

NALC: ENGLISH DEVOLUTION AND COMMUNITY EMPOWERMENT BILL – SUBMISSION OF EVIDENCE

Background

This briefing has been prepared for Members of the English Devolution and Community Empowerment Bill Committee.

Overview

The National Association of Local Councils (NALC) represents 10,000 parish and town councils across England, working in collaboration with county associations of local councils to support, promote and improve communities. Our members represent 35 million people with 16 million electors, raising £859 million in precept and investing over £2 billion in communities.

NALC has long advocated for power to be pushed out of Whitehall, for devolution to extend beyond the regional and sub-regional level, and for more localism and community empowerment.

NALC therefore welcomes the publication of the Bill and supports the Government's ambition to rebuild and reform local government, as the foundation for devolution, and give communities stronger tools to shape their local areas.

Parish and Town Councils: Central to Devolution

England's 10,000 parish and town councils deliver quality, cost effective, and hyper-local services – making them well placed to act as the critical building blocks of devolution and help to deliver the Bill's objectives of boosting local democratic decision making.

In 92% of England, they are the community tier of local government and are already delivering key services across a range of policy areas, including climate change, housing, infrastructure, health and wellbeing, younger and older people, and community safety.

Our country faces challenges that national government alone cannot solve. And national government cannot deliver its missions on its own. It is local government at all levels which is the key to tackling these challenges.

This includes our most local level of government – parish and town councils – who are local leaders with 'skin in the game', who know their places best and what they need.

As such, NALC's members are best placed to ensure local communities have a voice and are empowered to make decisions that affect them, helping local

government to become more effective and accountable to the people it represents.

NALC is committed to ensuring that this Bill is a success and stands ready to collaborate on a cross-party basis to ensure the Government delivers on its ambitions for devolution and community empowerment.

English Devolution and Community Empowerment Bill: Key Messages

1. Local leadership at the heart of devolution

Parish and town councils are the most local, accountable, and trusted tier of government. They are deeply rooted in their communities. They are well placed to act as the critical building blocks of devolution and help to deliver the Government's local government reform agenda by giving people a stronger voice and more control over decisions that affect them.

2. Making devolution a success

To ensure the Bill delivers real change, parish and town councils must be recognised as central to England's new devolution settlement. Without their involvement and an expansion of their coverage, devolution risks stopping at the regional and sub-regional level, risking communities left feeling remote from decision-making – contrary to the spirit of devolution.

3. Expanding powers and flexibility

The Bill should extend the general power of competence to all parish and town councils. This would empower every community to innovate, respond to local needs, improve public services, and help government achieve its national missions. Councils and their councillors should also be given the tools and support they need to make real change in their areas and get more people involved.

4. Fairer funding for communities

Parish and town councils provide vital services but lack direct access to government funding streams. The Bill must provide access to fairer funding, including access to grants, a greater share of local taxation, and more flexibility to raise and use resources for community priorities.

5. Partnership and accountability

Parish and town councils are proven partners in tackling a wide range of local challenges, from health to housing and community resilience to climate change. Involving them fully in growth plans, infrastructure, and

neighbourhood governance will ensure more accountable, resilient, and effective local government, with real benefits for communities nationwide.

Introduction

As an existing, sustainable model of community power, local leadership and public service delivery, parish and town councils have already demonstrated that they can help deliver many of the Government's priorities locally, including:

- Supporting economic growth by investing in and supporting local businesses, high streets and town centres.
- Community resilience and flooding protection.
- Reducing pressure on the NHS through provision of sport and recreation facilities, parks and green spaces, tackling loneliness and building age-friendly communities.
- Securing more housing including affordable housing through neighbourhood planning.

NALC has long advocated for power to be pushed out of Whitehall, for devolution to extend beyond the regional and sub-regional level, and for more localism and community empowerment.

Government Commitment to Parish and Town Councils

[NALC welcomed the publication of the English Devolution White Paper](#) in December 2024, calling for stronger neighbourhood governance. The White Paper represents the first step in this generational opportunity to push power out of Whitehall into village and town halls, rewire local government relationships to simplify the system, improve public services, and bring greater democracy to every corner of the country.

