

LEGAL MATTERS

Shedding tiers: the devolution revolution in England

by Steve Milton, Chair,
Local Government Resource Centre

Devolution in England undoubtedly presents danger zones for councils and councillors, as well as key opportunities. In this highly topical article LGRC chair Steve Milton discusses the opportunities ahead and how to keep clear of the danger zones.

THE much-trailed Devolution White Paper finally thudded through town hall letter boxes in December. As expected, we found out that new Secretary of State for Housing, Communities and Local Government and Deputy Prime Minister Angela Rayner is aiming her axe squarely at the two-tier system of local government in England.

District and county councils are to be culled and replaced with all-purpose unitaries. She also intends to install regional mayors across the land. I am sure a lot of readers will agree; reform is long overdue. The time has come to end the chaotic approach to English local government that has evolved from various botched reorganisations over the last 30 years. The Local Government Resource Centre believes that the White Paper presents a unique opportunity to remake local government for the better.

But aren't we forgetting something? Did the Secretary of State in her reforming zeal overlook the trifling matter of 10,480 parish and town councils? I was not entirely flabbergasted to see the role of the local council sector is reduced to a postscript in the White Paper. Of course, for practitioners, it is all so predictable. The Government is again set to miss an open goal. We all know, parish and town councils have enormous potential to play a key role in economic growth, the delivery of a sustainable low-carbon future and the reimagining of health and social care in the UK. They are the closest tier of local government to communities, and they are well placed to provide those local services so vital to community life. Yes, it's a shift, a transformational leap for the sector, but if we are going to lever investment into vital local services, then it's a leap worth making.

'Parish and town councils have enormous potential to play a key role in economic growth, the delivery of a sustainable low-carbon future and the reimagining of health and social care in the UK'

Parish and town councils know their localities, they bring resources, and they can tap into the social capital that is stored up in our vibrant communities. They work alongside, and in the same streets as, the community groups, charities and volunteers that make up the fabric of everyday life. Parish and town councils, and the community groups they work with, should be the foundation of a new local government structure focused on delivering economic growth, sustainability and wellbeing.

The proposals fail to capture the principle that should underpin any devolution discussion and that is the principle of subsidiarity. Subsidiarity would see functions, facilities, services, and decisions located at the lowest possible governmental tier. For example, road traffic orders affecting a village should be devolved to that village. Footpath maintenance should be the responsibility of those that use the paths. If a decision affects a village only, then the village should decide, not a remote unitary council.

The six principles of subsidiarity

- **Local Decision-Making:** Subsidiarity emphasises that matters should be handled by the smallest, lowest, or least centralised authority capable of



Parish and town councils can show the way forward.

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addressing them effectively. Local governments or communities should have the authority to make decisions on issues that directly affect them.

- **Limited Intervention:** Higher levels of government should only intervene when issues cannot be effectively managed at the local level.
- **Empowerment and Participation:** Subsidiarity promotes the empowerment of local communities and encourages active participation in decision-making processes. It aims to bring governance closer to the people, making it more transparent and accountable.
- **Efficiency and Responsiveness:** By allowing decisions to be made at the local level, subsidiarity can lead to more efficient and responsive governance. Local authorities are often better positioned to understand and address the specific needs and concerns of their communities.
- **Social capital:** Social capital refers to the networks, relationships, and norms that enable individuals and groups to work together effectively and achieve common goals. It is the value derived from social connections and the trust, cooperation, and reciprocity that arise from these relationships. Local councils are best placed to lever the value of social capital.
- **Redistributing Power:** Subsidiarity helps to balance power between different levels of government, preventing excessive centralisation and ensuring that local authorities have the autonomy to manage their affairs.

The functions of local government should be examined systemically and reallocated based on the place something is situated and the impact of each function and asset. This would see all community level services devolved to the local council sector. These vital social facilities and assets would become the property of the local people who use and value them most. Local communities would fund those services, releasing upper tier councils of that increasing financial burden. But this is a quid pro quo. If parish and towns are to take on liabilities then they must also take those local services that generate revenues, such as car parks. This will shift costs away from upper tier councils and help provide communities with revenues to invest in local services that are beyond the means of district and county councils.

LGRC recognises that asset transfers and local service devolutions can put a significant strain on the local council tax precept. We have seen the brutal four-fold precept increase that Bridgewater Town Council has had to swallow to achieve its devolution deal with cash-strapped Somerset Council. In reality, these hikes tend to be less dramatic than the

percentages suggest and, despite the pain, this initial heavy lifting is worth it in the long term because we know parish and town councils will invest and deliver improvements that are beyond the means of the upper tier.

