



power to
change

business in
community
hands

Empower communities, don't just tinker with Westminster

**Power to Change's response to the Labour Party's Report
of the Commission on the UK's Future**

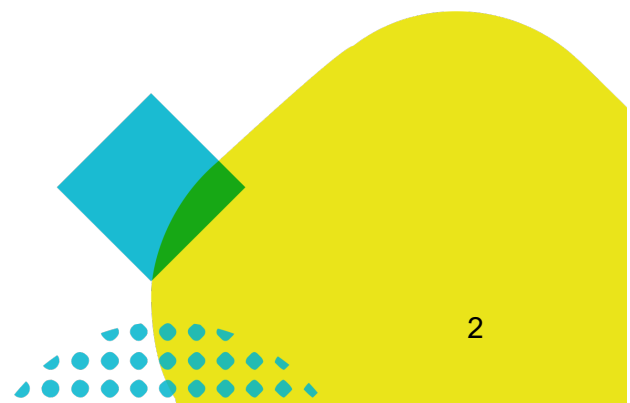
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About Power to Change

Power to Change is the independent trust that strengthens communities through community business. We use our experience to bring partners together to fund, grow and back community business to make places thrive. We are curious and rigorous; we do, test and learn. And we are here to support community business, whatever the challenge.

We know community business works to create thriving places when local people take ownership of spaces that matter and deliver services that communities need. Our 2021-26 strategy sets out how, using strategic funding, trusted partnerships, rigorous research, policy insight, and a strong network of remarkable community businesses we will back the sector, creating the ideas, evidence, and exemplars that make the case for others to back them too. Ultimately, we will amplify the efforts of community businesses and put them at the heart of a fair economy.



Executive summary

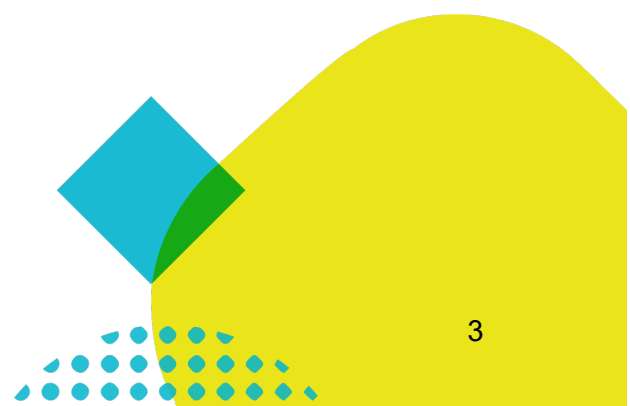
New polling for Power to Change shows that the public favour empowering local people and communities over abolition of the House of Lords as a way of restoring trust in politics.

- Three quarters of people feel that they have ‘not very much’ or ‘no control’ over the important decisions that affect their neighbourhood and local community. This has been a consistent finding over the last four years.
- Two thirds of people think giving more power to local people is likely to restore their trust in politics while 62% think the same for giving power to community organisations. This drops to 52% for abolishing the House of Lords and replacing it with an elected chamber.

We need to put power in the hands of local people and community organisations to unlock community power. This is the strong preference of the public. With Keir Starmer preparing for the next election, now is a good opportunity for him to stitch together aspects of the Gordon Brown Report of the Commission on the UK’s Future. The report builds on the community power agenda emanating from Lisa Nandy’s Shadow Levelling Up team and the economic devolution recently set out by Rachel Reeves.

There are ready-made solutions that give Labour the tools to unlock community power and restore trust in our politics. We recommend the Labour Party explores the following proposals as a means to doing this:

- **Introduce a Community Power Act to change where power lies in this country.** The Act would give communities a right to control spaces, services, and spending decisions in their local area. This would help establish a dynamic new form of governance at the local level, leading to more responsive public services, better decisions about local public spending and greater local power and say over important buildings and spaces. This is a ready-made vehicle to deliver on recommendations two and 15 in the Brown Report.
- **Expand and extend the Community Ownership Fund to £300m over four years to financially empower communities.** This could put 1,300 spaces into stable community ownership, which would create at least 5,000 jobs and 30,000 volunteering opportunities. This would complement existing measures Labour has adopted to boost community ownership, such as a Community Right to Buy.



The context and a summary of public opinion

It is an important and challenging time for the country. The last six years have been defined by political instability. The Brexit referendum, that signalled the beginning of this period, exposed the lack of control many people felt and still feel today. At a national level we have experienced five different prime ministers in these six years, compared to just three in the previous 19. In 2022 alone there have been three prime ministers.

