

DEMOS

**POWER AND
PLACE: THE
FUNDAMENTALS**
DEMOS & UK 2040 OPTIONS

ANDREW O'BRIEN
COURTNEY STEPHENSON

DECEMBER 2023

nesta

Open Access. Some rights reserved.

Open Access. Some rights reserved. As the publisher of this work, Demos wants to encourage the circulation of our work as widely as possible while retaining the copyright. We therefore have an open access policy which enables anyone to access our content online without charge. Anyone can download, save, perform or distribute this work in any format, including translation, without written permission. This is subject to the terms of the Creative Commons By Share Alike licence. The main conditions are:

- Demos and the author(s) are credited including our web address **www.demos.co.uk**
- If you use our work, you share the results under a similar licence

A full copy of the licence can be found at **<https://creativecommons.org/licenses/by-sa/3.0/legalcode>**

You are welcome to ask for permission to use this work for purposes other than those covered by the licence. Demos gratefully acknowledges the work of Creative Commons in inspiring our approach to copyright. To find out more go to **www.creativecommons.org**



This report was produced in partnership with Nesta, as part of UK 2040 Options



Published by Demos December 2023
© Demos. Some rights reserved.
15 Whitehall, London, SW1A 2DD
T: 020 3878 3955
hello@demos.co.uk
www.demos.co.uk



About UK 2040

UK 2040 Options is a policy project led by Nesta that seeks to address the defining issues facing the country, from tax and economic growth to health and education. It draws on a range of experts to assess the policy landscape, explore some of the most fertile areas in more depth, test and interrogate ideas and bring fresh angles and insights to the choices that policymakers will need to confront, make and implement.

options2040.co.uk

About Nesta

We are Nesta. The UK's innovation agency for social good. We design, test and scale new solutions to society's biggest problems, changing millions of lives for the better. nesta.org.uk

INTRODUCTION

This report highlights seven key 'fundamental trends' relating to power and place that will underlie the policy challenges facing citizens and governments in the coming decades. These facts are designed to prompt discussion and debate amongst policy makers on how we can best distribute power throughout the UK.

It is part of the UK 2040 Options project, which is exploring policy options to improve outcomes for children born today and reaching adulthood around 2040.

The relationship between people, power and places is fundamental to address a challenge policymakers and politicians alike have grappled with for decades - regional inequality. The concentration of opportunities and prosperity in some parts of the country, while others consistently fare badly across a variety of indicators is an urgent and deeply rooted problem. The cross-party Levelling Up, Housing and Communities Committee has said that without devolving more financial power to places, "Levelling Up risks joining the short-term Government growth initiatives which came before it" in failing to achieve its objectives.¹

Although there has been hard-fought progress through a series of reforms, interventions and initiatives over recent decades and under various governments, there is still a mountain to climb. Engagement with and trust in politics is low, and a cost of living crisis has brought the challenges people are facing on their doorstep into sharp focus.

We have situated these fundamental trends under the key themes of **civic infrastructure, trust and engagement** and **new ways of sharing power**.

1. **Devolution is not on track to be achieved till 2034 across England**
2. **The public are sceptical about the impact of levelling up so far**

3. **The demand to give more power directly to communities is growing**
4. **Voter turnout tells us that people are less engaged with local than national politics**
5. **Trust in government, politicians and democracy is at an all time low, and is likely to continue to decline, threatening our democracy**
6. **There are pockets of democratic innovation happening across the country, but more could be done**
7. **Policy makers are recognising the need to shift power and resources into the hands of local people**

Devolution - or "giving power to the people" has been the promise from all political parties in recent years. The Levelling Up White Paper hailed "a further devolution of decision-making powers to local leaders where decisions are often best taken."² Labour has committed to a "Take Back Control Bill" that would give more rights to local communities to shape decisions in their areas and lead the "biggest transfer of power from Westminster in British history."³ The public always wants more control over the decisions that affect their local areas. According to polling commissioned by Power to Change, 68% of people believe that giving more power to local people would restore trust in politics.⁴

In response, the next government, whichever party forms it, should look to prioritise place in their policy making processes, and empower people to have more of a say in decisions that impact their lives and the places they live. There are several schools of thought on how best to do this - we have identified these groups as 'tribes', with each having different views on where power should be held and how it should be distributed. We've called these tribes the **Federalists, Mayorlists** and **Communitarians**.

1 Levelling Up, Housing and Communities Committee, Funding for Levelling Up, May 2023

2 HM Government, Levelling Up the United Kingdom, February 2022

3 The Municipal Journal, Nandy vows to go further on devolution, 13 February 2023

4 Power to Change, Two thirds of people favour community power to restore trust in politics compared to just half for House of Lords reform, 5 December 2022

THE TRIBES

Federalists want to see power distributed through wide-ranging constitutional reform. This could include creating a constitution that provides specific powers for local authorities and regional government, particularly fiscal devolution. The Brown Commission is an example of the Federalist approach. Mayoralists are closely related to the Federalists but are more focused on the importance of 'single champions' for places and regions through elected Mayors and the Combined Authority model. They are less constitutionally purist but still focused on the transfer of power from Westminster to political leadership at the local level. They are also interested in powers such as fiscal devolution. Communitarians are more 'bottom-up' than the Federalists and the Mayoralists, seeing power and place through the prism of local (often hyper-local) social and civic institutions. They are focused on giving power and control directly to citizens in local areas and through building up the capacity of local people. They are interested in powers such as giving communities the right to control local investment and protect local assets, generally they are less concerned with constitutional reform.

	FEDERALISTS	MAYORALISTS	COMMUNITARIANS
'Locus of power'	Regional Government, Mayors & Local Authorities	Mayors and Combined Authorities as 'single accountable individual'	Citizens and community groups
Constitutional reform	Major constitutional reform	Working within existing constitution	Working within existing constitution
Power priorities	Giving control over public services and fiscal devolution (e.g. tax and revenue raising powers locally) Constitutional protection for regional and local government	Combined spending pots at combined authority level Spreading Combined Authority/elected Mayor model	Community rights and access to finance for local groups Investment in capacity building of communities at place-level

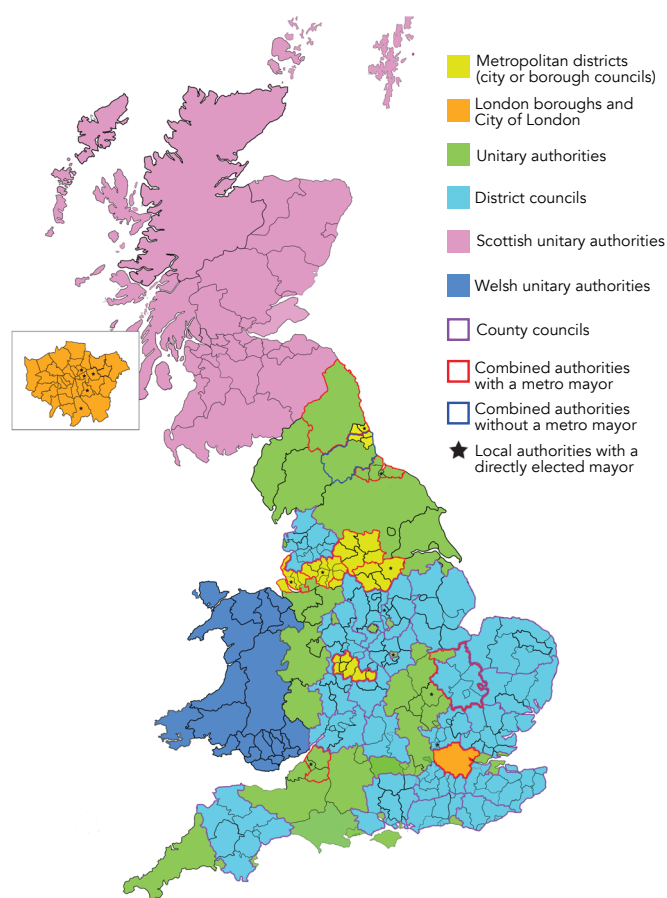
It is important to remember that these groups are not mutually exclusive. There are scenarios where all three 'tribes' could have their proposals taken forward. However, there are differences in emphasis. As we discuss in this paper, the late 1990s and 2000s saw a focus on Federalism feature heavily in government policy. This co-existed and then shifted towards a greater focus on the 'communitarian' approach during the 2000s and early 2010s with the New Deal for Communities, Localism Act that expanded the range of community powers alongside institutions such as Big Society Capital, Big Local and Power to Change to provide funding to communities. In recent years communitarian approaches have taken a backseat as policy has pivoted towards a Mayoral approach with the development of 'trailblazer' combined authorities most notably in Greater Manchester and the West Midlands. In recent months, federalism has made a powerful return to policy making, with increasing calls for fiscal devolution and a new constitutional settlement, most recently the Brown Commission.

