Who Governs Britain?

Democracy and Local Government in the Digital Age

By Matt Warman MP

Foreword by the Rt Hon David Lidington MP

Centre for Policy Studies

NEW GENERATION

About the Author

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About the Centre for Policy Studies

The Centre for Policy Studies is the home of the next generation of conservative thinking. Its mission is to develop policies that widen enterprise, ownership and opportunity. Founded in 1974 by Sir Keith Joseph and Margaret Thatcher, its track record as a think tank includes developing such policies as the raising of the personal allowance, the Enterprise Allowance, the ISA, transferable pensions, synthetic phonics and the bulk of the Thatcher reform agenda.

Our **New Generation** project publishes a range of new policy thinking from MPs from the 2015 and 2017 intakes and other fresh voices.

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Acknowledgements

Foreword

By the Rt Hon David Lidington

Trust and confidence are essential for the strength of our democratic system. Yet to build that trust, people first need to know who is responsible for the decisions that affect their lives. Those decisions range from the big picture to those closer to home: from bin collections to funding our NHS. It is vital that we all know who makes what choices on our behalf.

We all believe in government by consent, but that principle is bound up with voters knowing what they are electing their different representatives to do.

That is why this paper's findings are so resonant. The stark polling results it sets out show that too many people simply don't know where power sits, or have faith in the people at all tiers of government who discharge it. Whatever party you are in, that should be troubling.

If individuals feel less powerful and less connected to their elected representatives, we must take steps to understand why – and take steps to change it – or risk lasting damage to mainstream politics.

Power has to be accompanied by trust – but public distance from the political system means that building that trust can be harder than ever for elected representatives. We know being trusted to act in the public interest is something that is built up over time, and elections are just one of many opportunities for politicians to reach out to the public and bring decisions closer to them.

In this report, Matt Warman puts forward new ideas to bridge that gap; from building further on our record of increasing devolution to ensuring our democratic processes and the exchange of information keeps pace with an increasingly digital world. If we can harness and manage this new technology, we have a real opportunity to build trust with those we seek to represent.

Parliamentary colleagues will welcome this timely contribution to an ongoing debate on how to increase the public's access to – and understanding of – politicians and the political process, while developing the transparency under which we operate.

This can only be a good thing – and it is needed today more than ever.

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Executive Summary

It is often said that Britain faces a crisis of trust in democracy. That people do not feel properly represented by those in power, or that they are adequately accountable.

This paper seeks to explore the scale of that problem, by measuring both popular trust in and knowledge of government arrangements. It then makes a series of suggestions about how to tackle the perception of a dysfunctional democracy, and make government at every level more in tune with the public – not least on the vexed issue of planning.

A poll of 2,026 UK adults, carried out on behalf of the Centre for Policy Studies, shows that there is indeed a serious problem.

When voters are asked which layer of government most acts in their best interests, the most popular answer is "none of the above". Local councils are more popular than the House of Commons – but the endorsement is hardly ringing.

The situation is even worse in terms of whether government, both local and national, is trusted to do the right thing by voters. Only 9% of voters would have a lot of trust that their parish council would do the right thing; for larger councils, the figure is 6%, and for the House of Commons, just 5%. Some 37% of voters would trust MPs "a little" – but 40% would not trust them at all.

> **Our research shows that voters are profoundly ignorant about how government works**

This polling also found that the overwhelming majority of voters have little contact with government, at any level – and, perhaps as a result, are profoundly ignorant about how it works. Just 71% of those surveyed understood that MPs make laws that affected them, and only 61% that the European Parliament did the same. Some 49% of Londoners did not appear to realise that they had an elected mayor, or at least that he had powers that affected their lives. In Scotland, only 58% of people said the same about their devolved government – and in Wales, it was only 46%. When results were mapped against postcodes, 0% of people were able to correctly identify which layers of government they were subject to. (And 15% of people do not realise we were still members of the European Union – with 19% of 18- to 24-year-olds believing we had already left.)

As a result, the report makes a series of recommendations, large and small, to improve trust in and knowledge of the democratic process, and bring government closer to the people. They are as follows:

DEMOCRACY

- Make the Register of Members' Interests, for both the Lords and Commons, as well as that for all other public bodies and elected local government members, digitally searchable and available in a single place.

- Explicitly incorporate critical thinking into exam syllabuses, with an emphasis on internet culture. Overhaul citizenship education, and ensure that academies and others are providing adequate instruction in both areas.

- Parties should consider what more they can do to encourage candidates to engage with their constituencies digitally, in particular among local government representatives, with a view to directing constituents to the layer of local government responsible for a particular issue.

- Government should work with social media companies to provide digital equivalents to Election Addresses, and legislate for transparency around political advertising and imprints.

- Targeted online adverts should explain why a user is seeing them. For example: "Promoted by Alan Smith on behalf of the New Party, which is targeting voters with interests including gardening and football in the Ambridge constituency."

- We should consider the specific regulation of politically targeted adverts during election periods.

PUBLIC ENGAGEMENT

- Bring in a new right to an explanation of a decision made by a public sector organisation, and which elected official is responsible for it, facilitated by transparency around that organisation's structure and the assumption that public data should be public by default.

- Calculate the optimal size for a local authority unit in order to shape future devolution deals and incentivise change where it would be substantially more efficient or match up more closely with strongly held local identities.

- Devolve power by default to the local politicians closest to the electorate, or to those operating at the strategic levels of wider geographies. In areas where devolution require re-parishing, the government could pilot French-style executive mayors, and in devolved administrations seek to encourage devolution that goes beyond simply giving power to Holyrood, Cardiff and Belfast and encourages meaningful localism.

- Local government capacity should be built via gradual devolution of appropriate powers. Parish councils should be brought under the auspices of the Local Government Ombudsman.

DIGITAL GOVERNMENT AND PLANNING

• Incentivise fully interoperable digital public sector regulations, allowing government to create a library of existing apps, services and more, for further local development and potential commercial licensing.

• Local plans should be strengthened, with communities given a greater share of Section 106 and Community Infrastructure Levy funding, and more influence over the nature of housing that is built in their area.

• Ensure that communities see new infrastructure accompany new homes, by Government setting aside a pot of money in the next Spending Review in each area of infrastructure such as health and education, and releasing it when new homes are developed, giving certainty to communities that for each home built, new infrastructure will also be provided.

• Change planning contributions to be a set % of the final sale value of properties built, with a projected sales value that can then be adjusted as real sales take place. This would give greater certainty to all sides, meaning landowners' profits were more fairly taxed, and make it easier to capture more of the value from developers, without being as inflexible as a general absolute levy (like CIL), and taking account of changing market conditions.

• Where such payments result in infrastructure that could be owned by communities, ownership could be retained by the community if they choose (vested in the local parish or other bodies such as residents' associations).

• Local areas should take control of local housing style, with local plans offering recommendations for the character and appearance of developments that are developed with local communities.

Taken as a whole, this is a package that seeks both to address national and local concerns, while also paving the way for devolution of the kind that could strengthen Westminster and town hall democracy.

Introduction

‘Who governs Britain?’ was the compelling catchphrase of the 1974 election. Ask the public the same question today and the answers are profoundly depressing: people either don't know, don't trust the people who they vote for or – worst – have so little faith in their politicians they don't care. Something, to coin a phrase, must be done.

