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REDRESSING THE TRUST DEFICIT

Local governments and citizen engagement

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Introduction: local governments in crisis

Local governments have developed over time to serve a dual function. They are democratic bodies that give citizens and communities a voice and a way to exercise political agency to shape the places they live in. They are also the institutions responsible for the commissioning and delivery of many public services delivered at a local level, and with some localised discretion on what form and volume those services take. Currently, both these functions of local government are under severe pressure and this makes it harder, not easier, to develop and scale up the sorts of innovation needed to relieve the pressures on public services.

Globally public services, often provided through local governments, have been under severe financial pressure. In the United Kingdom, particularly in England, local government has received deep and sustained cuts in its levels of funding since 2010. The Institute for Fiscal Studies estimates excluding school education with government financial support largely transferred directly to schools, the core funding for English local governments has reduced by an average of 26 per cent between 2009/10 and 2016/17 (Institute for Fiscal Studies 2017: 9). The Local Government Association (LGA) further estimates that from 2015 to 2020 local government in England and Wales will lose 77 pence out of every pound it recedes in grant funding and that by the end of the decade local government could face an aggregate budget deficit of £5.8 billion annually (LGA 2017).

Alongside reductions in overall funding the period 2010 to 2020 in England there has been a major change in the way local government is funded with a reduction in grant from central government and an emphasis on locally raised resources. The shift from direct grant funding emphasises increased reliance on local revenues, especially business rates. It is intended that revenue support grants to local government will be entirely replaced by local business rate retention by 2020.

This creates a position of profound uncertainty for local governments. The Local Government Information Unit (LGiU) conducts an annual local government finance survey targeting key decision makers within councils in England and Wales. The 2017 survey featured the views of 157 senior people in 126 councils. Eighty-four per cent of them reported that the current system of local government finance was not fit for purpose; 42 per cent thought that
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their financial position would require them to make cuts to services that would directly impact the public and only 23 per cent felt they would be better off with complete local business rate retention (LGiU 2017).

The financial pressures are also present in jurisdictions across the world. This is apparent even in countries sometimes thought to be less affected by the financial crisis of 2008. It has been estimated recently that up to 30 per cent of councils in Australia may be financially unsustainable (Drew and Ryan 2016) and a UN-Habitat report on finances for local government service in the developing world found that inadequate funding was a key constraint (UN-Habitat 2017).

So there are severe pressures on local government expenditure. However, at the same time demand in key service areas for local governments has been rising sharply, driven by the immediate challenge of fiscal austerity and by the profound questions raised by long-term challenges such as an ageing population, a fluid and highly competitive global economy, population movement, climate change, rapid urbanisation and technological development.

To take just two indicative examples, there are currently around 10,000 people in the UK over the age of a hundred. On current trends, by 2070 that figure will have risen to over one million people and this increase is of course paralleled by increases in the numbers of people in their seventies and eighties (Brown 2008). In health care, the cost of tackling diabetes, already 10 per cent of the National Health Service (NHS) budget, could rise to 17 per cent within 20 years (LGiU 2013).

The broad outline of public service reform is becoming clear. We need to move from a system that is geared towards acute interventions and remedial action to one that is characterised by demand management, prevention, integration of services, multi-agency working and which is co-produced with, and designed around, the needs of service users. That means recognising that the real challenges we face cannot be solved by the state alone. Instead they require collaborative engagement from all parts of the public realm and civic society – a new relationship between citizen, civil society and the local state in which each supports the other in their respective contributions to the common good.

That requires a consideration of the total asset base of a community and the value in social networks and civic energy. That also requires greater early intervention, not just in terms of ‘invest to save’ but also as building capacity and resilience in communities. We need to review how we structure incentives for action: for the market and most importantly for citizens. It means understanding the networks of social action already present in every community and aligning public services with them. We can only meet the profound challenges posed to our current model of local public services through a new relationship between local governments and the communities they serve and through a vastly increased element of citizen participation in the design and delivery of those services.

That requires a very different vision of what local government do. Local governments need to become a convener, a facilitator, a catalyst of civic action. Various developments in different local governments in different countries give examples of innovation best practice. There are examples of citizens juries, participatory budgeting, digital engagement platforms, and refreshed examples of town hall meetings. The case studies in this chapter give an indicative sample of these sorts of initiative.