The continuing volatility in Westminster has contributed to longstanding distrust in our politics¹. The current context of evermore strained public services amid a cost-of-living crisis will only add to this. Something isn't working. Those in power in Westminster are not trusted by those who elected them. And those voters do not feel like they have 'taken back control' in any meaningful sense – they can't make decisions that affect their local area, even though we know local people are often best placed to do so.

The Brown Report is thus a valuable contribution to the debate on how we might best restore trust in our politics. It presents a bold offer on devolution of power and constitutional reform for the Labour Party to take forward to the next election.

Labour must not lose sight of this in the months and years ahead. Exclusive polling for Power to Change by Savanta ComRes sets out the lack of control people feel over decisions that affect their lives, who they trust most to make decisions that affect their area, and what reforms will restore trust in our politics.

There is a strong sense of a lack of control amongst the public. We found that over three quarters of people feel that they have 'not very much' or 'no control' over the important decisions that affect their neighbourhood and local community, which has been a persistent finding over the last four years.

At the same time, it is local people who are most trusted (40%) to make decisions affecting a local area, followed by local government/councillors (38%) and community organisations (26%). This is in contrast to just 11% trusting city-region or county-level mayors ('mayors' will be used as shorthand throughout) to make decisions that affect their area, and 7% trusting national government and politicians in Westminster to make decisions that affect their area.

Looking at trust more generally, local people and community organisations are significantly more trusted than either local councillors, mayors, or national politicians. Nearly 80% of the public do not trust national government and politicians in Westminster. Almost the exact opposite is true of community organisations and local people. 66% of people trust community organisations and 77% trust local people.

It is therefore not surprising that reforms to empower local people and community organisations are more likely to restore trust in politics. As Figure 1 shows, 67% people think giving more power to local people is likely to restore their trust in politics while 62% think the same for giving power to community organisations. This drops to 52% for abolishing the House of Lords and replacing it with an elected chamber, 51% for giving more power to local authorities and 32% for giving more powers to mayors.

¹ Ipsos (2022) *Ipsos Veracity Index 2022: Trust in professions survey*, Available: https://www.ipsos.com/sites/default/files/ct/news/documents/2022-11/Veracity%20index%202022_v2_PUBLIC.pdf

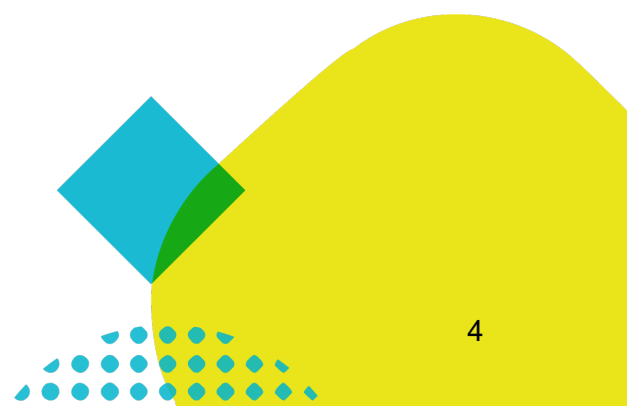
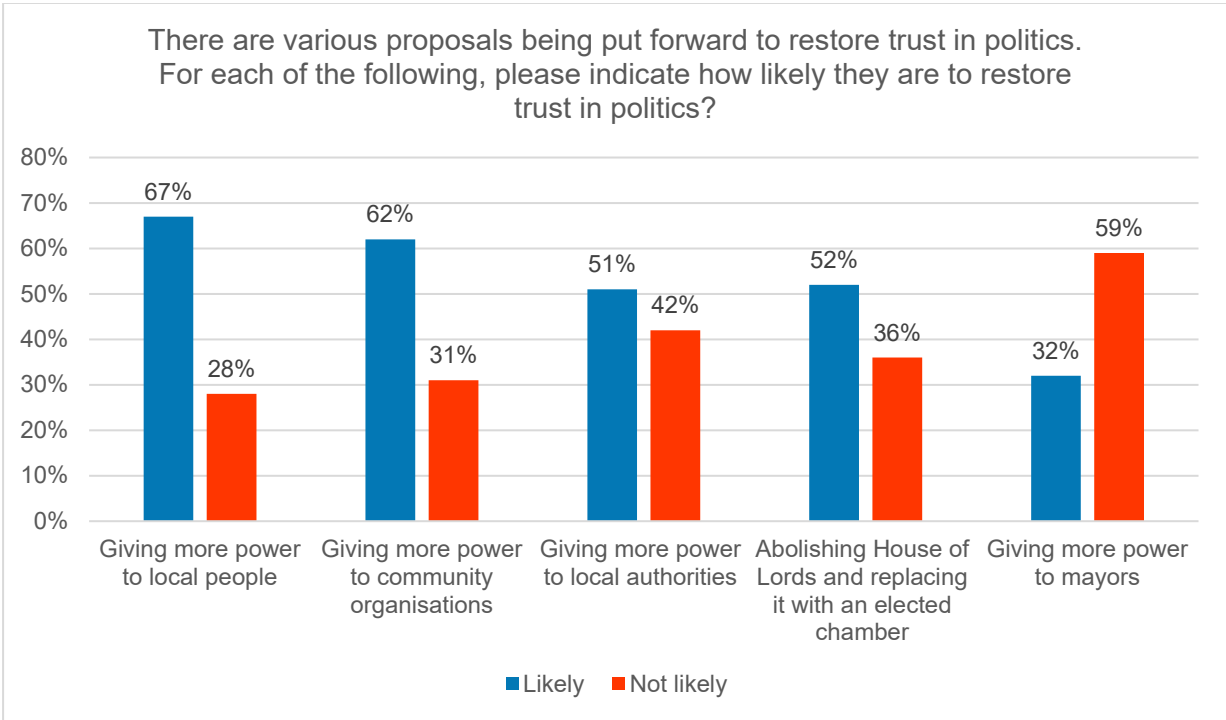


