

# **Election Unplugged:**

# Reflections from a northern perspective on the party manifestos

By Ed Cox, Clare McNeil and Katie Schmuecker

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#### Introduction

This election campaign has been blown wide open. It only took the smallest of innovations – a live debate between the leaders of the main parties – and we find ourselves pitched into the closest fought election campaign in decades. This has thrown the parties' election strategies into disarray. At the beginning of the campaign the orthodox approach to campaigning applied: target resources at a small number of key marginal seats – primarily found in the South of England and the Midlands – that are most likely to swing the result. But now things feel far more unpredictable and northern votes (most notably those of pensioners in Rochdale) would appear to count more than had been assumed.

This short ippr north briefing offers reflections on the manifestos of the main political parties. Given our vantage point some hundreds of miles from the Whitehall and Westminster bubble, we focus here on three issues that seem to us crucial to the future of the North of England:

- Employment and economic development
- Reinvigorating the local state
- Building capable communities.

For each theme we provide a snapshot of some of the key policies being promoted and offer some analysis.

The purpose of the paper is not to establish which manifesto – or political party – we think is best for the North of England. Rather, it is to highlight the strengths and weaknesses of each and the possible implications for the three northern regions.

The fact that a briefing of this kind is necessary is in itself interesting, as it demonstrates the extent to which 'regional policy' – or any serious attempt to address the challenges facing the UK from a spatial perspective – appears out of vogue. Despite an apparent cross-party consensus on the importance of 'localism', there is very little to suggest that any prospective government has any appetite either for targeted intervention in any specific context or to radically reverse 20 years of creeping centralisation of state power.

And yet the need for more regionally and locally sensitive policymaking is increasingly apparent. There is ample evidence of significant regional inequality. Whether we look at health and education outcomes, levels of unemployment and worklessness, or the size of the private sector in comparison to the size of the economy overall, the northern regions remain towards the top of the league tables no one would not want to top, and towards the bottom of those one would (see for example North East Public Services Commission 2009, Johnson *et al* 2007).

The recession has thrown questions of social and economic disparities into even sharper relief. While many originally expected a 'white collar recession' to have a significant impact on the South of England, in fact the current recession has had a disproportionate impact on the North – much like those of the 70s and 90s (Dolphin 2009). This is likely to be exacerbated by impending public spending cuts, with the relative size of the public sector economy in the North being greater than that of the South (albeit public spending per capita is not always higher) (Schmuecker 2010). Indeed, it is this issue – highlighted in a BBC Newsnight interview with David Cameron – that has for the first time generated genuine debate about the spatial implications of economic policy.

By addressing aspects of the election manifestos from a northern perspective, ippr north is attempting to encourage this debate. We will continue in these efforts with a series of 'Election Unplugged' Breakfast Briefings in May, and a further report in June reflecting on the first weeks of the new government. As always, the intention is not to utter the final word but to open up a dialogue: your own views and perspectives would be most welcome – contact us at north@ippr.org.

# **Economic development and employment**

What the parties say:

Conservatives	Labour	Liberal Democrats		
Refocus R&D tax credits on hi-	Develop an activist industrial	Establish local enterprise funds to		
tech companies, small business	policy	help investors put money into		
and new start-ups		growing firms in their part of the		
	Establish a regional growth fund	country		
Abolish RDAs* and give councils	through the RDAs with regional			
and businesses the power to	ministers given an enhanced role	Establish regional stock exchanges		
form business-led local	in restoring growth	0 554 1		
enterprise partnerships	Davishia navian avanlaasi	Scrap RDAs and give their		
Allow councils to keep above	Devolve power over local transport and skills to core cities	functions to local authorities, unless		
Allow councils to keep above- average growth in business rate	and city regions	they have local support to continue		
revenue and offer discounted	and city regions	Introduce a 1-year job creation and		
business rates	Create £4bn UK Finance for	green economic stimulus package,		
	Growth Fund to provide capital for	using £3.1bn of public spending to		
Create a single Work	growing businesses in growth	create 100,000 jobs		
Programme for everyone who is	sectors			
unemployed, including the 2.6m		Invest up to £400m in refurbishing		
claiming Incapacity Benefit	Future Jobs Fund to provide a job	shipyards in the North of England		
	or training place for young people	and in Scotland to manufacture		
Provide targeted, personalised	out of work for 6 months, benefits	offshore wind turbines and other		
help sooner – straight away for those with serious barriers to	cut at 10 months if they refuse to	marine renewable energy		
work and at 6 months for those	participate	equipment		
aged under 25	Guaranteed work placement for	Paid work placement scheme for		
aged under 20	anyone unemployed for over 2	young people to gain skills and		
Deliver the work programme	years	experience for up to 3 months		
through private and voluntary				
sector providers, rewarded on a	Reform housing benefit	Better practical help for disabled job		
payment by results basis		seekers to get to work, using		
		voluntary and private sector		
Establish Service Academies to		providers, as well as Jobcentre Plus		
offer pre-employment training		services		
and work placements for unemployed people				
*RDA=Regional Development Agency				
NEA Negional Ecrolophicit Agency				