However, it is essential to recognise that local government is not simply a delivery body for public services. Copus, Wall and Roberts have argued that we must distinguish between local government and local democracy (Copus et al. 2017). Local government is the body that delivers (or commissions) public services at a local level. While local democracy is a process of governance which gives political expression to the views of people in a locality such that they may shape the places they live in, there is a rich and diverse body of thought that sees
this ability to exercise local autonomy as an essential precondition of liberty and well-being. Many observers normally conflate these two functions but, the authors argue, are in reality distinct and, indeed, may be in tension with one another. An elected council is a representative democratic institution: a way of giving people within communities, voice and agency through elected members. On the other hand, it is a technocratic machine designed to deliver public services at a local level.

These are not at all the same thing. Both of these separate functions are under severe pressure and in each case, these pressures drive a need for enhanced citizen participation while simultaneously and paradoxically making such participation harder to achieve. This creates a trust deficit whereby a collapse in trust in local governments as democratic institutions makes it harder to achieve the types of reform we need for effective public service provision in the future.

In this chapter we examined the broad background to this changing climate of trust and distrust and then report on some instances where local governments have developed initiatives to try and encourage citizen engagement and rebuild trust between residents and local governments.

The trust deficit

The sort of public service reform we need in order to respond to both the fiscal pressures on local government and the rise in demand on key services requires more interaction between citizens and the state. This requires trust between citizens and the institutions of local service delivery. Unfortunately, we are currently experiencing an increasing crisis in levels of trust, which makes the sort of reform local government needs harder to achieve.

Globally we are witnessing an increasing collapse of trust in established institutions of all forms. This is often related to the emergence of the phenomenon of ‘post-truth’ news and campaigning strategies. The argument can be outlined as follows: propaganda, spin, and downright mendacity have always been part of political discourse. But in the past these phenomena existed with a certain relationship to truth. There was concern about whether political statements were true or not; now there appears to be declining public concern about whether such campaigning claims and statements are even correct. Truth is no longer the key criterion; instead, people appear more concerned with how statements make us feel and how far they reinforce what we already think (D’Ancona 2017). President Trump provides the most obvious example of this phenomenon. His claim that crowds at his inauguration were bigger than those at Barack Obama’s, for instance, was quickly shown to be false but, to the surprise and dismay of many of his detractors, this evidence falsity didn’t appear to make any difference to the views of his supporters. This is linked to a continuing wave of technological change and the ways in which social media change how we consume and, crucially, share information about the world. A growing number of people access news though social media – two thirds of adults in the US (Pew Research Center 2017) – but social media is structured in a way that reinforces existing assumptions and attitudes. The manner in which algorithms are structured creates channelled sharing within our networks of belief and preference: generally with like-minded people. Thus many consumers of such social media channels are not exposed to views that challenge and the analytical muscles that weigh up, and adjudicate between, different claims about the world are diminished.

Overall, the collapse in trust has many sources. Some are general: the changing nature of employment in post-industrial economies; the differential effects of globalisation; rapid population changes in some communities. Some are more specific such as the financial crisis of 2008, or in the UK the MP expenses scandal of 2009, or the Grenfell Tower fire of 2017. All feed a
sense that decision-making elites are detached from, and no longer represent the interests of, the people they are meant to serve.

So citizens who consider themselves neglected and left behind by globalisation, or contemporary culture, or capitalism, or the way in which their society is changing are rejecting politics as usual in favour of populist parties and campaigners. Politics is now often contested in the spaces between a new set of oppositions: open vs closed; rooted vs cosmopolitan; local vs global; evidence vs emotional resonance; and, institutions vs networks. What Goodhart (2017) has recently described as a culture war between ‘anywheres’ and ‘somewheres.’ That is, the difference between geographically and socially mobile people with ‘achieved’ identities created by careers and education and people who derive their sense of identity from where they come from and the communities and institutions within which they are embedded. The referendum result on Brexit; the election of President Trump; turmoil in Italian politics are all, in different ways, symptoms and causes of a ‘post institutional’ politics: a politics in which trust in established institutions is reduced.