That's not just because democracy should matter to all of us, but also because Conservatives believe in a delicate balance between individual agency and government by consent. Yet new research carried out for this report shows that individuals feel both less powerful than ever and also less connected to their elected representatives. The see-saw isn't out of balance – it's at risk of being snapped in half.

If it is to survive, mainstream politics needs to be more honest and accessible – as well as, obviously, more effective and relevant.

In part, solving this conundrum is about politicians regaining trust by delivering on the promises made to voters, and being honest about them.

Putting forward knowingly impossible ideas of axing all student debt or buying every homeless person a house inspires derision in some – but brings dismay in others who initially believe them to be practical, and then face disappointment. Yet just as absurdism is bad for democracy, so too is polarisation.

Narratives about citizens of 'nowhere' or 'somewhere' are instructive, but only when they are understood as speaking more of a continuum than of two extremes pitted against each other.

Regaining some public trust should also, however, be about reshaping the state into something that feels – and is – more accountable. The effect of the 2016 EU Referendum must not simply be about taking back control of power from Brussels, but also about delivering it back to the people of the UK.

It is a moment that necessitates the further devolution of power to individual people, and bringing decisions closer to the communities they directly affect – in particular on the issues, such as planning, that stir up the greatest passion.

This puts a crucial burden on both our national democracy and our local government, as well as on the state as a whole, to deliver public services in a newly transparent, accountable way. That must be about more than simply taking, for instance, paper statements of personal taxation into the digital age; it means providing the individual with new powers. Transparency should be a default for the state, not just a right for the proactive citizen.

At its heart, that means putting power where people can see it being used. So this paper will examine the opportunities both to give users more personal power over their own lives and how their money is spent, but also the chance to place more meaningful power in the hands of those representatives closest to them. That might, for instance, mean giving parish councils control over apparently trivial decisions that matter profoundly to communities, or simplifying the

relationship between additional housing and population growth and the related costs of infrastructure.

National politicians need to show they understand that a loss of control over the ultra-local makes many people think they have no control over the bigger picture either. But ultimately it also means ensuring national politicians have the levers available to them to make the changes citizens vote for at elections, be that in schools, hospitals or GP surgeries.

That case, so often made for devolution and elected mayors, applies equally to ministers and councillors, who today have become increasingly distant from those unelected leaders who often hold the budgets that give them the opportunity to effect real change. Debates around the national curriculum, for instance, fade in relevance when so many schools need pay it little attention.

By looking first at the state of our democracy and then at the practical changes needed, this paper aims to examine how the concerns of the public can be addressed to diminish the rage of the disconnected, but also to address the mainstream concerns we all face everyday. In that way, perhaps, the quality of political debate might rise to produce more light than heat.

1: The Evidence

One of the most common mistakes that politicians make is thinking that we are at the centre of the universe. In fact, all the evidence is that most voters know little – and care even less – about day-to-day events in Westminster.

Every week, for example, the polling company Populus asks voters to name a news story they have noticed this week. Almost every time, it turns out that the topics that have been convulsing the political and media classes have failed to make it on to the radar of more than a few per cent of voters.

Sit in on a focus group – or even just watch an episode of Pointless – and you soon come to appreciate that the public recognise few politicians, and like even fewer. And although turnout at elections has been recovering from the nadir of 2001, it is still well down on its postwar highs.[1]

One of the key aims of this report was to find out whether this was part of a broader pattern. We know, thanks to surveys such as the Audit of Political Engagement, carried out every year by the Hansard Society, what voters think of those in Westminster. But there have been surprisingly few attempts to measure trust in government as a whole – not just what people think of their MP, but how they view, interact with and understand the multiple tiers of government to which they are subject.

The years since 1997 have, after all, witnessed a profusion of new forms and means of government, from the Scottish Parliament and Welsh Assembly to the emergence of Police and Crime Commissioners, Regional Development Agencies, Local Enterprise Partnerships, local housing plans, directly elected mayors and so on. How intelligible are the results to the voters? And which do they most trust?

For this report, the Centre for Policy Studies asked the research company Deltapoll to carry out a survey of 2,000 UK adults, asking them a series of questions about our democratic arrangements. We sought to evaluate three separate areas: how much people trust government; how much contact they have with it; and how much they actually know about it.

Members of the public, it turns out, are unaware of many of the most basic facts about our democracy. Their level of distrust towards, and disengagement with, the system that governs them is also far higher than any of us can or should be comfortable with.

TRUST IN GOVERNMENT

Government, like much of our social and economic life, is built on trust. It is the petrol on which democracy runs: without it, the engine seizes up.

We therefore asked people which layer of government they felt acted most in their own best interest: parish council, district/borough/council, or the House of Commons.

1 http://www.ukpolitical.info/Turnout45.htm]

The results of this question will obviously be affected by the fact that not everyone lives in an area with a parish council, and that the devolved assemblies were not included on the list. But it was still striking that by far the most popular answer was "none of them". Just 7% of those polled answered "The House of Commons".

Just 13% of current students chose it, compared with 33% of those with only secondary education. (Those with no formal education were far more likely to choose "don't know".)

Figure 1:

Generally speaking, which one of the following layers of government do you think acts most in your best interest?	
The Parish Council in your immediate local area	14
The District Council, County Council, Borough Council or Unitary Authority that exists in your area	22
The House of Commons	7
None of them	30
All equally	9
Don't know	17

Source: CPS / Deltapoll

Within this overall finding, there were several interesting nuances. The major correlation was between those who vote for non-traditional parties and those who do not believe existing politicians act in their interest. Of those who voted in 2017, those who picked the Conservatives, Labour or Liberal Democrats answered "none of them" roughly in line with the national average of 30%. That was in contrast to 43% of those who voted for Ukip, and 48% who voted for another party. Intriguingly, while 21% of Liberal Democrats believed parish councils acted most in their interests, only 14% of Labour supporters agreed.

There was a similar, though less pronounced, divide between Leave and Remain voters: support for "none of the above" was stronger among the former than the latter, 35% to 27%. It was broadly level among the various different employment categories – full time, part time, retired, unemployed – but varied substantially according to education.

Young people, and Londoners, were more likely to regard the House of Commons as working in their best interest – but the proportion who chose it was still very small. Interestingly, there was little correlation between likelihood to vote and respect for politicians.

To explore this issue further, we specifically asked how much people would trust the same levels of government to do the right thing by them if they had reason to contact them.

As expected, support for government is greater the closer it is to the individuals concerned. Some 54% of people would trust their parish council and 56% their district/county/borough council to do right by them, vs 18% and 25% who would not trust them at all. But when it comes to Westminster, the balance is 42% to 40% trust to distrust.

Figure 2:

How much would you trust your elected representative or other non-elected official in… to do the right thing by you if you had reason to contact them with an issue of any kind?	
The Parish Council in your immediate local area	
Trust a lot	9
Trust a little	45
Not trust at all	18
Don't know	28
The District Council, County Council, Borough Council, or Unitary Authority that exists in your area	
Trust a lot	6
Trust a little	50
Not trust at all	25
Don't know	20
The House of Commons	
Trust a lot	5
Trust a little	37
Not trust at all	40
Don't know	18

Source: CPS / Deltapoll

Yet even at local level, this is still hardly an ideal situation. What these findings say is that across every level of government, a maximum of 9% of Britons have an adequate level of trust that they will be treated fairly in their dealings with it.

