

UK local government finance



The hyperlocal governments entrusted with reviving the English state

Whitehall believes England’s 10,000 parish councils could help level up the country. Critics say there is no panacea for the harm done by austerity measures

PETER FOSTER AND SEBASTIAN PAYNE



Helen Ball, Shrewsbury town clerk, manages a budget of £4mn  
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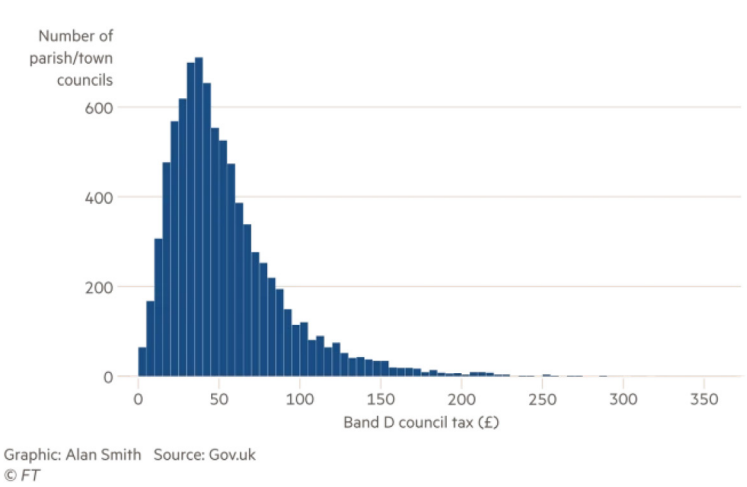
In the cramped offices of Shrewsbury town council, the wheels of local government are turning. The Midlands market town, which sits in a bend of the river Severn near Shropshire’s border with Wales, has won a £45,000 government grant to encourage consumers back on to the high street after the pandemic, and council leaders are meeting via video call to discuss how to spend it. After half an hour of good-natured discussion, it is agreed that “pop-up” parks with seating, bike racks and greenery will help create a buzz for shoppers. “Right, you crack on with the parklets,” Helen Ball, the council’s clerk or chief executive, concludes breezily, “and I’ll sort the trees out.” It might not match the high

glamour of Westminster politics, but such scenes are the everyday business of the local councils that make up what Ball calls the “jam and sprinkles” on the cake of English government. Shrewsbury town council is one of more than 10,000 parish councils in England, elected to give people a say in how their towns, villages and communities are run at a hyperlocal level. They represent the first rung on the ladder of governance in England, sitting below county and district governments and regional authorities. And Boris Johnson’s government, elected on a ticket of reviving “left-behind” areas of the country, wants to see more of them. Michael Gove, the cabinet minister charged with delivering the levelling up agenda,

promised a “bold new approach to community empowerment” in a white paper he published last month. He pledged to make it easier to set up local councils, and to establish a scheme to pilot “community covenants” to allow councils, public bodies and local community groups to work together. The white paper has obvious echoes of previous Conservative attempts to turbocharge local democracy, such as David Cameron’s “Big Society.” But Gove, who has long championed the divestment of power from Whitehall, sees devolution — primarily to directly elected mayors — as part of delivering on the pledge of the Leave campaign in the 2016 Brexit referendum to “take back control”. That instinct extends beyond parliamentary sovereignty, says Conservative MP Danny Kruger, to “identity, pride in place and giving people a sense of control in their communities”. But for local government professionals and policy specialists, the question is whether the post-pandemic settlement really can usher in a new dawn for devolution in England, or whether the latest call to mobilise Edmund Burke’s “little platoons” of society is just a political smokescreen to compensate for a decade of Conservative-imposed austerity. During that time, real-terms spending power of local authorities has fallen by almost one-third, ravaging many services from libraries to youth groups. Lisa Nandy, shadow minister of levelling up for the Labour party, welcomes the principle of bringing power closer to the people but doubts it will ever be matched by the financial resources needed to make it work. “Gove is sincere, I believe, but he’s completely and utterly lost the battle with the Treasury on resources,” she says. “So an agenda that’s incredibly important to the future of this

How parish council tax costs vary

Distribution of Band D council tax for precepting parish/town councils, England, 2021/22



country has died a quick death because of [chancellor] Rishi Sunak.” But if the right formula of investment and autonomy can be achieved, then increased “parish power” could help reduce the sense of disconnection from politics and decision-making that helped fuel the Brexit vote, says Justin Griggs, the head of policy at the National Association of Local Councils. “[Giving] people skin