To date local government in the United Kingdom has retained a higher degree of trust than national government, and is generally regarded more favourably than is central government (Ipsos MORI 2017); it cannot stand apart from these broader social changes. For local governments there is a direct democratic mechanism by which the concerns, needs and aspirations of communities are hardwired into decision making by their elected representatives. Where this is not working, local government loses its practical and ideological raison d’être. Local democracy relies on trust when that trust is diminishing.

**How local government can rebuild trust**

If this analysis is correct, local governments need to nurture more citizen participation while simultaneously facing a trust deficit that makes it hard to make that participation happen, then it becomes an urgent priority to begin to encourage participation in a way that reinforces or rebuilds trust.

We need to recognise that local government’s track record in encouraging participation is not as good as it might be. In the first decade of this century, there was an initiative from the Department for Communities and Local Government (DCLG) embed the ‘community empowerment’ agenda (DCLG 2008), but this met with some resistance. LGiU were commissioned by the IDeA (the Improvement and Development Agency) to produce a toolkit for councillors on community empowerment. Preparatory research found elected members committed to an ideal of representation based on the principles of Burke, and mainly indifferent, or even actively hostile, to more participatory methods of government (LGiU 2010).

In any event, within two or three years, when UK local government began to come under severe fiscal pressure from 2010/11 and with a change of government, that strategy was abandoned. However, as ideas of increased participation have re-emerged, the case studies described below provide some key lessons on how these themes develop in a way that supports trust rather than undermining it further.

There are three crucial steps local government needs to take to begin and extend this process of rebuilding trust between institutions and communities:

- Start real conversations about place.
- Engage the community in the council’s decision-making.
- Make local governments catalysts for civic action.

These are described further in the following sections.
Start real conversations about place

There is an urgent task for political leaders to reframe the narrative – internally and externally. This is not a problem with communities not getting what institutions are trying to do; it’s as if people feel let down by institutions that is at least to some extent because institutions have let them down. Local government needs to take the community’s concerns and aspirations seriously even if they do not mesh neatly with corporate priorities. Trust begins in a dialogue about the places citizens and residents live. What do the people who live here now aspire to? How can we live together effectively? What is the relation of this place to the wider world? What are our priorities and what compromises are we willing to make to achieve them?

Engage the community in the council’s decision-making

There is a need for an uncompromising focus on participation and dialogue in everything local government does. There are many tools for this: citizens juries, participatory budgeting, online engagement platforms, town hall meetings, intensive outreach. The important thing is that local governments invest in these processes and commit to treating their outputs seriously.

Make local governments catalysts for civic action

Local governments need to develop organisationally and function more like a network; focused more on connections and outcomes and less defined by process and hierarchy.

Elected representatives have a crucial role to play in this and a study by LGiU and the Local Trust identified four key ways in which they could support enhanced participation (LGiU and Local Trust 2017). They can identify need and capacity in communities and spread the word that the council is open to working with residents. They can encourage community ownership, reflecting voices that aren’t usually heard. They should advise residents how to navigate the council’s processes, acting as advocates and facilitating connections and access to resources. Finally, they can ensure a constant dialogue between council and residents and between different groups of residents. All of that requires councillors to exercise a different form of representative leadership, taking a backseat in projects and offering advice and support rather than strong direction.

These are the three crucial steps to the sort of engagement that will design trust back into local government. The case studies below illustrate what each of these steps might look like in practice.

Case studies

Starting real conversations about place

If we are to overcome challenges around public trust, we need to develop genuine dialogue between public institutions and citizens. There are many ways to do this including traditional face to face public meetings. There’s also potential, however, to use digital technology to expand the range and speed of these conversations. A good example is provided by the Madrid Decides portal.

Madrid Decides

‘Madrid Decides’ (https://joinup.ec.europa.eu/document/madrid-decides-gives-madrilenians-voice-municipal-governance) is a new citizen participation portal created by the City of Madrid
and launched in September 2015. It is a good example of how a local authority can create a new platform to enable an open conversation about the place the community lives in and their aspirations for it. Madrid Decides allows citizens to forward proposals to improve the city, comment on them, debate issues, and vote for proposals that citizens would like the Town Hall to implement as policies. Anyone can register and post on the site but only registered residents of Madrid can vote on proposals and they have to verify their accounts on the platform in order to be able to do so.