Understanding how these groups frame the problems and solutions, how they overlap and where they are in tension, is important to establish the policy context for power and place. The future of power and place in the 2040s will depend on how these different tribes interact with each other and the priority given to different approaches.

This paper aims to set out what conditions need to exist to empower people in the places they live, by understanding the current state of play - what is working well and should be replicated, and where there is room for improvement. These facts offer a snapshot of the place based policy making space to take forward to 2040.

POWER AND DEVOLUTION IN THE UNITED KINGDOM SINCE 1997

FIGURE 1
MAP OF DEVOLVED GOVERNMENT IN ENGLAND, WALES AND SCOTLAND



Source: *UK in a Changing Europe*

1997 - 2004: The creation of devolved administrations

The UK's constitutional settlement has gone through a complex process of change since 1997. The first wave (1997 - 2004) saw the creation of devolved administrations in Wales and Scotland saw the development of the first legislative making bodies outside of Parliament since the Northern Irish Parliament in 1921. This was followed by the

development of a regional tier of government in the form of the Greater London Authority, following a referendum in 1998. However, further devolution in England was temporarily halted by the failure of a referendum on the creation of a regional government in the North East in 2004. In this initial period of reform, the 'Federalist' perspective was in ascendency. The use of referendums to enshrine the constitutional status of devolved administrations as well as the development of the elected regional representative bodies (e.g. the London Assembly and the proposed North East Regional Assembly) were part of an effort to create relatively autonomous self-governing regions that could become stable platforms for the long term transfer of power away from Westminster.

1998 - 2015: a move to strengthen communities and encourage bottom-up economic regeneration

Alongside this federalist wave of reform was a less high profile but significant effort to strengthen communities and encourage 'bottom-up' economic regeneration (1998 - 2015) through a 'communitarian' approach. Although the UK has a tradition of "Area-Based Initiatives" to tackle deprivation in local areas, the 'New Deal for Communities' in 1998 and 1999 saw the development of 39 areas. Each area was given £50m to support economic and social development in their areas, but were given a degree of autonomy to develop their plans in partnership with local people and communities. Importantly, these bodies were also kept at arms-length from local authorities. This was followed by 'Big Local' in 2012, a programme that gave £1m to 150 areas to make decisions for how to improve their own areas. This money is invested over a long term period of 10-15 years to give time for community engagement and co-production.

Unlike the federalist wave, where the Conservatives opposed the creation of the North East Regional Assembly for example, there was cross-party consensus on empowering local communities.

Conservative backbencher Nick Hurd (later Minister for Civil Society in the Coalition Government) introduced a Sustainable Communities Act which enabled local authorities to request support from central government for plans to save local community assets (e.g. high streets, post offices, pubs etc.). This became the backbone for a new 'Localism' agenda - providing powers to local communities to have the ability to buy local community buildings, challenge the delivery of public services and buy local land.

Under both Labour and Conservative governments there was also significant experimentation in new forms of finance to provide resources for local communities to take control over public services and development community businesses. Social investment through various programmes and organisations such as the Adventure Capital Fund, Community builders, Futurebuilders, Big Society Capital, Power to Change and Access - The Foundation for Social Investment. These organisations provided grants, loans or a combination of these funding forms to give to social enterprises, voluntary organisations or community businesses in order to transform their local areas and build their own independent revenue streams and assets. However, although the communitarian approach has built up a constellation of organisations that work to increase the power of local areas, there has been a relatively slow down in government support since 2015. The recent announcement of a new generation of 'Community Wealth Funds' could mark a reinvigoration of this agenda, but it remains too early to tell.

Early 2010s: A move to elected mayors to spread decision making across England

Since the early 2010s, an increasing focus has been given to elected Mayors as the way to spread power and decision making across England. The Mayoral approach has its roots in creation of the Greater London Authority (GLA) and the Mayor of London who would have power over the administration of housing, transport, planning and policing in the city. Although the London Mayoralty was perceived to be a success, particularly in the areas of transport and large scale infrastructure projects, there was little development of Mayors until 2010 when the Coalition Government gave the twelve largest cities in England the chance to have a directly elected mayor. However a series of failed referendums to create directly elected mayors in cities in England (bar Bristol and Doncaster) saw this attempt to spread the Mayoral model stall. Instead, emphasis switched to the Combined Authorities which had been developed in 2009 to bring local authorities

together to pool resources. In return for giving power and resources to combined authorities. The Coalition and Conservative governments encouraged combined authorities to have elected mayors as a way to ensure accountability to local people. This has led to creation of 10 directly elected 'Metro-Mayors' that hold varying powers in their local area, but generally have the ability to coordinate economic development within their local areas.