Figure 1. Trust in politics



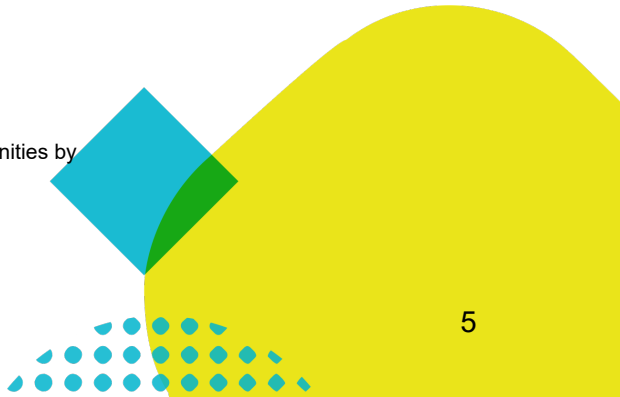
Source: Savanta ComRes for Power to Change (28 November 2022)

The picture is clear. We need to put power in the hands of local people and community organisations to unlock community power and restore trust in politics. This is the strong preference of the public. Pursuing House of Lords reform risks falling down a constitutional rabbit hole that may prove difficult to deliver. Devolution of power to the regional level, while welcome from a governance perspective, would not satisfy the desire to take back control that has driven distrust in our politics. Labour needs to commit to carrying through the community-powered elements of the Brown Report to the next election, namely recommendations two and 15.

At Power to Change, we know that some decisions are best made by local people – indeed the most successful regeneration initiatives have had community led elements to them.² An aversion to allowing them to do so raises questions about how much our politics trusts local people. It is no wonder this distrust is reciprocated.

With Keir Starmer preparing for the next election, now is a good opportunity for him to stitch together aspects of the Brown Report and build on the community power agenda emanating from Lisa Nandy’s Shadow Levelling Up team and the economic devolution recently set out by Shadow Chancellor Rachel Reeves. Taken together, there is scope for this to be a distinct agenda that seeks to restore trust in our politics which the party takes forward to the next election. But to do so, Labour must not lose sight of the public’s desire for greater community power, that can help restore their trust in politics and address the lack of control so many have felt for so long. Labour has begun to recognise the importance of community power – now is the time to commit to it.

² Onward (2021) Turnaround: How to regenerate Britain’s less prosperous communities by helping them take back control, Available: <https://www.ukonward.com/wp-content/uploads/2021/09/Turnaround-Publication-3.pdf>