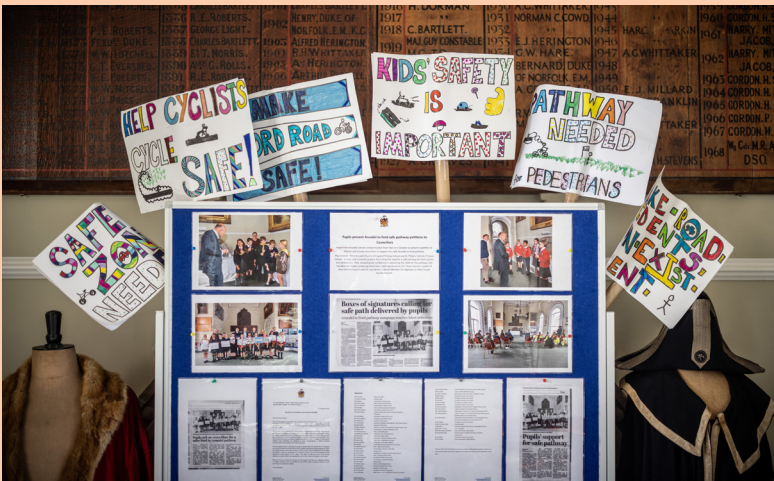
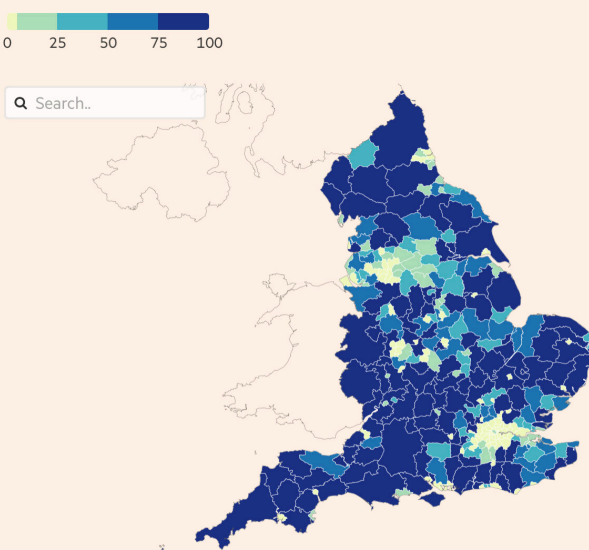
in the game is a really important and much-overlooked model to improve the fabric and quality of life in our local communities.”

Reinventing parish councils

One of the biggest challenges of reforming the first tier of English government is the diversity of sizes and skill sets within England’s 10,200 parish councils.

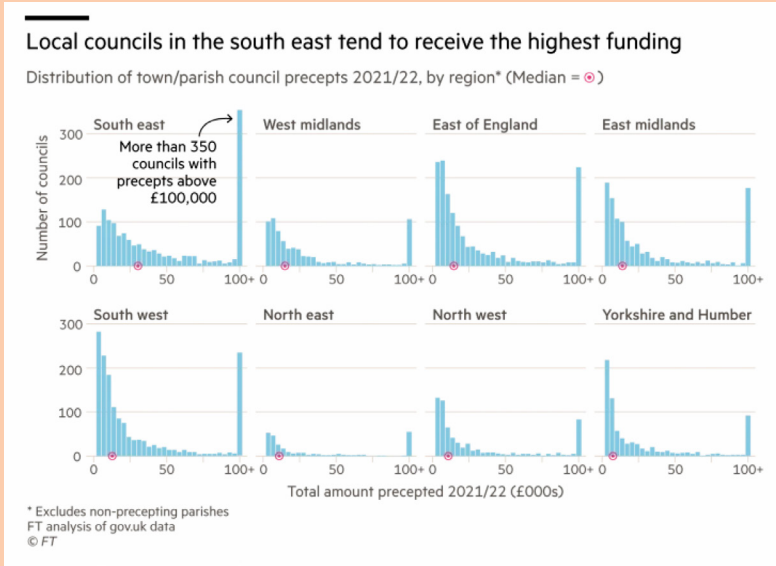
Parish councils cover much of England — but not its major cities

Estimated share of local authority population living in a parish, England, 2019 (%)



Posters made by children for a campaign to provide a safe cycle route in Arundel  
© Charlie Bibby/FT





They range in size from large town councils such as Shrewsbury, with an annual budget of £4mn, representing 75,000 people, to more traditionally sized parish councils, such as Arundel, on England’s Sussex coast, which covers 3,500 people and has a budget of £300,000.

The result can range from highly professionally run councils to the kind of small town petty politics typified by the antics of Handforth parish council, whose bad-tempered



Mark Barrow, director of place at Shropshire council: ‘It’s not just about money, it’s about handing down the powers to shape existing funding streams’ © Charlie Bibby/FT

Zoom meeting featuring local government worker Jackie Weaver went viral during the pandemic.

