high quality, credible solutions can be found locally.

The government’s Procurement Green Paper has the opportunity to permanently embed this flexibility and help make services “local by default”. However, we are concerned that the green paper is missing out on this opportunity by continuing a competitive procurement framework for the commissioning of complex services which should be collaborative, community focused and person-centred. We believe that this is the moment for a bold reset: to recognise public services are different to goods and works and need a system which supports them as such.

Bradford Procurement strategy

Procurement and market engagement have been a main focus for those working on the Keep it Local principles in Bradford. These has included work on a new procurement strategy. The local authority is seeking to ensure its combined approach to social value and inclusive growth is supported by a procurement function that helps the authority reach its 60% local spend target. The new procurement strategy aims to proactively support local organisations and commission services collaboratively, so they are “local by default”, directly in line with our Keep it Local Principles. The work also aims to bring about a culture change in the authority which better aligns the work of the procurement team with the wider strategic aims of the council.

Bradford recognises the importance of not only changing the way it thinks about procuring public services internally, but how it changes the dynamic of community engagement through early engagement ahead of tendering processes. Their guide for procurement staff produced in partnership with local organisations demonstrates to the community a top-level commitment from the council to work in a different way.

The procurement flexibilities in the regulations, encouraged by the Cabinet Office early in the crisis, further showed how the council could procure high-quality and local services from SMEs and VCSE organisations in Bradford. This has provided the council impetus to accelerate their forthcoming procurement strategy which will focus on supporting these local organisations.

Our recommendations

1 Support “power partnerships” to develop at a local level through long-term investment in councils and communities.

Local government requires a sustainable funding model in order to deliver for the long-term health and prosperity of people and places. We are clear that centrally held, prescriptive short-term funding for local authorities, particularly where this requires competitive bidding, is not a substitute for the long-term funding that is required.

There should be a comprehensive review of local government finance. This should include reversing the cuts to essential preventative services that local government funds and provides alongside their partners in the community. Funding should come with the flexibility to allow councils to

target their spending where there is community need and use this to tackle inequalities at a neighbourhood level.

We back calls from the local government sector, including those from the Local Government Association (LGA), for the government to resume the Fair Funding Review. We are also supporting their calls for the government to address the fragmented funding landscape local government is facing.¹⁷ Local government funding should be settled on a multi-year basis to ensure that councils can maintain and build their relationships with communities through stable and sustainable funding. Local government should be in a sustainable position to invest in their relationships with the VCSE sector and communities in their places, not just through funding, but also through capacity building, advice and partnership.



17. LGA, 2020. 'Fragmented Funding report.' Available at: <https://www.local.gov.uk/fragmented-funding-report#recommendations-for-central-government>

Our recommendations

2 Make collaboration – not competition – the guiding principle of public services

The government’s procurement green paper presents a huge opportunity to reset our approach to public services – and make collaboration, rather than competition, their organising principle. This could embed the flexibilities introduced by the Cabinet Office during the pandemic, which have not only helped local authorities find high-quality services in their local communities but also to seek innovative co-designed solutions to complex problems.

The guidance in the two Procurement Policy Notes suspended the competitive tendering process which has negatively impacted the relationships between community organisations and the public sector. For example, guidance on “supplier relief” aimed to secure

income continuity by asking contracting authorities to give flexibility to suppliers. Suspending or relaxing performance targets, as was done by Bristol City Council, has enabled more focus on broader outcomes of meeting community need. Not only did these approaches pave the way for a more trusting relationship but also highlighted the potential for public services procurement to be based on community collaboration, rather than competitive tendering.

There are some positive proposals within the procurement green paper.¹⁸ It tries to move the emphasis away from evaluating tenders solely on cost towards a broader understanding of “best value”. An explicit part of its purpose is to “unleash opportunity for small business, charities and social enterprises to innovate in public service delivery”. It improves transparency and reforms the challenge process.

However, fundamentally, the measures start from the wrong place. They put

everything a contracting authority might procure – from pens to IT systems to missiles – under the same simplified process, operating via the logic of market competition.

We believe person-centred public services are different – and so should be treated as such. The essential difference between the commissioning of public services and the purchasing of supplies needs to be recognised. Furthermore, there are many services where no plausible market exists, and these should be taken out of procurement entirely.