As with the previous question, students emerge – perhaps rather unexpectedly – as the most trusting demographic, with 20% willing to place their faith in the House of Commons. Education is also extremely important: of those without any formal education, only 4% have a lot of trust in the House of Commons and 0% have a lot of trust in the other two levels of government. This suggests that the very people who are most likely to need government's help, and to have experience with its functions, are also the most sceptical about it. (The caveat here is that the numbers in this category represent a very small sample size, so are more likely to be skewed than larger categories. The same is true of the findings for current students, though to a lesser extent.)

There are also significant variations when it comes to employment status: the unemployed are particularly scornful of the House of Commons, while those in retirement have sharply higher levels of trust towards all tiers of government, with the trust-distrust balance rising to 66-12 for parish councils, 64-24 for other councils and 56-37 for MPs. Trust in local government in particular also rises significantly with age.

CONTACT WITH GOVERNMENT

One reason why people might not have trust in government, or knowledge about it, is that they do not come into contact with it.

This is, of course, not necessarily a bad thing. If people's lives are going well, there will be little reason for them to come into contact with government. Even those that do encounter government will often do so largely through the services it provides, such as the education system or NHS.

Even then, however, it is striking that the overwhelming proportion of Britons have had no contact whatsoever with their elected, or non-elected, officials in the past 12 months. They have not heard from their MPs, or been consulted by their county council, or had the parish councillor call a meeting or drop by to explain their latest plans.

Figure 3:

Thinking back over the last 12 months, how often, if at all, have you been in contact with an elected representative or some other non-elected official from...	
The Parish Council in your immediate local area	
Most days	1
Three or four times a week	2
Once or twice a week	2
Once a fortnight	1
Once a month	2
Once every two or three months	2
Once every six months	2
Once in the last 12 months	4
Not contacted in the last 12 months	71
Don't know/Can't remember	14
The District Council, County Council, Borough Council, or Unitary Authority that exists in your area	
Most days	0
Three or four times a week	1
Once or twice a week	2
Once a fortnight	2
Once a month	2
Once every two or three months	3
Once every six months	5
Once in the last 12 months	8
Not contacted in the last 12 months	65
Don't know/Can't remember	11
The House of Commons	
Most days	0
Three or four times a week	1
Once or twice a week	2
Once a fortnight	1
Once a month	1
Once every two or three months	1
Once every six months	3
Once in the last 12 months	5
Not contacted in the last 12 months	74
Don't know/Can't remember	11

Source: CPS / Deltapoll

In general, 71% had not been in contact with their parish council in the last 12 months, 65% had not with their district/county/borough council or unitary authority, and 74% had not had contact with their MP. These figures are likely to be even higher, in reality, because the next biggest result in each case is "Don't know/Can't remember".

KNOWLEDGE OF GOVERNMENT

It is in this area that Deltapoll concentrated most of its research efforts – and which produced the most surprising findings.

First, people were asked the following question:

"There are a number of different layers of government that exist in Britain, with different parts of the country being subject to their own specific arrangements. Which, if any, of the following layers of government do you think make or enforce laws that apply to the area in which you live?"

The most eye-catching answers were those concerning the House of Commons and European Union. Among Britons as a whole, just 71% understand that MPs make laws that affect them. Some 10% say they do not, while the remainder are "don't knows". Given Parliament's position at the heart of our democracy, this is a shocking finding.

It is similar when it comes to the EU. Despite a nationwide referendum, and acres of media coverage over a period of decades, only 61% of the public say that the EU makes laws which apply to them.

Figure 4:

For each of the following layers of government, do you think it does or does not make or enforce laws that apply to you and the area in which you live?				
The European Union			**A single tier Unitary Authority**	
Does make or enforce laws	61		Does make or enforce laws	18
Does not make or enforce laws	14		Does not make or enforce laws	35
Don't know	25		Don't know	47
The House of Commons			**A County Council**	
Does make or enforce laws	71		Does make or enforce laws	43
Does not make or enforce laws	10		Does not make or enforce laws	32
Don't know	19		Don't know	25
Devolved national government			**A District Council**	
Does make or enforce laws	34		Does make or enforce laws	37
Does not make or enforce laws	29		Does not make or enforce laws	35
Don't know	38		Don't know	28
An elected Mayor			**A Borough Council**	
Does make or enforce laws	24		Does make or enforce laws	37
Does not make or enforce laws	50		Does not make or enforce laws	35
Don't know	26		Don't know	28
An elected police and crime commissioner			**A Parish Council**	
Does make or enforce laws	37		Does make or enforce laws	16
Does not make or enforce laws	40		Does not make or enforce laws	53
Don't know	23		Don't know	31

Source: CPS / Deltapoll

In each case, there were significant demographic variations – although intriguingly, both Leave and Remain voters were equally likely to accept that the EU makes our rules, even if they doubtless have differing views on the merits of those rules.

Political knowledge appeared to increase with age: the elderly and retired were far more likely to answer both questions accurately, as were those with high levels of education or from higher social classes. An individual's likelihood to vote was also, in this instance, an excellent predictor of their level of political knowledge.

In terms of the remaining levels of government, there was much more confusion, with little consensus and large regional and partisan disparities.

However, what we were interested in here was not so much what voters said as whether or not they were right – in other words, how much did they actually know about the layers of government that applied to them?

To that end, Deltapoll cross-matched the survey results against postcode data submitted by those taking the tests. We were able to match the results for approximately 1,770 of the 2,026 participants. And the results – shown in Figure 5 below – were startling.

Across every level of government below the House of Commons, a significant majority of Britons simply did not know whether a particular layer of government applied to them. When asked whether they came under a unitary authority,

Figure 5:

For each of the following layers of government, do you think it does or does not make or enforce laws that apply to you and the area in which you live?				
The European Union			**A single tier Unitary Authority**	
Wrong	38		Wrong	70
Correct (Does)	62		Correct (Does)	5
Correct (Doesn't)	0		Correct (Doesn't)	24
The House of Commons			**A County / District Council**	
Wrong	27		Wrong	67
Correct (Does)	73		Correct (Does)	16
Correct (Doesn't)	0		Correct (Doesn't)	17
Devolved national government			**A Borough Council**	
Wrong	66		Wrong	61
Correct (Does)	11		Correct (Does)	11
Correct (Doesn't)	22		Correct (Doesn't)	28
An elected Mayor			**A Parish Council**	
Wrong	48		Wrong	60
Correct (Does)	9		Correct (Does)	8
Correct (Doesn't)	43		Correct (Doesn't)	33
An elected police and crime commissioner				
Wrong	62			
Correct (Does)	26			
Correct (Doesn't)	12			

Source: CPS / Deltapoll

70% of Britons gave the wrong answer. That may be relatively understandable. But the figures were similar for devolved assemblies, elected mayors, police and crime commissioners etc.

It may be that there is an element of confusion here: as with all polling, particularly on complex issues, some people may not have grasped the full implications of the question. But it is nevertheless striking – and alarming – that 0% of those surveyed gave a correct answer to each of the nine questions. Only 3% got all but one right, and 14% got none right. In total, only a quarter got six or more, with the average person scoring 4 out of 9.