The vast majority of local councils are apolitical and funded through the levy of a small “precept” on local council taxes, amounting to about £60 for a typical Band D household, but rising to almost £400 in towns such as Falmouth.

The distribution of local councils is also geographically highly uneven. Rural areas tend to have higher coverage compared to urban centres. For example, there are 265 separate parish councils in Dorset, but no town and parish councils whatsoever in many of the UK’s largest municipalities such as Plymouth, Blackpool or Leicester.

There is also a democratic deficit, with more than two-thirds of local councillors elected unopposed, according to a 2019 poll by the National Association of Local Councils, which represents parish and town councils in England.

The result, says Akash Paun of the Institute for Government, is that when it comes to legal and financial reforms aimed at empowering councils, it is “hard to find a sweet spot in the middle.” A top-down, one-size-fits-all approach risks creating impossible compliance burdens for smaller councils, while a system of devolution that is too bespoke leads to fragmentation and confusion among the public.

There are simple steps the government could now take,

says Will Tanner, the director of the Onward think-tank that has done much to shape Tory thinking on the levelling up agenda. Double Devo, an influential report published by Onward last year, suggested three “big ideas” to give parish councils immediate renewed impetus, including a new funding system that would guarantee an income of £175,000 to the average local council.

First, introduce an automatic ballot at local elections asking people in every local area if they wished to start a council; second, ensure councils receive a guaranteed 25 per cent share of the infrastructure levy charged on local developments; and third, the powers of parish councils to cover more areas where they could make a real difference, such as libraries, litter-picking and licensing street trading and markets.

“There’s a broad consensus that devolving power is a ‘good thing’,” says Tanner, “but we always stop at mayoral level, [when] there remains a big democratic deficit at hyperlocal level.”

It’s not clear yet just how local Westminster is willing to go. One senior government figure said the mood at the Department for Levelling Up was “generally enthusiastic” to devolution at the most local levels, but they were also aware county and district councils were unenthusiastic about a greater number of more powerful parish councils.

Some in government recognise that “double devo” may also help with its efforts to show that the levelling up agenda is not purely about left behind communities. “For real areas of deprivation but also more prosperous places, having some kind of community organisation so things can happen on the ground is quite crucial,” one minister explains. “Years and years of focus groups have shown us that people think, ‘No one cares for us any more’ and they don’t know who is in charge. All parts of the country want to see a better community spirit.”

Among local councils there is support for more genuine devolution but also scepticism that the Westminster government — which leads one of the most centralised democratic states in the developed world — will really push more powers downwards.

Mark Barrow, the director of place at Shropshire council, fears the white paper is putting forward “old wine in new bottles”. His experience over the 20 years in the sector is central government making big promises — from the English devolution drive of the Blair years to Cameron’s “Big Society” — but failing to deliver real

devolution.

“We all welcome the narrative,” he says, “but we’re waiting to see evidence that it is going to be meaningful. And it’s not just about money, it’s about handing down the powers to shape existing funding streams.”

That sentiment was echoed by several local council executives informally surveyed by Ball, of the Shrewsbury town council, for the Financial Times on a local council discussion forum. Many agreed that the biggest change parish councils needed was to be able to apply directly for the same pots of funding as unitary and district councils.

## Winning the community’s trust

Despite the scepticism among local councils, their work has not gone unnoticed in Westminster. One senior Conservative MP said that it was “entirely down” to the efforts of parish councils that parts of their constituency had fibre broadband. “In the parts of my patch that are unparished, voters often complain there’s no sense of who’s in charge. But elsewhere, there’s less moaning and they’re getting better services.”

When grassroots democracy can deliver these kind of tangible benefits at a doorstep level, there’s evidence it can transcend deep public fatigue with political classes.

Polls consistently find that local councillors are more popular than cabinet ministers, according to Professor Tony Travers, a local government expert at the London School of Economics.

“Academic research shows that people prefer to be governed by those close to them,” he says. “If there were a substantial devolution to mayors and councils, I think that would lead to a substantial increase in trust in government.”