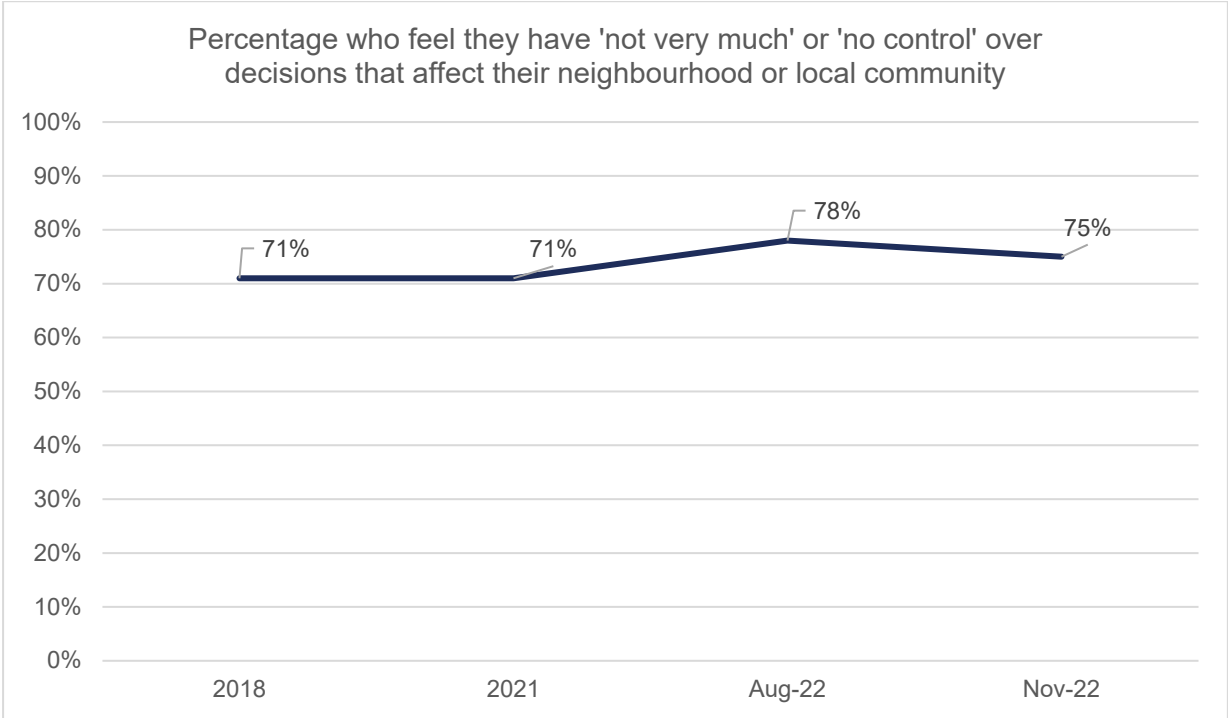


What the public thinks – distrust in politics and a desire for local control

New polling for Power to Change by Savanta ComRes, previewed above, shows that people do not feel that they have control over the decisions that affect their lives, that they have the most trust in local people to make the decisions that affect their lives, and that they favour reforms to give more power to local people and community organisations to restore their trust in politics.

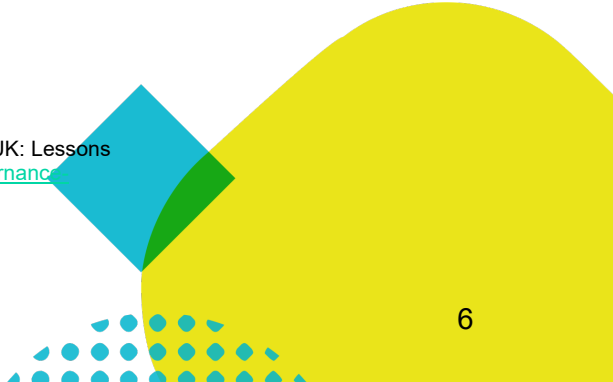
It has been a consistent finding over four years that over 70% of the public feel they have 'not very much' or 'no control' over the decisions that affect their neighbourhood or local community. It is striking, six years on from the Brexit referendum, that this polling finds 75% still feel this way (Figure 2). It is little wonder given that Britain is one of the most centralised countries in the developed world.³

