DISCUSSION PAPER

MASS LOCALISM

A way to help small communities
solve big social challenges

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FOREWORD

Today's complex, global social and economic issues present a daunting challenge. Against such overwhelming issues as climate change and declining public health, individual action can seem marginal. Small steps don't seem to go far enough in tackling issues of such scale.

Yet during NESTA's Big Green Challenge – our £1 million prize for community-led responses to climate change – we have witnessed the ingenuity, deep commitment and ambition of communities taking action on these issues together. Though individually these actions may seem small, collectively they make a significant impact.

This report draws on practical lessons from the Big Green Challenge and the experiences of the local groups we have been fortunate to work with. It offers a set of principles for how government can stimulate and support more local responses to big problems, at manageable cost to the public purse.

I have been struck by the number of organisations exploring ingenious ways of supporting local solutions to big social challenges. This report sits within this wider movement and outlines our approach – an approach we call 'mass localism'.

As ever, we welcome your input and views.

Jonathan Kestenbaum
Chief Executive, NESTA

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EXECUTIVE SUMMARY

Policymakers increasingly recognise that many of the solutions to major social challenges – from tackling climate change to improving public health – need to be much more local. Local solutions are frequently very effective, as they reflect the needs of specific communities and engage citizens in taking action. And they are often cost-effective, since they provide a conduit for the resources of citizens, charities or social enterprises to complement those of the state. Given the growing pressure on government finances, these are important benefits.

But localism presents a dilemma. Government has traditionally found it difficult to support genuine local solutions while achieving national impact and scale.

This report offers a solution: an approach by which central and local government can encourage widespread, high quality local responses to big challenges. The approach draws on the lessons of NESTA's Big Green Challenge – a successful programme to support communities to reduce carbon emissions.

This approach might be applied across other challenge areas, from public health to reducing re-offending, and has some important implications for how government can support communities to take action at a lower cost than traditional initiatives. We call this approach 'mass localism'.

In January 2010, NESTA announced the winners of the Big Green Challenge, a £1 million challenge prize for communities in response to climate change. This marked the end of a two-year programme, which set out to test an innovative way to stimulate and support community-led responses to a social issue.

The Big Green Challenge had over 350 entries from community-based groups all across the UK, many of which didn't have an existing environmental focus and formed especially for the purpose. The finalists ranged from micro-hydro community enterprises in the Brecon Beacons to food growing projects in central London, from a small island going carbon-neutral to a city farm working to reduce its emissions by 60 per cent.

On top of this widespread action and engagement in the Challenge, the winning projects achieved reductions in CO_2 emissions of between 10 and 32 per cent in a very short time span. Because the challenge has been successful in developing more sustainable projects, the reductions in emissions achieved by these communities are likely to treble over the next three to four years, meeting the UK's targets for 2020 well ahead of time.

Policymakers increasingly recognise that this kind of community participation is crucial in responding to many social challenges that drive escalating demand for public services. Centrally driven initiatives have struggled to make an impact on many of the complex issues confronting us today. Tackling climate change, improving public health and reducing re-offending requires not only action from government, but engagement and local knowledge from citizens.

But despite support from across the political spectrum, genuine localism is something governments find difficult to achieve. As the Big Green Challenge projects indicate, what makes local solutions effective is their local specificity, and the ability of groups to tailor solutions to local contexts. Local groups are also best placed to encourage community engagement on a social issue, through access to local networks and existing relationships.

There is therefore an inherent tension between the factors for successful localism and the impulse to achieve impact

nationally. The strategic and increasingly expensive nature of today's social and economic challenges means that policymakers need to make significant progress against these issues, and quickly. However, approaching localism from the perspective of centralism – trying to 'scale-up' effective local solutions to other communities without the local ownership that makes them effective – limits the potential for local solutions to achieve impact in a sustainable way. The result is a vicious circle of misdirected investment in localism which perpetuates a lack of confidence in local solutions.

Policymakers need an alternative that combines local action and national scale – an effective approach to 'mass localism'. The wider principles inherent in the Big Green Challenge have implications for how to transform centralism to unlock the potential of mass localism. If these principles were integrated into more government initiatives, it could create more opportunities for communities to take the lead on addressing major social challenges.

Mass localism depends on a different kind of support from government and a different approach to scale. Instead of assuming that the best solutions need to be determined, prescribed, driven or 'authorised' from the centre, policymakers should create more opportunities for communities to develop and deliver their own solutions and to learn from each other. It is not enough to assume that scaling back government bureaucracy and control will allow local innovation to flourish.

We set out five principles that indicate how government should approach mass localism, drawing on the Big Green Challenge: promoting a clear outcome; presuming community capacity; valuing advice and challenge; removing barriers; rewarding achievement.

This isn't just about government or other public bodies running a series of challenge prizes, although in some circumstances this could be appropriate. Rather, mass localism holds more radical implications for how government and others could commission and support more community-led responses to big social challenges at a lower cost than traditional initiatives.

This has a range of possible applications, most obviously

in complex, behavioural challenges such as environmental sustainability, health promotion, and reducing re-offending. NESTA will continue to investigate the efficacy of challenge prize mechanisms in other areas. However, there is sufficiently strong evidence to suggest that government should establish a series of small 'open community challenge' funds as part of current initiatives (and using existing funding), led by the principles outlined here, in order to stimulate and support many more local responses to major social issues.

If enacted widely, these principles would represent a radical shift in how government supports communities to act on social challenges. Such an approach takes localism far beyond a means to better national programmes; localism becomes the way in which more national objectives can be met, more cheaply, on the ground.

Mass localism reflects a broader trend that is increasingly apparent across the economy, culture and society, that of finding distributed answers to problems and delivering solutions with citizens. It represents a shift from mass production to distributed production. Just as forward-thinking businesses are opening up their R&D processes to their suppliers and customers, so policymakers should look for solutions beyond established organisations and experts. They should look also to citizens and communities.

This is part of an approach to reform that we call 'people-powered public services'. This paper is one of a series of publications that show how this approach can be applied to public services and the benefits that can result – so that our public services are better placed to cope with the immediate demands of the financial crisis and better able to respond to the long-term challenges of the future.

CONTENTS

PART 1:
LOCALISM IN ACTION: NESTA'S BIG GREEN CHALLENGE

Policymakers from across the political spectrum are increasingly looking to harness the energy and commitment of local groups to address big social challenges.[1] Local solutions offer the promise of radically better social outcomes by accessing local knowledge and social resources.

Eager to explore this, NESTA launched the Big Green Challenge in 2007, a £1 million challenge prize for community-led responses to climate change. We set out to test an innovative way of stimulating and supporting communities to act on climate change, and to develop ideas that would be sustainable beyond the challenge prize process itself.

Though there was initial scepticism about the potential of communities to tackle such a big issue as climate change, we believed that by working together local groups could devise and implement effective solutions using their unique understanding of their particular surroundings and dynamics. Alongside government initiatives, this form of what we call 'community-led innovation' can be a powerful means for delivering urgent national objectives – at a lower cost to the public purse and with less bureaucracy than traditional grant funding processes for community and voluntary groups.

The Big Green Challenge achieved positive results

In January 2010, we announced the winners. Four of the ten finalists received a share of the £1 million prize money: the

Green Valleys; Household Energy Services; Low Carbon West Oxford; and the Isle of Eigg. All four achieved reductions in CO_2 emissions of between 10 and 32 per cent in a very short time span and in a number of ways, and have the potential to deliver deep cuts that will exceed the UK 2020 target in a matter of years.[2] But the success of the programme lies not just with the performance of the finalists. NESTA's analysis shows that a significant number of applicants chose to progress their own projects despite not making it to the final stage.[3]

Something special had happened here. The Big Green Challenge had been successful on its own terms, but it had also generated some valuable insights about localism – not only about why local solutions work, but how to achieve lots of them. It was a process for finding distributed answers to problems and as a result has galvanised widespread local solutions with rapid impact at a national scale – from micro-hydro community enterprises in the Brecon Beacons to food growing projects in central London, from a small island going carbon-neutral to a city farm working to reduce its emissions by 60 per cent. We will revisit these insights in Part Two, but for now we look in more detail at the process behind the Big Green Challenge.

Smart incentives for people-powered innovation – how NESTA's Big Green Challenge worked

NESTA's Big Green Challenge was designed to encourage and reward community-based organisations to develop and deliver innovative approaches to significantly reducing carbon dioxide emissions.[4] An open challenge prize model – rewarding results but not dictating how they are achieved – was novel to the UK social sector, and we set out to learn from our approach and how the model and principles could be applied elsewhere.[5]

The challenge to entrants was to develop and test sustainable ideas for reducing CO_2 in their communities. We had over 350 entries from community-based groups all across the UK, of which the 100 most promising were selected for the next stage. Through workshops and one-to-one advice, these 100 were supported to articulate and further develop their ideas into

more detailed plans. From these 100, 21 were invited to pitch their projects and ten finalists were selected to receive support for the Big Green Challenge year.