Many northern towns and cities – for example Leeds, Manchester and Newcastle – have experienced an urban renaissance in the last decade. But while their economies have grown and their cityscapes been transformed, substantial disparities between different parts of England remain. Whether we consider economic growth, productivity, skills, worklessness or levels of poverty and deprivation, a considerable challenge still faces many parts of the North of England. Crudely put, the North–South divide is still with us.

But all of the manifestos seem to offer economic development proposals that are largely spatially blind. The Labour Party's active industrial policy takes a sectoral approach, while the Conservatives opt for a more neo-liberal approach of creating the conditions for growth then standing back and waiting for the economy to flourish. The Liberal Democrats offer some surprisingly specific commitments, like investing in the shipyards, which will disproportionately benefit places like Tyneside and Merseyside (see below). However, it is not at all clear if that is part of a wider policy of targeting particular places.

#### Regional Development Agency and local authority powers

The Regional Development Agencies (RDAs) have been the Government's answer to ensuring the UK economy fires on all cylinders. Both the Liberal Democrats and Conservatives propose to abolish the RDAs and pass economic development functions to local government. But both parties leave the strategic nature of some economic development and planning decisions somewhat to chance. The Conservative Green Paper *Control Shift* (2009) does talk about local enterprise boards needing to reflect 'natural economic divisions', which implies there will need to be cross-local-authority working in those areas – like the city regions of the North – where individual local authorities are geographically small. But what the Conservative and Liberal Democrat manifestos lack is a clear framework of incentives designed to foster such joint working.

The Labour manifesto, on the other hand, does provide incentives to partnership working between local authorities, offering further transport and skills powers to city regional partnerships like those in Manchester, Liverpool, Leeds, Tyne and Wear and the Tees Valley. It even holds out the opportunity to move to a system of powerful elected city-regional mayors. Interestingly, the words 'city region' do not feature in either the Conservative or Liberal Democrat manifesto.

An area where the Conservative manifesto does provide an opportunity for local authorities in the North is in the incentives it offers to local authorities to grow their economies. Currently, the proceeds of economic growth – in the form of increased business rate revenue – are not kept by local government. Conservative proposals to allow local authorities to keep above-average increases in business rate revenue will provide a good incentive, so long as there is a level playing field and local authorities are judged against an average for their area, rather than a national or regional average.

#### **Employment**

Unsurprisingly given the recession, employment and welfare-to-work programmes feature heavily in all the parties' plans. Effective mechanisms to move people back into work matter for the North, where unemployment rates and incapacity benefit claimant rates are higher than elsewhere – a legacy of industrial restructuring and past recessions as much as this one. The economy is only useful in so far as it enables individuals to improve their quality of life, which is why employment is a particularly important focus. The North has

many unhappy tales to tell of the devastating consequences lack of employment can have for individuals and communities.

The parties take quite strikingly different views on how far government should intervene to prevent higher unemployment, and how far the market should be left to adjust, with effort focused on creating the conditions for private sector growth.

Both the Labour and Liberal Democrat manifestos favour an interventionist approach. The Labour Party established the £1 billion Future Jobs Fund for young people in response to the recession, which will be extended to 2011 if they remain in power. Importantly, around half of these jobs are targeted at 'unemployment hotspots', many of which are in the North, in an attempt to provide opportunities in areas of high deprivation. The implementation of the scheme has been a success, and among other things has provided a sneak preview of what a greater role for councils in tackling unemployment might look like. However, it remains to be seen how effective the Fund will be in areas of high structural rather than recession-related unemployment.