Figure 2. Feelings of control at local level



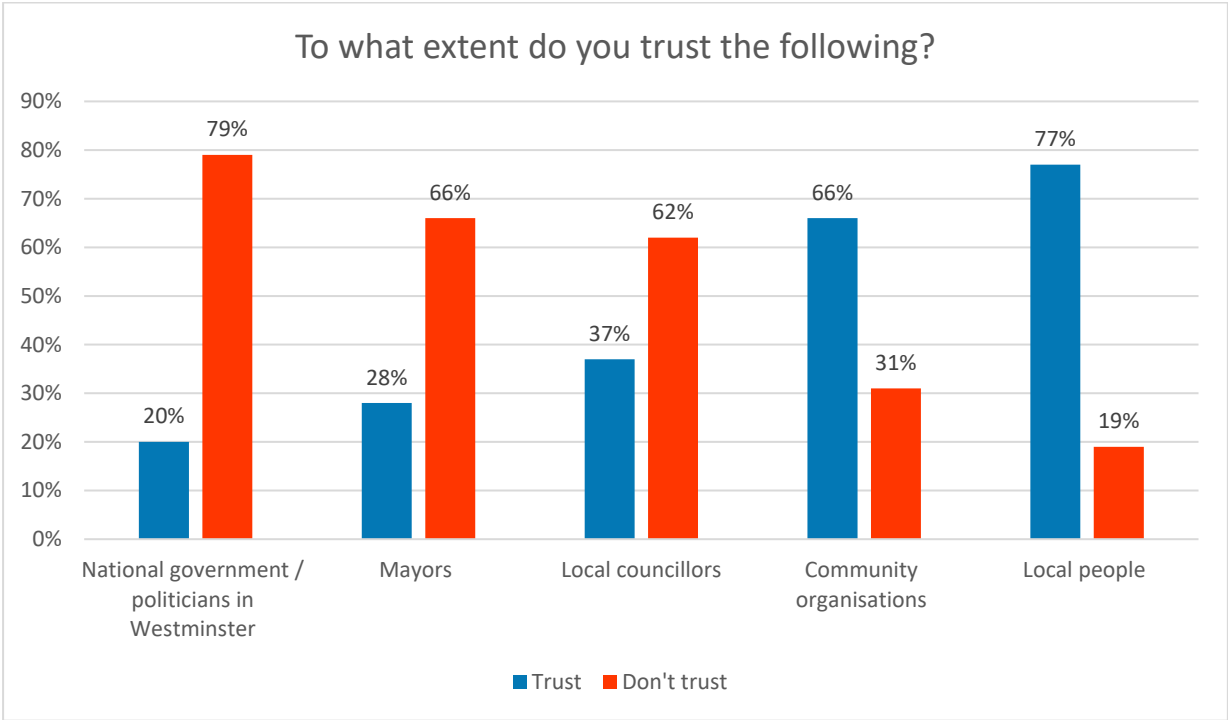
Source: [The Localism Commission \(2018\)](#), [Power to Change and The Cares Family \(2021\)](#), [We're Right Here \(2022\)](#), [Savanta ComRes for Power to Change \(28 November 2022\)](#)

³ Industrial Strategy Council (2021) Devolution and Governance Structures in the UK: Lessons from Evidence, Available: <https://industrialstrategyCouncil.org/devolution-and-governance-structures-uk-lessons-evidence>



With the public feeling disempowered to control decisions that affect their neighbourhood and local community, they must look to local, regional, and national government to make these decisions. Our polling, outlined in Figure 3, shows there is little trust in each of these levels of government, particularly national government and politicians in Westminster. Nearly 80% of the public do not trust national government and politicians in Westminster. Almost the exact opposite is true of community organisations and local people. 66% of people trust community organisations and 77% trust local people.

Figure 3. Trust in political actors



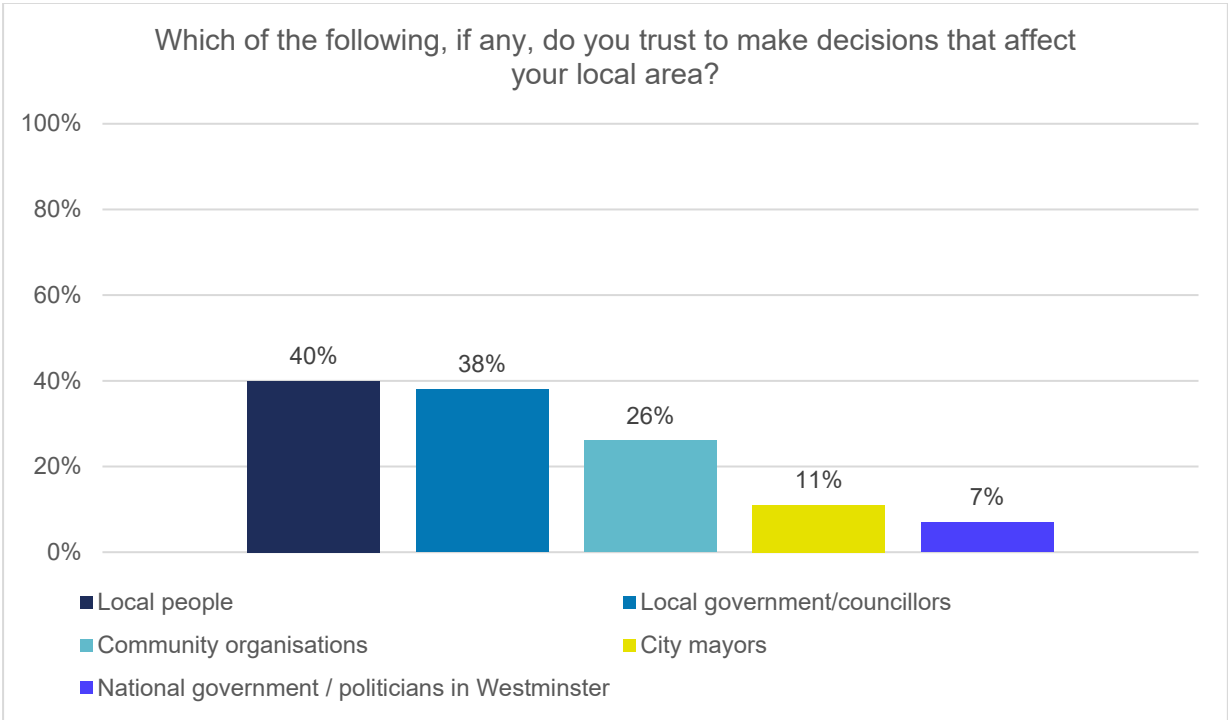
Source: Savanta ComRes for Power to Change (28 November 2022)