Within the data, there were also startling pockets of ignorance. Some 49% of Londoners either do not think that they have an elected mayor, or else think that he does not make or enforce laws which affect them. Only 48% of Londoners realise that they live in boroughs. In Scotland, only 58% of people believe they have devolved government – and a majority in Wales, some 54%, do not.

In other words, if you ask the British public the question "Who Governs Britain?" – that is, who makes and enforces the laws that apply to you – the answer that rings out is: "We haven't got a clue." Either the public is so apathetic, or there are now so many layers and levels of government, that people simply do not know which apply to them, and what they do.

One in seven voters, as we discovered in a separate question, do not even realise that we have yet to leave the European Union. Among the population as a whole,

85% accept that Brexit has yet to happen, with 10% unsure and 5% saying we are already out. However, this last figure is far higher among the young, with some 19% of 18- to 24-year-olds under the impression that Brexit is already complete.

CONCLUSION

These findings explain why the introduction to this paper argued that the status quo is not enough. People do not feel connected to the institutions that govern them. They do not trust them. And overwhelmingly, they do not understand what they are and what they do.

This alienation undoubtedly played a large part in the build-up of discontent that led to the Brexit vote. And it is therefore vital that we use that vote, and the new post-Brexit settlement, as a chance to renew our democracy – to bring power closer to the people, and to make it both more accountable and understandable.

Setting out how that can and should be done is a monumental task. Efforts are already under way within government, not least those led by Chloe Smith MP within the Cabinet Office.

But the remainder of this report will set out a series of ways in which we can take advantage of new technologies – or more often, new thinking – to give people more control over their own lives, and make it clearer to them that our government and democracy are working for their benefit.

The objective throughout should be to ensure that we are moving towards a situation in which when the public ask the question of "Who Governs Britain?", they get a clear and simple answer: 'You do'.

Figure 6:

Q32. The UK voted to leave the European Union in the referendum held in June 2016. As far as you are aware, has the UK now left the European Union or is it currently still a member of the European Union?	
The UK has now left the European Union	5
The UK is currently still a member of the European Union	85
Don't know	10

Source: CPS / Deltapoll

2: Democracy in a Digital Age

Cynicism about politics has existed for as long as politics itself. But democracy in the digital age has given a louder voice to that cynicism – allowing it to coalesce around seductive conspiracy theories and bolstering the view that government acts against the interests of the majority.

Repairing this damage will take a significant effort, on all our parts. There has, as mentioned above, been much work done already on how to make Westminster work better – an issue which should be of grave concern, given the findings above. But less attention has been paid to broader issues of democratic representation, especially in an age increasingly driven by technology. It is on these issues that this first chapter will focus.

REBUILDING TRUST

While no company or state is perfect, the web has managed to persuade too many people that the state is simultaneously all-powerful and grossly incompetent. It's become too common a view that the state which can't even get trains to run on time can simultaneously organise a secret, decades-long plot to privatise the NHS (despite endless manifesto commitments to the contrary, and the breathtakingly obvious political disadvantages). Government is seen as overweening, yet also displaying a general lack of interest in not just the vulnerable, but the mainstream majority as well.

Technology companies such as Apple and WhatsApp have found, even in mature Western democracies, that it is commercially advantageous to present themselves as protecting their users from an implicitly malign state, when in fact it is often that state which protects its citizens against a far wider host of dangers, from terrorism to the commercial interests of technology firms themselves.

When it comes to conspiracy theories, transparency is often the best disinfectant. So we should make it much easier for voters to find out more about their politicians.

RECOMMENDATION:

Make the Register of Members' Interests, for both the Lords and Commons, as well as that for all other public bodies and elected local government members, digitally searchable and available in a single place.

Nonetheless, politicians alone cannot combat the conspiracy theories that sound so plausible. It is impractical to expect every constituent to consult a fact-checker, or for Channel 4 to be expected to fact check everything. So with that in mind the teaching of critical thinking in schools and skills education is now more vital than ever.

Be it mendacious memes that claim MPs pack the House of Commons to debate their own pay but avoid it when discussing Syria[2], or simply stories that are too good to be true, it is increasingly in the interests of the public to think critically.

2 https://blogs.spectator.co.uk/2014/11/the-menace-of-memes-how-pictures-can-paint-a-thousand-lies/

The idea of emphasising critical thinking, however, should not be confused with citizenship: the transferable skill of understanding that not everything on the internet is true is far more teachable than the details of the passage of a parliamentary Bill, for instance.

It is, however, nonetheless vital that Britain's great institutions are properly understood beyond simple history lessons. The solution to the knowledge gap identified in the previous chapter is not just to make government simpler, but to do a better job of explaining government to citizens.

At the moment, "Citizenship" is included on the National Curriculum, but the curriculum itself is, as mentioned above, not compulsory for the increasing number of academies. The modules themselves are also something of a smorgasbord, with content on financial literacy and personal budget management being crowbarred into the topic list.

RECOMMENDATION:

Explicitly incorporate critical thinking into exam syllabuses, with an emphasis on internet culture. Overhaul citizenship education, and ensure that academies and others are providing adequate instruction in both areas.

It should be noted that these two programmes can go hand in hand. Successful critical thinking will inevitably result in a greater awareness of, for instance, the fact that while the NHS needs to do better on cancer, it is also the only national health system in the world, however funded, with a commitment to get people from A&E to a ward in four hours. Citizens who understand more about how they are governed, and are more prone to demanding context for claims on any subject, will be better informed and in all likelihood more

optimistic about many aspects of life in Britain. Critical thinking should diminish cynicism.

ENGAGING WITH VOTERS

Politicians of all ages and parties have increasingly seen the advantages – and disadvantages – of engaging with constituents and pressure groups on social media.

While there is wide variation in the adoption of technology among MPs, competition is driving up engagement in particular on Facebook, as public figures increasingly see that entirely ignoring what is effectively a 24/7 public meeting about them is not in their interests.

There have also been accusations, of course, that online engagement distorts the political debate, or reduces accountability. MPs who engage on other platforms such as Instagram may be meeting a growing desire for a calmer politics, but while it humanises MPs, it doesn't of itself see as much actual debate. John Key, the former prime minister of New Zealand, took thousands of selfies with voters on the campaign trail – not only reaching thousands more voters who were exposed to the images on social media, but avoiding having to say anything substantive to those he was posing with. Jeremy Corbyn's rallies, much shared online, presented an image of popularity that normalised supporting a party that much of the media presented as extremist.

Whatever the platform, it is neither practical nor desirable to mandate the behaviour of MPs; each politician lays out what is effectively a service-level agreement in their manifesto and is measured against it at the ballot box.

No MP could be compelled to engage with constituents on Snapchat any more than they should be compelled to use a fax machine. But their interest is clear from the growing numbers holding digital surgeries and using other apps as well.

In a world where constituents routinely claim, as they have done for generations, that leaders are out of touch, Facebook and Instagram in particular provide unique opportunities to demonstrate to a mass audience whether that is the case.

Political parties, which can exert some control over the commitments made by new candidates, should therefore explore what can be done to encourage digital surgeries and a greater commitment to engaging digitally in the same way MPs and councillors might engage casually with constituents when out and about in the areas they represent. Paradoxically, this should result in a parliamentary workload that focuses less on planning, roads and other issues that are not in the direct domain of Westminster.

RECOMMENDATION:

Parties should consider what more they can do to encourage candidates to engage with their constituencies digitally, in particular among local government representatives, with a view to directing constituents to the layer of local government responsible for a particular issue.

