

24 SEPTEMBER 2020

Rishi Sunak MP
Chancellor of the Exchequer

Via email

Dear Rishi,

Re. Comprehensive Spending Review: parish power at the heart of rebuilding communities

I am writing to urge the government to use the Comprehensive Spending Review to help communities to help themselves, unlock devolution everywhere, and empower local (parish and town) councils to be at the heart of rebuilding communities and further devolution.

A movement for change

Local councils are an important and existing model of community power as local institutions which bring people together in their place, mobilising their power, resources, influence and relationships to tackle local issues and contribute to national challenges.

This community-led, grassroots movement of 10,000 local councils and their 100,000 councillors were at the forefront of the response to the coronavirus. [Stepping up to support their community](#), in many urban as well as rural areas, to play a vital role in the national effort to tackle the pandemic.

Co-ordinating emergency plans and volunteers to collect and deliver medicines and shopping. Acting as information hubs to provide guidance, advice and support from the government and other agencies. Helping local businesses including publicising their online services. Establishing emergency grant funds including support for food banks. And continuing to maintain our never more important green spaces and our cemeteries.

Cementing the important role they already play as a unit of solidarity and natural focus of community effort in building strong and resilient communities.

Recent years have seen local councils changing, doing more and innovating, helping tackle challenges from health to housing, loneliness to local services, and community assets to cohesion.

This is parish power in action, as you described it when addressing our 2018 annual conference.

With the right support and collaboration with the government, there currently exists a moment and opportunity to sustain and build on both recent years and the efforts and goodwill of the last few months, helping local councils to do more and provide the important local leadership needed for a social, as well as economic, recovery.

Our own 'rule of six' measures aims to empower local councils to continue to play a vital role in rebuilding communities, and helping tackle challenges such as health and well-being, housing, loneliness, climate change, high streets, towns and devolution.

These proposals also contribute to the government's levelling up agenda, are consistent with existing government policy through the Communities Framework and Civil Society Strategy and support measures set out in the Conservative manifesto.

Levelling up local democracy by creating local councils everywhere

The government's Communities Framework published in July 2019 already contains a commitment to make it easier to set up new local councils in unparished areas.

Over the last 3 years, 48 places have seen new local councils created in response to community demand or through local government reorganisation.

Initial studies suggest during the pandemic Mutual Aid Groups (MAGs) thrived in areas with high levels of social capital and community infrastructure. In many cases, local councils have provided this community infrastructure including through co-ordination, funding, partnerships, use of buildings, and an existing pool of volunteers including councillors themselves and furloughed staff.

To help more areas benefit from this community infrastructure, the government should build on its current commitment by being more bold and ambitious, and in fact accelerate the creation of local councils through:

- requiring proposals for local government reorganisation and devolution deals to include the creation of local councils in all unparished areas, and ensure effective engagement with county associations including the provision of funding
- abolishing unelected and unaccountable Charter Trustees in the remaining 17 towns where they exist and replacing them with a town council
- rationalising parish meetings in rural areas through the creation of parish councils covering one or more parish meeting areas
- piloting Community Improvement Districts or 'pop-up parishes' with time-limited freedoms and flexibilities to deliver community-led change
- investing in a national programme bringing together NALC, government and other relevant organisations to help communities and councils access information, resources, learning, good practice and direct advice and support

Fair and secure funding to ensure financial certainty, resilience and stability

Local councils continue to be generally financially resilient and have a strong track record in responding positively to the social, economic and environmental needs of local communities.

This is despite limited capacity, growing demands and increasing fiscal challenges, such as:

- not receiving government funding such as revenue support grant
- continued devolution of powers and responsibilities from principal councils to local councils and pressure on principal council finances
- the fiscal gap created by the tax base due to council tax benefit changes and ongoing loss of or reduction of council tax support grant
- delivering regulatory requirements such as the Transparency Code, General Data Protection Regulation and Website Accessibility Regulations
- greater requirements for community engagement and public consultation

- rising demands for services which help tackle loneliness and isolation, support civil society organisations and improve health and well-being, as well as increasing need to support high streets and town centres
- the uncertainty over council tax referendum principles being extended to local councils
- financial pressures from the coronavirus pandemic due to additional costs but in particular lost income, with some councils including larger sized councils such as town councils, especially affected, and to date government funding to local government does not include dedicated support for local councils.

The 2018/19 local government finance settlement announced a three-year deal to defer the setting of council tax referendum principles for local councils, a measure NALC consistently called provide a period of financial certainty and confidence to plan for the future.

Local councils are continuing to demonstrate fiscal responsibility and restraint, with year on year increases to average Band D precept going down, rising by 4.0% or just over 5 pence per week in 2020/21.

Over the last year or so, the government has announced and made available dedicated funding to local government to support a range of specific policy initiatives, including:

- £1.6 billion for towns through the Stronger Towns Fund
- £13 million for parks
- high streets through the Future High Streets fund of £675 million and the Clean Up High Streets fund of £9.75 million
- £250,000 to help disabled people stand as councillors
- Brexit preparations through £56.5 million and £20 million

However, given the growing role of local councils in responding to the social, economic and environmental needs of communities, local councils were not eligible to apply in their own right for any of these funds.