The ten finalists then had one year to begin implementing their plans, with the help of a £20,000 grant and further development support, guidance and access to NESTA's wider networks. At the end of the year the finalists were judged according to their performance against a measurable outcome – reduction in CO_2 emissions. The £1 million prize was awarded to the finalists who proved their approaches were most successful. Figure 1 shows the Big Green Challenge process.
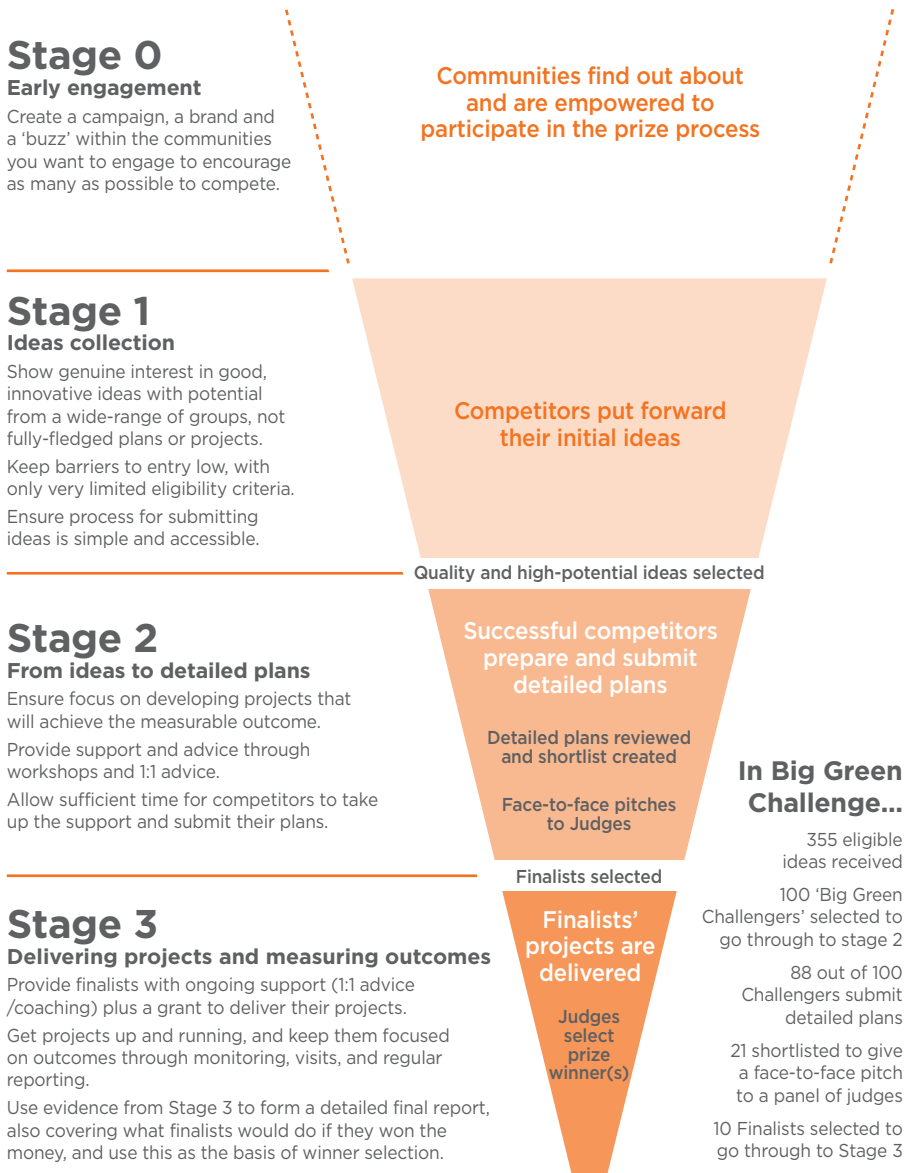
The Big Green Challenge is distinctive as an open but staged process of support

"The process challenged, stretched, rewarded, helped, excited and exhausted us."
Participant, Global Generation, November 2009

There has been a groundswell in the number of challenge-led, prize incentive models to fund and support innovation. Initially commercially driven challenges such as the X-Prize incentivise technological breakthroughs towards a specific goal. More recently, innovation platforms such as the online InnoCentive community are applying incentive-led models to spur creative solutions to social challenges. The X-Prize Foundation has recently partnered with the Bill and Melinda Gates Foundation to tackle difficulties in treating tuberculosis. In the USA, the £700 million education innovation fund has a similar ambition for transformation in schools. The NHS has dedicated £20 million of its £220 million innovation fund to a public competition for medical breakthroughs.[7]

Rather than looking for just one breakthrough solution, a fundamental objective in how NESTA designed the Big Green Challenge was to galvanise as much community action as possible. We developed a new, hybrid model, combining support and recognition for entrants with small-scale financial support for finalists, alongside the incentive of the prize money. The process combined a number of essential design features that aimed to minimise bureaucracy and maximise

Figure 1. The Big Green Challenge process[6]

Stage 0
Early engagement

Create a campaign, a brand and a 'buzz' within the communities you want to engage to encourage as many as possible to compete.

Communities find out about and are empowered to participate in the prize process

Stage 1
Ideas collection

Show genuine interest in good, innovative ideas with potential from a wide-range of groups, not fully-fledged plans or projects.

Keep barriers to entry low, with only very limited eligibility criteria.

Ensure process for submitting ideas is simple and accessible.

Competitors put forward their initial ideas

Quality and high-potential ideas selected

Stage 2
From ideas to detailed plans

Ensure focus on developing projects that will achieve the measurable outcome.

Provide support and advice through workshops and 1:1 advice.

Allow sufficient time for competitors to take up the support and submit their plans.

Successful competitors prepare and submit detailed plans

Detailed plans reviewed and shortlist created

Face-to-face pitches to Judges

Finalists selected

In Big Green Challenge...

355 eligible ideas received

100 'Big Green Challengers' selected to go through to stage 2

88 out of 100 Challengers submit detailed plans

21 shortlisted to give a face-to-face pitch to a panel of judges

10 Finalists selected to go through to Stage 3

Stage 3
Delivering projects and measuring outcomes

Provide finalists with ongoing support (1:1 advice /coaching) plus a grant to deliver their projects.

Get projects up and running, and keep them focused on outcomes through monitoring, visits, and regular reporting.

Use evidence from Stage 3 to form a detailed final report, also covering what finalists would do if they won the money, and use this as the basis of winner selection.

Finalists' projects are delivered

Judges select prize winner(s)

participation. The section below outlines these features in more detail.

i) An 'open access' approach, with a very open first stage

To help us find, identify and mobilise new 'problem-solvers', we kept the barriers to entry to the Big Green Challenge very low and undertook a great deal of outreach and publicity to attract applicants. Application criteria in the 'call for ideas' stage were very broad, and NESTA explicitly invited proposals from any non-profit group whether formally constituted or not – 20 per cent of applicants were just informal groups at this stage. In addition, a significant proportion of the groups applying didn't previously have an environmental focus, suggesting that the Big Green Challenge captured peoples' awareness and enthusiasm beyond groups with a pre-existing interest in climate change.[8]

In this first stage, support took the form of advice, rather than financial investment. This meant that NESTA could consider a wider range of proposals and avoid extensive auditing processes until further into the Challenge. The application process asked challenging questions and encouraged teams to do things differently, but in the spirit of critical friends rather than examiners. This advice and challenge was valuable to applicants, as a significant number of applicants chose to progress their own projects despite not competing beyond the first stage.

ii) A clear outcome, and a clear timetable

The Big Green Challenge specified a simple outcome: that the applicants make a sustainable CO_2 reduction at a community level. This outcome was clear and measurable from the start. Combined with a tight timetable, this generated urgency and momentum which was supported by credible information on progress.

The Big Green Challenge did not specify how the (small) financial support offered must be used by finalists. This is relatively unusual in funding processes. As an example,

the Low Carbon Communities Challenge specifies that, in addition to the eligibility criteria, the funding received must be spent on capital investment (although 10 per cent of this can be used for project management). As a result, the types of solutions proposed by communities might be more limited. Over-specification can crowd out some of the more imaginative, diverse suggestions that might not be anticipated.[9]

iii) A staged process, with help for the development of ideas and graduated rewards

"It legitimised us, and gave us the support to go on."
Big Green Challenge finalist

At the last stage, the Big Green Challenge directly helped the ten finalists (at a cost of £20,000 each) push forward ambitious plans for carbon reduction. Many of these projects have developed models which could be adopted across the UK. The Green Valleys model, supporting the development of micro-hydro schemes by local communities, is already being promoted by other agencies throughout Wales.