That much is obvious to those in well-run parish councils. In Arundel, the council has successfully rebooted a monthly farmers’ market, growing it from 23 to 60 stalls over the past two years. It is now working with the district council to lobby for £4mn to build a cycle path on a busy stretch of main road used

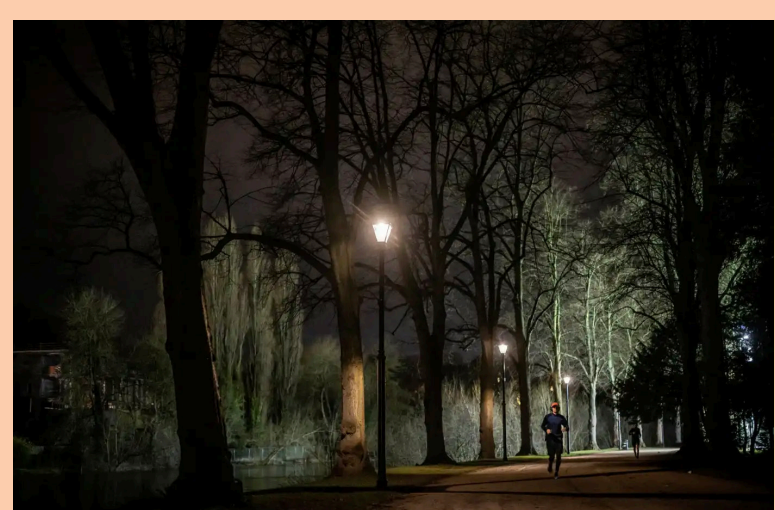


Tony Hunt, Arundel parish council leader, photographed with a tree planted for the Queen’s platinum jubilee © Charlie Bibby/FT

by Arundel’s secondary school children on the way to catch the train to school.

Andrew Simpson, the head of Arundel’s Church of England primary school, whose pupils have been involved in efforts to push for the cycle path scheme, called it a “case study in how parish councils, with the right people in place, can be incredibly effective”.

“The secret has been to create initiatives that involve



In Shrewsbury, solar lights designed and bought by the town council light a river path © Charlie Bibby/FT

the whole town — schools, churches, parents, grandparents and the children. They start to understand that politics isn’t something that is done ‘to’ them, but done ‘with’ them.”

The council is run by Tony Hunt, a retired businessman who has brought his experience running companies in the wine and spirits sector to bear, setting up management plans and issuing staff with corporate style ‘Key Performance Indicator’ targets build around a list of strategic priorities.

Hunt says the council also coordinates with the local chamber of commerce and local churches and is building a “Team Arundel” network of volunteers to help with managing events and working for the town, capitalising on volunteering groups that sprang up to help the elderly and isolating during the pandemic.

“When I read Michael Gove’s white paper, I thought, ‘This is what we’ve been doing over the last three years or so,’” he says. “We have negligible powers as local councils, but the thing we can do is lobby in the interests of the town.”

## People power

The spirit of English localism might yet be kindled not by the government in Westminster but by social shifts in the wake of the Covid-19 pandemic. The combination of new digital connectivity, a shift to hybrid working after the pandemic spreading talent outside cities and the desire to cling on to the community spirit that was fostered by the battle against the coronavirus does perhaps really hold out new possibilities.

Barrow, the director of place at Shropshire council, says that the pandemic saw a flood of talent back into Shrewsbury and its surrounding areas, which has the capacity to transform the area. A demographic shift towards older people — retired people with time, money and expertise — also holds out new promise for volunteering.

“We’ve seen a massive influx of people returning to the area after making a quality of life choice,” he says, “and those people are assets to this community.”

And on the question of whether Gove’s levelling-up agenda is a true revival of grassroots democracy or, as his critics charge, a quick fix for the effects of austerity, one answer might well be that it is both. The two need not be mutually exclusive. Indeed, one may well drive the other.

In 2015, Shropshire council slashed youth services as it struggled to absorb cuts in central government funding. The cuts landed just as the town started to feel the effect of “county lines” drugs gangs moving in from Merseyside and Birmingham, with increasing numbers of children excluded from local schools falling prey to the gangs, getting into debt that leads to criminal bondage.

In 2016, Shrewsbury town council stepped in to provide youth services with a £100,000 budget for its “Young Shrewsbury” programme, which the council leader, Alan Mosley, says is “significantly better” than what was left of Shropshire Council’s youth services after the council cut about 100 youth worker jobs in 2015.

The town council now funds a youth centre, with an X-box console and a pool table, and organises football matches, fishing trips and camping expeditions to try and keep children on the cusp of exclusion from school on track.

Andy Hall, the incoming youth and community manager, said one measure of the scheme’s value to the local community came at the council’s annual meeting when residents were asked if they were prepared to pay an additional council tax precept to continue funding the youth programme. They unanimously agreed. “The town council has something that matters a lot,” he says, “which is the trust of the community, and that is a brilliant asset to have.”



In Arundel, flood defences lobbied for by the parish council are seen on the banks of the river Arun © Charlie Bibby/FT