The Liberal Democrats have pledged to introduce a one-year job creation and green economic stimulus package. Part of the plan includes refurbishing the shipyards in the North to manufacture offshore wind turbines and other marine renewable energy equipment, which could boost manufacturing jobs in these areas, providing much needed sustainable and skilled employment opportunities. The Liberal Democrats would also introduce a variation on the Future Jobs Fund, creating 800,000 three-month work placements paying just over the rate of Job Seeker's Allowance, at £55 a week.

In contrast, the Conservatives would scrap the Future Jobs Fund. Instead, they would fund 200,000 apprenticeships and pre-apprenticeships and 100,000 'work pairing' places (where young people are matched with sole traders for work experience). The Tory argument is that the focus should be on providing young people with the skills needed for work rather than on relying on short-term, government-created jobs. The question is whether or not problems with employer take-up of apprenticeships can be overcome to provide these places and if they will be linked to accredited training opportunities. In some areas of the North, there is also a question of whether or not the jobs will be there for them after they complete their training.

One area on which the parties broadly agree, however, is how to tackle long-term unemployment. This has become a significant problem in the North, where the number of people out of work for a year or more has doubled since the recession began. Furthermore, our analysis suggests it is those parts of the North that already had high rates of unemployment prior to the recession that have seen the largest increases, suggesting the most deprived areas have been hit the hardest (Dolphin 2009).

The Conservatives would introduce a new 'Work Programme', using contracted private and voluntary sector providers, offering immediate support for those who need it most and support for young people at six months. The Government is in fact already doing something very similar – uniting current New Deal programmes into one single programme called the Flexible New Deal. Though this is not covered in their manifesto, the Liberal Democrats in the past have advocated simplifying employment support along similar lines.

Where there are differences between the parties on this system, they are to do with implementation rather than substance. The question for all parties, then, is whether or not

this is enough to tackle both rising unemployment and long-standing problems of unemployment created by previous recessions and industrial decline.

There are two points to consider here. The first is that, under all of the parties, employment (though not necessarily skills) policy looks to remain highly centralised. This does not provide local government with the tools or incentives they need to tackle local problems with local solutions. The second is that, even in times of high employment, supply-side interventions only had a limited impact in many areas, failing to tackle pockets of entrenched unemployment.

The question for all parties is, will a policy that continues to focus almost exclusively on improving employability and skills be enough to reverse the damage of this recession and deal with the legacies of previous ones?

# Reinvigorating the local state

What the parties say:

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Conservatives	Labour	Liberal Democrats		
End ring-fenced budget, scrap	Cut back ring-fenced budgets,	Scrap central government		
process targets and end	central targets and indicators.	inspection regime		
'bureaucratic' inspection regime	Enable budgets to be pooled			
	through Total Place	Investigate changing borrowing		
Reintroduce a power of general		powers to enable new council		
competence for local	Provide and finance social and	house build, allowing local		
government	affordable housing	authorities to keep revenue		
		generated		
Give local authorities power to	New powers to tackle climate			
provide discounted business	change and provide social care	Greater bus regulation		
rates, and stop supplementary				
business rates where majority do	Grater role in public transport:	Replace council tax with local		
not consent	re-regulating some bus	income tax and return business		
Allow sowneile to been above	services, electronic ticketing	rates to councils and base them		
Allow councils to keep above-	Fatablish samuniasian ta naviava	on site value		
average increases in business	Establish commission to review	Deview lead reversent finance		
rate revenue, introduce a developers' tariff, match council	local government finance	Review local government finance		
tax receipts resulting from new	Stronger powers to scrutinise	Directly elect police authorities		
house building	other local public services	and health boards		
Tiouse building	Other local public services	and nealth boards		
Enable parents to set up schools	Devolve greater power and	Give local authorities a strategic		
Enable parente to cet up concele	responsibility to strong school	role in education with oversight of		
Directly elect police chiefs	leaders and extend the	performance and fair admissions,		
	academy model	but not directly running schools.		
Encourage partnerships between	,	Replace academies with 'sponsor		
bus operators and local	Petitioning powers for residents	managed schools' commissioned		
authorities	to demand action and more	by and accountable to local		
	neighbourhood agreements	authorities		
Introduce local referenda,				
including on high council tax		Introduce proportional		
increases		representation for local elections		
Introduce community right to buy				
and right to bid. Greater use of				
ward budgets and open-source				
planning				
Votes on mayors for 12 largest				
cities				

If the rhetoric is to be believed, this should be the localist election. This is good news for the North of England, where for some time the argument has been made that one size does not fit all – indeed there is growing evidence that centralised decision-making, far from preventing postcode lotteries, actually lies at the root of regional inequality in service provision (Bunt and Harris 2010). Given the different economic and social contexts experienced in different parts of England, allowing flexibility to tailor local solutions to local problems can help to bring about improved services and outcomes.