Finalists also had access to a range of partners and expert knowledge sources, including 20 days of support from business development experts UnLtd. This support focused on enhancing the quality of the projects, and building their capacity to achieve measurable outcomes. Ongoing support and development meant that at the end of the judging period, ideas were well thought-out and properly structured using the most appropriate vehicles to implement them.

This combination of support and small-scale financial investment recognised that whilst community-led entrants may care enough about the issue to invest time and resources in the endeavour, there would be limits to the time, potentially skills and financial resources they could commit. The staged process allowed funders and competitors to effectively manage risk, with clear and transparent stages within the overall process that helped them make informed choices as to how and whether to continue.

As a result, the final prize money was not the only incentive for the projects, as ideas benefitted from access to other non-financial support in order to get off the ground. The prize itself generated a lot of publicity and legitimacy for both the Big Green Challenge programme and for the individual participants' projects, and helped to leverage support for both.[10]

The Big Green Challenge allowed for reflection, flexibility and space to innovate

The principles and ethos of openness, innovation and learning that underpinned the Big Green Challenge were crucial to effectively engaging competitors and providing useful support. Openness in communication and flexibility through built-in time for reflection, evaluation and feedback helped to generate a culture of experimentation and learning. This was particularly important for NESTA as we were keen to learn from our own experiences of running an innovative challenge prize.

Each aspect of the process aimed to give communities control. Though clear on the challenge, the process didn't prescribe the solution. NESTA's role was to offer support and impetus to finalists, transferring leadership to the communities themselves. Finalists were encouraged to manage their own monitoring processes, build partnerships with external stakeholders and advisors and take responsibility for the knowledge generated.

The Big Green Challenge is part of a wider movement of smarter support for community-led innovation

This approach can be positioned as part of a wider movement towards supporting community projects in a smarter, more cost-effective and ultimately more helpful way. Endowments such as the Big Lottery Fund have moved towards funding for outcomes, and invest a great deal in community capabilities to make real improvements in their local surroundings.[11] There are also a number of mutual support networks such as the Community Action Network, which supports social enterprise at a local level by helping to leverage capital investment and

providing business development support.[12]

A quick glance to the emerging social investment sector shows a range of intermediaries and platforms which are exploring how the relationships between those giving and receiving money could be improved. Online peer-to-peer platforms such as Kiva are revolutionising how social enterprise is financed, and the growth of the social investment sector (via Community Development Finance Institutions, Intermediate Labour Markets, Community Land Trusts, Fair Trade Bonds) points to the underlying potential of more localised, relationship-based financing.[13]

The impact of the Big Green Challenge

The Big Green Challenge demonstrates that community-led innovation can be a powerful means for responding to national social challenges. The finalists have made a significant impact on CO_2 emissions towards the government's national objective. The process has also achieved a surprisingly widespread reach in terms of applicants and innovative approaches. And importantly, the Big Green Challenge has demonstrated an effective, relatively low cost way to support lots of localism and to help communities develop sustainable solutions.

Firstly, the Big Green Challenge has been effective at reducing CO_2 emissions. The finalists achieved an average reduction in CO_2 emissions of 15 per cent during the final year (with the winning projects achieving between 10 and 32 per cent reductions). This means that in the space of just one year these community-led interventions have met almost half (44 per cent) of the UK's target for reducing CO_2 by 2020.[14] Because the challenge has been successful in developing sustainable projects, the reductions in emissions achieved by these communities are likely to treble over the next three to four years, meeting the UK's targets for 2020 well ahead of time.[15]

Secondly, the applicants to the Big Green Challenge covered a broad area both geographically and in types of approach. They proposed a diverse range of innovative, ambitious projects. They tended towards approaches that actively addressed

lifestyle and behaviour change, with 80 per cent of applicants feeling that changing practice was a crucial part of the solution. A high proportion of groups originated from within their own communities, and they came from all over the UK. Overall, up to 5,800 people were engaged in the finalists' work, with around 2,000 of these involved in some substantive way.

Amongst our ten finalists, some grew from highly urban environments. Global Generation worked with young volunteers in Kings Cross in central London, building links with local businesses to find alternative food-growing spaces. Faith and Climate Change brokered connections with faith groups in Birmingham to address environmental issues across religious communities. Others worked with public service users, such as the students and staff at St Bede's High School who aimed to be one of the first carbon neutral schools, or the inmates of HMP Ford in Sussex, who were taught a sustainable trade through taking part in the prison's Waste Oil Recycling project.

Finally, the Big Green Challenge was a relatively low-cost way to support widespread localism. The finalists only received a £20,000 start-up fund alongside support from business development teams – at an approximate value of £5,000. Even when including the £1 million prize money, the running costs of the Big Green Challenge were far less than £5 million.

In addition, the Department of Energy and Climate Change was so impressed by the ambition and emerging impact of these participants that they offered 17 further, non-finalist projects extra direct funding and support – worth a total of £600,000. From a low carbon co-operative in Manchester, to a project to deliver local hydro power from water mills near Bath, and a plan to install renewable energy technologies on local farms around Winchester, these projects are now part of the Big Green Challenge Plus, a joint initiative between DECC and NESTA.[16]

The Big Green Challenge supported solutions that were particularly effective in the way they took advantage of local knowledge and perspective. But despite their potential, this particular kind of genuine, grassroots localism – beyond local government and the local outposts of national organisations – could be harnessed more effectively by government initiatives.

Looking at the finalists in more detail, some lessons emerge around what makes localism effective and how to overcome the challenges in getting localism right.

PART 2:
WHY LOCALISM WORKS – BUT REMAINS LARGELY UNTAPPED

During the final year of the Big Green Challenge, NESTA took a closer look at the ten finalists through rigorous, qualitative research alongside the quantitative measurements of their impact on CO_2 emissions.[17] This section will delve deeper into what made these projects effective, to understand why localism works and why it is crucial to confronting the many complex, seemingly intractable social challenges that are driving escalating demand for public services.

As the insights from the finalists indicate, local solutions rely on their specificity, local ownership, and the ability of groups to tailor solutions to particular contexts. Local groups are also best placed to encourage community engagement on a social issue, through access to local networks and existing relationships.

However, better understanding of what makes local solutions work highlights why central government has traditionally found genuine local engagement difficult to achieve. Trying to support and 'scale-up' local action centrally can undermine this rootedness, and take away from what makes localism successful in the first place.

Nonetheless, the urgent and increasingly expensive nature of many such challenges as climate change, mental and physical health or anti-social behaviour demand more effective solutions which can better engage the public in taking action. Though vitally important, government action alone isn't enough: impact depends on the knowledge, commitment and engagement of citizens.

Traditional approaches to big social challenges are struggling to make much headway

Centrally led behaviour change campaigns or delivering nationally standardised programmes are struggling to make an impact on some issues, especially when the challenge is intimately linked to how people live their lives or to complex, locally specific circumstances. The most obvious example is the NHS. Most of its infrastructure is geared towards treating acute illnesses, whilst the preventative health agenda (for example, to reduce the prevalence of chronic long-term conditions) remains comparatively marginalised – despite the evidence that suggests the latter could drive down costs significantly.[18]

At the heart of this are the limits to the traditional 'deficit model' of public services that undervalues the hidden resources of service users, their families and communities. Deficit model services tend only to respond to our pressing problems, rather than aiming to reduce the occurrence of problems in the first place.[19] Similarly, centrally led behaviour change campaigns, though increasingly sophisticated, can assume a deficit of information as the barrier to action. Though there are important exceptions – most notably on drink-driving, or the '5 A DAY' campaign which uses a positive, achievable message to encourage healthy eating – these campaigns have often been more effective at raising awareness (important though this is) than changing behaviour.

In contrast to the '5 A DAY' message, the objective for government's 'Act on CO_2' campaign is relatively broad and immeasurable. A recent evaluation of the campaign showed that on many significant environmental issues, attempts to change behaviour from the centre are having little impact. In the evaluation survey, people who claimed to 'always' recycle and reduce food waste, or intend to improve current levels, were less frequent than a year ago, as were commitments to reducing energy in the home (turning off light switches, cutting down on water usage, leaving appliances on standby).[20]

Today's challenges that remain intractable are characterised by their complexity, and have two factors in common: uncertainty as to what works best on the ground; and the requirement for deep levels of personal commitment and collective

action. There are limits to what constitutes 'best practice' and knowledge about what motivates people to change their behaviour.

