

DEVO LOCAL

A white paper for empowering and
strengthening local democracy

Published by
National Association of Local Councils (NALC)
109 Great Russell Street
London
WC1B 3LD

Unless otherwise indicated, the copyright of material in this publication is owned by NALC. Reproduction and alteration in whole or part of ***Devo Local: A white paper for empowering and strengthening local democracy*** is not permitted without prior consent from NALC.

If you require a licence to use NALC materials in a way that is not hereby permitted or which is restricted by the Copyright, Designs and Patents Act 1988, then contact NALC. Subject to written permission being given, we may attach conditions to the licence.

Every effort has been made to ensure that the contents of this publication are correct at the time of printing. NALC does not undertake any liability for any error or omission.

© NALC 2015
All rights reserved.

INTRODUCTION

The devolution genie is well and truly out of the bottle.

How and where decisions are made is now of much greater importance, with the home nations, cities, counties and towns demanding a greater decentralisation of power from Whitehall.

And not before time. But a debate still rages about how devolution can best be achieved, and how far subsidiarity should go.

The government has recognised that more power, decision-making and fiscal autonomy needs to be devolved to English cities and non-metropolitan areas, with 38 areas submitting devolution proposals to government and a Cities and Local Government Devolution Bill making its way through parliament to provide the framework to deliver these ambitions.

But while these steps are welcome, this next phase of localism is by no means localist enough, nor is it bold enough. Devolution must not stop at the combined authority, county or district level.

We will undoubtedly miss a trick if we overlook the neighbourhood level and do not put communities in control of their areas: building community capacity and engagement; enhancing local democracy and participation; and widening opportunities for neighbourhood level service delivery.

Simply put, we need to put the local into devolution.

In his speech to the Local Government Association annual conference in July, the secretary of state for communities and local government, Greg Clark MP, said:

“With the next stage of decentralisation, I want to go much further. I want every

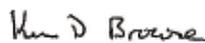
place in this country to consider how they can assert their strengths and make their mark. We must be a nation of muscular communities – north and south, east and west, town and country.”

It is because we want to help the government deliver on these ambitions that we have developed this ‘white paper’, which builds upon our manifesto ideas and sets out a further range of proposals to support devolution by empowering and strengthening the most local level of democracy, community organising and social action in England – parish and town councils.

Proposals which stake out the territory for a ‘parish deal’; a package of measures for the government to take forward as part of its approach to decentralisation, putting communities in control through stronger local democracy and with fairer funding and more powers and helping to improve the social and economic vitality of their areas.

Despite the significant challenges public services and local government face, there has probably never been a better opportunity to decentralise and devolve more power to local councils, and to build a ‘localist powerhouse’ with the capacity, ambition and creativity to transform local areas.

We want to work in partnership with the government, principal councils and with other stakeholders to turn the ideas and proposals in this white paper into a reality and deliver devolution to neighbourhoods and communities in all parts of the country.



CLlr Ken Browne
Chairman, NALC

A background image showing a person's hands gripping a barbell on a gym floor. The person is wearing a blue athletic top and white sneakers. The floor has a circular pattern. The title 'STRONGER LOCAL DEMOCRACY' is overlaid on a blue rectangular area in the top left.

STRONGER LOCAL DEMOCRACY

Proposals

1. Further measures to support the creation of new local councils including a 'community right of appeal', mandatory use of referendums, continued investment in a national support programme and mandatory governance reviews as part of devolution deals
2. Introduce a local democracy programme aimed at encouraging more people to become councillors, making it easier for people to stand and serve, gathering elections data and promoting contested elections, undertaking a census survey of councillors and establishing a national democracy fund
3. Strengthen the standards regime to allow local councils to impose sanctions for breaches of the code of conduct
4. Production of an improvement strategy for local councils to provide a framework for good governance, community engagement and council improvement, along with government investment and support

Putting communities in control

Local (parish and town) councils are the backbone of our democracy and the closest tier of government to local people. They provide our neighbourhoods, villages and towns in England with a democratic voice and structure for taking action – real people power at grassroots level.

But we need to strengthen local democracy and put more communities in the driving seat and in control of their areas. Simply put, we must ensure we put the local in devolution.