Many of these findings on trust translate into preferences on decision-making powers, as shown in Figure 4. We find that when given a choice, the public trust local people the most to make decisions that affect their local area, at 40%. This is closely followed by local government and councillors (38%), while 26% trust community organisations. Once again, a very low percentage trust (11%) mayors or (7%) politicians in Westminster to make decisions that affect their local area. According to work from Ipsos in November 2022, lack of faith in politics/politicians/government is one of the top five biggest issues for the public, alongside the economy and inflation, the NHS and immigration. One in five mention it as a concern, up from just 9% in September 2022.⁴ Our experience with community business shows that when you put trust in local people and organisations, they make a positive change in their local area.

⁴ Ipsos (2022) *Ipsos Issues Index*, Available: <https://www.ipsos.com/en-uk/economy-and-inflation-tied-biggest-issues-britain-while-concern-about-immigration-also-increases>.



Figure 4. Trust in local decision-making



Source: Savanta ComRes for Power to Change (28 November 2022)

All this paints a clear picture. There is a pervasive lack of control that has been consistently felt by the public over many years. The public trusts local people to make decisions that affect their area, but currently local people are not empowered to do this. Instead, their lives are affected by decisions made at a distance in Westminster, by politicians they have little trust in.



What this means for a community-powered future

The Brown Report correctly identifies lack of trust in our politics as a fundamental problem for our country. It sets out some bold measures to devolve power out of Whitehall and reform the constitution. In particular, we welcome recommendations 2 and 15, focusing on giving the principle of subsidiarity a legal basis and the intention to pursue 'double devolution'. Our polling shows that it is reforms that empower local people and community organisations to restore trust in politics that are favoured by the public over devolving power to the regional level and abolition of the House of Lords.

We agree with the report's assertion that devolution to the regional level is important, particularly for strategic policy areas such as transport, and welcome the commitment to getting 'the right powers in the right places'. Indeed, Power to Change works closely with combined authorities to strengthen the social economy. However, when looking at restoring trust in politics rooted in people's sense of a lack of control, regional devolution alone may not be the best answer. Only 31% indicate regional devolution is likely to restore trust in politics.

The Brown Report also recommends abolishing the House of Lords and replacing it with an elected chamber. There are strong arguments both for and against House of Lords reform, but there are two points to note. First, the last attempt by Labour at House of Lords reform under Tony Blair's government was not completed.⁵ Given this difficulty, House of Lords reform may not be the best way to deliver on restoring trust in politics. This is especially pertinent when you see only just over half (52%) of the public think House of Lords reform is likely to restore trust in politics (Figure 1, above). In contrast, we find that 67% of the public think giving more power to local people would restore trust in politics, and 62% think the same for giving more power to community organisations.

⁵ Philip Rycroft (2022) *Not by design: The erratic evolution of the British constitution since 1997*, Available: <https://www.instituteforgovernment.org.uk/sites/default/files/publications/IfG-Brown%20guest-paper-philip-rycroft.pdf>

How to restore trust in politics

To restore the public's trust in politics we need more community power. The analysis of public opinion above consistently shows higher levels of trust in local people and community organisations. The Brown Report is a step forward for the Labour Party on community power. It can be the start of a process that builds on recent community-powered announcements made by the likes of Shadow Work and Pensions Secretary, Jonathan Ashworth⁶ and Shadow Levelling Up Secretary, Lisa Nandy.⁷ Next, we hope that Keir Starmer and the rest of the party embed this into its wider policy programme and strategy for government.

Where community power is unlocked, we see that it is essential for strong, resilient communities that forms the basis of people's perceptions of how their life is going and how well politics is delivering for them.

