NALC

TAKING ON AND PROVIDING LOCAL SERVICES
An advisory note for smaller local (parish and town) councils

The Government wants to see local communities – including their representatives in local councils – play a greater role in shaping and delivering public services. Many principal local authorities have measures in place to work with local councils and encourage them to develop their role as service providers.

Recent data indicates that at least half of local parish and town councils deliver some services to their communities. This will vary from maintaining closed churchyards and allotments, to managing car parks and facilities for young people. Their role can range from taking full responsibility for a service, through managing it on another body's behalf, to monitoring its provision in the area. Some will have started a new service, while others will have taken over an existing one.

At any time, assuming responsibility for local services can be a daunting step for local councils, especially those lacking relevant experience or with few resources. These, of course, are most likely to be found amongst the smallest of local councils.

An added dimension now is shrinking public sector budgets. Local councils know that, as a result, services delivered to their communities could be cut back. They may face difficult decisions about whether to step in and save them and, if they do, how to fund them.

The current situation is, then, both an opportunity and a challenge for local parish and town councils.

This short advisory note is written mainly for smaller local councils. Its aim is to help those thinking about managing a service for the first time or who are faced with deciding whether to take on a service until now provided by the principal local authority. Of course, there is no right answer; every local area and situation differs. However, this note hopes to inform and structure that thinking and decision making. It also contains links to other more detailed guidance and resources.

Why become a service provider?

Meeting local needs: services managed in the community typically suit its needs better and are more responsive than those managed from elsewhere. It is easier for local councils to find out what people want from a service and how they use it. It can more readily be adapted to local requirements e.g. rather than churchyard grass-cutting sticking to a strict rota, it takes account of the dates of village events, church weddings and the like.

Example from Shropshire
Five parishes in south Shropshire share two lengthsmen, who undertake duties such as grass strimming, drain clearing and traffic sign cleaning. They are local residents with a detailed knowledge of every road, ditch, drain and stream. In particular, they know those most liable to flood during heavy rain and deal with them whenever the need occurs. They also look out for major maintenance needs, which – while beyond their remit – they report to the highways department at the local authority. Since the service has been locally managed the local environment has improved, flooding has reduced and resident satisfaction has increased.

Improving access: it may be that without the local council taking action a service used by the community would only be available some distance away. That could pose a particular problem for less mobile members of the community.

Raising the council profile: providing services is a good way for a local council to raise its profile among the community. Some newly established local councils have taken on services in part to make their mark (see guidance referred to on the back page). It is a practical and visible way to demonstrate their worth.

Fostering community action: the process of starting or saving a service usually pulls people together and generates a sense of local pride. This may, in turn, catalyse further community actions. Having services within the community also helps to keep it alive – something which may be particularly pertinent if the last service outlet if under threat.

Creating local employment: having locally delivered services is likely to create or retain some jobs for people in the local area. The two lengthsmen, mentioned in the box above, are a good example.

So there are many good reasons for local parish and town councils to, at least, consider taking on or expanding their role in service provision.

What services can a local council provide?

Depending on the extent to which a local (parish and town) council is involved and who it works with, there are few limitations. However, the following are worth bearing in mind.

Certain public services are known as 'concurrent functions', meaning they can be provided *either* by the principal local authority *or* by the local council. Indeed, a local council can top-up a principal local authority service e.g. extra litter collection. Concurrent services include allotments, bus shelters, public seats, village halls, grass cutting, closed churchyards, street cleaning, litter bins, play grounds, playing fields and footway lighting. For a full list see Annex B of *Managing Double Taxation* (full reference on page 7).

Local councils which meet certain conditions[1] can use a 'power of well-being' (which may soon be replaced with a 'general power of competence'). This enables them to do anything (not prohibited by legislation) which promotes or improves the economic, social or environmental well-being of their area. Councils using this power must be effectively managed, have mainly elected councillors, receive training on the power and engage with their community. More information can be found in *Power to promote well-being of the area* (reference on page 7).