ELECTIONS AND CAMPAIGNING

Political campaigning is increasingly digital by default. Money, scale and availability of volunteers make social media in particular a far more attractive method than pounding pavements and knocking on doors. And increasingly digital is not so much less effective, either. Vote Leave spent the overwhelming majority of its referendum funds on

a last-minute online advertising blitz, while Momentum's video of a mock conversation between a Theresa May supporter and his daughter, titled "Daddy, why do you hate me?", was viewed more than 7.6 million times during the 2017 election campaign, doing far more damage to Conservative chances than any party political broadcast.

Of course, elections are not only about the internet: one of Momentum's most effective tools was My Nearest Marginal, which steered would-be campaigners towards winnable seats. But while the Electoral Commission and others have done good work to seek to improve political engagement in general, the regulation of campaigning remains largely, anachronistically analogue. Leaflets and knocking on doors are supported by the state through the public availability of freepost "Election Addresses" for all candidates at general elections and through the availability of the marked register, but there is no digital matching up to any of that.

Today, it is common for two-thirds of a constituency to be on Facebook, and others on social networks beyond that. With that in mind, government should consider applying the principles of freely posted election addresses, where candidates pay only for printing, to digital media and to local elections.

Just as Royal Mail is required to deliver leaflets, Twitter, Facebook and platforms whose reach exceeds an independently decided threshold should be required to display the digital equivalent of an Election Address for limited periods of time, for parties that for instance qualify for party political broadcasts. As with paper literature, production costs could be covered by candidates. (This Election Address could be text, or more probably video.)

These measures might go some way to redressing the balance online, where political parties can buy access to voters cheaply, but platforms have no duty to promote fair exposure.

Integral to that should also be transparency: in the wake of Russian election interference in the United States, proposals have been put forward for an Honest Ads Act, which could force social networks to go further than their current attempts to demonstrate who is paying for advertising that seeks to influence a user's politics. In the UK, an update to the analogue "imprint" in paper literature would standardise what is already conventional among mainstream politicians and make it more obvious among new actors as well.

RECOMMENDATION:

Government should work with social media companies to provide digital equivalents to the election address, and legislate for transparency around political advertising and imprints, in conjunction with the proposals below.

TACKLING TARGETING

Targeted advertising is not new – a car manufacturer placing an advert in The Times rather than The Sun is targeting. Putting that advert in Autocar sets a company on the road to micro-targeting. As with so much else, it is worth noting that the internet has often changed the world's principles less than we think. Firms advertised in print for a host of demographic reasons relating to a publication's circulation, and today do the same online.

In the wake of new campaigning techniques, however, the Electoral Commission and others could also consider exploring if there is something fundamentally transformative about the

kind of targeting of digital marketing that is increasingly common in a political context.

For example, it was recently reported that Labour officials hoodwinked Jeremy Corbyn and his allies during the 2017 election by spending £5,000 or so to microtarget particular adverts at the members of the left-wing echo chamber surrounding the leader. Corbyn, his aides and media outriders would see the adverts they had demanded in their own feeds – but far more money would be spent on different messages aimed at winning over ordinary voters, which would be invisible to the leadership.[3]

This level of microtargeting raises the possibility of a world in which, rather than there being a single manifesto, different things are promised to different voters – or particular hatreds and prejudices are exploited and exacerbated.

The most recent report from the Information Commissioner's Office, "Democracy Disrupted?", recommends that "the Centre for Data Ethics and Innovation should work with the ICO, the Electoral Commission to conduct an ethical debate in the form of a citizen jury to understand further the impact of new and developing technologies and the use of data analytics in political campaigns."

But this is not just a conversation for the few, but the many. Information Commissioner Elizabeth Denham is clearly right when she suggests, "We are at a crossroads. Trust and confidence in the integrity of our democratic processes risk being disrupted because the average voter has little idea of what is going on behind the scenes. New technologies that use data analytics to micro-target

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3 https://www.thetimes.co.uk/article/labour-hq-used-facebook-ads-to-deceive-jeremy-corbyn-during-election-campaign-grlx75c27

people give campaign groups the ability to connect with individual voters. But this cannot be at the expense of transparency, fairness and compliance with the law."

RECOMMENDATION:

At the very least, targeted adverts should explain why a user is seeing them. For example: "Promoted by Alan Smith on behalf of the New Party, which is targeting voters with interests including gardening and football in the Ambridge constituency."

Issues around transparency do not arise solely because of targeting, however.

Britain's current campaign spending arrangements effectively restrict politicians to a small number of expensive, widespread and by definition unfocused campaigns, such as buying newspaper adverts or leafletting entire constituencies, but place fewer limits on the infinitely more valuable but labour-intensive practice of knocking on doors and garnering opinions and voting intentions.

The highly targeted, scalable and much more affordable nature of digital campaigning is fundamentally different. In essence, it makes individualised campaigning affordable for everyone, in a way whose impact has not yet been fully understood.

Of course, even highly targeted marketing no more turns voters into robots than it does consumers. But there surely is also merit in exploring whether, just as there are limits on campaign spending, should there be limits on how small a group can be targeted in a given constituency how many times, or even on how much such micro-targeted advertising costs, which would be particularly relevant in marginal seats.

The nature of micro-targeting in elections also frequently fails to see the potential value of a seat to a government reflected in the price of advertising.

Part of the problem here is that, in an age of generalised mistrust, many of the bodies that oversee our elections have themselves come under scrutiny. Suggestions that the Electoral Commission should overhaul online campaigning will be greeted with intense scepticism by those who see it as having targeted Leave campaigners in the wake of the Brexit referendum, while giving a pass to Remain.

The Electoral Commission must therefore take steps to address accusations that it is not politically neutral. But it – or, if necessary, an independent commission – must also satisfy itself that unregulated micro-targeting of voters wherever they may live is having no negative effect on democracy. If the effect of this is to encourage campaigners to get their message out over a period far longer than the regulated spending periods, it could even improve the quality of online political debate.

RECOMMENDATION:

The Electoral Commission should consider the specific regulation of politically targeted adverts during election periods, as outlined above.

COMPULSORY VOTING – THE OBVIOUS SOLUTION?

Low turnout in any election clearly brings into question both the validity of the result and the extent to which potential voters see the issue at hand as of direct relevance to them.

One commonly suggested solution to the democratic deficit in the UK is to make voting compulsory, or otherwise incentivised. By pushing people to the ballot box, even if they then choose to endorse "None of the above", you are forcing them to engage with and become more aware of the democratic process.

Australia is the best-known example of a country that has made voting compulsory. The main spur for the introduction of the system was when a federal election turnout dipped fractionally below 60 per cent in 1922. Passed as a Private Members Bill in 1924, the measure was never sufficiently contentious to require a vote in the Australian Senate, and nor did it feature in either of the main parties' manifestos. It would be unimaginable for such a law to find its way via the same route into British statute today.

Nonetheless, Australian elections now see turnout at around 95 per cent, with just 5 per cent of those who vote taking the "None of the above" route.

Compulsory voting undoubtedly addresses the issue of turnout depriving votes of apparent legitimacy, but it has not obviously made Australian politics any less divisive than is the case in other mature democracies. And some local politicians are now arguing against the system, claiming that it discriminates against smaller parties (which lack the same name recognition among those enforced voters who do not usually engage with politics) and discourages mainstream parties from producing policies that appeal across the political spectrum, because they know the voters will turn out anyway.