If a proposal attracts supporting votes equivalent to, or higher than, 1 per cent of all registered Madrid residents (around 27,000 votes) within 12 months it is automatically passed to the city council and is fast tracked to popular consultation. This provides a direct route from the online platform into the established governance processes of the city.

The portal was developed within about seven weeks and at very low cost (approx. €100,000) by using open source coding which was open to volunteers. It replicates the look and feel popular sites such as Reddit and the Spanish site Menéame so that it seems familiar to users and is easy to navigate. In 2017, the platform ran popular consultations on the regeneration of the Gran Plaza, mobility on the Gran Via, and the remodelling of public spaces in eleven districts. Citizens also proposed a 100 per cent sustainability target for the city and an initiative to introduce a single integrated ticket for all public transport in the city and these initiatives are passed forward for consideration by the council who are consulting on how to achieve them.

Engaging the community in the council’s decision-making

Madrid Decides provides an example of engagement with citizens that is wide but shallow: citizens are able to propose projects and to vote on them but the level of detail is inevitably limited. There are other engagement techniques, however, that allow far more in depth examination of the issues and bring citizens right into the heart of an institution’s decision-making.

Participatory budgeting was developed in Porto Allegre Brazil in 1989 as a method of involving the community in budget and spending decisions. It took place within the context of a democratising country emerging from authoritarian control and with very disparate levels of public service provision in different parts of the country. It used local direct voting, neighborhood meetings and regional assemblies to decide on budgets and to provide oversight of spending. Over the last thirty years, it has become common in South America, Europa and recently in the UK. It is seen as an effective way of engaging the whole community in one of the most important and often dauntingly technical functions of local government.

Two examples from different states illustrate how local authorities can engage members of the community in complex decision-making, helping to build trust both by making visible the complexity of the issues involved and by helping the community to feel that decisions are being made by them, not done to them.

Participatory budgeting in Melbourne

In Australia, the practice was adopted much later with the first experiments taking place in 2012. A recent assessment in the Australian Journal of Public Administration outlines analysed six examples of participatory budgeting in the Australian context (Christensen and Grant 2016). These ranged from very small scale initiatives such as AUS$ 100,000 on community grants over a single year in Melville in Western Australia to large scale initiatives such as in Canada Bay, New South Wales in 2012, or Melbourne in 2015 in which all services and operations were reviewed through a participatory budgeting perspective.
In Melbourne’s case, this involves a budget of AUS$ 5.9 billion over 10 years. A citizens’ jury of 43 randomly chosen citizens was convened, known as the Melbourne People’s Panel which has access to the council’s financial data and was briefed by council officers, councillors and relevant experts. The Panel presented their recommendations to the council and this formed part of the council’s 10-year financial plan. The People’s Panel sat alongside a broader Participate Melbourne initiative launched in 2013 to provide an online portal for the community to engage with the council.

The Melbourne People’s Panel (as with five of the six Australian initiatives examined) used randomly selected citizens in deliberative processes designed to allow participants to work through questions in some detail, testing assumptions, formulating criteria and developing consensus.

This sort of deliberative process was not a feature of the initial and earlier South American iterations of participatory budgeting that tended to favour direct voting; however, this can be a more effective method of establishing a representative sample of people for the process and for working through more controversial political issues. The disadvantage is they require significantly more investment of time and resource to make them work effectively and local government actors sometimes lack the skills required to implement these initiatives successfully.

There are concerns about the sustainability of these forms of participatory budgeting initiative, and whether they can be scaled up beyond the current discussion of relatively modest project finances. Additionally, it is not clear what happens if they make recommendations that clash with State and Federal policies, especially given the primacy of State government over local government within the Australian system. Nonetheless the authors conclude that the ability of participatory budgeting to bring the community into difficult decisions and build support for them, means that within a tightening fiscal landscape for Australian local government they are likely to remain an important tool for encouraging citizen engagement (Christensen and Grant 2016).