On high streets for example – that shape people's sense of place – we see that community-owned town centre spaces serve as a 'destination space' that drives footfall to other businesses.⁸ Overseas and institutionally owned high street properties are twice as likely to be vacant than those in community ownership.⁹ Where power is put in the hands of communities, they can improve the fabric of their area in a way that they cannot when power is situated at the regional or national level.

For the wider economy, community-owned spaces contribute £220m to the UK economy and every 56p of every £1 they spend stays in the local economy, compared to just 40p for large private sector firms.¹⁰ Rooted in place, community-owned businesses care about the local area and ensure money is reinvested into that community.

In the pandemic we saw the resilience community organisations can bring, responding in an agile way to crisis.¹¹ Today we are beginning to see that it is community organisations who are at the forefront in responding to the cost-of-living crisis.¹² Again, where community power is unlocked, local people are empowered to protect their interests when national government cannot.

Already we have seen Labour burnish its community power credentials through its adoption of a Community Right to Buy, giving communities the right of first refusal once buildings and spaces with significant community value come up for sale. This is a first step in levelling the playing field for communities. But Labour needs to commit to this agenda and look into ready-made ways to deliver upon it.

⁶ Financial Times, *Labour outlines plan to place more Britons in work*, Available: <https://www.ft.com/content/7b5a034e-7a14-475d-9561-9ffd9efd4078>

⁷ LabourList, *The Conservative Party commitment to levelling up is "dead", Nandy declares*, Available: <https://labourlist.org/2022/07/nandy-declares-the-conservative-party-commitment-to-levelling-up-dead/>

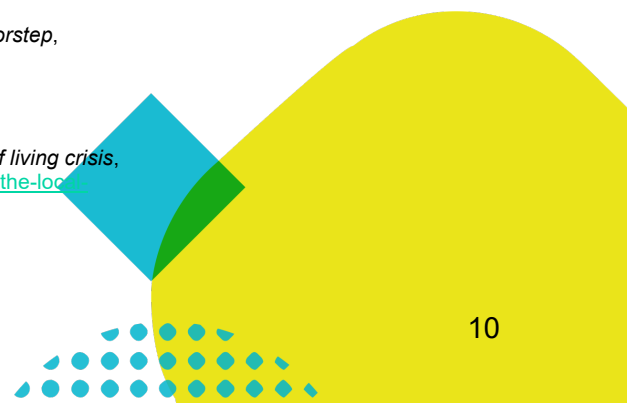
⁸ Power to Change (2022) *Take Back the High Street*, Available: <https://www.powertochange.org.uk/wp-content/uploads/2022/03/Take-Back-the-High-Street-report.pdf>

⁹ Ibid

¹⁰ Harries, R. and Miller, S. (2021) *Community Business: The Power on your Doorstep*, Available: <https://community-business.powertochange.org.uk/wp-content/uploads/2021/03/Power-on-your-doorstep-Full-Report.pdf>

¹¹ Locality (2020) *We were built for this*, Available: <https://locality.org.uk/wp-content/uploads/2020/06/We-were-built-for-this-Locality-2020.06.13.pdf>

¹² The Guardian, *Taking back control: the local projects stepping up in the cost of living crisis*, Available: <https://www.theguardian.com/society/2022/may/10/taking-back-control-the-local-projects-stepping-up-in-the-cost-of-living-crisis>



Recommendations

The Brown Report is an important step forward for Labour. It recommends that the principle of subsidiarity – that decisions should be made as close to the local level as meaningfully and practicably possible – becomes a legal requirement alongside a push for ‘double devolution’, giving communities more of a say on issues that affect them, the services they use and places where they live. These are strong recommendations that build on the recent community-powered announcements made by the likes of Shadow Work and Pensions Secretary, Jonathan Ashworth and Shadow Levelling Up Secretary, Lisa Nandy. All this offers Keir Starmer a distinctive agenda that is supported by the public to take forward to the next election.