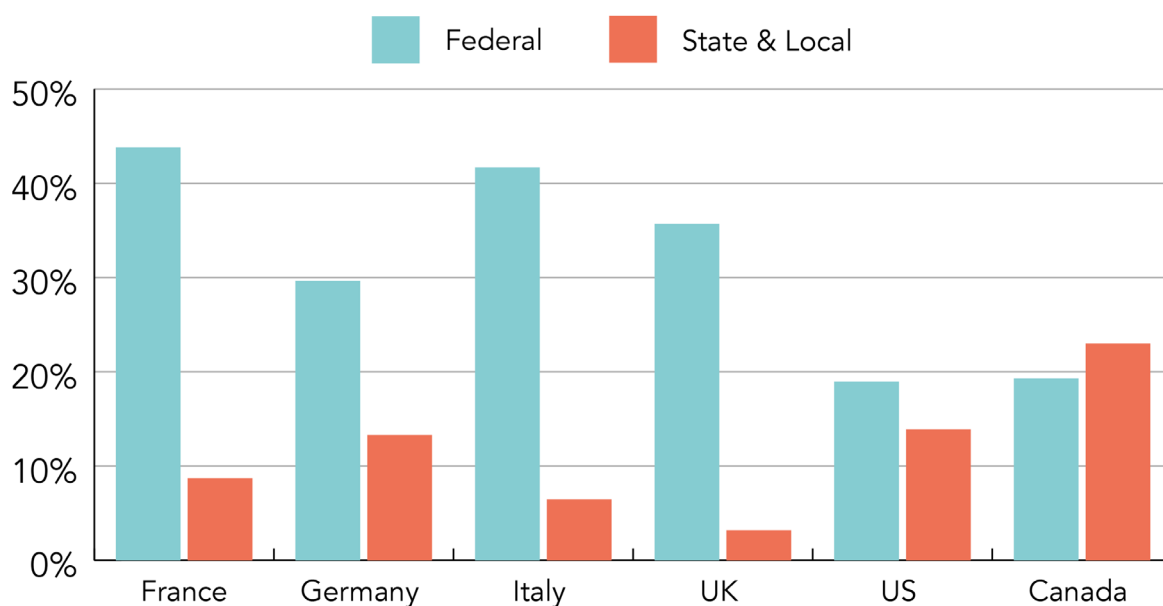
Increasingly, resources have been put into the hands of Metro-Mayors, with Greater Manchester and West Midlands Combined Authorities being promised single 'departmental' style budgets from Westminster which would give them control over significant amounts of investment in their areas. At present, the Mayoral model is seen by both the Conservatives and Labour as one of the most effective ways to devolve power. At present, England is on course to have 51% of the population covered by a combined authority, however there is still considerable work to do before all places in England have the additional resources and devolved powers available to Combined Authorities and Metro-Mayors. Moreover, as noted above, different Combined Authorities are moving at different speeds. Inherent in the current model is an uneven distribution of power and resources, with progress dependent on how the central government judges the performance of different actors. The outlier in the Mayoral approach has been the creation of 'Police and Crime Commissioners' which were based on the idea of a 'single accountable individual' for a key policy area (policing) but have suffered from relatively limited powers (their main power being the ability to remove the Chief Constable of the local police force) and being overshadowed by the Metro-Mayors.

Overall, there has been considerable interaction between Federalist, Communitarian and Mayoral approaches in the past two decades. In the near term, the eventual spread of Combined Authorities and Metro-Mayors over the vast majority of England seems most likely. The future of federalism and communitarian approaches is more uncertain.

The UK is one of the most centralised country in the developed world

CHART 1

GOVERNMENT REVENUE AS PERCENTAGE OF GDP BY GOVERNMENT SOURCE



Source: OECD

Despite all these changes, the UK remains one of the most centralised countries in the developed world on certain metrics. For example, local government has relatively limited revenue-raising power. Less than 10% of taxes are collected locally in the UK, compared to 32% in Germany or almost 50% in Canada.⁵ As Chart 1 shows, local government in the UK raises a lower level of revenue than peers such as France, Germany, Italy, the United States and Canada. Where local authorities do raise revenue, there is significant central government interference. For example, local authorities are also restricted in their ability to raise council tax (their main revenue source), with caps placed on the levels that they can raise without a referendum of local residents. Combined authorities and Mayors are also dependent on irregular funding from central government, lacking any independent ability to raise revenue for themselves. This highlights the fact that there is still significant scope for further devolution of power at a regional, local and community level.

⁵ Institute for Government, Local government funding in England, 10 March 2020

CIVIC INFRASTRUCTURE

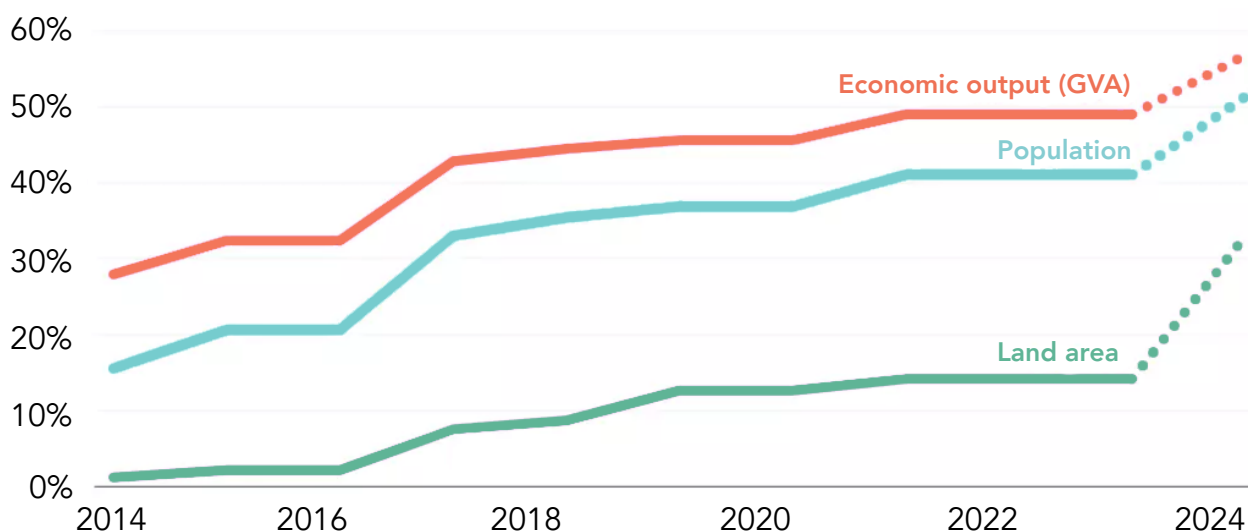
Civic infrastructure are the institutions that enable people to work together to build stronger communities. This includes not just governmental institutions, but community groups, charities and campaigns that bring people together within places. However, in this section we primarily focus on governmental institutions.

In the Levelling Up White Paper, the government stated their intention for every part of England that wants one to have “a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.”⁶ Similarly, in the ‘Commission on the UK’s Future’, Labour set out ‘immediate and detailed practical steps’ to further devolve power, should they be in government.⁷

DEVOLUTION IN ENGLAND IS NOT ON TRACK TO BE ACHIEVED TILL 2034

Only half of the English population will be covered by devolution deals by 2024 according to the latest government proposals.⁸ Although this is a more than three-fold increase since 2014, it means that a large part of England will not benefit from increased funding and power to support economic, social and cultural regeneration that are available under these deals.

FIGURE 2
PROPORTION OF ENGLAND COVERED BY MAYORAL DEVOLUTION DEALS, 2014-2023 AND FUTURE DEALS



Source: Institute for Government

6 HM Government, Levelling Up the United Kingdom, February 2022

7 Common on the UK's Future, A New Britain: Renewing our democracy and rebuilding our economy, December 2022

8 Institute for Government, English Devolution, accessed October 2023

One of the challenges of the Mayoral approaches to power and place is that they depend on getting political agreement which can be problematic. For example, Cornwall councillors rejected a mayoral devolution deal and local authorities in East Yorkshire also rejected a mayoral deal in 2022. The need for political agreement across local authorities means that the process for devolving political power through Mayors is likely to be slow. Based on current trends, it could be 2034 before all parts of England are covered by devolution deals, potentially longer given the uncertainty around political negotiation.

Moreover, given the recent decision to abolish the role of the elected Mayor of Bristol and the rejection of regional assemblies and elected mayors over the past two decades at referendums, there is the ever present risk that these reforms could be reversed at any time. Mayoral approaches have so far sought to avoid direct democratic endorsement (e.g. through local referendums) instead relying on indirect democratic processes (e.g. negotiating with local authorities). Low turnout for elections at Combined Authority level means that the legitimacy of these new mechanisms remains uncertain.

At present there is no comprehensive plan for the devolution of power across England with power distributed on an ad-hoc basis. Given this, it is likely that the process of devolution in England is likely to be slow and uncertain for the foreseeable future.