The Government has published a Localism Bill (November 2010) with policy proposals for a Community Right to Buy and a Community Right to Challenge. The Community Right to Buy will give communities an opportunity to bid to purchase assets, such as public service outlets, where they are due to be closed. The Community Right to Challenge will give local councils and community organisations a formal route to request that they be allowed to take on a service in their area which is currently run by a principal local authority. More details about these policy proposals can be expected in due course.

Local councils can also operate indirectly, by supporting or helping to establish community groups and community enterprises which deliver services. This could be a community run shop or pub, or it could be a public service commissioned by a principal local authority. Local councils might help to organise local volunteer effort for such services.

What are the key considerations?

As noted above, local considerations will be important and these cannot be predicted by this note. However, when thinking about starting up or taking on a service the following questions may be useful ones to ask. Not all may be relevant to your situation.

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[1] These conditions are based on the Quality Parish & Town Councils Scheme, though local councils do not necessarily have to be on that scheme to be eligible for the power of well-being.

➢ How important is the service to local people? Has it been identified as a priority e.g. in a parish plan?

➢ How critical would its loss be? Is it the last service outlet in the village? Will some local people face significant disadvantage?

➢ Would running the service locally mean that it better met the needs of local people? In what ways and how might that happen?

➢ Is saving an existing service outlet in its current form or starting a new local service the best option? Are there others, such as improving transport so people can travel to another outlet or moving the service into a shared building to cut costs?

➢ How willing is the local council and/or local people to get involved? Who might manage and deliver the service? If appropriate, will there be volunteers?

➢ What is the experience and capacity of the local council to become involved? If limited, could it be helped and advised by others?

➢ What role does the local council wish to play? Does it want to manage the service itself? Might it own assets, such as a building? Might it simply wish to monitor service delivery by a principal local authority? Or use local knowledge to inform better service delivery by a principal local authority?

➢ How might the service be funded? Is it one which could cover its costs? Is funding available to take it on e.g. from the principal local authority? Will it require some funding out of the council's precept?

As far as possible local councils should aim to take a *strategic view* and not be bounced into ad hoc decisions to save (any and all) threatened services. This means understanding which services local people consider to be most important to the community and their own quality of life. In short, what are priorities to save should they face closure or downgrading.

How are services taken on locally?

These are some ways services are managed and funded. The list is not exhaustive. Options only relevant when a service is being taken on from a principal local authority are marked *.

*Service delegation**: some principal local authorities run service delegation (or devolution) schemes, where local councils can apply to take over delivery of certain services from them. When applying local councils state how much funding they will require, which typically cannot exceed the current principal local authority spend. A contract or service level agreement will set out the terms of the delegation. Further information can be found in a guidance note (see page 7 reference).

Grant schemes: many principal local authorities run schemes offering grants, which will contribute to or pay for the cost of service provision, so long as it meets certain

scheme criteria. Occasionally grants may be found from other sources e.g. the National Lottery distributors. Community groups supported by local councils to run services may also be eligible to apply for grants.

Help in-kind: rather than pay towards a service, some principal local authorities assist indirectly with help in-kind to offset the costs. Examples are not re-charging for local election costs, providing IT technical support and providing training. Local councils should ensure they negotiate help which is genuinely of use to them.

Local council tax raising: of course, local councils can choose to fund services entirely or partly from the precept they raise on local households. They can similarly use their tax raising powers to pay for a top-up service, where the community feels it is not being delivered to a sufficient standard e.g. more frequent grass cutting.

Asset transfer schemes*: buildings or other assets used for service delivery can be transferred by principal local authorities to local councils (sometimes for a nominal sum). This is similar to help in-kind, in that it doesn't directly cover running costs, though it may reduce them and it gives something of value to the community.

A local council may also be able to negotiate with a principal local authority to take on a package of services, some of which cost money to run and others of which generate an income (e.g. a car park), so that the overall effect is broadly cost-neutral.

> *Example from the Isle of Wight*
> Isle of Wight Council has a devolution framework, which includes a flexible delegation scheme, allowing local councils to be involved in service delivery at a level which suits them. Wootton Bridge Parish Council is quite small and initially it decided to limit itself to a monitoring role for the cleaning of local public conveniences. Over time it may feel able to assume greater responsibility for the delivery of that service.

Are there other funding considerations?