In a nation of some 48 million electors, only a quarter benefit from having a ‘hyper-local’ council to tackle local issues and take action on locally determined priorities. While local councils are most common in rural areas, something of a localist revolution is taking place with a growing number of people in unparished towns and cities demanding subsidiarity and more control over what happens in their area, especially how public money is spent.

While consecutive phases of local government reorganisation have led to fewer principal councils – there are currently 350 county, unitary, London boroughs, metropolitan boroughs and districts – the number of local councils is steadily rising and stands at around 9,000, with over 250 new councils created over the last decade.

In the last two years alone new local councils have been established in Badgers Mount (Sevenoaks), Crewe, Penrith, Queen’s Park (London), Westgate (Margate) and Whitehaven. Queen’s Park Community Council in Westminster was set up in 2014 and is the first local council in inner London, while Sutton Coldfield in Birmingham will become the biggest local council in the country when it is created in December 2015.

As part of their approach to community empowerment and localism, successive governments have recognised the important role of just this sort of local democracy and

introduced a number of reforms to make it easier to set up local councils. Measures have included allowing local councils to be established in London for the first time, localising decision making to principal councils rather than ministers, reducing the number of signatures required to trigger a governance review and limiting the review timescale to 12 months¹.

While all these steps are welcome, there is still more that can be done by the government to **promote and support the creation of new local councils** to lay the foundations for devolution to the neighbourhood level.

Firstly, by **introducing a ‘community right of appeal’** where a request to set up a new local council by the community is rejected by a principal council following a governance review. Current rules do not allow the community to challenge this decision, other than by costly judicial review; this is wholly unjust and should be remedied.

Secondly, the community governance review process should be strengthened with the **introduction of mandatory referendums**, using ‘direct democracy’ to test public opinion and support for a new local council.

Thirdly, to help communities make the most of this ‘community right to local democracy’, the government should **continue to provide investment in a national support programme** providing small-scale grants, information, networking, help and advice to people and communities who want to set up a local council.

Finally, **mayoral and combined authorities should be required to conduct a community governance review within two years of the Cities and Local Government Devolution Act coming into force**. This would accelerate the opportunity for people to decide how they are governed at the local level and provoke a discussion about how they can have more say over public services and how their money is spent, and the options available for delivering very local services tailored to local needs.

Supporting local leadership

Councillors 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 80,000 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 can be responsible for a wide range of discretionary services such as allotments, bus shelters, car parks, open spaces, transport schemes, safety and crime reduction, community events, leisure and sports facilities, litter bins and recycling schemes, public toilets, street cleaning and projects to support the elderly and young people.

The Communities and Local Government (CLG) Committee inquiry into the role of councillors² identified a range of issues as relevant to local councils as to principal councils, in particular having councillors to whom their residents can relate, reflecting the demographic make-up of the community or councils doing more to promote democratic engagement and popularising the idea of becoming a councillor.

They also identified a number of practical barriers to becoming and remaining councillors such as time commitment, the role becoming increasingly demanding, employers not always giving support or time off, levels of allowances and sufficient resources in place to meet training and development needs.

These are barriers to which local councillors can equally relate. In addition however, a survey of local councillors in Northamptonshire found that while 84% of councillors would recommend councillorship, almost two thirds cited a lack of power and

influence as barriers to their effectiveness³.

While the general election and race for 6,450 seats in the House of Commons dominated the news in May 2015, tens of thousands of local council seats were also up for grabs as local councils also held elections, providing a significant opportunity for more people to put themselves forward and stand as local councillors.

Research conducted by the National Association of Local Councils (NALC) through a series of round table meetings and call for evidence from local councils has identified a number of subsequent issues, which need to be addressed to enhance local democracy. These include election costs charged by principal councils, the impact of the change of rules requiring candidate nomination papers to be submitted in person and the promotion of local elections by principal councils and local councils themselves.

In light of the CLG Committee report and the experience of this year's local elections and issues above, **the government should work with NALC on a local democracy programme aimed at encouraging more people to become local councillors, making it easier for people to stand and serve, gathering elections data and promoting contested elections, undertaking a census survey of councillors and establishing a national democracy fund.**

For the vast majority of people, being a councillor is a positive and rewarding experience. But for some how they are treated can lead to councillors standing down from the role, often citing bullying, harassment, unreasonable and/or disruptive behaviour as the cause, coupled with a standards regime lacking teeth.