There is now cross-party consensus that the state is too centralised, but the manifestos reveal there is not a consensus about what localism should look like in England. In particular how large a role local government has to play seems to be a key area of divergence. We look here at three issues: giving local authorities greater powers and flexibility; financing local government; and localism beyond local government.

#### Greater powers to local government

Despite the rhetoric about empowering the local level, the proposals for giving greater powers to local government are in the main rather modest. Perhaps most bold are the Labour and Liberal Democrat commitments to return the power to finance and provide social housing to local authorities. The Conservative manifesto focuses instead on building a 'property-owning democracy', offering social tenants an equity stake in their homes if they are well behaved and piloting a nationwide house swap programme with a view to enabling mobility. The risk in this policy is that it further residualises the social housing stock in some areas so it becomes home to only the most disadvantaged with the most chaotic lives.

Beyond housing, the commitments are generally modest or incremental. They include a greater role in regulating buses (Labour and Liberal Democrats) and a vague but potentially important commitment from Labour to provide powers to tackle climate change and social care. The Conservatives plan to reintroduce the power of general competence, which will be welcomed by many in local government as a symbolic act, but it is not clear how this goes beyond the power of wellbeing that local authorities have possessed since 2000.

The modesty of these proposals may well reflect the fact that it is not so much powers as flexibility that has been a barrier to local authority action. This is a theme that features in all three party manifestos, with all committing to reduce or abolish ring-fenced budgets and central targets, empowering local authorities to respond more flexibly to local circumstances. Interestingly, both the Liberal Democrats and the Conservatives commit to abolishing the current inspection regime too. This leads directly into one of the most difficult debates linked to localism: how to ensure variations in approach do not result in unacceptable variations in service entitlement. The inspection regime is one way of ensuring standards, and these parties may well find themselves reinventing some form of inspection.

#### Financing local government

Local government finance has been the key sticking point in debates about the future of local government in recent years. Local authorities are currently responsible for raising a very small proportion of the money they spend, giving them little flexibility and sense of financial responsibility.

The three parties take quite different approaches to the finance question. The Conservatives are looking to nudge the local state, offering a range of financial incentives for house building, development and the growth of local businesses. The risk is that this approach will favour local authorities already situated in more buoyant local economies, further disadvantaging some of our more deprived local authority areas, particularly in the North.

The Liberal Democrats take a stronger line on local government finance, proposing council tax be replaced with a local income tax, and business rates be returned to councils and based on site value. Both the Liberal Democrats and Labour are committed to a review of the overall system of local finance, which may hold opportunities for further and more farreaching fiscal decentralisation. Importantly, however, only the Labour manifesto sets out any principles to inform the review: accountability, equity and efficiency. This is important for the Northern regions, as fiscal decentralisation without corresponding equalisation mechanisms will seriously disadvantage areas with a low tax base, such as Middlesbrough or Liverpool.

#### Localism beyond local government

The question that perhaps reveals the most difference between the parties is that of localism beyond the role of local authorities. Labour, following a shaky start in 1997, now seems committed to local government as the democratic fulcrum of the local state. Their commitments include further action on pooling local budgets following the Total Place pilots and stronger powers to scrutinise other local public services. While not quite a revolution for the local state, this does take a further pigeon step towards making local government the hub of local decision-making.

Both the Liberal Democrat and Conservative policies look instead to create new democratic bodies and institutions that will be in competition with local government. The Conservatives are proposing directly elected police chiefs and schools run by parents, proposals that will actually take some powers away from local authorities. The under the Liberal Democrats meanwhile advocate directly elected Police Authorities and Health Boards. This dispersal of representative roles will not serve to further the coherence of local public services.

While localism of slightly different flavours features in each of the parties' manifestos, what none of them do to any great effect is place their proposals for greater powers and flexibility in the context of the public sector spending cuts. Some of these cuts will be passed on to local government, a reality that local authorities throughout England are preparing for no matter who wins the election. By offering a more meaningful package of fiscal powers to local authorities, they will at least have the option of supporting local services through local taxation if that is what citizens choose. Without flexibility and financial clout any talk of a return to the days when town halls had genuine power to shape their local area will remain hot air.