**Antwerp**

The City of Antwerp has been undertaking a participatory budgeting initiative developed since 2013 in the central area, where the population is approximately 190,000. The project was initiated by a politician, Willem Fredrik Schiltz, who has now moved on from the council and has a seat in the Flemish regional parliament, where he has been pushing for participatory budgeting to be used more widely throughout Flanders.

The Antwerp participatory budgeting model is based on consensus rather than voting. The available budget is €1.1 million provided by a 10 per cent top slice of council budgets. The most recent cycle of budgeting encouraged participation from approximately 1,000 participants. The process is consensus-based across three rounds. This method was chosen over voting because it was seen to be important that people talk to each other and listen to each other. Consensus gives people a challenge – listen to each other and reach consensus, it pushes people to involve themselves in a different way from traditional position advocacy.

The events bring together people in large-scale public meetings arranged in multiple tables of six or seven. This number was developed by the friends and family of the city council team spending an evening in a bar and testing what was the biggest size of table discussion that kept everyone involved without sparking side-conversations. It also has validation through long established work on optimal participation for group educational discussion and decision-making.

Each table reaches its own consensus, and follows a three-stage process. In the first round, participants choose the five topics that they think are most important, from a list of more
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than 90 nominated by the city council. The twelve most popular topics across all tables go on to the next stage.

In the second stage, money is distributed across the twelve priority issues. Participants have background information on typical costs of this kind of project in the local area, and what the council is already doing. Using poker-style chips, they can move money around and distribute it between the different issues. At least four people have to agree that money should go on a topic, and the final distribution has to be by consensus around the group.

The third and last stage is asking for finalised projects; in 2016, project bids totalled €4 million and participants make a collaborative ranking of the projects. They can choose to prioritise several smaller projects or one bigger project. The council take the collective ranking of projects and allocate the budget until it is exhausted. Once the point is reached where a project is too big for the remaining funds, it is skipped, and the next project that fits within the funds available receives money; this continues until available funds are exhausted.

The participants are self-selecting, but the council assesses representativeness. In the first year, underrepresented groups included under-25s; people in poverty; people with lower educational attainment; and, those with migrant backgrounds. The council therefore started to work on targeted outreach with those groups of people to prepare them to participate.

This outreach work reviewed why underrepresented groups didn’t come, and worked together with partner organisations. They found that potential participants were uncertain what would be expected of them if they became involved, so the city council gave them training, explained the process and facilitated a discussion in stakeholder organisations about what was important to them. The council organised development courses in personal skills so that potential participants could express themselves on the topics that were important to them. Following the training, at the main event, the participants who had received special support were valued by other self-nominated participants because of their expertise and capabilities. Such support has led to a higher degree of repeat participation in subsequent years.

Making the council a catalyst for civic action

The case studies above show how councils can create broader conversations with their communities and bring those communities into the decisions that the council makes. They still rely, however, on a model in which the council is the primary agent. The final step identified towards building trust is to move to a scenario in which the council is not the sole or primary actor but is the catalyst for social action within the community. This is much more ambitious and much harder to achieve. As argued above, local elected politicians can be a crucial go between in this endeavour. Two examples from the UK indicate what form this might take.

Big Local and Every One Every Day

Big Local is an initiative funded by the Big Lottery Fund that commits £1m of long-term funding committed and an intensive programme of training and support to 150 areas across England to enable residents to make their areas a better place to live. Communities identify local needs and work together to develop initiatives to deliver on these priorities.

Crucially this process is independent of local government but in many of the places where the process has worked best it has been actively supported by local councillors. A study by the Local Government Information Unit identified some of the most striking examples of local government, and local councillors in particular working to support the participatory agenda within Big Local areas (LGiU and Local Trust 2017).
Bringing back a sense of pride and ownership in Chatham

The Luton Arches Big Local project was set up as part of Local Trust’s Big Local programme to support residents to make their area a better place to live. The project was led by residents who set their own priorities and plans and local councillors have helped provide the group with the confidence, resources and knowledge they needed to get started and to earn the support of fellow councillors.