The Localism Act 2011 abolished the Standards Board for England and the nationally imposed code of conduct and introduced a new standards regime requiring local authorities to promote and maintain high standards of conduct and put in place a locally drawn up code based

on the seven 'Nolan principles' of public life. New requirements also included how local codes of conduct should treat the registration and disclosure of pecuniary and other interests and the creation of a new criminal offence of failing to comply with the statutory requirements for disclosure of pecuniary interests.

Further reform and strengthening of the current standards regime is needed to better protect and support our elected representatives to **allow local councils to impose sanctions for breaches of the code of conduct** where they take place.

Improvement and development

Since the rural white paper in 2000 there has been a concerted effort, both by government and the local council sector itself, to promote good governance, improve standards of practice and support the development of councillors and clerks.

Recent developments have included the establishment of an Improvement and Development Board (IMB), comprising key national bodies such as NALC, Society of Local Council Clerks (SLCC), Local Government Association (LGA) and Department for Communities and Local Government (DCLG).

The IDB provides oversight of improvement programmes in the sector, such as the National Training Strategy (NTS) and the new Local Council Award Scheme, launched earlier this year with the aim of celebrating the successes of local councils and providing a framework to support councils to meet their full potential.

In order for the Local Council Award Scheme to be successful it will be important for the government to actively promote the new scheme, and to encourage and incentivise all local councils to participate.

The IDB agreed in September to **develop an improvement strategy to provide a framework for good governance, community**

engagement and council improvement, a welcome step forward in ensuring the sector is able to step up, lead its own improvement and make the most of devolution.

Currently all training and development delivered by the local council sector's own membership bodies – NALC, SLCC and county associations of local councils – is funded entirely by local councils themselves.

The capacity and confidence of local councils to improve their effectiveness and deliver the ambitions of the devolution agenda could be greatly accelerated by increased investment and support; this could be fiscally neutral to the government and delivered through a proportion of existing investment into local government improvement made through the LGA.

MORE POWERS

Proposals

1. The role of local councils in the planning and licensing system should be strengthened through a statutory 'right to be consulted' and 'right of planning appeal', along with new incentives to promote the take up of neighbourhood planning
2. NALC/LGA to work together to promote examples of joint working and devolution, plus the government should introduce a new 'right to engage' to help local councils work more equitably and effectively with principal councils and other public services
3. The government should undertake a review of the Localism Act 2011, in particular the general power of competence, removing any barriers and promoting greater use of this 'power to innovate'
4. Reform outdated laws governing the administration of local councils through a Parish Councils Bill, including new powers to deliver local services
5. Give communities and local councils the power to adopt new governance models such as having a directly elected mayor or leader/cabinet

Handing power to local people

Communities need both power and influence to tackle the issues that matter most to local people and to allow them to shape the delivery of public services in their area.

But all too often precisely the opposite is true; people feel frustrated and powerless, lacking the necessary levers to get their voice heard and change things.

Devolution provides a golden opportunity to empower local democracy, through devolution deals and other means, and extend decision making and service delivery to the community level to achieve improved outcomes and better value for money.

One way of achieving this is the continued modernisation of local councils through reform of the powers of local councils and the laws governing their administration, coupled with the introduction of new powers to deliver local services.

As statutory bodies, local councils have at their disposal over sixty discretionary powers⁴ to act and spend public money, coupled with hundreds of rules and regulations to provide accountability and a framework for how they use their powers and conduct their business.

While some of their powers date back to the early 1900s, these have been bolstered at various points over the years with additional powers to reflect changing circumstances and indeed government policy.

The most modern piece of legislation giving more power to local people is the Localism Act 2011⁵.

As the coalition government's centre-piece legislation to take forward its localism agenda, the Localism Act 2011 contained new powers through a range of 'community rights' to allow local people to develop a neighbourhood plan, propose small-scale community-led developments, nominate and bid to take over assets of community

value and challenge a service provided by a principal council.

Neighbourhood planning

Far and away the most successful of the 'community rights' has been neighbourhood planning, with local councils centre stage and right at the heart of this planning revolution, using their unique community leadership and engagement role to shape development in their areas. Around 80% of neighbourhood plans are being led by local councils, the remainder by neighbourhood forums in unparished areas.

To date around 1,600 areas are involved in neighbourhood planning, with around 1,500 areas designated and 90 plans successfully passed at the referendum. One significant aspect of neighbourhood planning has been levels of turnout at referendums and levels of public support, with an average of 33% of electors casting their vote and 88% voting in favour of the neighbourhood plan.