Though it is commonly assumed that delivering solutions centrally can be cheaper, the nature of some of the more behavioural and social challenges means that one-track solutions will inevitably be high risk. As just one example, health inequalities amongst young children remain persistent despite significant investment and multiple national initiatives. Indeed, some health indicators – such as obesity and dental health – have worsened.[21]

Small communities can help to tackle big social challenges

Solutions that are designed, developed and delivered locally are often better placed than central initiatives to understand local conditions and needs, and to engage citizens in taking action to tackle challenges more cheaply and effectively. We have highlighted two aspects of local solutions that account for this, drawing on the finalists from the Big Green Challenge – allowing the community to take real ownership of developing and implementing new approaches, and their ability to inspire purposeful action on an issue.

Communities can develop and implement new approaches locally, which can make them more effective

Responses that are developed as well as delivered locally provide for real local ownership. This ownership matters because it means that projects can make better use of local knowledge, assets and infrastructure. These assets help to make the solutions more efficient and effective than nationwide, more generic or 'best practice' approaches. Such assets are almost invariably unknown to or beyond the reach of approaches designed and developed from the centre.

"The project was collectively owned and made use of the hidden wealth that can only be useful when the community comes together."
Resident, Isle of Eigg

Community ownership raises awareness and demand for new approaches

The Green Valleys project is developing community-owned micro-hydro schemes, and improving the energy efficiency of homes in the Brecon Beacons National Park. The Green Valleys team wanted to create a local sustainable energy market, supporting the community to reduce their own carbon emissions and explore the potential of alternative energy sources. By setting up community renewable energy schemes and reinvesting revenue in community-based carbon reduction projects, the team aims to make the region a net exporter of sustainable energy.

During the final year of the Big Green Challenge, Green Valleys installed a number of community-owned, hydro electric power turbines, just one of which will generate over 80 per cent of the electricity needed by the local community. But rather than just introducing a new technology and assuming its uptake, the Green Valleys team led an intensive local education campaign around climate change to drum-up support for the project. They put on more than 60 public lectures to get people thinking and talking about climate change. Not only did they ramp-up demand for alternative energy sources, but they built a coalition and community ownership around the project that was critical to its success.[22]

As a result of actions taken during the Big Green Challenge year, Green Valleys will reduce CO_2 emissions in the area by between 370 and 435 tonnes per year, a reduction of 20-23 per cent.[23] This impact is set to increase; with 40 hydro schemes planned to be installed in the next four years, Green Valleys could reduce emissions by 1,670 to 2,000 tonnes per year – the equivalent of over 500 households successfully meeting government's 2020 target of a 34 per cent reduction in CO_2 emissions many years early.

This approach – community ownership – has proven to be effective in other projects. The UK's first renewable energy co-operative, Baywind Cooperative Wind Farm, now has over 1,300 members, and generates enough energy to power 1,700 homes. The profits from the six wind turbines currently in operation in Cumbria are distributed amongst the members of the co-operative and invested in local environment projects. Baywind started as a community initiative over ten years ago and has recently formed the development company Energy4All to help communities around the UK own a stake in community energy schemes. Baywind cites the local ownership of the wind turbines as the key factor in raising people's awareness and appreciation of renewable energy, creating both supply and demand.[24]

> *"It is very odd that, I mean I thought that by generating your own electricity you would think 'oh well' but in fact it has the reverse effect…I mean you are more conscious of using it."*
> **Participant, the Green Valleys**

Community ownership invests back into the community and builds capacity for action

Like Baywind, a number of the finalists either are or have the potential to become self-sustaining. Many have developed independent funding schemes by harnessing financial support directly from their community – offering shares or community investment programmes. Low Carbon West Oxford is a community working to reduce carbon emissions in households, through planting trees and local transport and food projects. The resources to support this work were provided by West Oxford Community Renewables, a Friends Provident investment society that is developing a portfolio of community-owned renewable energy initiatives.

Others generate income streams from training or education services – the Waste Oil Recycling in Prisons (WORPP) project has developed the only accredited training programme on small-scale biodiesel production from waste oil as a training product. In some instances the finalists have got to the point where they are 'investment ready' – they are primed to both attract and effectively use finance from a range of sources (a

share of the Big Green Challenge prize, private investment, or more traditional government grants).

Such local ownership has other benefits. The Big Green Challenge finalists have, in a very short time, developed the capacities of their communities to act on climate change. Whether in establishing the right legal structures to assist the development of social enterprises, organising their initiatives so communities can input into decision-making or utilising local expertise to write business plans, funding bids or risk assessments, these capacities are the essential basis for effective community action or the operation of successful social enterprises.

For example, all the Big Green Challenge finalists have developed the skills base in their communities. These have varied from communication skills (as Green Ambassadors at Hackney City Farm), technical skills (such as turning waste cooking oil into biodiesel in Waste Oil Recycling in Prisons), energy surveying (such as the local volunteers working alongside professionals with Household Energy Services) or woodland management (for example the Green Valleys). They have also developed 'softer' skills such as how to support each other and work together. This can be crucial in raising the confidence and abilities of local people in decision-making and to sustaining voluntary inputs.

Communities can inspire purposeful action on an issue

A common piece of feedback from participants was that the feeling that 'we're all in it together' had helped them adopt new practices or change how they live, not least by giving them an overall sense that it was easier to do than they imagined.

"As a single person reducing their carbon footprint isolated from everybody else, the effect of that reduction is very minimal and that's very frustrating… As an individual it is difficult to get motivated and that's the key thing about the Big Green Challenge – as a community we can cumulatively make a difference."
Participant, the Green Valleys

Local groups can build a community around an issue

> *"Our aim was to create a community around the challenge – to stay local but have an effect that can be global."*
> **Participant, Global Generation**

If important aspects of some of the challenges facing public services depend on people changing the way they lead their lives, the best people to organise this are often the communities themselves. Though some of those who have become involved in the Big Green Challenge projects were already motivated and active, many finalists brought in new people with varying levels of environmental interest who would not have taken action otherwise.

Local groups can access hidden pools of social capital, distributing responsibilities and aligning the right incentives to get people involved.[25] In contrast, central and even local government can be too remote from circumstances and conditions on the ground to access the untapped resources of communities and local networks. Local groups are often much better placed than either bureaucrats or researchers to identify the needs, motivations and values of people within their community, and to use these to influence both individual and collective understanding and – most importantly – action.

For example, the residents of the Isle of Eigg, led by the Isle of Eigg Heritage Trust, are working together to generate renewable electricity, install insulation and solar panels, produce local food and develop low-carbon community transport schemes. The residents of Eigg have an ambitious goal: to become the first 'green' island in the UK. Fundamental to the project's success has been the active engagement of the entire island, and the Isle of Eigg team has offered lots of different opportunities for participation and made volunteering possible alongside day-to-day commitments.

> *"I can't imagine where somebody wanted to do more and there was something stopping them. We all had the opportunity to give as much as we could."*
> **Participant, Isle of Eigg**

Local groups can draw on existing social capital and motivate collective action

The Isle of Eigg is a remarkable place, with a very small population. Tight social networks that already existed in the community meant that collective action had a stronger foundation to start with. This might be an inspiring example, but transferring these practices to another context could be challenging. Rather than direct replication, the islanders have invested a great deal of effort in sharing the principles and ethos behind their green movement with other communities. The Isle of Eigg is not far from achieving its ambition, having already reduced their carbon emissions by 34 per cent (111 tonnes) during the year of the Big Green Challenge.

But despite the unusual circumstances of the Isle of Eigg, many of the Big Green Challenge finalists have shown a capability to use existing local networks, face-to-face contacts, word of mouth channels and trusted individuals to communicate ideas, and to motivate action by a broad range of ordinary people in their communities. Both Household Energy Services and Meadows Ozone relied on trusted faces to encourage others to take action. This is indicative of how local groups are able to identify and access networks that are easily recognisable by a community, but difficult to decipher by central or even local government.

> *"...being based in the community is absolutely key...you need a figure that people will relate to, because then they will listen. But if it's just an outsider promising great things, I don't think it has the same impact."*
> **Participant, Meadows Ozone**

Local groups can then support action as part of the community, driven by the notion that 'we're in it together' at a more personal level. Where governments might be nervous about being seen to 'preach' to the public, communities can tackle entrenched behaviours and social norms through different, more effective methods of engagement. They can enable action through practical help, provide ideas, role models and support from within the community to develop new social norms. This efficacy has been demonstrated in the popularity of various group-led approaches such as WeightWatchers or Pledgebanks

(an online 'I will if you will' pledge platform).[26] Indeed, local groups often develop their plans with their local communities.[27]

Detailed analysis of all of the Big Green Challenge applicants outlined a range of models used to harness existing networks to inspire action. Only 8 per cent of the applicants based their intervention on direct, one-way relationships. Thirty-two per cent were direct, two-way relationships embedded in the community they were working with, and 24 per cent were indirect relationships that relied on community-embedded intermediaries. Over half of applicants were seeking to build on already established relationships.[28]

Recent research from a number of disciplines, from behavioural economics to psychology and neuroscience, reinforces the importance of these types of relationships, by demonstrating to what extent our behaviour and the choices we make are influenced by face-to-face relationships, our communities and networks.[29] The way in which the Big Green Challenge finalists acted through trusted local networks and provided supportive environments in which to negotiate change was striking.