Although today many British elections see participation levels far below that, compulsory voting remains a very niche interest. Any move to compulsory voting would have to be a manifesto commitment, not least because a voluntary referendum on compulsory voting would be a contradiction in terms. But it seems clear that a compulsory system would raise fundamental questions about liberty, in the sense that if any government exists to protect the freedom of citizens, compelling them to vote seems to contradict that.

Fundamentally, however, compulsory voting would treat the symptom of political disengagement rather than the cause, and would risk the unintended consequence of allowing politicians to rely further on (admittedly crumbling) tribal loyalties. In that sense it would discourage any reconfiguration that may be necessary to make democracy feel relevant in a new way to the public.

3: Local Government in the 21st Century

INTRODUCTION

Britain has long been one of the most centralised countries in the world, a process which arguably reached its zenith with Mrs Thatcher's – entirely understandable – assault on left-wing councils in the 1980s.

Recent years have seen the pendulum swing back – but in a piecemeal, patchwork fashion, from Labour's constitutional reforms to the devolved Powerhouses and Engines championed by George Osborne, and now under Theresa May with City Deals and even Town Deals too.

As we saw from the polling in Chapter One, there is an urgent need to restore trust in the state and its representatives. Some of that, as discussed above, is to do with the behaviour of politicians, the state of the political debate, transparency and accountability. But it is also fair to ask if that distrust stems in part from a state that is out of kilter with electors' expectations. Yes, due process is seldom compatible with knee-jerk populism. But could a differently organised state command more respect? What is the right shape for the state if it is to achieve what elected representatives are elected to do, and also maintain trust? Where should the power lie?

One answer that emerged from our polling is that people seem to trust government more when it is closer to them. It is certainly unlikely that the current arrangements – often based on accidents of history – deliver best value for taxpayers or the best services for citizens. This chapter will therefore explore various means of bringing government closer to the people – especially on the vexed issue of housing and planning.

A RIGHT TO AN EXPLANATION

The most basic principle of transparent and accountable government is that, in any publicly funded organisation, the public should have a right to know who made a decision and why.

If there are no police officers on neighbourhood patrols overnight, people do understand that it is ultimately a Chief Constable who should answer questions, and that he or she must work within resources available from government. Increasingly, they also understand that those constables are answerable to Police and Crime Commissioners, or elected mayors who serve the same function – although this innovation has yet to fully bed in.

But where it's less clear is on issues, such as the National Health Service, that vary across the country. Far from the dropped bedpan resounding in Whitehall, the most recent round of NHS reforms in England explicitly passed responsibility from the Secretary of State to NHS leaders, and on a local level to organisations such as Clinical Commissioning Groups. On top of this, there are all manner of complications. Who decides that some GP surgeries operate different levels of service for making appointments, and consequently why is best practice not widespread? Why is there such variation in access to services such as IVF? Despite all these complications, voters still look to

politicians for answers, still treat "the NHS" as a monolith rather than a federation.

The same is true elsewhere in the public services. While the Government has made huge strides in making outsourced services more transparent, in the eyes of the public, having private companies take on public work too often removes them from accountability.

New initiatives around the publication of key performance indicators are to be welcomed, but the default should be a published, transparent justification of a decision. This information is almost always provided to, for instance, commissioners anyway, but it is seldom public by default.

Obviously, transparency about resources is vital. Nobody expects, for instance, GP recruitment to be fixed instantly. But in order to better educate the public, we should couple this right to know how a decision was made with a second, additional, right: to know which elected body or individual is responsible for that decision, and why was it made.

This approach builds on the model of the Urgent Question that Speaker John Bercow has made commonplace in Parliament. It says that the public has a right to demand an explanation, in a regulated and controlled way, which fulfils the ambitions of the Freedom of Information Act in a way that the Act itself has failed to do.

It is not a right to summon or to harass – instead it is a right to an explanation. In due course, coupled with making public data open by default, it could replace the Freedom of Information Act itself.

Either way this approach, in part, would expose the reality that very often the modern public sector is insufficiently directed by the desires of voters. It would also disincentivise the endless layering

of public services: the more layers of government (plus agencies, quangos etc) and the less interested people are in them, the more they can get away with.

In essence, government should publish the "org chart" showing how decisions get made, which organisations hold the budgets to make them, and why conclusions were reached.

For many organisations, it will simply be turning minutes into more publicly acceptable formats, but the effect could mitigate a lack of local media scrutiny and reengage the public.

This question matters not just for economic reasons: an efficient state is an accountable state, which counteracts the seemingly endless current trend for cynicism about public service and consequent disengagement from democracy.

A real connection – such as that which is slowly beginning to be felt between Police and Crime Commissioners and voters, for instance – is one that means people understand the power and purpose of the ballot box. It militates against the rise of extremists and demagogues, from any part of the political spectrum. The argument against change lazily suggests simply that it might not be worth the effort.

RECOMMENDATION:

A new right to an explanation of a decision made by a public sector organisation, and which elected official is responsible for it, facilitated by transparency around that organisation's structure and the assumption that public data should be public by default.

LOCAL GOVERNMENT STRUCTURE

If voters are unenthusiastic about voting in national elections, they are positively lethargic when it comes to voting at a lower level. When referendums have been held to ask if areas want local mayors, average turnout has been less than a third. Just 10 per cent turnout is commonplace [https://www.ipsos.com/ipsos-mori/en-uk/low-turnout-mayoral-referendum]

Partly this is because Britain has traditionally been so centralised that local government has been drained of many of its functions, or else denied control of the budgets to carry them out. This, of course, has resulted in a vicious circle: fewer talented people are attracted to local government because it has less power, which means it performs worse and is seen as less deserving of power by the centre.

While turnout tends to be higher if the powers on offer are greater, it's hard to argue such low rates give meaningful consent for radical change. The truth is, in its current state, people aren't bothered about local government's structure because they usually regard it as remote and often incompetent. They don't so much say that local government hasn't got a plan, as it hasn't got a clue.

Even though voters are even less keen on their Members of Parliament, it is striking how many MPs find themselves being asked about local issues like potholes, because it is the only way some voters believe they can put pressure on the council. That of course leaves MPs in the odd position of having the influence to tame a recalcitrant system without the responsibility for making sure it works.

When the public are asked what sort of relationship they'd like with elected representatives, the answers are varied –

but ultimately research seems to indicate that all the politics that matters is as local as a person feels their community to be. So Londoners care about Tubes and buses across all of London, while rural communities are more likely to raise issues physically closer to home.

It follows that the accountable elected individuals to whom a person feels closest should hold meaningful power.

This pamphlet will not propose a radical overnight reshaping of the democratic map. But it argues that there should be a relentless devolution of powers and responsibilities down the democratic foodchain to the lowest possible level. That's not about shifting power from Whitehall to county councils and unitary authorities; it's about asking what can parishes take from districts, and making clear to devolved administrations that devolution doesn't end when power moves from Whitehall or Brussels to Holyrood. It's an argument, as the then Secretary of State for Local Government Sajid Javid has said, that local communities must take back control.

