

Discussion Paper on Devolution

1) Context

- a) A significant outcome of the Scottish referendum has been to open up a debate on devolution in the UK, both to the nations and beyond to a more local level;
- b) Our message so far has been that any new constitutional settlement for the UK must include new powers and responsibilities for communities at grassroots level through our most local level of government, parish and town councils;
- c) NALC needs to agree a narrative and package of ideas to help us make the case for devolution to parishes.

2) Issues

- a) Diversity in size, capability and ambition of the parish councils;
- b) Devolution should not stop at principal authority level; but nor should it stop at parish council level and parishes councils should devolve further;
- c) Disparity of both resource levels in communities, especially in urban and deprived areas, which affects ability to generate income, either from precept or potentially from business rates; and also innovative and entrepreneurial approaches to driving business growth and income generation;
- d) Devolution on demand or devolution to everyone? Devolution to parishes should go at different clock speeds; some councils better placed to take on new responsibilities than others and should be able to and not held back by majority;
- e) How will additional powers and responsibilities be funded? Double taxation still happens and funding doesn't always follow service, plus revenue support grant model not sustainable with principal councils moving towards local income through council tax and business rates;
- f) Financial incentive policy initiatives such as Community Infrastructure Levy do not always work well and solution still needs to be found to ensure communities benefit from development;
- g) Legislative framework required to ensure parishes can take on new responsibilities and services from principal councils, perhaps through reformed community governance review process with scope widened to consider delivery of public services;
- h) More grouping and clustering of parishes to build capacity and capability.

3) Proposed messages/asks

- a) NALC should support the creation of unitary principal authorities, provided it is coupled with empowered parish councils and devolved functions and services;
- b) Strengthen local democracy through the creation of parish councils across all of the UK;
- c) More powers through a Parish Councils Bill, leading to greater autonomy, responsibility and accountability for the area;
- d) Devolution of a share of business rates to parish councils and which is enshrined in law;
- e) Top slicing of the LGA improvement grant from Government to invest in building the capacity and capability of the parish council sector;
- f) Reform to community governance review process to include delivery of public services, mandatory referendums and right of appeal;
- g) The new Local Council Award Scheme providing the means to assess the devolution capability of parishes;
- h) Fairer funding including the removal of the Government power to require referenda on precept increases.
- i) Opportunity to adopt more innovative and radical governance models such as directly elected mayor or leader/cabinet.

Adopted by National Council 31 March 2015