> *"One of the things we've learnt is that people want a reliable, trustworthy and most important of all, a local service."*
> **Adam Kennerley, Chief Executive of Household Energy Services**

Household Energy Services (HES) utilised existing local networks to identify barriers to people acting on climate change. They found that building relationships with people in the community was strongly to their advantage in setting up a door-to-door energy service helping households reduce their carbon emissions. Based in Bishop's Castle, Shropshire, HES is a community-based energy service that works with households to reduce carbon emissions, improve energy efficiency and save money on fuel bills. From helping out with draught proofing to brokering deals on renewable energy equipment, HES has developed a range of measures to help people take practical action, rather than just providing information.

HES is run by a not-for-profit Community Interest Company that partners with local community and environmental groups and uses teams of Volunteer Energy Surveyors to ensure take-

up of energy-saving measures at the lowest cost. HES has now extended its energy service to other communities in Shropshire. It has assisted over 15,000 homes tackle their energy efficiency and has reduced carbon emissions in its community by 10-14 per cent.

Going beyond climate change – untapped opportunities in community-led solutions

This kind of community approach has relevance beyond climate change, and could be applied to issues ranging from obesity to mental health – challenges where there are limits to best practice and where technological fixes are unlikely to work on their own. Whether tackling public health, targeting anti-social behaviour, reducing alcohol consumption or promoting fitness, all of these issues have social aspects that would benefit from a deeper knowledge of local conditions and better levers to influence collective behaviour.

As an illustration, Social Action for Health (SAFH) works through local networks and partnerships in very deprived parts of East London to run a series of local projects to promote and support healthy living. SAFH supports action and involvement within a dense, urban environment not generally assumed to possess deep reserves of social capital. Their work includes a 'Health Guides' project which trains local people to give health guidance and advice in their community. The Guides simultaneously raise the profile of local health issues to policymakers and provide a critical bridge between frontline health professionals and community groups. There are already 70 active Health Guides within Social Action for Health, with plans to extend the scheme to other boroughs.[30]

The ingenuity and local knowledge of communities is a powerful national asset. Beyond the vibrant social enterprise sector, the voluntary sector is a large and growing part of our economy, with a rising income of £33.2 billion – an increase in 3.3 per cent over the past year. There are roughly as many hours of unpaid work as paid work each year in the UK, mainly within the family.[31] Volunteers add greatly to the delivery of public services – particularly in addressing the needs of those

that the government can find hard to reach. This contribution is significant – in economic terms the National Council for Voluntary Organisations estimates that the contribution of volunteers in 2007/08 was £22.7 billion.[32]

However, the voluntary sector remains a small proportion of government expenditure on public services (2 per cent).[33] On the whole, community enterprise remains largely undervalued given the challenge of harnessing and supporting it centrally.

The challenge with localism

The UK's major political parties have all pointed to the importance of encouraging and supporting more community action to address big social challenges, in part because of a shared recognition of the limitations of traditional government approaches.

However, government has traditionally found it difficult to support genuine local solutions, and when it does struggles to marry localism with national impact and scale. This is for two reasons: firstly, because local solutions seem marginal in contrast to the strategic and increasingly expensive nature of today's social and economic challenges; and secondly, as greater local agency inevitably leads to greater diversity, more localism tends to raise concerns about a 'postcode lottery' – that where you live dictates your access to and experience of public services such as education, health or access to employment.

In terms of the former, it is understandable that trying to achieve the kind of impact necessary may seem more cost-effective through centralised, national approaches. The traditional response to achieving impact through localism is to identify a solution that works locally and to try to 'scale-up' the approach to other communities. For example, the Department of Energy and Climate Change's Low Carbon Communities Challenge explicitly states that it has been designed to involve communities as case studies for the applicability of new systems, infrastructure and technologies towards a low carbon future – acting as "national blueprints that will be used to inform government policy development and delivery".[34]

To avoid accusations of the latter, governments assess and compare performance across a number of localities and promote public service 'entitlements' that guarantee a certain level of service. But despite leveling across some important areas, inequalities remain high – particularly in health.[35]

There are other drivers of this kind of approach. Whilst ostensibly recognising the value of localism, it can be a tough challenge for central government policymakers to leave communities to come up with the solutions. Genuinely letting go of control is difficult when accountability is seen to lie with politicians and central government departments. Close scrutiny from opposition parties and the media puts pressure on government to come up with the answers and to demonstrate their response to problems. The short-term nature of the political cycle – and of policymaking generally – leads to pressure for impact to get the headlines.

Centrally led roll out of solutions can undermine local ownership
However, scaling successful local solutions by mandating their adoption in other areas or showcasing them as 'best practice' can undermine the local ownership, engagement and sustainability of solutions that make them effective in the first place, and erode communities' own motivation and capacity for action. This questions the assumption that localism is in effect a testing-ground for ideas that can subsequently be scaled up at a national level, a kind of R&D lab for public sector practice.

This is reflected in other areas of public policy. Whether at the frontline of public services, in local authorities or in communities, centrally-led initiatives can undermine capacity for local innovation and leave local bodies too reliant on set procedures, targets and assessment from the centre. Rolling out 'best practice' makes it difficult to develop local social capital and capacity on the one hand, and avoid too much centrally imposed auditing and accountability on the other.[36]

Not all local social innovations have the potential to scale nationally, even with the right support. In many cases, they are powerful because of how well they work in a specific context, which may be replicable in only some other places, or even

not at all. Trying to support and 'scale up' local action centrally can undermine this local rootedness, and take away from what makes localism potentially so successful.[37]

Existing support structures can create a vicious circle of dependency

Furthermore, the existing infrastructure of government limits the sustainability and growth potential of local projects, creating dependency on grant funding. There is a tendency to fund activity rather than outcomes, which results in a flurry of underdeveloped and underexploited action that can peter out once funding comes to an end. This can result in a vicious circle of misdirected investment in localism which perpetuates a lack of confidence in local solutions.

> *"The Green Valleys initiative has been very much about us initially taking the lead, then working alongside, and increasingly now providing a support and facilitating role as communities say 'thanks, we've got it now. We'll take it from here.'"*
> **Participant, the Green Valleys**

The challenge for policy is not to scale local approaches to the national level, but to design an efficient and effective approach that can support a large number of locally developed, locally owned projects across the country. In order to realise the potential of localism, we have to change the type of intervention that is intended to support community action, relying less on scaling up 'best practice' models and creating more opportunities for communities to develop their own solutions and to learn from each other.

PART 3:
UNLOCKING THE POTENTIAL OF MASS LOCALISM

T his section will outline an approach by which central and local government can encourage widespread, high quality local responses to big challenges – we call this approach 'mass localism'. Mass localism is an alternative approach to combining local action and national scale, by supporting lots of communities to develop and deliver their own solutions and to learn from each other.

We set out five principles that indicate how government should approach mass localism, drawing on the design features in NESTA's Big Green Challenge. This isn't just about government or other public bodies running a series of challenge prizes, although in some circumstances this could be appropriate. Rather, mass localism holds more radical implications for how government and others could commission and support more community-led responses to big social challenges at a lower cost than traditional initiatives.

This has a range of possible applications, most obviously in complex, behavioural challenges such as environmental sustainability, health promotion, and reducing re-offending. We estimate that establishing a series of small 'open community challenge' funds as part of current initiatives and funding, led by the principles outlined here, could have a significant impact on these issues and therefore their costs.

Mass localism is about seeking distributed solutions to problems and supporting communities to implement them

Mass localism is an alternative approach to combining local action and national scale. Instead of assuming that the best solutions need to be determined, prescribed, driven or 'authorised' in some manner from the centre, policymakers should create more opportunities for communities to develop and deliver their own solutions. It is not enough to assume that scaling back government bureaucracy and control will allow local innovation to flourish. Mass localism depends on a different kind of support from government and a different approach to scale.