THE PUBLIC ARE SCEPTICAL ABOUT THE IMPACT OF "LEVELLING UP" SO FAR

Levelling up is the primary place-based policy in recent years, which set out to address geographical inequalities, and in doing so improve opportunities for people across the country.⁹ For people to be engaged with politics, and more broadly to feel that democracy plays a meaningful role for their lives, they need to see an impact on their lives and the places they live. Levelling up promised to do that, through a series of funds granted to local and combined authorities. However, polling suggests that many people are yet to see or feel the impact of levelling up in their area or on their lives.

In principle, there are high levels of support for levelling up. For example, research by the UK in a Changing Europe found that 68% of those surveyed

agreed with the idea that 'The Government should redistribute income from better off areas to those that are less well off'.¹⁰

Ipsos Mori's Levelling Up Index assesses the public's perceptions of the UK Government's twelve missions for levelling up. In its most recent survey, in February 2023, it found that people were less positive about all twelve missions than they had been in May 2022.¹¹ Although the public was broadly positive about their areas in relation to pay and productivity, public transport, the internet, primary schools, life expectancy, wellbeing and pride in place, the public was negative about their areas in relation to R&D investment, housing, crime and devolution.¹²

Demos polling found that

87% of people

had not seen improvements in their local area in the last 18 months.¹³

Power to Change found that only

11% of people

thought levelling up was having a positive impact on their local area.¹⁴

Demos polling carried out last year found that 87% of people had not seen improvements in their local area in the last 18 months (the period in which levelling up funding had been granted).¹³ When scoring the progress of levelling up, Power to Change found that only 11% of people thought levelling up was having a positive impact on their local area.¹⁴ Aligning policy interventions with people's priorities for the places they live is important for it to succeed. When Demos spoke to people in Mansfield and Blyth, for example, we found that local people did not feel that their priorities were being taken into account.¹⁵

9 HM Government, Levelling Up the United Kingdom, February 2022

10 UK In A Changing Europe, Levelling Up: What England Thinks, October 2022

11 Ipsos Mori, Levelling Up Index, February 2023

12 Ibid.

13 Demos, Don't leave levelling up behind, 10 October 2022

14 Power to Change, Work in Progress: Levelling up perspectives from the community to the national level, March 2023

15 Demos, Movers and Stayers: Localising power to level up towns, July 2022

The UK Government itself has not evaluated or produced any publicly available analysis of the progress made towards levelling up and it will take some time for initial investments to make a tangible difference in communities. However, the evidence suggests that the public are sceptical about the success of levelling up so far and policy makers will need to do more if they wish to win back the public's confidence in the levelling up process.

Better connecting power and place is essential for levelling up, or any other policy programme aiming to reduce place based inequalities, to succeed.

THE DEMAND TO GIVE MORE POWER DIRECTLY TO COMMUNITIES IS GROWING

The Localism Act 2011 gave a number of rights to communities to give them a greater say over the decisions made in their local communities. So far, over 6,000 assets of community value (ACVs) have been registered across England.¹⁶ An ACV can be a building or land that's main use is to further social wellbeing or the social interests of the local community, such as cultural, sporting or recreational interests. They give the community the right to first refusal to buy the registered asset if it is to be sold by its current owner. So far 90 ACVs have been taken into community ownership including a range of facilities such as shops, pubs, community centres, swimming pools to football clubs.

So far, **over 6,000** assets of community value (ACVs) have been registered across England.¹⁶

So far, **90 ACVs** have been taken into community ownership.



Communities have also been given the right to develop 'neighbourhood plans' that enable neighbourhoods to have a greater say over building and development in their areas. So far over 2,000 communities representing 12m people have developed neighbourhood plans. These have enabled local communities to have a greater say over how homes, shops and offices are distributed as well as shape the infrastructure available in their areas.

However, there is not consistent data collection on the use of community rights. We also know that the use of community rights has been uneven across the country, with some areas lacking the capacity and capabilities to make the most of them. One report has estimated that some 75,000 local authority assets have been sold, with many of these likely to be assets of community value.¹⁷ The Commission on the Future of Localism, organised by Locality, found that "Rights remain too dependent on local capacity and resources. A longstanding concern with localism is that it can actually entrench inequalities, strengthening the position of those with the resources, time and networks, whilst excluding the most marginalised communities".¹⁸

There has also been an absence in the policy process over the role of communities in the delivery of public services. As Demos has argued in [The Preventative State](#) we need to develop a *foundational policy* which recognises the importance of social infrastructure in improving outcomes in public services.¹⁹ However, in recent years governments have moved away from empowering communities to shape public services or looking at how to invest in the social infrastructure that makes effective public service delivery possible. Given the state of public services, a reconnection between community power and public services is urgently needed.

Some organisations have called for a 'Community Power Act' to extend the rights available to communities including setting up 'Community Covenants' that will involve power sharing with local people and give them the right to control local investment.²⁰ Labour has proposed an expanded 'Take Back Control' Bill which would extend community right to buy so that communities have longer to purchase assets of community value.²¹

The evidence suggests that demand for greater power within local communities is rising and politicians are having to respond to this.

16 Power to Change, Our assets, our future: the economics, outcomes and sustainability of assets in community ownership, July 2019

17 IPPR, Parallel lives: Regionally rebalancing wealth, power and opportunity, September 2023

18 Locality, People Power: Findings from the Commission on the Future of Localism, February 2018

19 Demos, The Preventative State, April 2023

20 We're Right Here, What we want, accessed October 2023

21 New Local, Nandy: We need politics for people with skin in the game, 20 July 2023

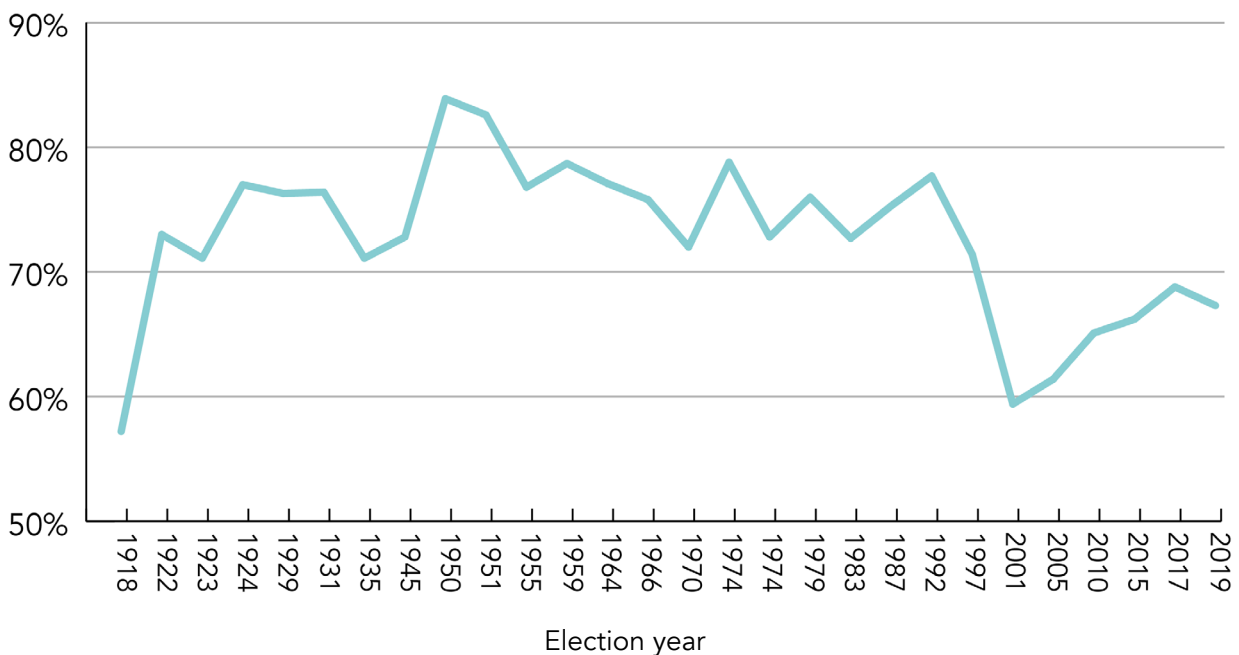
TRUST AND ENGAGEMENT

Trust is the bedrock of society. Power can only be exercised effectively in a democratic society where there are high levels of trust both in those that are exercising power and the system that gives them power. Unfortunately, the data is clear that trust in politics is not high and there is an urgent need to increase trust in our democratic institutions. Moreover, Demos' research has found that simply devolving power to local places without improving transparency and accountability is unlikely to restore trust in our democratic system.