Accountable systems that work clearly command public confidence. It's worth noting that Londoners and Mancunians who were initially sceptical about elected mayors now imply they wouldn't abandon the system at almost any price.[4]

The guiding principle here should and must be to align the size of a government unit with the size of the area which people actually identify themselves as living in. That might be a small village – or a global city such as London. It is seldom a region.

That alignment, however, should not be an excuse for ducking hard decisions, which surely must come from central

4 https://www.britac.ac.uk/sites/default/files/Devolution%20and%20mayors%20in%20England.pdf

government, about whether the resulting units are producing the best value for taxpayers. In practice, this means more localism in some areas and less in others.

To that end, much of this paper's proposals are willfully modest. District councils should pilot delegating some planning powers to parish councils, as discussed below. There should also be government guidance on the number of people per council chief executive, based on a formula that takes into account an array of factors.

In 2016, for example, EY carried out an independent analysis on behalf of the County Councils Network, examining the impact of various models of local government reorganisation, from creating single unitary authorities within England's counties to merging some district councils, to simply sharing services across them.[5] The report argued that moving to unitary authorities could save £2.9 billion over five years.

The County Councils Network claims more broadly that devolving public spending to counties could generate up to £36 billion in savings over five years and boost growth by 0.8% of GDP.

Such work could form a basis for the forthcoming devolution framework, and provide clarity for, for instance, small local authorities whose size makes them less viable.

RECOMMENDATION:

Calculate the optimal size for a local authority unit in order to shape future devolution deals and incentivise change where it would be substantially more efficient or match up more closely with strongly held local identities.

POWER IN THE RIGHT PLACES

If our aim is that voters who identify with an area should find that their governance arrangements reflect that identity, it goes without saying that a single body makes more sense than several.

A parish council and a unitary authority might be sustainable in a rural area, but does it really make sense to divide functions between district, county and parish? And do those divisions really match how people think of themselves?

While it should be down to central government to collate the most efficient models of local government and incentivise transition, coercion seems unlikely to be the answer. Yet at the same time, there are some obvious basic principles that might apply. The same organisation that does the bins could do the roads. The people running business rates should do the trading standards. The people who live closest to new developments should have the greatest say over what they look like and the details of where they are.

This follows the principle, outlined above, that meaningful power should be given to those local authority units run with which people most identify – run by accountable elected individuals.

Those local authorities should have the freedom to – singly or together – commission services, be that bins and waste or, as increasingly happens now, the grass cutting and litter picking.

There will be, in any restructuring, opportunities to experiment with new models: French-style village mayors have long been resisted in the UK, but increasingly offer attractive opportunities to put real responsibilities in accountable hands. As new areas are parished

5 https://www.countycouncilsnetwork.org.uk/download/165/

in areas that are seeing larger-scale devolution, piloting this model, with rigorous accountability, is an opportunity not to be missed. Likewise, the increasing use of localism beyond the devolved administrations in Holyrood, Cardiff and Belfast offers opportunities.

RECOMMENDATION:

Devolve power by default to the local politicians closest to the electorate, or to those operating at the strategic levels of wider geographies. In areas where devolution require re-parishing, the government could pilot French-style executive mayors, and in devolved administrations seek to encourage devolution that goes beyond simply giving power to Holyrood, Cardiff and Belfast and encourages meaningful localism.

BUILDING CAPACITY

It would be dishonest to pretend that every council currently has the capacity to take on a host of new powers. The responsible first step is to build capacity and to promote the small steps that would encourage more people to come forward to stand for their council. Indeed, it is already the smallest councils that are the most trusted.

Local initiatives have shown that more entrepreneurial councils can often attract larger numbers of candidates and volunteers – but that there are limits to this within the current structure. Parish councils that have, for instance, taken it upon themselves to organise community events struggle to take their endeavours to another level partly because of the inherent limitations of their size, but also because they are unable to identify what could happen next.

Pilot schemes in Taunton Deane and Lincolnshire, delegating low-level planning decisions on for instance extensions, advertising and change of use, have been welcomed for promising to result in a smoother process and a small but important increase in a sense of control.[6] The message that local people are trusted to make small but meaningful decisions is hugely important. Inadvertently, the lack of power for local councils sends a message that government – at a number of other levels – knows best.

More power for town and parish councils will, of course, raise the possibility of abuse. To guard against this, parish councils should be brought under the aegis of the Local Government Ombudsman.

RECOMMENDATION:

Capacity should be built via gradual devolution of appropriate powers. Parish Councils should be brought under the auspices of the Local Government Ombudsman.

THE GOVERNMENT APP STORE: A CENTRAL LIBRARY OF BEST PRACTICE

Local government is increasingly relying on digital services to deliver essential services and make customer services more efficient. But while Amazon can simply decide not to have a physical public counter, local councils must provide both the expensive physical version and the cheaper digital one. The only way to switch away from the former is to make the latter obviously compelling. So far this has yet to fully happen. Fragmented services have not helped.

6 https://www.horncastlenews.co.uk/news/eldc-to-consider-delegating-planning-decisions-to-town-council-1-8534323

Just as we should have a nationwide policy on the provision of IVF rather than devolving even consultation to local areas, government would benefit from nationwide standards on tools required across areas. Building on the recently announced Digital Declaration[7], government should incentivise councils with transformation funding to make sure systems are interoperable across local authority layers and geographies. Government must become a platform for best practice, and also a library of it, and in the digital age this is more possible than ever to do easily.

Taken together, this basket of proposals would over time massage the shape of the state into something that is more in tune with the lives people live in the 21st century and the concerns that they now have around their environment, the destinations of their taxes and the futures of their communities.

There is no reason why the app that people use to report that their bin has not been collected could not also report that they paid just pennies for that service this week. There is also no reason why the basis for that app should not be identical across the country, with the local council crest reminding the citizen of their area.

In practice, this means acknowledging that currently too many local authorities reinvent the wheel because they are unaware of the work of their peers. With interoperable systems mandated centrally, government should make transformation funding dependent on lodging any new digital projects by local government centrally, producing a cloud-based library of existing tools and allowing other councils to take and further develop them for specific scenarios.

7 https://www.gov.uk/government/speeches/the-local-digital-declaration

Subsequent commercialisation of what is effectively a government app store could also bring money back to the taxpayer, in the same way TfL is now licensing Oyster around the world. The apps could and should also be available on the major app stores, iOS and Android – and the data powering them should be open to all to power their own apps, a field in which Britain is already a pioneer.

RECOMMENDATION:

incentivise fully interoperable digital public sector regulations, allowing government to create a library of existing apps, services and more, for further local development and potential commercial licensing.

WINNING CONSENT FOR PLANNING

If you speak to anyone involved in local government, you will soon learn that there are two issues which dominate the agenda: buildings and bins.

If we are to restore trust in government, at every level, we need to ensure that people feel they have genuine control of the environment around them. Yet at the same time, there is the obvious objection that local communities have often rejected additional housing, despite the crying need. What if empowering local councils also empowers the NIMBY tendency?

Partly, there is so much resentment towards the planning system because communities feel excluded from the process.

Therefore, as part of the scaling up of local responsibility described above, we should also beef up the value of local plans. The voice of each village or suburb is best expressed through a significantly increased role for a plan that sees local people defining the future for their local area.

The initial schemes described above may only see planning powers for small applications devolved to town/parish council level, but the direction of travel is very clear. It is those who are most acutely aware of a housing shortage in a village or area who will likely be most able to balance conflicting demands of space and affordability, as well as ensuring the design work is in tune with local tastes.