Further evidence of the appetite for neighbourhood planning by local councils is illustrated in DCLG's Parish Pulse survey conducted in 2014, with 34% of local councils saying they are 'already developing a plan or will start one soon', an increase of 8% on the 2013 survey⁶.

Increasing the momentum and take up of neighbourhood planning will be needed if the government's ambitions to grow neighbourhood planning into a sustainable movement are to be realised and more communities are able to take advantage of being able to influence development in their area.

The government's Housing Bill is scheduled to be laid before Parliament in October and will contain measures to simplify and speed up the neighbourhood planning system. But in order to accelerate the take-up of neighbourhood planning by local councils, the government should bring forward an additional package of incentives, including:

- all planning authorities having a CiL

- regime in place by end of 2016;
- increasing the share of CiL for local councils with an adopted neighbourhood plan from 25% to 35%;
- legislating for a 20% share of New Homes Bonus for local councils with an adopted neighbourhood plan;
- commit to funding and support for every local council that wants to develop a neighbourhood plan over the life of the Parliament.

DCLG should work with NALC to organise events to promote neighbourhood planning as well as re-publishing updated guides on planning and neighbourhood planning⁷.

But while neighbourhood planning is undoubtedly a positive step forward in placing more power over development and land use in the hands of local people, the next phase of localism should build upon these foundations and go one step further.

The fact that local councils are not statutory consultees on planning and licensing applications in their areas is now an anachronism that needs addressing. Housing Bill should also include measures to **strengthen the role of local councils in the planning and licensing system through the introduction of a statutory ‘right to be consulted’ and ‘right of planning appeal’**, putting communities on an equal footing with developers.

Assets of community value

According to DCLG, since the community right to bid came into operation in 2012, more than 1,800 ‘assets of community value’ have been listed (a third of which were nominated by local councils), 122 groups showed an intention to bid by triggering the six-month moratorium, and nine assets have been bought by community groups⁸.

While these numbers are encouraging, there are a number of improvements which would increase take-up and provide additional protection for listed assets:

- making assets of community value

a material consideration in planning applications;

- giving nominators a right of appeal against principal council refusal list an asset;
- extending the moratorium on the sale and changing the regulations on selling assets of community value as a ‘going concern’.

Improving relationships between the tiers

One of the holy grails of local government must be to secure effective relationships and joint working between the tiers, including more devolution to local councils.

The community right to challenge was aimed at achieving the latter, however, it has missed the mark on both fronts, serving only as a power of last resort and legislative backstop if dialogue fails. DCLG figures show over 200 groups have received financial assistance to develop their capacity to bid to take on a service, with 50 expressions of interest by December 2014 and seven contracts awarded⁸.

Where local councils are concerned not only has this been the least successful of the community rights, it also did nothing to promote collaborative and positive discussions about how a service might be better delivered by a local council.

In January 2013, NALC and LGA published *Modelling Devolution*⁹, a joint report which included good practice of councils already working more closely together, devolving services and building capacity throughout the sector.

The time is now right for **NALC and LGA to come together again to follow up this project, undertaking a further phase of work to capture and share more recent examples of joint working and devolution**, bringing councils from across the tiers together by organising a joint conference.

But while promoting good practice can be an effective way of changing and improving

relationships between the tiers, other levers are still required where some principal councils may still be ambivalent to working closer with local councils.

The government should therefore introduce a new **'right to engage' which will help local councils work more equitably and effectively with principal councils and other public services.**

The government has said that 'it wants to see Devolution Deals including proposals for further devolution of services to neighbourhoods – broadening and deepening the work that is already happening'. Ministers have said that 'where feasible, devolution of decision-making and service delivery should be extended to community level' including to local councils. This approach is welcome, as are suggested guidelines for local councils on how to take advantage of the opportunity that devolution deals offer¹⁰.

However in order to ensure effective engagement between combined authorities and local councils, including involvement in scrutiny arrangements, the government should introduce new measures in the Cities and Local Government Devolution Bill to put this on a statutory footing.

Powers to innovate

The Conservative Party's Control Shift green paper¹¹ proposed a general power of competence for councils. This policy was taken forward in the Coalition Agreement and included in the Localism Act 2011.