VOTER TURNOUT TELLS US THAT PEOPLE ENGAGE LESS WITH LOCAL THAN NATIONAL POLITICS

One of the ways that we can gauge trust in our politics is voter turnout. Turnout at elections is generally used as a key measure of democratic engagement at both the local and national level. National elections historically have higher turnout rates than local elections - the most recent data is no different. The 2019 General Election had 67.3% turnout, while the local elections in 2021 saw a 35.9% turnout. It is also relevant to note that the 2019 general election broke a run of four successive previous elections where turnout increased.²²

CHART 2
TURNOUT IN UK GENERAL ELECTIONS SINCE 1918

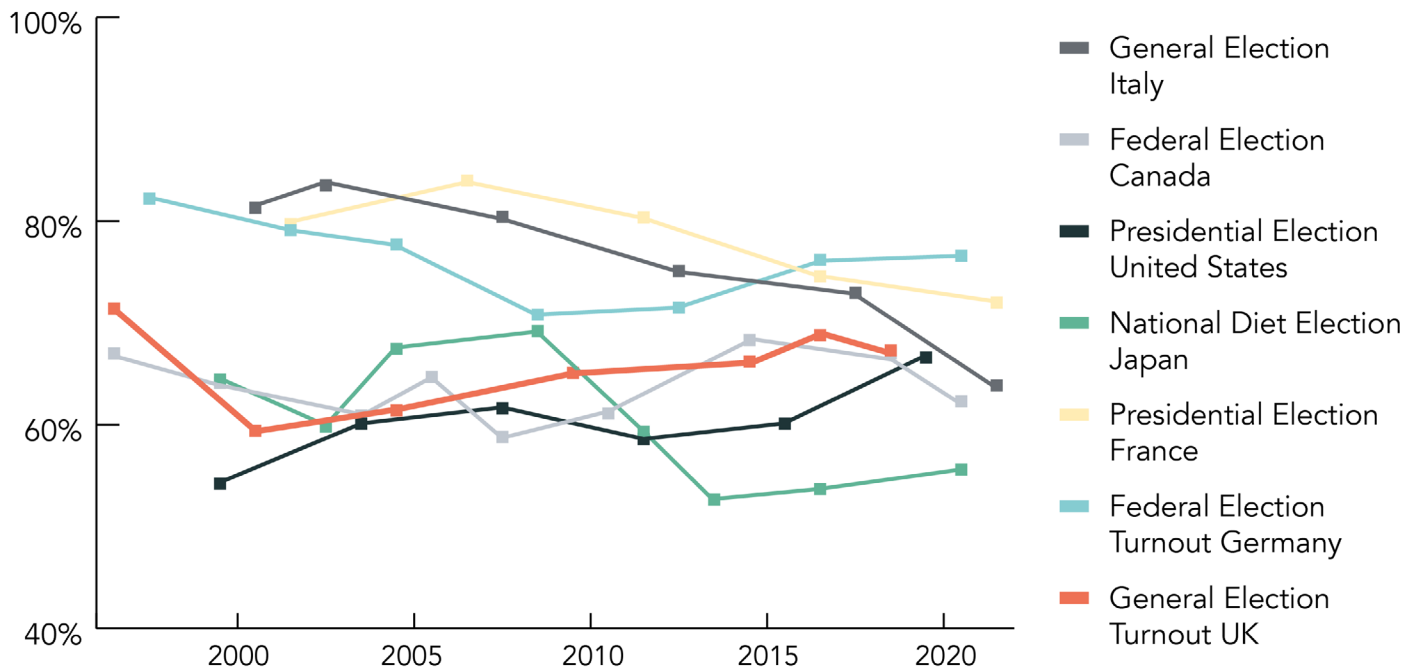


Source: House of Commons Library

22 House of Commons Library, Turnout at elections, 10 January 2023

CHART 3

NATIONAL ELECTION TURNOUT UK, GERMANY, FRANCE, JAPAN AND UNITED STATES



Source: Wikipedia

Comparing the UK with the rest of the G7 of democratic countries, the UK performance is middling. Historically, the UK has seen higher levels of participation at national levels than the United States and Canada but lower than France and Germany. Japan and Italy have seen greater variation. Worryingly, with the exception of the United States, the rest of the G7 countries have all seen voter turnout fall in national elections since 1997.

The creation of combined authority areas, led by ‘metro mayors’ was seen as a way of increasing engagement with local politics, however turnout in the most recent mayoral elections ranged from 29.5% in the Liverpool City Region to 36.4% in Cambridgeshire and Peterborough. This suggests that measures are needed to encourage greater engagement with local elections across the board.

So what’s driving low engagement? Demos research in the devolved administrations has found that there is still a lack of knowledge about what the new ‘Metro Mayors’ do.²³ If we want to boost engagement at a local level, we need to better inform the public about the role and activities of those that they are being asked to elect. Champions of Federalist and Mayoral approaches need to

develop proposals for increasing turnout and avoiding a ‘democratic deficit’ emerging at a local level. Providing additional powers to Metro Mayors to encourage people to take a greater interest in these elections, for example, is not a silver bullet to this challenge. For example, the turnout for the West Midlands Mayoral Election in 2021 was 31.2% - only marginally higher than that for the Liverpool Mayoral Election despite the fact that the West Midlands Combined Authority has significantly more power than the Liverpool City Region Combined Authority.

TRUST IN GOVERNMENT, POLITICIANS AND DEMOCRACY IS AT AN ALL TIME LOW, AND IS LIKELY TO CONTINUE TO DECLINE, THREATENING OUR DEMOCRACY