Our research suggests that given the right kind of opportunity, advice and support, communities from various backgrounds would be likely to participate in local projects that address a social issue. Though many people face significant barriers to participation, class and income do not necessarily define desire and capacity to act provided appropriate support is in place. Further, the public appear much more likely to get involved in a local project if it is truly local rather than government-led.[38]

The principles of mass localism – the broader implications for government

Looking at the Big Green Challenge, we have drawn out a number of principles that indicate how government can stimulate and support communities to take the lead in addressing major social challenges. These are not highly specific design features for future government programmes and initiatives. Rather they are a set of deliberately broad principles that government and others could use to reformat or complement aspects of some existing programmes.

There are five principles:

i)   Establish and promote a clear, measureable outcome

The Big Green Challenge finalists welcomed the emphasis on outcomes, allowing the community to identify the most

appropriate and effective approach. A clear, tight timetable created a sense of urgency and purpose around the challenge, and the measurable impact of carbon reduction granted tangible reward to participants.

In contrast, many government initiatives contain additional objectives, targets, secondary aspirations and considerations. This happens for understandable reasons, given the various dimensions of social problems and the multiple departments and stakeholders involved, but it can undermine clarity of purpose and so the potential to engage citizens and communities in the challenge.

Big clear goals can start a national conversation. To put this into practice, government should radically simplify outcomes from assessment criteria and ensure clarity and consistency of priorities across national and local government – priorities that are not subject to frequent revision and addition.

ii) Presume a community capacity to innovate

The Big Green Challenge was built around an open approach, with a very open first stage. Inherent in this design was a belief that communities could, with appropriate support, develop and deliver their own responses to big social challenges. Such a belief is not universally apparent in the design of government initiatives, but it is the first and most fundamental step in giving communities real ownership of solutions.[39]

Rather than looking to implement 'best practice' and existing codified solutions, government should presume a community capacity to identify opportunities and resources that could make solutions more effective. Not only does this create space for the potential ingenuity of local approaches, but it allows for more local ownership of solutions. In order to achieve this, government should wherever possible take an open approach to problem-solving and not assume where the best solutions will come from. Whenever they can, funding schemes ought to welcome non-constituted groups (especially at early stages), and government should look to as wide a range of 'suppliers' as possible.[40]

iii) In the early stages, challenge and advice is more valuable than cash

The Big Green Challenge was a staged process, with help for the development of ideas and graduated rewards. It was crucial in the first stages not to provide financial support, but rather to stretch and develop ideas and encourage community projects to think creatively about finances and the future. A striking proportion of the Big Green Challenge finalists developed their ideas as social enterprises or Community Interest Companies (CICs). A number set-up renewable energy schemes that generated revenue which could be reinvested back into the community.

Rapid capital investment limits the potential for community projects with significant promise but without the prerequisite skills and capacity to respond.[41] In addition, large initial investments increase the risk to funders, therefore limiting both the experimentation and ambition of the providers but also the risk-propensity of the commissioners. Instead, government should focus on helping community-led initiatives to become more self-sustaining. At an early stage this could mean increasing access to expert advice or assistance with networking or underwriting some of the financial risks of initiatives to make them more attractive to private investors.

iv) Identify existing barriers to participation and then remove them

The Big Green Challenge created an environment for innovation, with flexibility and space to rethink and develop approaches. In doing so, it also generated useful intelligence about what makes community action possible and what inhibits it. The individual and shared experience of projects can help to illuminate the conditions necessary for community action, and identify existing barriers to designing and delivering local solutions of various kinds.[42] This is real, useful policy intelligence, and it should inform further policy development. In particular, regulatory regimes need to be appropriate for small-scale projects.

For example, in the case of the Big Green Challenge, the

finalists relied heavily on local volunteers donating their time, which at times made it difficult to comply with government regulations and requirements for professional, accredited contractors. Wherever possible, conditions that effectively disallow use of local contractors should be removed.

v) Don't reward activity, reward outcomes

Aside from relatively inexpensive but valued support, the Big Green Challenge rewarded outcomes. Providing financial support upfront can easily be misinterpreted as grant funding made in payment for activity. The whole point of the Big Green Challenge was to galvanise community-led action that was sustainable – not to induce a dependency on relatively short-term financial support.

The challenge with traditional funding schemes is that they tend to over-specify outputs and therefore get caught in funding particular activity rather than actual progress towards outcomes. Instead of focusing on the 'how', government ought to focus more explicitly on 'what'. Practically, this means a commitment to commissioning on the basis of outcomes, rather than closely monitoring ongoing performance against a number of different targets.[43]

If enacted widely, these principles would represent a radical shift in how government supports communities to act on social challenges. It means government focusing less on codifying practice and pushing ideas out from the centre and more on finding new ways to tap into the energies, insights and existing networks in local communities. It won't be easy, but a commitment to this more radical transfer of power will help us to establish greater intelligence about what makes localism effective and more confidence in the capacity of communities to deliver national objectives.

Mass localism represents a different approach to scale

From the application of these principles, a different type of 'scale' emerges. What we are learning is that for the type of responses that engage and enthuse local communities, scale

can only really be achieved organically, from the ground up. Scale is achieved by having lots of local solutions that collectively have a big impact on social challenges, by providing the infrastructure for local innovation and allowing communities to learn from each other.[44]

This is perhaps best demonstrated in the 'social franchising' model the Green Valleys team used to take the project to scale. This was a key feature of the project's success, as it sparked a network of interdependent but sustainable Community Interest Companies (CICs) that were owned by particular parts of the community. The Green Valleys is itself a CIC, but rather than extending their service across the Brecon Beacons, they developed a model that enabled other groups to set up local enterprises. The Green Valleys project has established 13 town and village community groups focused on developing a variety of different carbon reducing activities, including electric vehicle trials, cultivating allotments, art projects, energy advice surgeries and woodland fuel schemes.

This different approach to scaling – supporting mass innovation rather than stretching particular solutions – questions the efficiency of so-called 'economies of scale'. The most cost-effective impact will not be achieved by pushing a single one-size-fits-all solution or limited number of models of best practice, particularly in approaching tough, entrenched social challenges.

More local diversity necessarily results in a variety of provision. But a greater variety of approaches is necessary where specific social contexts, behaviours and networks have a demonstrable impact on people's actions and attitudes. Areas differ in the prevalence of certain environmental, health, and re-offending issues. For this reason, we already have postcode lotteries – not because public services are insufficiently standardised, but in part because they are too standardised.

While minimum standards in public services should remain, it is the current fiction of supposedly standardised provision in mainstream public services that generates concern about 'postcode lotteries', more than the fear of more genuinely local and diversified responses that would be much better placed to make an impact on the inequalities that persist.[45]

Unlocking the potential of mass localism to save money and improve outcomes

The financial context for public services makes finding effective and efficient responses to social challenges all the more urgent. The Chancellor's Pre-Budget Report forecast that public sector debt would reach £178 billion in 2009/10, or 12.6 per cent of GDP. From 2011, public spending is projected to rise by only 0.8 per cent a year in real terms – a sharp adjustment for public services that have grown accustomed to relatively steady increases in investment. The Institute for Fiscal Studies has estimated the total cuts required by 2013-14 at £35.7 billion. Even with the cuts and efficiency savings set out by the current government, there remains a gap of £15 billion of savings yet to be identified.[46]

Public services in the UK face enormous challenges and increasingly constrained resources. Community-based groups and organisations have untapped potential to assist public sector colleagues to meet these challenges and create more value from public spending.

The principles for mass localism present some significant implications for how policymakers approach many major social challenges and show how we need to rethink our approach to galvanising community action. Existing and new initiatives in public services and social challenges should adopt a similar mass localism approach, to save money and increase impact. This has a range of possible applications, most obviously in environmental sustainability, health promotion, and reducing re-offending rates. These are outlined below.

Making this kind of shift in government policymaking might be a challenge. But the best way to change culture is often through action; this represents the kind of action that governments wanting to change their culture and processes to something far more supportive of localism should embrace.

Mass localism in climate change could produce significant progress against UK targets

As noted in Part 1, the varied and vibrant community-led

projects supported through the Big Green Challenge have achieved an average reduction in CO_2 emissions of 15 per cent during the final year of the challenge (with the winning projects achieving between 10 and 32 per cent reductions). This means that in the space of just one year these community-led interventions have met almost half (44 per cent) of the UK's target for reducing CO_2 by 2020.[47] Because the Challenge has been successful in developing sustainable projects, the reductions in emissions achieved by these communities are likely to treble over the next three to four years, meeting the UK's targets for 2020 well ahead of time.

