

Localism, place-making and social innovation

Innovation is crucial

In a recent presentation Josef Konwitz has pointed to the vital importance of innovation as one of the few levers currently available to governments as they seek to pull their economies out of recession ([Konwitz, 2010](#)). He argues that the traditional factors of growth which have served the western world well from the end of the second world war have lost their potency, restricted by the very crisis from which, in earlier times, they would have fostered economic recovery. Konwitz suggests that probably the least constrained of these factors is innovation. In his view, the burden of growth falls mainly on creativity: the ability to generate and use new knowledge and find new ways of doing things. Innovation is important for business, governments and people, and attention is turning to strategies for encouraging innovation across the world (see, for example, [OECD 2010](#))

Nowhere is the pressure to innovate currently felt more strongly than in regional and local government. Many western countries are implementing policies which significantly reduce public expenditure whilst, at the same time, through an emphasis on localism, seeking to re-define the role and scope of public services within a framework of changed power relationships between central government on the one hand and regional and local government and communities on the other. The crucial role of 'sub-national' government for the delivery of regional economic competitiveness and a quality environment socially and culturally is now widely acknowledged. In the current climate, especially in western economies, the ability of public agencies and communities to deliver is under pressure as never before. This paper, drawing on PASCAL's international network, looks at the kinds of innovation required if hard-pressed local government agencies are to get to grips with the challenge.

The scope of Innovation

Innovation has many aspects, and embraces a widely diverse set of changes. In business circles, the term is applied to any change that brings economic benefit. In relation to the delivery of public services and the achievement of social policy objectives, it is about that, but also a much more complex set of social benefits.

Product or process

Innovation can be about products or process, in our context here that is with the development and delivery of new services, and also about improving the delivery and performance of current provision. Innovation includes both re-engineering of public services and the continuing search for additional efficiencies in service provision.

Scale

Innovation will always require some investment and risk. Whilst some innovation is relatively modest, for example application of modified ICT, some requires large investment or re-deployment of staff and resources with consequent high levels of risk for efficient and effective service provision and continuity with current services. There is a need to both understand and tolerate a level of risk in taking service innovation forward.

Technological, or social and societal

Innovation is often concerned with technological change, but almost any technological change has associated with it changes to both provider behaviour, and also changes in the behaviour and expectations of users. In the case of many public services, and especially social care services, these social and societal dimensions of innovation will loom large.

Adoptive process

It is also important to appreciate that innovation is itself a process. Typically innovation has associated with it an adoptive process which sees it initially taken up positively by enthusiasts and visionaries, but less so by larger numbers of people affected by the change who will be either essentially pragmatic in their approach, or whose orientation is more conservative or sceptical. Understanding the likely adoptive process is important to success, especially when timescales are compressed. The issues of staff capacity for change, and managing user expectations are vital, and all too often ignored.

Much of the search for innovation in public services (particularly in the UK) has revolved around the issue of efficiencies in service delivery. It is often assumed that sufficient economies can be found through a combination of streamlining decision-making by moving control away from larger governmental units towards more local providers and users, and by reducing duplication of 'back office' administrative processes. Whilst such efficiencies are important, this emphasis tends to stifle focus on the extent to which new kinds of services are required, the form new services should take, and crucially, the requirement for extensive social innovation on the part of service providers, service users and civil society and communities. The main contention of PASCAL is that innovation in public services provision within the emerging localism frameworks requires significant social and societal innovation. Promoting social innovation, both amongst service providers and communities is crucial for the development and adoption of the changes required.

Encouraging social innovation

A new mindset

How this might be done is the concern of the rest of this paper. The policies referred to above are a challenge to conventional ideas of 'municipalism', the understanding shared by both local government agencies and the communities they serve, that it is the role of public authorities to meet and ever growing range of social needs and problems, and to seek the resources to do so. The emerging focus on localism whereby control of services is passed increasingly downwards from the

centre to local bodies and involves communities directly, and in which service provision is no longer seen as only the job of municipal authorities, calls for a new mindset for all involved. The new mindset needs to embrace a shifting emphasis from direct service provision to an enabling role and to partnership working on the part of municipalities, and the capacity within the community to exercise a meaningful role in decision-making, to develop socially enterprising approaches to addressing social issues and service delivery, and to look to a range of solutions to local issues including voluntary community action. It implies a strategy of supporting and investing in community assets wherever they are found.

The importance of place

Policies of localism lead us to look more closely at what Matthews has recently termed ‘the social economy of place’. Such policies enjoin us to look again, at regional and local levels, at community assets and community capacity, and at those factors which are additional to the state and the market, which can be deployed for social and societal innovation.

It is increasingly recognised that the value of many resources within a community goes beyond the immediate purpose of specific provision. For example, it is clear that libraries are about much more than lending books and there is a growing literature providing a clear demonstration of the ways in which museums and other cultural institutions contribute to the achievement of lifelong learning. Schools, colleges and local universities are all often underused as community assets. Local meeting places and public spaces are all important for community interaction and can be used as resources for programmes aimed at promoting health and wellbeing, crime reduction, and employability as well as social and cultural opportunities. Understanding the wider benefits of the range of public provision is important as a basis for a strategy of local provision, and as a basis for encouraging and supporting community learning and community action. (See for example, [Zipsane 2011](#))

Conditions for social innovation

The proposition PASCAL would put forward is that social innovation is more likely to occur if three conditions are met, namely that those involved have :

- *opportunity* for change,
- *motivation* to change, and
- *resources* to enable change.