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Reorganisation of local government and its transitional costs should be factored in to facilitate asset and service transfers to parish and town councils. This should be a foundation of the new local government settlement in the UK – and it should not be limited to those areas undergoing upper tier changes.

Urban areas should be parished as part of any reorganisation of local government. Everyone in the UK should have access to the most local level of community governance because this makes an enormous difference to our everyday lives.

Unitary councils should be firmly focused on strategic functions, working together regionally to plan for the economic, health, social care and transport regeneration that is needed in the UK after years of decline.

LGRC recognises that more houses are needed and that this requires a strategic approach across the UK. Allocating sites for housing should be a function of upper tier authorities. However, local councils should have far more say about applications for single dwellings, extensions, changes of use or small infill developments.

So, what are the ingredients that make up successful devolution deals for parish and town councils? Here are a few things to keep in mind:

- **Financial Planning:** One of the primary concerns with devolution and asset transfers is the financial burden placed on town and parish councils. Transferring assets such as parks, community centres, and public facilities comes with a significant price tag. There is no simple

solution, but you can avoid the shock of eyewatering precept hikes by planning increases over two or three years, building up capacity in your budget ahead of D-Day.

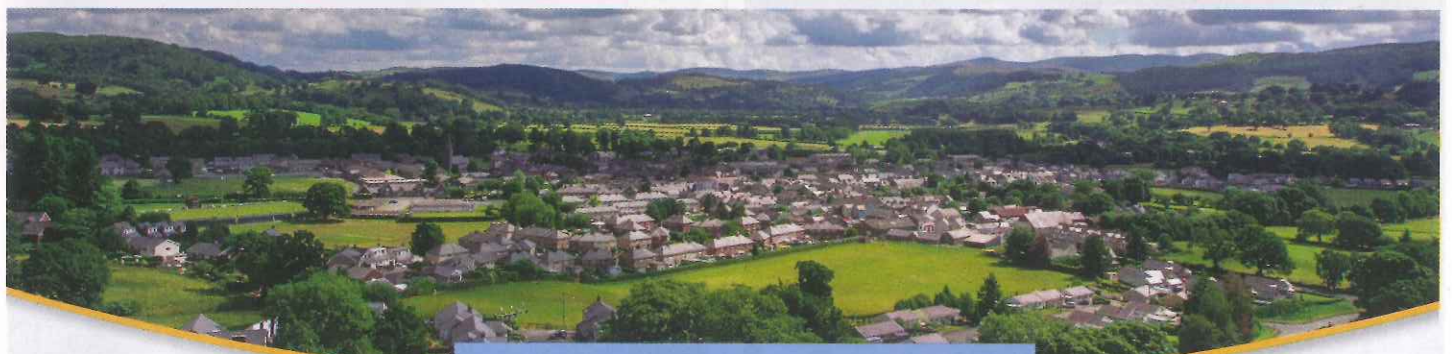
- **Capacity and Expertise:** Town and parish councils may lack the capacity and expertise to manage newly acquired assets effectively. Councils must invest in training and support to ensure they can handle them.
- **Contracts:** Often, services transfer with contracts attached. Don't rush to sever existing contracts, maybe extend them until you can assess your capacity. You may find that with enhanced local supervision you can achieve an uplift in standards without pumping in extra investment.
- **Community Engagement:** Successful devolution and asset transfers require strong community engagement. Councils must work closely with residents to understand their needs and priorities. Failure to engage the community can lead to dissatisfaction and opposition.
- **Legal and Regulatory Challenges:** Navigating the legal and regulatory landscape of asset transfers can be complex. Councils must ensure compliance with relevant laws and regulations. Get together with other councils and share the cost of expertise.
- **Long-Term Sustainability:** Ensuring the long-term sustainability of transferred assets is a significant challenge. Councils must develop robust plans for asset management, including securing funding and resources for future maintenance and improvements to avoid assets becoming liabilities.

Devolution and asset transfers offer incredible opportunities for greater local control and community empowerment but there are significant challenges too. By investing in capacity building, engaging the community, and planning for long-term sustainability, councils can maximise the benefits of devolution and asset transfers while minimising the risks.

So, the message to Angela Rayner from LGRC? Must do better.



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