Government has made very significant and important investments in initiatives to reduce carbon emissions in order to meet the UK's target, committing £2.7 billion a year to energy efficiency programmes and measures alone (nearly £9 billion between 2008 and 2011).[48] This includes the Carbon Emissions Reduction Target (CERT), the Community Energy Saving Programme, and Warm Front. However, the Committee on Climate Change (the independent body that advises government on reducing greenhouse gas emissions) has called for a 'step-change' in the pace of reductions. It notes that between 2003 and 2007 emissions reductions averaged 0.5 per cent a year, whereas reductions of 2 to 3 per cent a year will be necessary to meet the UK target.[49]

As part of this step-change, the Committee on Climate Change has emphasised the need to make a major shift in the strategy on residential home energy efficiency to achieve a transformation of residential building stock. Residential housing produces about a third of UK greenhouse gases. The Government is already investing £959 million in the Warm Front scheme between 2008 and 2011, to install better insulation and heating in low-income households. Nonetheless, many low-income households do not realise that they are eligible for this assistance, and many more wealthy households are unaware of the benefits of better insulation (for example, in reduced energy bills). Last year, 57,000 lofts and 27,000 walls were insulated under Warm Front.[50]

The Committee suggests that this should be done through a 'whole house' or neighbourhood, street-by-street approach,

with advice, encouragement, financing and funding available for households to incentivise major energy efficiency improvements. Kirklees Council in West Yorkshire has recently won the prestigious Ashden Award for its initiative which demonstrates the impact that can be achieved through this type of approach. Advisors go door-by-door, offering all households free loft and cavity wall insulation with no conditions. So far, this has resulted in more than 25,000 refurbishments. However, the Kirklees approach would be very expensive if scaled up to a nationwide scheme in the traditional manner; the first three years of the Kirklees scheme will cost £20 million.

Working alongside initiatives such as Warm Front, community-led projects could play a significant role in achieving this kind of impact but at a fraction of the cost of a national programme.[51] For example, as noted in Part 2, Household Energy Services (HES) is a community-based energy service company that has partnered with local community and environmental groups and uses teams of Volunteer Energy Surveyors to ensure the take-up of energy-saving measures at the lowest cost. It has already assisted over 15,000 homes and in one year has reduced carbon emissions by 10-14 per cent; it is estimated that the carbon reductions from this one project will triple over the next few years.

As part of Warm Front, appropriate encouragement and support for two hundred similar projects across the country (at a total cost of up to £3 million) could result in carbon reductions of approaching half a million tonnes a year (442,000 tCO_2) – a significant contribution to the Government's ambitions for the programme.[52]

Mass local solutions could have a significant impact in other areas such as physical and mental health or re-offending behaviour

As noted in Part 2, social challenges that remain seemingly intractable are characterised by their complexity, and have two factors in common: uncertainty as to what works best on the ground; and the requirement for a deep level of personal

commitment and collective action. Such challenges require not only action from government, but engagement and local knowledge from citizens. Solutions that are designed, developed and delivered locally are often better placed than central initiatives to understand local conditions and needs, and to engage citizens in taking action to tackle challenges more cheaply and effectively.

Centrally designed, prescribed or 'authorised' approaches are certainly struggling to make substantive progress against such challenges:

- The NHS is faced with rising levels of obesity, at an estimated cost of £4.2 billion per year.[53] Currently, 8 per cent of young males and 10 per cent of young women are obese; government has projected this to rise to an average of 15 per cent by 2025.[54]

- Mental illness costs the NHS £22.5 billion a year, projected to increase by 45 per cent to £32.6 billion in 2026.[55] The wider economic costs of mental ill health are estimated at £110 billion, mostly due to lost productivity.[56]

- Re-offending rates remain stubbornly high, particularly amongst young people. More than 55 per cent of prisoners are reconvicted within two years (70 per cent for young people).[57] Each offence leading to reconviction costs the UK criminal justice system on average £13,000 with the total costs close to £11 billion a year.[58]

NESTA will continue to investigate the efficacy of challenge prize mechanisms in other areas. However, there is sufficiently strong evidence to suggest that government should establish a series of small 'open community challenge' funds as part of current initiatives (and using existing funding), led by the principles outlined here, in order to stimulate and support many more local responses to major social issues.

The Government's Change4Life campaign has promoted the importance of reducing obesity through healthier eating and taking more exercise, with some support for community projects. We estimate, on the evidence of impact for community-based interventions[59] and the ability of these approaches to reduce obesity levels by at least 5 per cent, that

incorporating support for far more community-led projects into Change4Life through the principles described here could save the NHS £210 million a year on a very modest investment (less than £3 million).[60]

We should make similar investments in other areas. In mental health, recent analysis from the Department of Health demonstrates that increased provision of current models of care might only avert 28 per cent of the costs of mental illness.[61] However, non-institutional community-based projects (sometimes working alongside mainstream services) can improve prevention and provide more effective support.[62] If such approaches were to become much more commonplace as part of our response to mental illness, as part the recent New Horizons initiative, this would produce a saving to the NHS of £700 million a year (based on a 5 per cent reduction in the prevalence of mental illness).[63]

Lastly, there is a growing body of evidence for the effectiveness of tackling offending and re-offending at a local level through community-based rehabilitation, support for transition from prison to society, training and resettlement for ex-offenders.[64] Preventative and restorative approaches embedded in the community can have transformative effects.[65] Such approaches, integrated into the Government's Crime Strategy (particularly the Youth Crime Action Plan), would be likely to reduce the cost of re-offending by significant amounts, but even a 5 per cent reduction would result in savings of £550 million per year.

CONCLUSION

The adoption of a mass localism approach could create a virtuous circle of effective local action, with greater impact and savings encouraging a greater emphasis on locally developed and delivered solutions. The way to resolve the current concerns over the efficacy of localism is to generate much more of it, not limit it, and to do so in a systematic way.

Social activists have long been encouraged to 'think global, act local' – to consider the health of the entire planet but to take action in their own communities. But policymakers need to 'think local' in order to create the conditions for change to happen on a global, or national, scale – they need first of all to consider how to stimulate and support local responses to big problems, not what these solutions might or should be. This requires a different type of policymaking – a much greater sharing of responsibility between the state, communities and citizens to determine what works and to deliver results.

Mass localism reflects a broader trend that is increasingly apparent across the economy, culture and society: finding distributed solutions to problems and delivering solutions with citizens. Just as forward-thinking businesses are opening up their R&D processes to their suppliers and customers, so policymakers and public organisations should look for solutions beyond established organisations and experts. They should look also to citizens and communities.

In this case, policymakers need to resist the notion that localism represents a form of R&D for central government. Rather, it is the local approaches themselves that represent the final

'product' and which we need more of. In other words, localism is not a means to better national programmes; it is the way in which more national objectives can be met on the ground.

Advances in digital communication technologies and the trend towards more distributed production in other parts of the economy provide an opportunity for this approach to be much more widespread. Where previously local solutions faced limits in their capacity to scale and share experience nationally, now the tools for leveraging greater impact from local approaches are more widely available.

This is part of an approach to reform that we call 'people-powered public services'. This paper is one of a series of publications that show how this approach can be applied to public services and the benefits that can result – so that our public services are better placed to cope with the immediate demands of the financial crisis, and better able to respond to the long-term challenges of the future.

ENDNOTES

1. See for example Cabinet Office (2009) 'Putting the Frontline First: Smarter Government.' London: Cabinet Office; and Department of Communities and Local Government (2008) 'Communities in Control: Real People, Real Power.' London: Department of Communities and Local Government; and The Conservative Party (2009) 'Control Shift: Returning Power to Local Communities.' London: The Conservative Party; and Lamb, N. (2010) 'The NHS: A Liberal Blueprint.' London: Centre Forum; and The Liberal Democrat Party (2007) 'The Power to be Different: policy paper for the Liberal Democrat Conference Autumn 2007.' London: Liberal Democrat Party.

2. CO2 reductions in the Big Green Challenge year were monitored by CRed on behalf of NESTA. This data provides a conservative estimate of reductions achieved by finalists across the Big Green Challenge year. The emissions reductions achieved, now and in the future, may well be higher than the reductions reported here.

3. NESTA (2009) 'People Powered Responses to Climate Change: Mapping the Big Green Challenge.' London: NESTA.

4. For the purposes of the Big Green Challenge (and therefore this paper) 'communities' are considered to be self defining groups of individuals or organisations brought together by geography, identity or interest. Though the Big Green Challenge finalists were predominantly communities defined by geography, a number of applicants were interest groups or virtual communities. See NESTA (2009) 'People Powered Responses to Climate Change: Mapping the Big Green Challenge.' London: NESTA.

5. Evaluation of the Big Green Challenge was led by Brook Lyndhurst for NESTA and all data and evidence comes from the final evaluation report; for further details about the Big Green Challenge process see NESTA (2010) 'Smart Incentives for People Powered Innovation: How to Deliver the Big Green Challenge Approach.' London: NESTA.