18. Cabinet Office, 2021. ‘Transforming Public Procurement.’ Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf

Our recommendations

3 Localise social value

Social value presents one of the biggest practical opportunities to Keep it Local. Many of our Keep it Local councils are seeking to realise their ambitions to create collaborative local partnerships through their social value policies. However, social value as currently constituted is much better suited to capturing the additional social value that might be achieved through, say, guaranteeing some local apprenticeships in a construction contract, than the intrinsic social value that lies at the heart of a person-centred public service. When the social value runs right through the service, it is at the very core of the procurement and so should be the

very core of the provider's ethos. But this is very hard to capture through additional social value questions with quantified measures.

The procurement green paper fails to recognise the intrinsic nature of social value in person-centred services. What's more, its proposal for a "National Procurement Policy Statement" - which will "legislate to require contracting authorities to have regard to national priorities of strategic importance in public procurement" - risks taking away the local flexibility which is essential to maximising the potential of social value to Keep it Local.

We believe that making social value as flexible as possible and supporting local authorities to embed local social value in the quality aspect of tenders would mean that social value would not have to be seen as "additional" but rather a fundamental

part of any procurement exercise. The procurement green paper should seize the opportunity to empower local authorities to design-in social value to the heart of their services. This will enable them to harness their local strengths and derive the greatest benefit for their places, rather than being governed by national priorities which may not address the needs of their communities.

3

Support a
community
-powered
economic
recovery



The desire to support our economy to ‘bounce back’ as quickly as possible will understandably be a governing imperative for the coming months. We are potentially in our worst recession for three hundred years; the state has rightly spent unprecedented funds to support incomes and jobs throughout the crisis, on top of the costs of battling the health consequences of the pandemic. Many thousands of people have already lost lives, loved ones and livelihoods, and the long-term impacts of a recession will be deeply damaging. We have already seen inequalities brutally exposed by the pandemic, and an economic recession would further entrench them.

So we must seize the opportunity to build a fairer, greener economic model. This means reversing the long-established patterns of investment flows to high-growth, high-productivity areas which only serve to bolster the opportunities for already prosperous places and leave many more behind.¹⁹ This is the central insight of levelling up. If the government is serious about achieving its ambitions, it needs to make sure the huge economic development investment that will be needed to kick start the economy is spent in a different way.

Traditional approaches will simply widen inequalities between people and places and accelerate the climate crisis. The billions being pumped in to protect and rebuild our economy must reach the places

that need it most, focusing on health, wellbeing and environmental sustainability, investing in jobs and skills creation and supporting places to become prosperous and sustainable in the long term.

We can do this if we make it a community-powered economic recovery.

Partnerships with communities will be essential in tackling the economic challenges we face as a country. Community organisations working in the most disadvantaged areas act as economic multipliers, they ensure the wealth they generate is redistributed in their neighbourhoods, by employing local people in good quality jobs, using local supply chains, and providing training opportunities.²⁰ We must invest in these organisations as pillars of local economic recovery.

Community organisations are also powerful agents for tackling the impending jobs crisis, especially in areas of multiple deprivation where labour market challenges will be particularly acute. The barriers people experience to employment are often complex and place-specific, ranging from a lack of access to networks, to caring responsibilities, to transport issues. Therefore, mobilising the assets, solutions and capabilities across the community to address these barriers and determine the solutions is essential.²¹

19. Locality, 2019. ‘Communities in Charge’. Available at <https://locality.org.uk/policy-campaigns/communities-in-charge/>

20. Locality, 2017, ‘Powerful Communities, Strong Economies’, Available at https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-KEEP-IT-LOCAL-002_revised260318_summary.pdf

21. Locality, 2020. ‘Communities Work’. Available at: <https://locality.org.uk/policy-campaigns/communities-in-charge/communities-work/>



Kirklees Council's Economic Recovery Plan includes a strategy to work with community organisations and local businesses to tackle town centre regeneration, economic diversification and revitalisation in the recovery. It is also supported by their approach to social value and investment in VCSE organisations, recognising their essential contribution to local skills and jobs, the environment, and to building an inclusive economy. The Economic Recovery Plan is also supported by the council's community asset transfer (CAT) approach to enable local communities to take ownership of local spaces to shape their local area.

Keep it Local councils are building inclusive economic strategies by developing the assets within their communities, investing in health, wellbeing and environmental sustainability.

Projects like **Oldham's Northern Roots** – a 160-acre green space in the heart of Oldham which is being transformed into an urban farm, eco-park and space for new community enterprises. Or the Todmorden Learning Centre in **Calderdale**, an asset transfer from the council which has secured funding from the National Lottery and will be delivering a strategy for local green skills as part of the Todmorden Town Deal. Or **Collaborative Newcastle** which is a new partnership which aims to improve the health, wealth and wellbeing of every person in the city. By bringing closer, practical ways of working between hospitals, council, GPs, care homes, mental health trust and community sector organisations, knowledge, expertise and resource is combined to not only deliver ambitious new plans for health and social care, but also for local economic prosperity.