To incentivise the extended building of affordable housing, local authorities should allow the authority that decides an application to either keep the fee, to dictate their own versions of Section 106 agreements, for instance imposing obligations on developers to retain or expand amenities at the village level, or keeping the Community Infrastructure Levy funds described below.

RECOMMENDATION:

Local plans should be strengthened, with communities given a greater share of Section 106 and Community Infrastructure Levy funding, and more influence over the nature of housing that is built in their area.

INCENTIVISING HOUSEBUILDING

If planning permission is to any extent seriously devolved to lower levels, it must be accompanied by a significant simplification of the process by which communities are compensated or incentivised to develop. The current consultation process is fundamentally broken, because too often the NHS or Education Authority is consulted and tells planners that no new hospital, GP or school capacity is needed – because even a development of hundreds of houses does not take demand above the necessary bureaucratic threshold.

In areas where the wait for a GP appointment is already long, this feels unjust and – worse still – can only make existing problems worse. Long-term planning for the NHS, for instance, seldom considers what developments may come about and where.

The Government needs to ensure that as part of each period of capital spending on education, health and transport, it holds back funding and then allocates this each year when new homes are being built and delivered. The upcoming Spending Review in 2019 would be an ideal period to make this switch, involving existing funds – if for example, we know that we want to build at least 250,000 homes each year, over a four-year spending period this is one million homes. We should therefore survey and consult now on carving out in health, education and transport how much we need per home on average, possibly by region given the different costs, and then put this in a pot at the next Spending Review.

This would mean that when new homes are built, local people automatically know that the NHS would receive £x,000 per home, education £y,000 per home, transport and roads £z,000 per home. To ensure that this is possible the Government needs to consult now on what these sums should be.

This would restore fairness between communities accepting new housebuilding, without costing additional money. In time, so long as appropriate stakeholders are consulted, it could also even out disparities in health and education outcomes.

RECOMMENDATION:

Ensure that communities see new infrastructure accompany new homes, by Government setting aside a pot of money in the next Spending Review in each area of infrastructure such as health and education, and releasing it when new homes are developed, giving certainty to communities that for each home built, new infrastructure will also be provided.

In addition, there is an ongoing debate around the issue of how to ensure that developers contribute their fair share. Work by Shelter, among others, has set out that often our current system rewards those who try to evade their obligations to pay a fair contribution in return for the hugely valuable planning permission they obtain.

The obvious solution is to set a tariff, which was the theory behind the Community Infrastructure Levy – but this is both unpopular with councils and developers. MHCLG's own figures show that outside London, in all types of local authority (e.g. commuter belt, rural England, urban England), only a minority of areas have created a CIL system.[8] Developers show a similar hostility.

But the principle of transparently connecting development to community benefit is an important one. So a much fairer system could be to create a levy on the final sale value of the property, potentially adjusted for greenfield or brownfield situation (and maybe within that sites that need remediation or not). So if the average sale value was £250,000 you would pay a typical average 20% – or £50,000 – of the value per property, with the actual value ranging from 10% (brownfield site, with remediation required) to 20% (greenfield site with remediation

required or brownfield site with no remediation required) or at most 30% (greenfield site, no remediation required).

Of course, developers would still try to game this system, but it would be harder to do so. Overall, this could simply be a redistribution of income that local authorities currently seek to gain from S106 (and less frequently CIL); it is not a tax of housebuilding, but instead connects the uplift in land value to the benefit to a local community.

Once this system is in place, the land being sold to developers would simply adjust in price, because developers would require the landowner to take the burden of paying. Developers would also know that the system could adjust if market prices fell. Since the majority of developer contributions are toward affordable housing, it would be fairly simple to switch or increase the level of affordable housing as the final sales values came through – and this would have the positive effect of encouraging some properties to be truly tenure blind.

Because developers would know roughly the final sale values of their properties, and because they could not raise these values without being caught by this system, councils and communities would know what housing they would get – and also that increase in sales values would lead to a fair increase in the value of the contribution developers made. It would end the bonanza that landowners have identified by getting planning permission, without increasing the cost of housebuilding or housing itself.

In areas where the ratio of sale value to land value is extremely low, government may have to continue to support the least viable projects, but it would be doing so without first enriching those who sell land to developers.

8 https://www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2017/valuing_planning_obligations/copy_of_OutputTemplate/DownloadTemplate

RECOMMENDATION:

Change planning contributions to be a set % of the final sale value of the properties built, with a projected sales value that can then be adjusted as real sales take place. This would give greater certainty to all sides, meaning landowners' profits were more fairly taxed, and make it easier to capture more of the value from developers, without being as inflexible as a general absolute levy (like CIL), and taking account of changing market conditions.

With the fairer distribution of new infrastructure, more communities are also more likely to own assets: if a new broadband network is built locally, communities should continue to own it themselves, just as they might a village hall, which could be rented out for profit. Likewise, if a new GP surgery is built, communities should choose for instance whether to own the building and derive income or to gift it to a local practice.

RECOMMENDATION:

Where such payments result in infrastructure that could be owned by communities, ownership could be retained by the community if they choose (vested in the local parish or other bodies such as residents' associations).

BUILDING BEAUTY

Many communities resist development because they fear Identikit estates that are not in keeping with their area. Fears of lower house prices often arise from inappropriate development, rather than because of development per se. Many communities argue in public meetings and at planning committees that they would welcome new developments if only they were different in character.

With that in mind, local plans and neighbourhood plans should include where possible a common style guide, meaning that communities have a stake in their own character. Taken with local control of planning and local financial incentives, it is a model that uses existing legislation to form a new and coherent model. Integrated into the National Planning Policy Framework this could make zonal planning feel local.

RECOMMENDATION:

Local areas should take control of local housing style, with local plans offering recommendations for the character and appearance of developments that are developed with local communities.

Conclusion

This report takes as its title a question: who governs Britain? The answer, in reality, is an easy one, and it gets easier as the UK leaves the European Union. Britain is quite clearly governed by a supreme UK Parliament, operating under the rule of law and with a mature, if fragmented, structure of accountable bodies and elected councils.

But for far too many people it simply does not feel as though that is the case. The measures outlined here seek to redress that balance, and to make the country feel more connected to those tasked with making decisions on its behalf. This is about far more than any one planning policy change, or making Facebook act like the delivery platform the Royal Mail no longer is. But both those propositions in this paper are small and important steps on a road that must be travelled.

If this nettle is not grasped, it will become harder and harder to pretend that Parliament acts with the consent of the public. The result, our electoral system and Britain's past suggests, may not be a radical new leader taking the country in a new direction under a new party. It is far more likely to be apathy, indifference and contempt. None of those is an attractive place for politicians or politics to find themselves, and they will further discourage Britain's best from standing for elected office.

David Cameron, in calling the EU referendum, recognised that a decision on a matter as big as EU membership had moved beyond Westminster. In that matter he was surely right. But that approach should not be taken for every issue, and practically it couldn't be. We therefore need to find other ways within our democratic system to address the concerns, large or small, that many millions of people across the country legitimately have.

The UK is blessed with many councillors and parliamentarians who seek to take difficult decisions selflessly. We must ensure they have the public's confidence and trust when they do so.

Matt Warman MP