Research conducted by the LGA in 2013¹² found that the general power of competence had not been widely taken up or used by local councils, and that it still contained a number of limitations, including trading and charging.

As a matter of some urgency the **government should undertake a review of the Localism Act 2011**, in particular the general power of competence to ascertain whether it is meeting its original policy objective,

removing any barriers and promoting greater use of this 'power to innovate'.

And to help sweep away unnecessary red tape and reform outdated laws governing the administration of local councils, in the life of this Parliament the **government should bring forward a Parish Councils Bill, which will also include new powers to deliver local services.**

New governance models

One of the central features of the Cities and Local Government Devolution Bill is provision for a Mayor to be elected to lead a combined authority, who would exercise specified functions and chair the authority itself. However the directly elected mayor model is currently only available to principal councils, with power being placed in the hands of a single accountable individual who can provide an area with strong leadership.

The opportunity to adopt a more radical governance model, following in the footsteps of other European countries where elected mayors of towns and villages are more common, should be extended to local communities in England. Local councils and communities themselves should be able to trigger a referendum on whether to move a directly adopted mayoral model and benefit from individual leadership of local councils and improved clarity of decision-making, governance and to enhance the prestige of their community.

While local councils are generally independent of party politics, the number of councillors declaring a political affiliation is increasing, with 93% of town councillors declaring a political affiliation and 59% of larger sized local councils – town councils – run along political lines¹³. Town councils often have a 'leader of the council' who is the leader of the ruling political group, but this role has no basis in law. The law should be updated to reflect modern practice and **allow a town council to adopt 'executive style' governance arrangements including a leader and portfolio holders.**

FAIRER FUNDING

Proposals

1. Renewed action by government to ensure council tax support funding is passed on to local councils by principal councils, either by identifying funding in the local government financial settlement, issuing statutory guidance or passing funding on to local councils directly.
2. Referenda principles should not be extended to local councils for the life of this Parliament and the power of the secretary of state in the Localism Act 2011 should be repealed.
3. Reform of the business rate system to provide a 5% share for local councils to help them support local economic development, regeneration and growth and the exemption of public conveniences from non-domestic rates.
4. Ensuring communities benefit from development through stronger measures to provide local councils with a share of Community Infrastructure Levy, New Homes Bonus and underground exploration funding.

A changing financial landscape

The previous Parliament was undoubtedly a time of great financial challenge for all of local government.

Principal councils had to grapple with a 40% reduction in their core government grant¹⁴ and find new ways of working in addition to making tough spending decisions about services they were no longer able to provide. Local councils were not unaffected by this new financial context and pressures faced by principal councils, themselves having to decide whether to increase their investment locally in order to plug gaps in service delivery or get involved in new areas of activity; coupled with the knock-on effect of the government's welfare reforms and desire to keep council tax down.

Further reductions in government funding for principal councils are expected over the next five years, consequently it will be vital local councils can operate within a reformed financial framework to provide communities with fairer funding and the freedoms and flexibilities to invest in local services that meet changing needs and priorities.

Funding local councils

Our local government finance system is complex and hard to understand. However in stark contrast to the convoluted way in which principal councils are funded, the finance system for local councils is more straightforward. Residents in parished areas pay a levy, called the precept, which is added to their overall council tax charge.

Unlike principal councils, local councils do not receive Revenue Support Grant, since it was introduced in 2010 are not eligible for the council tax freeze grant¹⁵ and do not receive a share of business rates. Although local councils can generate additional income from other sources including grant funding, the precept is the main source of funding its activities and services to local people.

In July DCLG published 'Council tax statistics

for town and parish councils: 2015/16 England'¹⁶, which showed:

- the average annual Band D precept is just £54.12, an increase of £1.75 (or 3.3%) on 2014/15;
- total precepts amounted to £409 million, just 1.7% of the overall council tax requirement for England of £24.7 billion and £20 million more than in 2014/15 (£389 million);
- over a third of local councils (36.7%) had a freeze or a reduction in their precept, just over a quarter of parishes (2,309) had an increase of less than £1, while 62 parishes (0.001%) more than doubled their precept.

These figures show local councils as being fiscally responsible, with overall increases going down, from 5.2% in 2013/14 and 4.3% in 2014/15 to 3.3% in 2015/16.

Nevertheless the two main drivers behind these increases have been making up for a shortfall in council tax support funding not passed on by principal councils and continuing to invest in communities and delivering new services, often taken on from principal councils.