Service providers and community members must sense that there is a climate and a set of rules and structures that make innovation achievable, that there are good reasons to believe that well-being will be improved from acting in ‘pro-social ways’, and that there are sufficient resources, of different sorts – financial, skills, time – available to make change feasible and sustainable. Crudely, one can imagine a formula on the lines of:

$$\text{Social innovation} = f(\text{opportunity} \times \text{motivation} \times \text{resources}).$$

Let us explore the elements of this formula a little further. This will involve consideration, *inter alia*, of social norms, attitudes and expectations; the strength of communities (of providers and users) in terms of bonding and bridging social capital; the identification of stakeholders with different kinds of resources; and the arrangements for local governance and accountability.

Demonstrating positive opportunities

There are already illustrations of ways in which public authorities have been able to show that there are real opportunities to influence local service delivery. For example, developing IT applications such as [fix my street](#) has allowed members of communities to draw the attention of public authorities to issues in their neighbourhood that need action. At the same time this helps public authorities prioritise and target their activities, and be seen to be responsive to public concerns. Again, experiments with local participant decision-making have allowed communities a direct input into, and in some places control of, funding decisions directly affecting service provision within their neighbourhoods.

The growth of local social media sites such as [talk about local](#) is promoting the realisation that opportunities are there for communities, even those with significant diversity, to come together, and for community action. Skill banks, time banks and resource banks all serve to enable communal activities and individual support. It is interesting that it is not only through web2 applications that local communities can come together. National print and broadcasting media are also realising the importance of place and community, and are developing increasingly 'local' outputs. All these developments have the potential to build place-based bonding and bridging social capital which both communities and local government agencies can use. The potential for greater understanding and trust from growing social capital in these ways offers a basis for opportunity for social innovation.

The opportunities are being given concrete expression through, for example, provision of learning labs, local research days, and other initiatives to support and develop community learning and confidence. Examples from different cities around the world can be found in the materials for the [PASCAL International Exchanges](#) (PIE) project .

Motivation for change

But why would service providers and communities wish to change? Motivation will come from increasing recognition of the benefits to well-being, broadly defined, from acting in different ways. This recognition will come from either negative 'push' factors or positive 'pull' factors.

Amongst the former is the reduced availability of public funding for service provision. The contraction or even disappearance of services will induce service providers and users and communities to look for alternative ways of maintaining services. More generally, Adil Abrar ([2010](#)) has suggested that we may now have reached 'peak state', the point at which public provision has become so complex and inefficient that it is unable to respond appropriately to meet increasingly

specialised need, and that this will emphasise the need to search for different approaches. As communities find it more frustrating to attempt to navigate the increasingly complex pattern of state provision, so will people look for creative ways to improve well-being.

Pull factors include the spread of social networking at community level, growing recognition of what can be achieved by social enterprises, and the increasing emphasis in the business sector on corporate social responsibilities.

The importance of place which underlies many of these developments can lead to a 'place-based' approach to service provision, which can be expected not only to lead to a better appreciation of the need for co-operation and partnership between otherwise specialist services, but to greater awareness of overlap and duplication, and the scope for efficient shared provision. For example, the recent UK Treasury 'Total Place' report ([HM Treasury 2010](#)) attempts to quantify the significant savings which could arise from this approach. There is an argument to be made to both re-think the key objectives for public services in any particular place, in terms of its contribution to well-being, and to think through the contribution of existing services to the meeting of these key objectives. Recognising and enhancing the wider roles of existing public and community provision in the way a place functions and supports its members may well motivate both service providers through increased job satisfaction, and a more appreciative response from community members.

It may well be that this awareness is developed through non-traditional partnerships of government and community agencies. It is likely that such non-traditional partnerships can contribute to the solution of challenges created by traditional service structures and embedded partnership frameworks.

Resources

Of course, people need resources of different kinds to allow them to pursue the opportunities that arise. There is a need for time, skills and money and equipment at the very least. Third sector organisations can often arrange skill banks, time banks and even equipment banks as a way of providing support for community initiatives. Local governmental agencies have to find ways of responding to and enhancing these kinds of initiatives through acting as facilitators and providers of (often modest) levels of equipment for community group use. They need to be less risk averse – but a positive approach can in itself reduce risks involved.

More fundamentally, there is a role for local government agencies to work with social entrepreneurs and community groups to take an enterprising approach to emerging sources of finance for public services. [McGuirk](#), for example has recently drawn attention to the emerging opportunities for social investment. For many charities and social enterprises, he sees conventional grant funding being replaced by some form of "social investment" finance, potentially payable on a performance basis. There are already examples of traditional grant-making organisations and charities such as the Esmée Fairbairn Trust and Big Issue Invest forming "social investment" operations or investing in them. Some progressive banks are working closely with civic society organisations to develop social

investment strategies. Local Government agencies need to do all they can to facilitate civil society groups to take full advantage of the opportunities such programmes offer.

Constraints

Governmental agencies will point to a range of factors which constrain their ability to act in facilitator mode, such as health and safety requirements, accountability requirements for the use of public funds, and agreements with work and staff groups. Legislation lays down mandatory requirements and discretionary powers which can limit the freedom of manoeuvre agencies have. However, none of these are fundamental to the kind of changes which are implied in the above. What is required is that local government agencies assume a leadership role to develop strategic approaches to the complexity of public provision and inter-agency and community working.

Seizing the opportunity

Innovation in both products and process is essential if regional and local government are to succeed in leading and supporting public, civic society organisations and private and social enterprises in the delivery of service provision to enable strong communities to flourish and support their members' needs. It has been argued that this requires a change of mindset from the municipalism which tended to pervade much public provision on the part of municipal leaders, service providers and community members. A focus on place, on understanding the wider value of community assets, on enabling groups to realise opportunities to access emerging resources, and to recognise the possibilities for developing community strength through non-traditional partnerships, and the imaginative use of, and response to new technology and social networking should provide a basis for an effective way forward. This amounts to major social innovation. The enlightened local government agency will go with it and lead it, rather than resisting it.

References

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