Finally, what none of the parties address explicitly, other than talking about reducing central targets, is the corresponding change that has to happen in central government for localism to truly flourish. This requires a fundamental change so that the role of the centre becomes one of enforcing minimum standards and entitlements, focusing on setting key national *outcomes* (not outputs) without getting bogged down in the detail of delivery. Such an approach would open space for local innovation without undermining equity.

# **Building capable communities**

What the parties say:

Conservatives	Labour	Liberal Democrats
Create a Big Society Bank funded from unclaimed bank assets to provide new finance for the third sector and for intermediary bodies supporting social enterprise  Establish National Centres for Community Organising to train 5000 independent community organisers  Give new powers and rights to neighbourhood groups to take over running community assets, start schools, get local information and data, create Local Housing Trusts, etc.  Redirect Futurebuilders revenues into a neighbourhood grants programme  Encourage civil servants to carry out regular community service by making it part of their appraisals  Establish an annual 'Big Society Day'	Investment in play spaces, post offices and community pubs  Promotion of community asset transfer and Community Land Trusts  Social Investment Bank created from £75m dormant assets  Promotion of social enterprises, Community Interest Companies and community shares through Co-op Party, Business Link and RDAs  Consultation about putting compact on statutory footing  50 hours National Youth Community Service for all under-19s	Make charitable giving easier through your bank account Reform Gift Aid to a fixed 23% Streamline Criminal Records Bureau checking for voluntary activity

The Conservative Party made communities – through the 'The Big Society' emblem – the central thrust of their manifesto launch. The fact that this has not featured as strongly ever since is in part due to the feedback that it hasn't been an easy sell on the doorsteps but also due to the campaign strategy being overshadowed by the need to take on the Liberal Democrats, who say very little about this theme. Indeed, given the expectations all parties seem to place on the 'third sector' stepping in to shore up public service cuts, all manifestos are very thin in this area. Given the Conservatives' attention to this theme, this section will use their manifesto to guide our reflections.

Big Society rests on three core policy themes:

- Reinvigorating the third sector to play a more active role in public service reform
- Stimulating neighbourhood action
- Promoting a culture of 'responsibility, mutuality and obligation' to enable 'mass engagement'.

The rhetorical flourish is refreshing – even surprising – and marks possibly the greatest headline distinction between the party manifestos but it provokes three significant questions:

- i) Where does such zeal come from?
- ii) Do the policy levers match the rhetoric and how do they compare with Labour and Liberal Democrat proposals?
- iii) Will the North benefit?

The Conservative party manifesto – and the accompanying *Big Society Not Big Government* publication – makes it quite clear that Big Society is a 'positive alternative to Labour's failed big government approach' (Conservative Party 2010a). Although there remains 'an active role for the state', the driver for change is to reduce the size of the state and redistribute power from state to society. It would appear that the manifesto theme is less driven by the sense that society in intrinsically good (indeed much of the 'Broken Britain' narrative suggests almost the opposite) but that the state is something from which we must be freed.

While the enthusiasm to take on Britain's 'dependency culture' strikes a chord in many quarters, throughout this debate it is as if state-versus-society is a zero-sum game when in fact it is possible to have both big society and big state. And there is little consideration of the 'big market', which must be factored into any discussion about the growing individualisation and inequality that Big Society is meant to counter.

In policy terms Big Society involves enabling the third sector to take a bigger role in public service provision. This would be achieved through the creation of a Big Society Bank to invest funds from unclaimed bank assets to finance such activity and provide funds to intermediary support bodies. The Social Investment Bank recently launched by Labour and featured in their manifesto is not dissimilar. Both promise some magical leverage over private sector funding but with a starting sum of just £75 million all plans look woefully inadequate against the backdrop of expectations cited for the third sector.

All parties, though, see the role of the third sector as a means to cut costs while improving quality. Many believe that third sector organisations can provide services better tailored to their local contexts, but it remains to be seen if there is the appetite or capacity to take on this role to the extent parties hope for or if there is any obvious reason why such agencies should be able to deliver higher quality at lower cost. As most third sector organisations will testify, ensuring that volunteering can really add value comes at a significant cost and at present commissioning models are moving towards much larger scale contracts precluding local groups: hence Labour's tentative plans to re-open Compact debates.

The Conservatives' 'little platoons of civil society' and powers and rights for neighbourhood groups again sound promising. But a closer look at the detail suggests that the powers are little more than what is currently on offer through the Sustainable Communities Act, Labour Party plans for extending the transfer of assets to community groups and other measures outlined in the Empowerment White Paper of June 2008. The Liberal Democrats are notably silent about neighbourhood action and focus instead on making individual giving and volunteering slightly easier.