While this simple and democratically accountable way in which local councils are funded through the precept should be maintained, there are a number of changes to local government policy which would support devolution and greater financial autonomy for local communities.

Council tax support funding

Prior to 2013/14 principal councils were given a grant by the Department for Work and Pensions to cover the cost of council tax benefit in their area. The government amended the prescribed tax base formula for 2013/14 and to compensate for a decrease in the tax base principal councils received funding of £3.3 billion in 2013/14 and in 2014/15 towards the cost of local council tax support schemes.

The 'golden thread' of parish financing was

thus broken with the introduction of localised council tax support schemes, removing independence and certainty.

The government provided £3.3 billion of council tax support funding to billing authorities in 2013/14, with £40 million specifically earmarked for local councils¹⁷, but only £39 million was actually passed on, with 10 principal councils passing on nothing at all.

This position worsened in 2014/15 with over 30 councils defying repeated instructions from ministers¹⁸ to devolve the £40 million and choosing to pass on nothing at all, with scores more reducing the amount given to local councils in their area, passing on only £31 million – leaving communities £9m short. In some cases principal councils decided to cut the grant without any discussion with local councils in their area and at such a late stage in the budgeting process.

An inevitable impact of such shortfalls in funding has been:

- undermining localism at a time when government and principal councils were encouraging more partnership working between the tiers of local government, as well as devolution of services to the local level, including to local councils;
- damaging and putting a strain on relationships between local councils and principal councils and overshadowing the many examples of good, effective partnerships and joint working;
- local councils making decisions on reducing spending on services, cutting services altogether and/or increasing the precept.

There remains a policy tension between local councils developing and expanding their role through new activities and taking on services from principal councils and the expectation precepts should not increase and in turn impact on overall council tax.

The government should step up its efforts to **ensure council tax support funding is passed on to local councils by principal**

councils, either by identifying this funding in the local government finance settlement, issuing statutory guidance to billing authorities or passing this funding on to local councils directly.

Council tax referendums

One of the most significant financial reforms in the Localism Act 2011 was to provide a power for the secretary of state for communities and local government to issue defining what should be considered as excessive council tax, including proposed limits. Since 2013, any principal council that wished to raise its council tax above 2% was required to hold a referendum¹⁹.

The secretary of state has to date chosen not to extend referenda principles to local councils, making this decision as part of the final local government settlement in February, making the process of setting the precept by local councils for the next financial year extremely problematic.

Local councils are democratically elected bodies, accountable to local people and should be free from government interference in setting their precept and have fiscal autonomy to raise the resources needed to invest in improving their local area.

Referenda principles should not be extended to local councils over the life of this Parliament and the power of the secretary of state in the Localism Act 2011 should be repealed.

Supporting local economic development

Local businesses and shops often assume that part of their business rate goes to their local council as the tier of local government they most readily identify with.

However in reality local councils have not benefitted from a share of the business rate since 1990. Historically, local councils were able to raise a 'rate' from the time of their establishment in 1894: this was linked to their then duties under the Poor Laws. Rates

were levied on non-domestic and domestic property until 1990, when the rates were replaced by the Community Charge and the National Non-Domestic Rate. Since then, local councils have precepted on domestic property only, via the Community Charge and then the council tax²⁰.

But the changing role of local councils – and larger sized local councils such as town councils in particular – is seeing them increasingly working with local businesses and other partners to boost local economic prosperity through investment in events and activities in town and village centres; provision of Christmas lights, floral decorations and management of associated space; support to chambers of commerce, town centre partnerships and Business Improvement Districts; setting up job clubs; introducing bus services; running business fairs/shows; and the provision of visitor information centres and tourism initiatives.

Local councils already provide or have been taking over the running of public toilets from principal councils as a public health and economic benefit to support tourism and local shops. Research from the British Toilet Association suggests 40% of public toilets have disappeared over last decade due to high running costs and national non-domestic rates totalling some £16 million²¹.

To support the expanding role of local councils in driving local economic development, regeneration and growth, **the business rate system should be reformed to provide a 5% share for local councils, government should work with NALC and LGA on local pilots, and public conveniences should be exempted from national non-domestic rates.**

Incentivising development in communities

Providing financial incentives for communities to accept development and encourage planning permissions for the building of new houses was a significant feature of the coalition government's housing and planning reforms and indeed a source of funding to principal councils.