Local councils may be understandably wary of finding themselves out of pocket when taking on a service and many are reluctant to raise their precept, though local people can at least be re-assured that money will stay local and benefit their community. Below are three particular funding considerations to bear in mind.

Overheads: when planning or applying to run a service, local councils need to take proper account of the likely management overhead costs, as well as the running costs. This includes things such as administrative effort, extra office costs and insurance.

One-off costs: they should also consider what large one-off costs may arise from time-to-time and how they will be funded e.g. replacing equipment, maintaining a building. It could be that the principal local authority is prepared to retain this responsibility. Another option is to build up a sinking fund.

Double taxation: sometimes local service funding through the precept leads to concerns about 'double taxation'. This happens if households are both paying for the service in their local council area (through the precept) and paying towards that same service elsewhere through their Council Tax bill from the principal local authority. There are various ways to address double taxation where it's felt to be an issue (see reference to guide on page 7).

Where can local councils turn for support?

Where local parish and town councils feel they are short on capacity or experience to take things forward, there are various places they can turn for support. These include:

Principal local authority: they may be able to provide advice, training or back-up. The Isle of Wight delegation scheme, cited above, offers training on health and safety, potential help with insurance and the ability to call in the island Council if a maintenance job becomes too big for the local council. Quite often the support on offer will be set out within a charter document or local agreement which explains how the principal local authority and the area's local councils will work together.

Larger local councils: rather than a small local council delivering a service, it may be able to contract with a nearby larger local council to do so. This can be a good way to achieve some economies of scale, whilst keeping service delivery relatively local. A key advantage of this approach is that the larger council probably already has the necessary capability. This working model can also enable smaller councils to acquire skills and know-how from a larger neighbour. Shrewsbury Town Council – one of the largest local councils in England – has signed agency agreements with some nearby parish councils, to provide them with plants from its nurseries.

Example from West Sussex
Cuckfield, Hassocks & Hurstpierpoint and Sayers Common parish councils negotiated service delegations with the County Council for certain highways maintenance functions. They have contracted to have this work undertaken by the nearby and larger Burgess Hill Town Council, which operates Mobile Maintenance Teams. As such, the smaller local councils control the contracts, but have overcome their own capacity constraints.

Neighbouring local councils: a similar model is to work together in a service delivery cluster with neighbouring smaller local councils. This means that capacity and resources can be pooled. It is an approach which can bring about peer learning among similar local councils.

A number of local councils in east Tynedale (Northumberland) have collaborated in various ways, including to deliver certain services such as maintaining children's play parks. Further information can be found in guidance about clustering (see reference on page 7).

County association of local councils: each county area of England has a county association of local councils, which can offer support and advice to its members. Contact details for all these CALCs are on the National Association of Local Councils website. As well as drawing on their own knowledge of local service delivery, they may be able to point to other local councils in the county with relevant experience.

Sources of help and references

Some sources of help:

Statutory guidance on the power of well-being, referenced below, is on the CLG website: http://www.communities.gov.uk/documents/localgovernment/pdf/1148897.pdf

All other guidance notes listed below can be found on the 'Booklets and Resources' page of the NALC website: http://www.nalc.gov.uk/Publications/Booklets_and_Resources.aspx

Information about the 40 County Associations of Local Councils can be found at: http://www.nalc.gov.uk/Contacts/County_Association_Contact_Details.aspx

Community led planning (CLP) and the creation of parish action plans is supported by Rural Community Councils. The CLP website is hosted by ACRE, their national body, at: http://www.acre.org.uk/our-work/community-led-planning

Reference material referred to in the text:

Guidance note: Service delegations to parish and town councils, Commission for Rural Communities (2009). This document also contains case studies.

Guidance note: Clustering by parish and town councils, Commission for Rural Communities (2009). This document also contains case studies.

Power to promote well-being of the area: statutory guidance for local councils, Department for Communities & Local Government (2009).

Managing double taxation: a guide for local (parish and town) councils and principal local authorities, National Association of Local Councils (2011).

Guidance for newly established local (parish and town) councils, National Association of Local Councils (2011). There are eight case studies which accompany this guide.