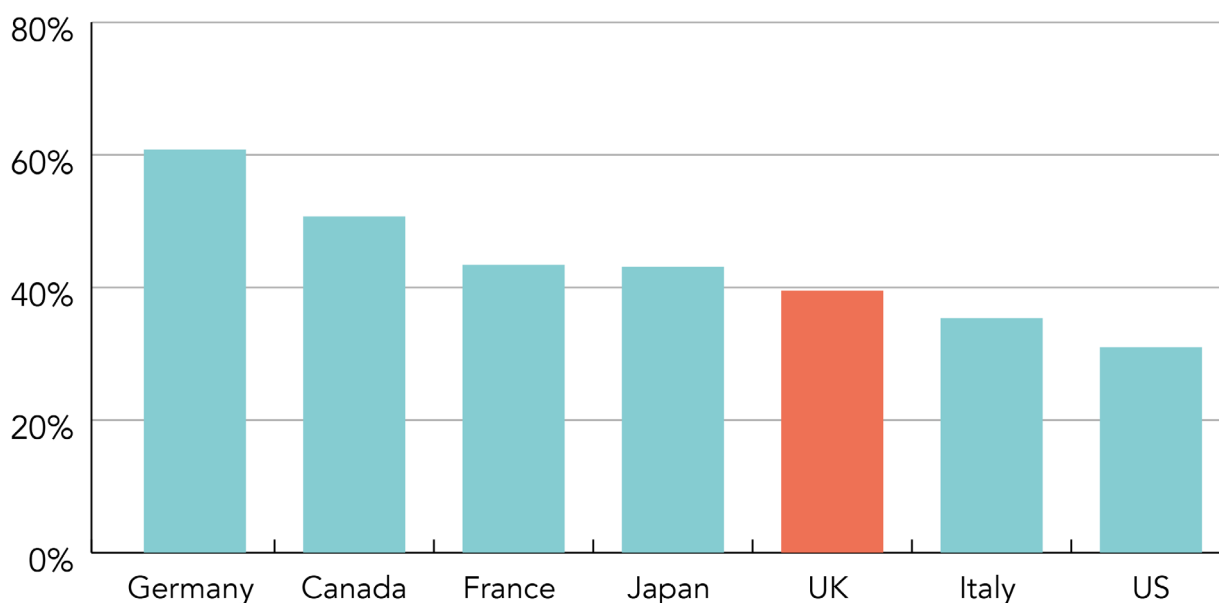
Trust is an important ingredient for a functioning society. Studies suggest that ‘high trust’ countries also prosper economically and are better prepared to deal with crises, such as the covid-19 pandemic.²⁴ However, trust in general is falling on an international level and trust in politicians and democracy in the UK is also low.

²³ Demos, Teed Up for Success?, January 2023

²⁴ New Social Covenant Unit, Social Capitalism, October 2022

Amongst the leading democratic nations of the G7, the UK ranks in the bottom half for trust in government according to the OECD Trust in Government Survey 2022. 39.5% of people in the UK say that they trust the government compared to 43.1% in Japan, 43.4% in France, 50.7% in Canada and 60.8% in Germany. Only Italy (35.4%) and the United States (31%) rank lower than the UK.²⁵

CHART 4
PERCENTAGE OF PEOPLE THAT HAVE TRUST IN THEIR GOVERNMENT



Source: OECD

Polling suggests that trust in politicians is at an all time low - in 2022 63% said they thought politicians were 'out for themselves', compared to 48% in 2014.²⁶ In 1944, slightly more people thought that politicians were out to do what is best for their country than thought they were out for themselves. Now twelve times as many people think that they are out for themselves compared to doing what is best for the country. Interestingly, the public think that even politicians' loyalty towards their own parties has diminished. In 2014, a third of people thought that people thought they put their party first. Now, just 16% think this. This is not a problem solely relating to a single political party- while more people (59%) said they thought the Conservative party was 'untrustworthy' when polled in July 2023, 41% of people said the same thing about the Labour party.

This lack of trust is not solely related to politicians themselves. Research by Carnegie UK found that less than half of the English public feel that democracy works well in the UK (45%), and the overwhelming majority do not trust that MPs (76%) or the UK government (73%) will make decisions that will improve their lives.²⁷ This is a problem not just for the large democratic systems at play, but also for engagement with politics and democracy at the local level: 60% of people said they do not trust local government 'at all' or 'very much' in the same research.

This lack of trust is a threat to our democracy. Academics have found a clear link between trust in the political process with the survival of democratic systems of government.²⁸ Research has found a worrying disconnect between young people and our democratic values. A report by the think tank Onward found that 61% of 18-34s agree that "having

²⁵ OECD, Trust in Government Survey 2022, accessed October 2023

²⁶ IPPR, Trust issues, December 2021

²⁷ Carnegie UK Trust, GDWe: A spotlight on democratic wellbeing, January 2022

²⁸ Dr. C Emmons et al, Democracy and the Crisis of Trust, accessed October 2023

a strong leader who does not have to bother with parliament and elections would be a good way of governing this country” while 46% agree that “having the army rule would be a good way of governing this country”. This compares to 29% and 13% for over-55s respectively.²⁹

Greater devolution of power to local politicians is not necessarily the answer. The United States, for example, has a federal system with strong powers for state and local government but trust is low. Fiscal devolution - another objective for those championing Federalist and Mayoral approaches, is higher in Italy than the EU-average but trust in government is lower than the UK.³⁰ Spain is also more decentralised than the UK but trust in government is lower. By contrast, France is more highly centralised than Italy but trust is higher.

By contrast, increasing social capital is more likely to lead to greater trust in government and politics more broadly.³¹ Communitarian approaches that give real power and agency to people are effective ways to increase levels of social capital and to restore trust in our political system.³² There is also demand for greater say at a local level directly through the public in the UK, with Demos research consistently finding that people say they want more of a say in the decisions that impact their lives and the places they live.³³ Policy makers will need to reopen the communitarian toolbox if they want to reverse recent trends towards higher levels of distrust in politicians, government and our democratic system.

NEW WAYS OF SHARING POWER

Voting is not the only way that people can share power. There are a number of democratic innovations and changes to the way we do government that can bring more people into the process of decision making.

THERE ARE POCKETS OF DEMOCRATIC INNOVATION HAPPENING ACROSS THE COUNTRY, BUT MORE COULD BE DONE

Directly granting people the power to make or influence decisions about the places they live goes beyond simply devolving power to the local level.

One of the ways that we can achieve that is through greater use of participatory democracy so that people can truly shape the decisions that affect their everyday lives.

Demos has been calling for greater use of participatory methods since 2005 when we launched a paper on '*Everyday Democracy*'. As we described it, “[e]veryday democracy means increasing public participation in the formal and informal institutions that shape our daily lives. People should be able to make individual choices in ways that contribute to the common good.” Deliberative democracy is part of that process and helps people to reconnect with their communities and places.

Democratic innovations such as citizens assemblies, panels or audits are a means of bringing together a representative group of citizens to deliberate, distribute or evaluate. We know trust in traditional democratic systems is waning - democratic innovations such as citizens assemblies offer a means to rebuild trust and engagement with democracy, by putting power directly into people’s hands.

The OECD Database on Representative Deliberation that tracks the use of citizen assemblies, councils, juries, dialogues and other deliberative exercises has found that 574 such exercises have taken place.³⁴



CITIZEN ASSEMBLIES

Large scale deliberative consultations with places on specific issues (e.g. 50-100 people)



CITIZEN JURIES

Small scale deliberative consultations with places on specific issues (e.g. 15-20 people)



CITIZEN AUDITS

Small scale oversight of delivery of local services by residents

29 Onward, The Kids Aren’t Alright, September 2022

30 European Committee of the Regions, Decentralisation Index, October 2023

31 S. Knack, Social Capital and the Quality of Government: Evidence from the United States, November 1999 & L. Keele, Social Capital and the Dynamics of Trust in Government, American Journal of Political Science, April 2007

32 New Social Covenant Unit, Social Capitalism, October 2022

33 Demos, Don’t leave levelling up behind, 10 October 2022

34 OECD, OECD Database of Representative Deliberation, accessed October 2023

In recent years there has been a rise in these innovations on specific topics, such as climate change or social care, across the country.^{35,36} These one off examples offer a useful blueprint, but the next, ambitious step is to embed them into policymaking processes on a permanent basis. This is starting to happen - Newham Council has launched the country's first citizens' assembly, which will engage residents on a variety of issues across the borough.³⁷ These vary from budgetary engagement to green spaces, and the process involves providing participants with information to scope the theme of each assembly, developing ideas based on the theme and producing recommendations. These recommendations are presented to a Council Panel and the Full Council, which the council then responds to. This creates a direct relationship between the community and policymakers, making it easier for decisions taken locally to reflect the priorities and ideas of the people who live there.