We recommend the Labour Party explores the following proposals to commit to community power:

1. Introduce a Community Power Act

Labour should introduce a Community Power Act to change where power lies in England. The Act would:

Establish three new community rights

- 1. A Community Right to Buy:** Giving communities the right of first refusal once buildings and spaces with significant community value come up for sale.
 - If a community organisation or group is able to raise the required funds when an Asset of Community Value (ACV) comes up for sale, it would be theirs to purchase without competition. The current moratorium of six months should be extended to 12, to give time to raise the necessary funds.
 - This right would apply both to spaces already in community use and to spaces which have the potential to be used by the community – including privately-owned vacant or derelict buildings and land.
 - To facilitate this, ACVs should be protected from change-of-use planning applications unless the applicant is able to prove that there is no prospect of community use.
- 2. A Community Right to Shape Public Services:** Encouraging greater collaboration between communities and public institutions when designing, commissioning and delivering local services.
 - This would enable local communities to trigger a joint review of a particular local service, conducted by the local authority or relevant public body alongside local organisations and service users as well as the provider. There would be a set period of community consultation and co-design, with the option of triggering a full commissioning exercise – which might, for instance, result in a decision to insource a service.
 - Unlike the existing Community Right to Challenge, the new right would apply to services beyond those run by local authorities. Community organisations would be able to trigger joint reviews of services provided by health authorities, public institutions with responsibility for the provision of housing, education and skills training services and bodies with responsibility for local business policy, such as Local Enterprise Partnerships.



3. **A Community Right to Control Investment:** Increasing community control over the key spending decisions which affect local neighbourhoods.
- Where there is an accountable community-level decision-making institution such as a Community Covenant (see below) or parish council, a significant proportion of all public regeneration and local economic devolution funds allocated to that area should be controlled and invested directly by that community-level institution.

Introduce Community Covenants

Community Covenants are neighbourhood-level arrangements bringing local people, community organisations and local authorities together to share power and make decisions. Once formed, these Covenants will allow communities and local authorities to draw down the powers they need to shape their areas.

On the agreement and approval of a Community Covenant, Covenant partners would automatically and immediately be able to access and exercise a range of new powers and accompanying resources, including powers and resources related to:

- Local economic planning
- Neighbourhood planning
- Community assets
- Local service delivery
- Government funding streams
- Scrutiny of spending decisions

Establish a Community Power Commissioner

This independent office would be charged with ensuring action is taken across government to uphold the new community rights, enable the formation of Community Covenants everywhere, and generally unlock community power.

These three measures are intended to complement and reinforce one another. The three new community rights provide a basis for action which is supported and enhanced through the formation and work of Community Covenants. Meanwhile the Community Power Commissioner would both drive the formation of Community Covenants and work to ensure that the government upholds communities' rights fully and effectively.

2. Expand and extend the Community Ownership Fund to £300m over four years to financially empower communities

Lisa Nandy has committed to explore funding for community ownership through a commission led by Mark Gregory¹³. This would complement Labour's existing policy of a Community Right to Buy that gives communities the right of first refusal once buildings and spaces with significant community value come up for sale. A £300m Community Ownership Fund would enable 1,300 assets and spaces to be put into stable community ownership over a four-year period. This represents a 20% increase in the overall number of community-owned assets, that can create at least 5,000 jobs and 30,000 volunteering opportunities. Asset ownership provides the basis for community businesses to operate and is the foundation of stability and future income for these locally rooted businesses.

¹³ LabourList, *The Conservative Party commitment to levelling up is "dead", Nandy declares*, Available: <https://labourlist.org/2022/07/nandy-declares-the-conservative-party-commitment-to-levelling-up-dead/>

Capitalising communities through support for community ownership will make government investment go further. As enterprising organisations, they build businesses which last – reinvesting their profits into goods and services for the local community. These new community-owned assets can be expected to invest 56p in every £1 of their expenditure in their local economies and contribute nearly £220m to the UK economy every year with more of this money staying in the local economy than comparable private sector firms¹⁴.

The combination of this financial empowerment of communities with the constitutional empowerment outlined above, would mark an important contribution in the attempt to restore trust in politics.

Conclusion

The Brown Report is a welcome step for the Labour Party, signalling its commitment to strengthening community power. By building on recent announcements by Shadow Work and Pensions Secretary, Jonathan Ashworth, and Shadow Levelling Up Secretary, Lisa Nandy, it demonstrates a commitment by Keir Starmer and the rest of the party to embed community-focused policies into Labour's wider programme.

This focus on community power is key to restoring the public's trust in politics. Our analysis of public opinion consistently shows higher levels of support for the empowerment of local people and community organisations, particularly in comparison to other proposed reforms such as abolishing the House of Lords.

Labour can deliver on this high-level commitment to the community power agenda through existing proposals, including the introduction of a Community Power Act and the extension and expansion of the Community Ownership Fund to financially empower communities. Together, these ready-made solutions give Labour the tools to unlock community power and restore trust in our politics.

¹⁴ Archer, T., et al. (2019) *Our Assets, Our Future: The Economics, Outcomes and Sustainability of Assets in Community Ownership*, Available: <https://icstudies.org.uk/repository/our-assets-our-futureeconomics-outcomes-and-sustainability-assets-community-ownership>