6. NESTA (2010) 'Smart Incentives for People Powered Innovation: How to Deliver the Big Green Challenge Approach.' London: NESTA.

7. Murray, R., Caulier-Grice, J. and Mulgan, G. (2010) 'The Open Book of Social Innovation: ways to design, develop and grow social innovation.' London: NESTA and The Young Foundation.

8. NESTA (2009) 'People-Powered Responses to Climate Change: Mapping Community-led Proposals to NESTA's Big Green Challenge.' London: NESTA.

9. The Department of Energy and Climate Change (2009) 'Low Carbon Communities Challenge: 2010-2012.' London: Department of Energy and Climate Change.

10. Evidence suggests that the strength of the prize is rarely derived from the size of its purse and that the support and effective implementation of the process is as valuable. See McKinsey & Company (2009) 'And The Winner Is...' London: McKinsey & Company.

11. The Big Lottery Fund (2007) 'Answering Big Questions: impacts and lessons learned from our evaluation and research.' London: The Big Lottery Fund.

12. See http://www.can-online.org.uk

13. Social Enterprise (2009) 'Good Deals 2009: the Social Investment Almanac.' London: Social Enterprise, Cabinet Office, NESTA.

14. The Government's Low Carbon Transition Plan (published in July 2009) claims the UK has reduced greenhouse gas emissions (CO_2 equivalent) between 1990 and 2007 by 21 per cent, and that to deliver the Government's 34 per cent target by 2020 the UK needs to reduce emissions by a further 18 per cent (equivalent to 16 per cent between 2008 and 2020). Because the Challenge has been successful in developing sustainable projects, the reductions in emissions achieved by these communities are likely to treble over the next three to four years, meeting the UK's targets for 2020 well ahead of time.

15. The Low Carbon Transition Plan includes the target for cutting emissions from home energy use (which represents 13 per cent of the UK's greenhouse gas emissions) by 29 per cent of 2008 levels by 2020.

16. For more details about the Big Green Challenge Plus, see Department of Energy and Climate Change (2009) 'The Low Carbon Transition Plan.' London: Department of Energy and Climate Change.

17. Undertaken as part of Brook Lyndhurst Big Green Challenge evaluation for NESTA.

18. For further discussion, see Bunt, L. and Harris, M. (2009) 'The Human Factor: How Transforming Healthcare to Involve the Public Can Save Money and Save Lives.' London: NESTA.

19. Boyle, D. and Harris, M. (2009) 'The Challenge of Co-Production: how equal partnerships between professionals and the public are crucial to improving public services.' London: NESTA and nef.

20. TNS (2009) 'ACT ON CO_2 Campaign Evaluation, Q2 08/09.' London: TNS.

21. Since 1997, there have been 27 national policies (approximately one every six months) aimed at improving the health of under-fives as a way to reduce health inequalities. See Audit Commission (2010) 'Giving Children a Healthy Start: a review of health improvements in children from birth to five years.' London: The Audit Commission.

22. There are a number of funds for community-owned energy saving measures and micro-generation technologies, for example as part of Changing Spaces: Community Sustainability Energy Programme funded by the Big Lottery. See for example The Big Lottery Fund (2008) 'Changing Spaces England.' London: The Big Lottery Fund.

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24. For more information see www.baywind.co.uk

25. The London Collaborative (the Young Foundation and the Office for Public Management) (2009) 'The Capital Ambition Guide to Behaviour Change.' London: The Young Foundation.

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27. This was the case with more than three-quarters of the applicants to the Big Green Challenge. Further, nearly three-quarters of applicants based their plans on working directly with their communities, as opposed to working through other organisations. See NESTA (2009) 'People-Powered Responses to Climate Change.' London: NESTA.

28. NESTA (2009) 'People-Powered Responses to Climate Change.' London: NESTA.

29. See for example Grist, M. (2009) 'Changing the Subject: how new ways of thinking about human behaviour might change politics, policy and practice.' London: RSA; also Halpern, D. (2010) 'The Hidden Wealth of Nations.' Cambridge: Polity Press; and Lehrer, J. (2009) 'The Decisive Moment.' London: Cannongate Books.

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36. Boyle, D. (2009) 'Localism: Unravelling the Suppliant State.' London: new economics foundation.

37. Mulgan, G., with Ali, R., Halkett, R. and Sanders, B. (2008) 'In and Out of Sync.' London: NESTA.

38. NESTA (2010) 'Mass Localism Survey.' Research conducted by Opinion Matters. London: NESTA.

39. Local authorities and partnerships have employed some of the principles advocated here, for example, in providing support to projects through the application process and when running their projects (particularly in some regeneration programmes). However, the move towards commissioning (rather than grant aid), and difficulties in identifying and measuring outcomes, have limited the fuller application of these principles.

40. This form of 'open innovation' is increasingly practised in some of the UK's most innovative businesses as a means to designing better products and services. See NESTA (2008) 'Total Innovation.' London: NESTA.

41. Perhaps indicative of this, the Healthy Community Challenge Fund (HCCF) gives money to localities (actually, local authorities and PCTs, who must be joint bidders) to test and evaluate ideas that make activity and healthier food choices easier. Nine areas have been awarded 'Healthy Towns' prizes, sharing a £30 million investment that has to be match funded by local partners. The HCCF attracted only 160 expressions of interest, despite the high level of funding available. See Department of Health and Department for Children, Schools and Families (2008) 'Healthy Weight, Healthy Lives: A Cross-Government Strategy for England.' London: Department of Health and Department for Children, Schools and Families.

42. In the case of the Big Green Challenge this intelligence is captured in NESTA (2010) 'Galvanising Community-led Responses to Climate Change.' London: NESTA.

43. This is echoed in calls for a broader shift towards outcome-based policymaking within public services, as argued in Cumming, M., Dick, A., Filkin, G. and Sturgess, G. (2009) 'Better Outcomes.' London: 2020 Public Services Trust at the RSA.

44. It should also be noted that digital technologies and social media offer new, inexpensive opportunities to form communities and for existing communities to collaborate. See Accenture (2009) 'From e-Government to e-Governance: Using New Technologies to Strengthen Relationships with Citizens.' London: Accenture; also Shirky, C. (2008) 'Here Comes Everybody: The Power of Organising Without Organisations.' New York: Penguin; and Leadbeater, C. (2008) 'We-Think.' London: Profile Books.

45. For example, the Audit Commission has recently suggested in children's health that in having access to family networks and understanding the cultural norms of a local community, more locally tailored, personalised approaches could have transformative effects. See Audit Commission (2010) 'Giving Children a Healthy Start: A Review of Health Improvements in Children from Birth to Five Years.' London: The Audit Commission.

46. Institute for Fiscal Studies (2009) 'Public Spending: December briefing.' London: Institute for Fiscal Studies.

47. According to the Government's Low Carbon Transition Plan (published in July 2009) the UK has reduced greenhouse gas emissions (CO2 equivalent) between 1990 and 2007 by 21 per cent. To deliver the Government's 34 per cent target by 2020 the UK needs to reduce emissions by a further 18 per cent (equivalent to 16 per cent between 2008 and 2020).

48. Committee on Climate Change (2009) 'Meeting Carbon Budgets – The Need for a Step Change.' London: Committee on Climate Change. p.73.

49. Committee on Climate Change (2009) 'Meeting Carbon Budgets – The Need for a Step Change.' London: Committee on Climate Change.

50. Hansard (2009) 'House of Commons Debates, 15th June 2009, col. 127W.'

51. For a range of specific recommendations on how policy and funding could stimulate many more community-led approaches to climate change, see NESTA (2010) 'Galvanising Community-led Responses to Climate Change.' London: NESTA.

52. The intended impact of some existing initiatives is difficult to determine, since targets are sometimes expressed in different ways (in the case of Warm Front, the focus is on reductions in the number of households in fuel poverty). However, the Committee on Climate Change suggests that initiatives to improve insulation and heating efficiency could achieve reductions of around 7 MtCO2 by 2020; see Committee on Climate Change (2009) 'Meeting Carbon Budgets – The Need for a Step Change.' London: Committee on Climate Change. p.84.

53. Department of Health and Department for Children, Schools and Families (2008) 'Healthy Weight, Healthy Lives: A Cross-Government Strategy for England.' London: Department of Health and Department for Children, Schools and Families.

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60. When placed alongside existing government targets, this goal seems relatively unambitious. The Change4Life campaign – part of the cross-government Healthy Weight, Healthy Lives strategy – aims to bring obesity back to 2000 levels by 2020. This amounts to a 50 per cent target reduction in the percentage of obese young people.

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ACKNOWLEDGEMENTS

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