The first initiative was the Community Infrastructure Levy (CiL) which came into force in April 2010 and allows principal councils to raise funds from developers undertaking new building projects in their area to fund a wide range of infrastructure needed as a result of development.²²

CiL charging authorities are required to transfer to local councils 15% of the levy receipts arising from development that takes place in their area, rising to 25% for areas with an adopted neighbourhood plan.

Research²³ suggests local councils have been passed only one per cent of CiL receipts – just £92,000 – despite principal councils collecting more than £9 million between April 2013 and June 2014. It is currently not mandatory for principal councils to have a CiL scheme in place, with the effect of communities accepting development but not benefitting from a share of CiL to invest in local infrastructure needs.

The second is the New Homes Bonus, a scheme aimed at encouraging principal councils to grant planning permissions for the building of new houses in return for additional revenue²⁴.

Some principal councils have put local schemes in place to provide funding for local councils to help alleviate the impacts of housing growth on local communities, although this is not common practice.

Local councils are also not part of the equation regarding community benefits in areas where shale is commercially extracted, with £100,000 provided by operators for communities situated near each exploratory (hydraulically fracked) well and 1% of revenues from every production site²⁵.

Further steps needs to be taken to **ensure communities really do benefit from development through new statutory measures to provide local councils with a share of Community Infrastructure Levy, New Homes Bonus and underground exploration funding.**

DEVO LOCAL IN PRACTICE



1. Cornwall Council

Since its formation in 2009 Cornwall Council has been working with local councils to increase their role in influencing and delivering local services, and more recently has set out a framework for how local councils can work with Cornwall Council at a level that suits them, from service monitoring and influencing contracts through to taking on and delivering local services and assets.

2. Stone Parish Council, Kent

Improved communications and community engagement through a residents survey and range of digital channels has enabled Stone Parish Council to identify new community priorities which has led to the building of a new community centre as a hub for council services, community groups and local activities; taking on youth services from the county council; helping young people into employment by lending suits for interviews; and providing CV workshops and working on a neighbourhood plan.

3. Martock Parish Council, Somerset

Martock Parish Council is leading an Our Place partnership which is working to improve the health, wellbeing, skills, financial security and quality of life of local people and to reduce dependency on health and welfare services; the partnership is developing more integrated ways of working with partners, using local commissioning and involving the third sector; a paid community worker is developing a volunteer support network, and coordinating activities such as life skills training, joint care planning, intergenerational projects, a befriending service, a job club and employability training.

4. Feock Parish Council, Cornwall

Feock Parish Council have introduced an extensive range of innovative new local services in recent years including establishing a local lengthsman scheme to plug gaps in highway services; co-ordinating the development of a neighbourhood plan; introducing a bookswap facility at the parish office and installing a micro-library; setting up a local transport scheme with volunteer drivers to enable the elderly to get to medical appointments and shops; and installing defibrillators in community buildings to save lives.

5. Frome Town Council, Somerset

Frome Town Council has set up a Town Centre Panel to work closer with local businesses and a Youth Council to engage with young people; run a range of sustainability projects including organising electric car events; set up a 'share shop' to allow local people to share and borrow anything from DIY equipment, to cutlery/crockery, furniture, arts/crafts materials, children's books and clothes, as well as sharing skills and creating a space for people to connect with each other; worked with local businesses to introduce a community toilet scheme.

6. Forest Row Parish Council, East Sussex

Forest Row Parish Council runs a community café aimed at older residents and provides transport to, as well as home delivery of meals from, the café; provides free hearing aid maintenance and batteries; runs a voluntary car service helping the elderly get to medical appointments; has introduced an open air cinema; and is exploring with the county council providing adult social care to people receiving home delivery of meals.

7. Campbell Park Parish Council, Milton Keynes

Campbell Park Parish Council's focus on developing social capital has seen them work with their local equality council and college to promote integration and community cohesion and enable young people access to training and work; partner with the NHS on educational programmes on healthy living and wellbeing; produce a video with the local academy on refuse collection, litter and fly tipping now used by Keep Britain Tidy; taking on a derelict sports field and work with Sport England and the Premier League on a new sports facility; working on a Neighbourhood Plan; and develop a new emergency plan.