Our recommendations

1 Put communities in charge of the Shared Prosperity Fund

If the government is to succeed in its ambitions to level-up the country, it is vital that we learn the lessons from previous economic regeneration programmes. These have often poured money into places through physical infrastructure, but not invested in the social infrastructure to ensure it stays there and connects with the people who really need it. Past programmes have shown that to build long-term prosperity that reaches all parts of the community, regeneration needs to be locally rooted, community led, and provide a mix of capital and revenue funding.

Locality's Communities in Charge campaign has demonstrated that community-led approaches - which put local people in control of how

investment is spent and which interventions will work for their places - do not just provide good social outcomes but are also proven to create stronger local economies.²²

We believe the UK Shared Prosperity Fund offers a tangible opportunity to put community-led approaches at the heart of the economic development funding.

We are calling for significant devolution of funding to build partnerships between local government and local communities. This would enable local areas to invest directly in the neighbourhood-level foundations of productivity including through community economic development, community asset ownership, co-operative development, local enterprise support, and employment and skills training.

The Community Renewal Fund, announced in the Budget, is the precursor to the Shared Prosperity Fund, which will come on stream in

2022. This fund's ambitions are in many ways in line with our analysis, recognising that "all places face a unique set of challenges and opportunities" and that "boosting productivity growth across the UK relies on harnessing local knowledge, expertise and social capital". However, by running it as a competitive central fund, it fails to take the opportunity to truly empower local areas to drive forward the levelling-up agenda.

²². For more information from Locality on the background to our campaign to put communities in charge of economic regeneration funding please see: www.locality.org.uk/policy-campaigns/communities-in-charge/

Our recommendations

2

Devolve future rounds of the Levelling Up Fund, distributed to areas according to need

The prospectus for the £4bn Levelling Up Fund was announced in the Budget and it is heartening to see tackling regional economic inequalities take centre stage in the Chancellor's plans for the economy. However, we are concerned that its design - a centrally managed pot for local authorities to bid into - will not ultimately deliver its aims to boost prosperity and empower places to lead local regeneration.

For a fund designed to level-up the country, central government should not control all the levers. A competitive bidding process is not the way to ensure communities get the resources they need. It sucks up huge resource from already overstretched local authorities. And while government is providing capacity building support

to priority areas, this approach will always run the risk of perpetuating inequalities by directing more funding to areas that have the resources to spend on high-quality bids.

Instead, we believe that the Fund would achieve greater impact if it was devolved directly to the local places that need it the most, according to a transparent and accountable distribution formula. Funding should be spent through community partnerships, including local government, community organisations, and businesses.

The three themes announced for the first round of funding give local areas reasonable scope to design projects which support their core priorities. And while the focus is on capital investment in hard infrastructure projects like transport, there is a recognition of the importance of social infrastructure and community assets too. However, in general we believe there should be maximum flexibilities for local areas to choose how this funding is spent to achieve the right outcomes for their

places. Capital investment in physical infrastructure has the opportunity to deliver additional community benefit, skills and opportunities for local people if it is also supported by local flexibility to maximise local social value.

The first round of the fund is now open for bidding and appears focused on shovel-ready projects. Future rounds, however, should take a longer-term approach, devolving resources to the local level and supporting regeneration from the bottom-up.

What's more, there is a growing sense that local areas are having to navigate multiple centrally controlled funding pots. In order to truly level up the country, this Fund and others need to be accompanied by long-term, consistent investment in councils and communities to level out inequalities, strengthen weaker economies, and support public services.

Our recommendations

3 Use the Community Ownership Fund to capitalise communities

The Conservative Manifesto in 2019 pledged £150m to create a new Community Ownership Fund and this fund was a key part of Rishi Sunak's 2021 Budget. We believe this fund is an important step forward for community power – and can be the start of something transformational.

Much of the extraordinary response of communities to coronavirus has been made possible through the availability of local spaces and services that have provided crucial capacity and resources. Yet, we also know that community spaces and buildings are under threat.

Research from Locality has found that approximately 4,000 publicly owned assets are being sold off each year,

including many vital community buildings and spaces. Ministry of Housing, Communities and Local Government (MHCLG) research also shows that only 18% of community assets are located in the top 30% most deprived neighbourhoods, and Local Trust and OSCI data has found that communities which lack civic assets, and associated opportunities for community engagement and connectivity, fall further behind than comparative places. We know too that significant structural inequalities have impacted the ownership of community assets by BAME-led organisations and communities.