Conservative plans to redesignate some *Futurebuilders* funding into neighbourhood grants will be welcomed by those who feel too little of the last decade's investment in the third sector has reached the local level; neither of the other parties has a similar offer. This is complemented by the drive for 5000 Obama-style 'community organisers' which could reinvigorate the community development sector but the small print states that they will 'be required to raise funds to pay for their own salaries', which is likely to place them in direct competition with the groups they are there to support. Labour's neighbourhood plans are more focused on physical infrastructure with small investment in pubs, Post Offices and play areas.

To generate a 'new national energy and commitment to social action' the Conservatives propose changing the civil service 'competency framework' to make regular community service a key criterion of staff appraisal and launching an annual 'Big Society Day'. Such levers seem somewhat contradictory in the context of reducing the reach of the state but in comparison with Labour and Lib Dem manifestos they again demonstrate something of a vision for revitalising civil society which the others lack.

#### Will the North benefit?

On the face of it the Conservative Party has given a strong shot in the arm for local activism and goes much beyond either the Labour or Liberal Democrat parties' plans. For those that believe a strong North of England depends on a loosening of the central state, the fact that the Big Society message sits at the heart of Tory plans bodes well. In actual policy terms though, the Liberal Democrats barely address the agenda and there is little to distinguish between Conservative and Labour Parties. In fact the untargeted, 'spatially blind' nature of Conservative plans might actually exacerbate local and regional inequalities.

As many commentators have pointed out, the ability to start your own school or exercise any other neighbourhood right or power is likely to benefit those communities where there is already a level of social capital to 'get things done'. In communities where it can be an all-consuming task to juggle financial resources and informal support to make ends meet and provide for your family, the prospects that people will join an army of community organisers are more remote. In the North there are many communities that are less likely to be able to take up the opportunities presented by the Big Society – plus there is a lack of any spatial targeting – and therefore the North is very likely not to benefit as much as other parts of the country. Even if the Big Society/Social Investment Bank were based outside London, its location is unlikely to have any significant local or regional impact.

Furthermore, with a higher reliance on public sector spending and with a weaker voluntary and community sector infrastructure, the assumed transition from public to third sector service delivery as a mechanism for cutting costs could well represent a double whammy for northern public sector service provision. Public spending cuts will hit hardest in the poorer neighbourhoods in northern towns and cities and it is precisely such neighbourhoods that very often lack the community hubs and networks that are being expected to pick up the pieces.

Without a more targeted, needs-driven approach to investment there is a huge danger that social enterprise providing excellent support for the elderly in Swanage or Surrey will flourish, when in Salford or Stockton care will simply ebb away. Add to this the fact that the majority of civil servants (who the Tories would have become champions of community service) live largely in London and the South East and once again, the North will be significantly disadvantaged.

# Looking forward to a new government

Whatever government is formed after the election, tough times lie ahead. If managed in the wrong way, the prospect of substantial cuts to public spending poses a real risk to communities and citizens in the North of England. This briefing has set out three areas where ippr north thinks the policies of the next government will be crucial for the North: stimulating economic development and access to employment; the reinvigoration of the local state; and building capable communities.

Going forward we would like to see:

- Spatial targeting of resources: to ensure what scare resource there is goes to
  those areas that need it most. This includes ensuring our regions and city regions
  have the tools they need to take the strategic decisions that will guide economic
  development.
- A new financial settlement for local government: each of the party manifestos
  nods in this direction, but for local government to embrace a new role of
  coordinating services and delivering improved outcomes for its area, a new financial
  settlement is needed. This should combine greater revenue-raising powers with a
  robust, needs-based equalisation system to support areas with weaker tax bases.
- Local government made central to localism: local government, as a directly
  elected institution, is in pole position to coordinate the activities of the local state
  and local public services to meet the needs of its citizens. Rather than setting up
  rival centres of democratic decision-making, local authorities should be tasked with
  delivering improved outcomes across their local area and redistributing power to
  their citizens and communities.
- Support for the community agenda: if government is serious about developing
  capable communities and creating a big society, it must recognise that this is not a
  quick or cheap win. Adequate and appropriate support must be made available to
  those communities that risk missing out on this agenda if there were no additional
  support. The state has a key enabling role to play to make this agenda a reality.

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