8. Uppingham Town Council, Rutland

Uppingham Town Council are focussing on improving the governance of the town and supporting local growth through a unique business-led community partnership involving the elected town council, elected neighbourhood forum and elected business forum; with their neighbourhood plan providing improvements for the town including housing land allocated beyond 2026, double the allocation of land for new employment and improved communications via broadband and 4G signal.

9. Morley Town Council, West Yorkshire

Morley Town Council are working to improve community safety and reduce crime by funding 6 Police Community Support Officers to work exclusively in the Town Council area under an agreement with the Police & Crime Commissioner as well as providing extra CCTV provision; running an extensive community events programme including Christmas lights switch on, working with the Chamber of Trade and Commerce and funding the Town Centre Management Board to support the local economy by promoting the town to improve footfall and provide a first class visitor and shopping experience.

REFERENCES

1. Government response to making it easier to set up new town and parish councils

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/238996/Government_response_to_consultation_on_making_it_easier_to_set_up_new_town_and_parish_councils.pdf

2. Communities and Local Government Committee inquiry: Councillors and the community

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/inquiries/parliament-2010/councillors-and-the-community>

3. Northamptonshire County Association of Local Councils Local Council Survey 2011 (Councillors)

4. Local Councils Explained, National Association of Local Councils, 2013

5. Localism Act 2011

<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

6. Parish Pulse Survey 2014, Department for Communities and Local Government

7. <http://www.nalc.gov.uk/library/publications>

8. Communities and Local Government Committee inquiry: Community rights

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/262/26205.htm#a3>

9. Modelling devolution – working together to deliver local services, NALC and LGA, 2013

http://www.local.gov.uk/publications/-/journal_content/56/10180/3857945/PUBLICATION

10. Devolution Deals: the role of neighbourhoods, Department for Communities and Local Government, 2015

<http://www.nalc.gov.uk/library/our-work/1725-devo-dlcc-nalc-slcc-17-09-2015/file>

11. Control shift: returning power to local communities, Conservative Party, 2009

<https://www.conservatives.com/~media/files/green%20papers/localism-policy-paper.ashx?dl=true>

12. The General Power of competence: Empowering councils to make a difference

<http://www.kentalc.gov.uk/Resources/Documents/genpowcomp.pdf>

13. The Role of Political Parties in Parish and Town Councils, Dominic Stapleton, 2011

<http://www.slcc.co.uk/UserFiles/File/Institute/Dominic.pdf>

14. The LGA's Budget 2015 Submission, Local Government Association, 2015

<http://www.local.gov.uk/documents/10180/6869714/LGA+Budget+2015+Submission/9b42205c-e32a-4515-8861-dba24fba247e>

15. Council tax freeze scheme, Department for Communities and Local Government

<https://www.gov.uk/government/collections/council-tax-freeze-scheme>

REFERENCES

16. Council tax statistics for town and parish councils: 2015/16 England, Department for Communities and Local Government, 2016

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/444971/Council_tax_statistics_for_town_and_parish_councils_2015-16_England.pdf

17. Written question and answer, Kris Hopkins MP, Hansard, 2015

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-02-05/223570/>

18. Letter from Kris Hopkins MP to leaders of billing authorities, 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/406701/12-02-19_KH_letter_to_all_billing_authorities_in_England_-_parish_funding_for_LCTS.pdf

19. 2010 to 2015 government policy: council tax reform, Department for Communities and Local Government

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-council-tax-reform/2010-to-2015-government-policy-council-tax-reform>

20. Parish and town councils: recent issues, House of Commons Library, 2015

<http://researchbriefings.files.parliament.uk/documents/SN04827/SN04827.pdf>

21. BBC News Story, 2015

<http://www.bbc.co.uk/news/uk-politics-33229162>

22. Guidance on the Community Infrastructure Levy, Planning Portal, 2014

<http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/spending-the-levy/>

23. Planning Magazine, 2014

<http://www.planningresource.co.uk/article/1311517/exclusive-parishes-handed-1-cil-collected-charging-authorities>

24. Policy paper - 2010 to 2015 government policy: house building, Department for Communities and Local Government and Homes and Communities Agency

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-house-building/2010-to-2015-government-policy-house-building#appendix-8-new-homes-bonus>

25. News story, HM Government, 2014

<https://www.gov.uk/government/news/local-councils-to-receive-millions-in-business-rates-from-shale-gas-developments>

////NALC