There is, therefore, significant market failure in the availability of community spaces leading to inequity of provision and distribution of associated social and economic benefits. Now the Community Ownership Fund has been announced, it is important this it is designed in such a way that it addresses these inequalities, focusing funding particularly on places and communities with a deficit of community assets.

The Fund should include access to both capital and revenue support for community asset ownership, as well as

flexible grant funding, to support all points of the community assets journey. It should be available to assets that are acquired through both Community Asset Transfer and Community Right to Bid routes.

Investing in community ownership will provide an asset base for community organisations to weather the current financial storms, develop and expand their asset bases, and be sustainable in the long term. This will enable them to help their neighbourhoods “bounce forwards” from the crisis - in particular, supporting their critical role in providing localised employment and skills training in areas of multiple deprivation where labour market challenges will be particularly acute.

We are calling for the initial £150m to kickstart a longer-term investment plan for community assets over the next five years. This would pool additional funding from social investors and charitable funders, as well as leveraging future dormant assets funding. Using the pledged £150m to kickstart the Fund, this would provide an anchor to bring in external funds to build a £1bn investment plan over five years and turbocharge the community ownership agenda.

23. Locality. 2018. 'The Great British Sell Off'. Available at: <https://locality.org.uk/policy-campaigns/save-our-spaces/the-great-british-sell-off/> ● 24. MHCLG. 2019. 'By deeds and their results.' Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819477/MHCLG_Communities_Framework_Accessible.pdf ● 25. Local Trust and OCSI. 2019. 'Left behind? Understanding communities on the edge.' Available at: https://localtrust.org.uk/wp-content/uploads/2019/08/local_trust_oci_left_behind_research_august_2019.pdf ● 26. Ubele Initiative, 2015. 'A Place to Call Home.' Available at: <https://static1.squarespace.com/static/58f9e592440243412051314a/t/5dcd70eb-44fbbd622c2e4b97/1573744880563/A+Place+to+Call+Home+report+final+version.pdf> ● 27. For more information from Locality on the background to our campaign on the Community Ownership Fund please see: www.locality.org.uk/policy-campaigns/save-our-spaces/

About the Keep it Local Network

The Keep it Local Trailblazers

- 1 Bradford Metropolitan District Council
- 2 Bristol City Council
- 3 Calderdale Council
- 4 Hackney Council
- 5 Kirklees Council
- 6 Lewisham Council
- 7 Newcastle City Council
- 8 Oldham Council
- 9 Rotherham Metropolitan Borough Council
- 10 South Gloucestershire Council
- 11 Wirral Council
- 12 Leeds



Join the Keep it Local Network

More and more local authorities are moving away from bureaucratic commissioning and big outsourcing contracts. Instead they are unlocking the power of community: building strong local partnerships, sharing power and maximising local strengths.

To Keep it Local in practice, Councils can become a Keep it Local Council by signing-up to our Keep it Local principles:

1. Think about the whole system not individual service silos
2. Co-ordinate services at a neighbourhood level
3. Increase local spend to invest in the local economy
4. Focus on early intervention now to save costs tomorrow
5. Commit to your community and proactively support local organisations
6. Commission services simply and collaboratively so they are 'local by default'

Join the Keep it Local movement that's gathering pace: <https://locality.org.uk/policy-campaigns/keep-it-local/join-the-keep-it-local-network/>

About Locality

Locality supports local community organisations to be strong and successful. Our national network of 1,300 members helps hundreds of thousands of people every week. We offer specialist advice, peer learning and campaign with members for a fairer society. Together we unlock the power of community.

About Lloyds Bank Foundation for England and Wales

Lloyds Bank Foundation for England and Wales partners with small and local charities who help people overcome complex social issues. Through funding for core costs, developmental support and influencing policy and practice, the Foundation helps charities make life-changing impact. The Foundation is an independent charitable trust funded by the profits of Lloyds Banking Group.

Since 2018 the Foundation has worked with Locality on Keep it Local as part of its work to improve the commissioning environment for small and local charities.

For more information visit lloydsbankfoundation.org.uk.

 @localitynews

 /localityUK

locality.org.uk

Locality | 33 Corsham Street,
London N1 6DR | 0345 458 8336

Locality is the trading name of Locality (UK) a company limited by guarantee, registered in England no. 2787912 and a registered charity no. 1036460.

**LLOYDS BANK
FOUNDATION**
England & Wales 

locality
the power of community