For policymakers looking to empower citizens and enhance place-based policymaking, there are lessons to be learnt from the efforts made across the country to use participatory methods. Devolution sceptics often point to the risk of a loss of accountability as a by-product of shifting power away from the centre. One way of ensuring local authorities are held accountable for their decisions is to directly involve members of the community in the process. The Liverpool City Council recently did this by holding their first citizens audit. This involved a representative group of people from the area taking part in a series of discussions, evaluating how well the council had delivered on their commitments in the Council Plan. The council then produced a response document and engaged relevant departments to implement changes based on the input of the group.

This is also part of a global trend to use more participatory methods. Paris became the first city in the world with a standing citizens' assembly in 2021. France has also held Citizen Conventions on Climate in 2019 and 2020. More notably, Ireland has used a Citizen Assembly to look at abortion, fixed term parliaments, referendums, population ageing and climate change. The Irish Citizens Assembly recommendations on abortion eventually led to a change in the constitution.

Participatory methods have the potential to combine elements of Federalist, Mayoralist and Communitarian approaches to power and place, spreading political power throughout society whilst directly engaging citizens. Although it is too early to say whether they will be successful, there is

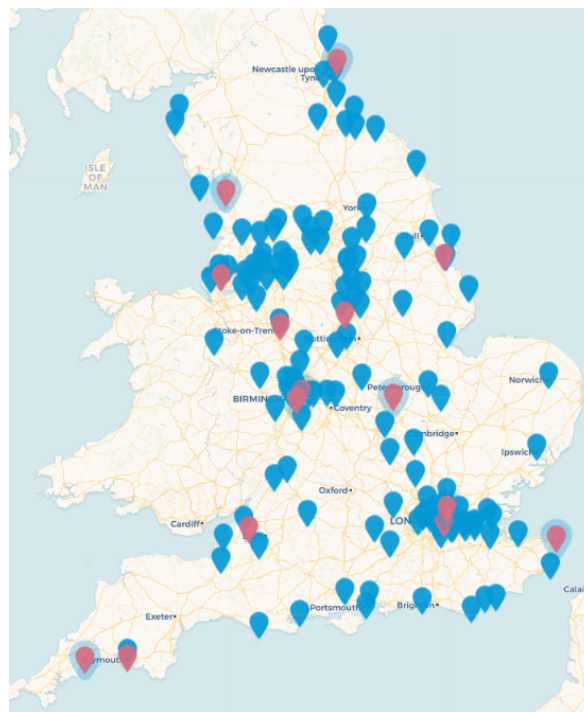
growing recognition of the benefits that participatory democracy could generate in spreading power and voice more evenly throughout society.

POLICY MAKERS ARE RECOGNISING THE NEED TO SHIFT POWER AND RESOURCES INTO THE HANDS OF LOCAL PEOPLE

There are examples of models of place based working happening already - the Big Local model is one that policymakers could look to.

Big Local is funded by The National Lottery Community Fund and managed by Local Trust, who work with a range of partners to deliver the programme. Big Local provides at least 1 million pounds of funding to 150 communities, provided on the basis that it can be spent over 10-15 years at the communities' own chosen pace, and on their own plans and priorities.³⁸ As Figure 3 shows, the Big Local programme is operating across England, not purely in the big urban conurbations but also in towns and rural communities.

FIGURE 3
MAP OF BIG LOCAL PROGRAMMES ACROSS ENGLAND



Source: Local Trust

35 Oxford City Council, Oxford Citizens Assembly on Climate Change, accessed October 2023

36 House of Lords Library, Library Briefing: Citizens' Assemblies: An Introductory Guide, accessed October 2023

37 Newham Council, Newham Citizens Assembly, accessed October 2023

38 Local Trust, About Big Local, accessed October 2023

The objectives of the programme relate to outcomes of communities, including improving their ability to better identify local needs and respond to them, increasing skills and confidence and making the area a better place to live.

The programmes are resident led and span a variety of priorities, including green spaces, young people, employment and the local economy.

This model looks to embed power, in the form of funding and subsequent capacity, to improve places at the neighbourhood level. Crucially, it trusts people to best understand the needs of their local area and empowers them to deliver solutions to the challenges they face. Initial evaluation of the Big Local programme has shown a range of positive impacts from reducing social isolation, boosting confidence and aspirations, building new skills and employment opportunities, improving the physical environment, and helping to generate a greater sense of community spirit and cohesion.³⁹

The New Deal for Communities (NDC), a government programme that distributed £2bn and sought to put communities in charge of how resources were deployed to regenerate local areas, was also found to be broadly successful. An independent evaluation of the NDC by academics found that there had been considerable positive change across the 39 deprived neighbourhoods that were given support through the NDC.⁴⁰

There is evidence that the central government is learning the lessons from this. The government has agreed to create a Community Wealth Fund with £87.5m in public money which would provide long term, patient investment for social infrastructure.⁴¹ The new Towns Fund announced by the Prime Minister will put £1bn in endowment-style funds that can be accessed over ten years, in the style of the Big Local programme.⁴²

Evidence suggests that long term patient investment in community-led change has the potential to both distribute power throughout society and significantly improve outcomes. Recent announcements indicate a trend towards policy makers recognising the need to shift power and resources into the hands of communities.

LOOKING TO 2040: REVERSING THE TRENDS TOWARDS DISTRUST, APATHY AND UNEQUAL ACCESS TO POWER

When it comes to the relationship between power and place, we know that there are a number of schools of thought that see the challenges around place based policymaking, inequality and democratic engagement differently. We divide these into three 'tribes' - Federalists, Mayoralists and Communitarians.

All tribes face challenges. Federalists and Mayoralists need to show how constitutional reforms or greater powers for Mayors can distribute power given low levels of voting and engagement amongst citizens. A lack of trust in politics and politicians may hamper efforts to empower government at all levels. Communitarians need to show that new rights and powers can be effectively deployed across the country and avoid generating inequalities between places. Resolving these challenges will be critical if we are going to see a radical change in the way power is distributed through places by 2040.

Power is unevenly distributed throughout the UK. Not every part of the country is covered by a combined authority and there is significant variation in the funding and capacity given to different places. What is evenly distributed is a desire by citizens and communities for greater say over the decisions that affect them and a range of new approaches from citizen assemblies and juries to programmes such as Big Local that put money directly into the hands of local people.

Policy makers need to look at a range of approaches to empowering communities. The different tribes show that there are plenty of options to share power across places by 2040.

39 Third Sector Research Centre, Big Local as Change Agent, February 2020

40 Department for Communities and Local Government, The New Deal for Communities Experience: A final assessment, March 2010

41 Department for Culture, Media and Sport, Dormant Assets Scheme: statement of intent overview, 28 September 2023

42 Department for Levelling Up, Housing and Communities, Prime Minister puts local people in control of more than £1bn with long-term plan for left-behind towns, 30 September 2023

Licence to publish

Demos – Licence to Publish

The work (as defined below) is provided under the terms of this licence ('licence'). The work is protected by copyright and/or other applicable law. Any use of the work other than as authorized under this licence is prohibited. By exercising any rights to the work provided here, you accept and agree to be bound by the terms of this licence. Demos grants you the rights contained here in consideration of your acceptance of such terms and conditions.