Many residents had a low opinion of their area, and part of the project’s work focused on trying to engender more pride and ownership within the community. The Big Local group put in three bids for a Pocket Park project (including one to central government) and won all three. When the group started working on planting new trees in a park, local residents dismissed the scheme, believing that the park would only be vandalised. However, because the project got residents involved in this process of designing the park, people were willing to volunteer to maintain it as they felt ownership of the space in a way that they may not have if it had been a council-initiated project.

Initially councillors and officers in Medway had strong ideas about how the Big Local project should work, but in time they came round to the idea that the power dynamic should be based on residents leading the way. It also helps them to know that they have a willing group of residents that they can call upon to test ideas or discuss projects. Councillors have become advocates for the work being done and provided additional support by linking the project coordinators with a variety of local public and civic organisations. Big Local initiatives are distinct from the host local governments; are community led; and are relatively small scale. The final case study highlights an attempt to transform a whole council into a civic enterprise.

London Borough of Barking and Dagenham: Every One Every Day

Every One Every Day is an ambitious new participation project launched in the London Borough of Barking and Dagenham in east London. It is a partnership between the council and the civic action organisation Participatory City and the largest project of its kind in the UK when in late 2017.

The ambitious scheme works with 25,000 residents across the borough to create over 250 neighbourhood-led projects and form more than 100 new businesses over a five-year period. The project has £6.4 million funding from The Big Lottery Fund; the Esmée Fairbairn Foundation; the City Bridge Trust; the City of London Corporation’s charitable funding and from the Borough Council.

As part of the initiative, residents are invited to share ideas for projects and community businesses they would like to see happening into their neighbourhoods. This could include new shared maker – spaces, incubator spaces for new community businesses, urban patch farms; and other project ideas that are identified by the community.

Participatory City employs facilitators to help generate ideas, make connections and enable people to follow through but the key agency lies with organised residents to suggest the kinds of projects that make sense to them and which they feel will improve their lives and prospects.

For the council the value lies in the creation of economic activity but also, perhaps more importantly, of social capital: ties within the community that enable people to help each other more effectively and to fulfil their own aspirations.

This creates a stronger civic economy that acts as a first line provider of public services, building resilience and capacity within the community and reducing the need for expensive, reactive retrieval interventions from the council.
Conclusion

Globally, local governments remain in extremely challenging situations. Local public services remain under huge fiscal pressure just as demand for them is increasing exponentially. The fiscal pressures on local governments are more particularly in some countries, but are present to some degree in many parts of the world. There is an extensive literature and practice around public service reform, centred on preventative strategies, demand reduction and integrated multi-agency commissioning, but none of these ideas will work unless local people support them, engage with them and help deliver them. Local governments can therefore only respond to the dual challenge of diminishing resource and increasing demand if it is able to draw on the civic energy of the people it represents. This requires a high level of trust between local government institutions and their local communities. At the same time, however, such institutions are experiencing a crisis in trust in institutions, which makes it harder to engage people. This need not be an insuperable dilemma. It is possible to develop a direction that encourages participation in a way that rebuilds trust.

The case studies gathered here give an indication of the sorts of actions that local governments can take to make progress in rebuilding trust. Crucially, these case studies illustrate steps in a progressive process that restores trust and builds a foundation for reform. First, we need to create a space for open dialogue between communities and local authorities. Second, we need to develop processes that allow the community to have a genuine role in shaping decisions by the council. Finally, and most ambitiously, we need to move away from seeing the council simply as a body that delivers services on behalf of citizens and see it instead as a body that catalyses and supports autonomous action by the community.

However, while our case studies illustrate each of these elements, they remain isolated examples of innovation rather than a wholesale process of transformation. How to disseminate awareness of and develop such initiatives elsewhere should form the focus of thinking about improvement and development in local government. As well as technical expertise, it is likely to depend both on political leadership and on substantial culture change as various stakeholders within local governments reconceptualise their role and attempt to change their practice. Supporting this cultural shift will be challenging. The forms of organisational and personal development required should be the subject of further study.

We have become accustomed over the last decade to discussing a fiscal deficit, and local government has been shaped by the austerity through which various central governments have tried to tackle it. However, the real deficit we should be worrying about now is the trust deficit. Eliminating that is the greatest priority for local government around the world.

References

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