By way of example, local councils are increasingly working with local businesses and other partners to boost local economic prosperity through investment in:

- community events and activities in town and village centres
- provision of Christmas lights, floral decorations and management of associated space and public realm
- support to chambers of commerce, town centre partnerships and Business Improvement Districts
- providing public access Wi-Fi
- setting up job clubs and fairs
- running bus and community transport services
- organising business fairs and shows
- providing visitor information centres and tourism initiatives

The government should maintain and extend fiscal freedoms and flexibility to give local councils financial certainty, resilience and stability through:

- a further three-year deal to defer the setting of council tax referendum principles
- the ability to bid in their own right to dedicated government grant funding such as the Towns Fund, Park Fund, Shared Prosperity Fund, Community Wealth Fund and Community Assets Fund.
- funding for those most adversely affected by the pandemic through significant lost income
- protection to changes to the tax base and council tax collection rates
- a new power for the secretary of state to make payments directly to some or all local councils
- borrowing rules extended to cover revenue spending and relaxed requirements to evidence community support

Power to the people to effect change and give confidence

Communities need power and influence to tackle the issues that matter most to local people and which allow them to shape the delivery of public services in their area and deliver community they want to be part of.

Through their most local council, communities already benefit from a range of statutory discretionary powers to spend their small share of council tax on tackling very local issues and contributing to national challenges.

However, the general power of competence is available only to principal councils and some local councils who meet certain tests.

Neighbourhood planning has proved to be by far the most successful of the community rights contained in the Localism Act and is an increasingly popular tool for communities to develop a vision for the future of the area including for development such as housing.

Local councils are at the forefront of this neighbourhood planning revolution, with over 1000 successful referenda and over 1 million votes cast.

To ensure local councils are not held back in being able to innovate and respond to local needs during the recovery and plan for the future including a green economy, the government should:

- give communities a 'general power of confidence' by extending the general power of competence to all local councils
- work with the sector to identify and remove further legislative barriers and consider greater use of and speeding up of the Sustainable Communities Act proposals process
- ensure communities remain at the heart of the planning system and strengthen neighbourhood planning so that plans have more weight and teeth.

Strengthening local leadership and accountability

Our communities thrive when people get involved, giving up their time and coming together to take action on the issues they care about, such as climate change, community events, loneliness and assets such as village halls and shops.

This includes councillors who are the lifeblood of local democracy and the cornerstone of local government, working hard to make a real difference in their community.

There are around 100,000 local councillors in England – four times as many councillors than in principal councils – all volunteering their time and taking up civic office to make decisions about improving their area and held to account by local people.

The decisions they make affect the quality of life and well-being of our citizens in countless ways, given local councils are responsible for a growing range of responsibilities, assets and services.

And the recent outpouring of public spirit and neighbourliness during the pandemic provides an opportunity to encourage and support those people to stay active and involved in our communities.

This includes potentially taking up civic roles as a new generation of local leaders as councillors, with next year's local elections, including those postponed due to pandemic, provide an ideal way to achieve this.

The use of remote meetings by local institutions since the introduction of new regulations has increased engagement and participation by local people and ensured continued local accountability.

To further strengthen local leadership and accountability, and encourage more people to get involved in their community, the government should:

- Make permanent current temporary legislation giving local councils the flexibility to hold remote meetings
- act on the recommendations by the Committee on Standards in Public Life including the introduction of sanctions to underpin a new national model code of conduct, along with further support to encourage and promote civility and high ethical standards
- engage with the sector on the recommendations of the Kruger review

- introduce a national democracy fund including a promotional and public awareness campaign about next year's local elections
- Work with the sector to develop more effective relationships with mayoral combined authorities, combined authorities, principal councils and Local Enterprise Partnerships, including with county associations

Supporting local infrastructure and services delivered by communities

In many places, particularly in rural areas, the local community itself already supports and provides local infrastructure such as libraries, youth clubs and services for older people.

But increasingly as a result of onward devolution and financial pressures, local councils are taking on the responsibility of these services and community assets from principal councils.

Often without appropriate funding passed on or access to dedicated grant funding provided by the government.

To further support local infrastructure and services which can be best delivered by communities themselves, the government should:

- increase onward devolution by strengthening the opportunity and support to local councils who want to take on more responsibilities and services from principal councils
- where a local council takes on the responsibility of community and cultural assets and services from principal councils, funding should follow function through a multi-year agreement
- build on the forthcoming exemption of public toilets from business rates by extending this approach to other community and cultural assets such as libraries, youth centres, museums, theatres and community centres

Invest in increasing capacity and capability to enable local councils to fulfil their potential

The Improvement and Development Board oversees the National Improvement Strategy which represents a national commitment to training and development in the local council sector shared by national, regional and local stakeholder organisations including the government.

The purpose of the strategy is to offer training and development opportunities to councils in order for them to make the most of their role and carry out their duties more easily. It also identifies other steps needed such as online learning and a member development charter, Continuous Professional Development points for councillors and requiring training for appropriate activity in standing orders.

For principal authorities, the LGA's improvement offer sets out a comprehensive package of help, supported by around £20 million of government funding through the Memorandum of Understanding.

In recent years NALC has worked closely with LGA on joint projects to help support effective relationships between the tiers of local government and on the delivery of the strategy including peer review, councillor development, engagement with county associations, and a joint policy project.

There is an urgent need to invest in increasing capacity and capability in local councils to enable local councils to fulfil their potential, therefore the government should:

- explore with the sector ways to build on, expand and accelerate the current sector-led approach to improvement in local councils
- provide dedicated, multi-year funding for sector-led improvement in local councils
- establish and invest in a national support programme for communities and councils to help onward devolution and creation of new local councils.

The Comprehensive Spending Review provides an opportunity for the government to demonstrate its support for England's 10,000 local councils and empower them to continue stepping up and taking action on the big challenges facing the country and our communities.

I would be more than happy to discuss our proposals further, or if your officials require any further information please contact Justin Griggs, head of policy and communications, on 020 7290 0317 or via email at justin.griggs@nalc.gov.uk

Yours sincerely,

A handwritten signature in black ink that reads "Sue Baxter." The signature is written in a cursive, slightly informal style.

Cllr Sue Baxter
Chairman
National Association of Local Councils