1 Definitions

a 'Collective Work' means a work, such as a periodical issue, anthology or encyclopedia, in which the Work in its entirety in unmodified form, along with a number of other contributions, constituting separate and independent works in themselves, are assembled into a collective whole. A work that constitutes a Collective Work will not be considered a Derivative Work (as defined below) for the purposes of this Licence.

b 'Derivative Work' means a work based upon the Work or upon the Work and other pre-existing works, such as a musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which the Work may be recast, transformed, or adapted, except that a work that constitutes a Collective Work or a translation from English into another language will not be considered a Derivative Work for the purpose of this Licence.

c 'Licensor' means the individual or entity that offers the Work under the terms of this Licence.

d 'Original Author' means the individual or entity who created the Work.

e 'Work' means the copyrightable work of authorship offered under the terms of this Licence.

f 'You' means an individual or entity exercising rights under this Licence who has not previously violated the terms of this Licence with respect to the Work, or who has received express permission from Demos to exercise rights under this Licence despite a previous violation.

2 Fair Use Rights

Nothing in this licence is intended to reduce, limit, or restrict any rights arising from fair use, first sale or other limitations on the exclusive rights of the copyright owner under copyright law or other applicable laws.

3 Licence Grant

Subject to the terms and conditions of this Licence, Licensor hereby grants You a worldwide, royalty-free, non-exclusive, perpetual (for the duration of the applicable copyright) licence to exercise the rights in the Work as stated below:

a to reproduce the Work, to incorporate the Work into one or more Collective Works, and to reproduce the Work as incorporated in the Collective Works;

b to distribute copies or phono-records of, display publicly, perform publicly, and perform publicly by means of a digital audio transmission the Work including as incorporated in Collective Works; The above rights may be exercised in all media and formats whether now known or hereafter devised. The above rights include the right to make such modifications as are technically necessary to exercise the rights in other media and formats. All rights not expressly granted by Licensor are hereby reserved.

4 Restrictions

The licence granted in Section 3 above is expressly made subject to and limited by the following restrictions:

a You may distribute, publicly display, publicly perform, or publicly digitally perform the Work only under the terms of this Licence, and You must include a copy of, or the Uniform Resource Identifier for, this Licence with every copy or phono-record of the Work You distribute, publicly display, publicly perform, or publicly digitally perform. You may not offer or impose any terms on the Work that alter or restrict the terms of this Licence or the recipients' exercise of the rights granted hereunder. You may not sublicense the Work. You must keep intact all notices that refer to this Licence and to the disclaimer of warranties. You may not distribute, publicly display, publicly perform, or publicly digitally perform the Work with any technological measures that control access or use of the Work in a manner inconsistent with the terms of this Licence Agreement. The above applies to the Work as incorporated in a Collective Work, but this does not require the Collective Work apart from the Work itself to be made subject to the terms of this Licence. If You create a Collective Work, upon notice from any Licensor You must, to the extent practicable, remove from the Collective Work any reference to such Licensor or the Original Author, as requested.

b You may not exercise any of the rights granted to You in Section 3 above in any manner that is primarily intended

for or directed toward commercial advantage or private monetary compensation. The exchange of the Work for other copyrighted works by means of digital file sharing or otherwise shall not be considered to be intended for or directed toward commercial advantage or private monetary compensation, provided there is no payment of any monetary compensation in connection with the exchange of copyrighted works.

c If you distribute, publicly display, publicly perform, or publicly digitally perform the Work or any Collective Works, you must keep intact all copyright notices for the Work and give the Original Author credit reasonable to the medium or means You are utilizing by conveying the name (or pseudonym if applicable) of the Original Author if supplied; the title of the Work if supplied. Such credit may be implemented in any reasonable manner; provided, however, that in the case of a Collective Work, at a minimum such credit will appear where any other comparable authorship credit appears and in a manner at least as prominent as such other comparable authorship credit.

5 Representations, Warranties and Disclaimer

a By offering the Work for public release under this Licence, Licensor represents and warrants that, to the best of Licensor's knowledge after reasonable inquiry:

i Licensor has secured all rights in the Work necessary to grant the licence rights hereunder and to permit the lawful exercise of the rights granted hereunder without You having any obligation to pay any royalties, compulsory licence fees, residuals or any other payments;

ii The Work does not infringe the copyright, trademark, publicity rights, common law rights or any other right of any third party or constitute defamation, invasion of privacy or other tortious injury to any third party.

b Except as expressly stated in this licence or otherwise agreed in writing or required by applicable law, the work is licenced on an 'as is' basis, without warranties of any kind, either express or implied including, without limitation, any warranties regarding the contents or accuracy of the work.

6 Limitation on Liability

Except to the extent required by applicable law, and except for damages arising from liability to a third party resulting from breach of the warranties in section 5, in no event will licensor be liable to you on any legal theory for any special, incidental, consequential, punitive or exemplary damages arising out of this licence or the use of the work, even if licensor has been advised of the possibility of such damages.

7 Termination

a This Licence and the rights granted hereunder will terminate automatically upon any breach by You of the terms of this Licence. Individuals or entities who have received Collective Works from You under this Licence, however, will not have their licences terminated provided such individuals or entities remain in full compliance with those licences. Sections 1, 2, 5, 6, 7, and 8 will survive any termination of this Licence.

b Subject to the above terms and conditions, the licence granted here is perpetual (for the duration of the applicable copyright in the Work). Notwithstanding the above, Licensor reserves the right to release the Work under different licence terms or to stop distributing the Work at any time; provided, however that any such election will not serve to withdraw this Licence (or any other licence that has been, or is required to be, granted under the terms of this Licence), and this Licence will continue in full force and effect unless terminated as stated above.

8 Miscellaneous

a Each time You distribute or publicly digitally perform the Work or a Collective Work, Demos offers to the recipient a licence to the Work on the same terms and conditions as the licence granted to You under this Licence.

b If any provision of this Licence is invalid or unenforceable under applicable law, it shall not affect the validity or enforceability of the remainder of the terms of this Licence, and without further action by the parties to this agreement, such provision shall be reformed to the minimum extent necessary to make such provision valid and enforceable.

c No term or provision of this Licence shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party to be charged with such waiver or consent.

d This Licence constitutes the entire agreement between the parties with respect to the Work licenced here. There are no understandings, agreements or representations with respect to the Work not specified here. Licensor shall not be bound by any additional provisions that may appear in any communication from You. This Licence may not be modified without the mutual written agreement of Demos and You.

DEMOS

Demos is a champion of people, ideas and democracy. We bring people together. We bridge divides. We listen and we understand. We are practical about the problems we face, but endlessly optimistic and ambitious about our capacity, together, to overcome them.

At a crossroads in Britain's history, we need ideas for renewal, reconnection and the restoration of hope. Challenges from populism to climate change remain unsolved, and a technological revolution dawns, but the centre of politics has been intellectually paralysed. Demos will change that. We can counter the impossible promises of the political extremes, and challenge despair – by bringing to life an aspirational narrative about the future of Britain that is rooted in the hopes and ambitions of people from across our country.

Demos is an independent, educational charity, registered in England and Wales. (Charity Registration no. 1042046)

Find out more at www.demos.co.uk

DEMOS

PUBLISHED BY DEMOS DECEMBER 2023

© DEMOS. SOME RIGHTS RESERVED.

15 WHITEHALL, LONDON, SW1A 2DD

T: 020 3878 3955

HELLO@DEMOS.CO.UK

WWW.DEMOS.CO.UK