Since that time, NALC has welcomed statements made by ministers, including in Parliament, which further underscore the Government's recognition and support for parish and town councils:

- "At a neighbourhood level, we see town and parish councils playing a critical role in devolution" – **Minister of State for Local Government and English Devolution, Jim McMahon**
- "This Government absolutely values the crucial role played by town and parish councils in local government. We know people value the role of governance at the community scale. We want to see stronger community arrangements when reorganisation happens in the way councils engage at a neighbourhood or area level" – **Minister of State for Local Government and English Devolution – Jim McMahon**

- “As we continue to develop our longer-term strategy for communities, I am firmly committed to working together, and with the wider parish sector so that our approach is informed by those who understand the diverse and complex challenges that our communities face. I look forward to our continued collaboration as we take forward this important work” –
Parliamentary Under-Secretary of State for Building Safety, Fire and Local Growth – Alex Norris MP
- “We genuinely do continue to value the role of town and parish councils in moving forward. All the priorities that I know are so close to the hearts of all those who take part in parish and town councils. And I know how effective you are delivering local services. I’ve seen it over many years of engagement, and we want to make sure that there’s a simplified, standard system of local area working, but that to strengthen the ability of local authorities to work with and engage with communities, really genuinely complementing the work of town and parish councils where they exist,” –
Parliamentary Under-Secretary of State for Housing and Local Government in the Lords – Baroness Taylor of Stevenage

NALC’s Commitment to the Devolution Agenda

As the representative body for parish and town councils, NALC is actively supporting our members and county associations to help deliver the Government’s devolution agenda. In the same spirit, we will be working constructively with the Government and parliamentarians on the Bill now that it has entered Parliament.

To ensure devolution is a success, this Bill must fully recognise the role of parish and town councils as the community tier of local government.

Parish and town councils can provide a strong voice for local neighbourhoods and help address fears of remote government resulting from the establishment of new strategic and unitary authorities. By strengthening their role and expanding their coverage across all of England, the Government can ensure that devolution does not stop at the regional or sub-regional level and delivers tangible benefits for communities nationwide.

The White Paper rightly acknowledged that the Government’s programme of reform isn’t new and continues the decades-long work of governments from 1997 onwards. This includes recognition of the important role that parish and town councils play in communities, as well as support for strengthening and empowering their role through the power of well-being and the introduction of quality parish status.

In our view, the Government still has unfinished business in this space and a solid track record on which to build. This includes the Rural White Paper in 2000; development and support for the National Training Strategy; the community

empowerment agenda including the work of the Councillors Commission; parish reforms such as changing law to allow parish and town councils in London; making it easier to set up new councils increasing the number of styles of name; and the power to appoint honorary freeman.

Taken together, the White Paper and now the Bill are a welcome and positive step down the road to further devolution and empowering local communities.

However, for devolution to be successful, the Government must go even further by empowering parish and town councils and extending the model across all of England to help deliver the Government's missions and to build stronger, resilient communities.

This briefing includes a detailed analysis of key elements of the English Devolution and Community Bill. We look forward to working with Ministers and Parliamentarians as this critical piece of legislation makes its way through Parliament.

Parts 1-2: English Devolution Structures

Parts 1 and 2 of the Bill take forward the White Paper commitment to extend devolution by establishing strategic authorities.

The experience of previous rounds of devolution has highlighted an absence of engagement with parish and town councils or the relevant county association of local councils acting on their behalf, including any involvement in scrutiny arrangements.

The Bill should go further to enhance and strengthen engagement through representation on relevant stakeholder groups and the appointment of a representative of parish and town councils to the membership of the overview and scrutiny committee.

Clause 20: General Power of Competence

Clause 20 and schedule 4 would extend the general power of competence, currently available to all mayoral strategic authorities.

Parish and town councils are currently out of alignment with the rest of local government as the general power of competence is restricted to those councils who meet certain tests imposed nationally by the government.

NALC data from our network of 43 county associations suggests this is less than 20% of parish and town councils.

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 and deliver the community they want to be part of.

To further empower communities and ensure they are not held back in being able to innovate, respond to local needs and priorities, improve public services, and to help deliver the Government's missions, the Bill should go further and extend the general power of competence to all parish and town councils.

Clause 21: Power to Convene

Clause 21 would provide mayors with a power to convene meetings with local partners.

NALC and the parish and town council sector have long known that metro mayors and combined authorities have seldom engaged with the community tier of local government.

The power to convene should be strengthened to be a mandatory duty to convene and that parish and town councils must be on the list of local partners mayors must be required to engage and convene with.

Clause 33: Community Infrastructure Levy

Clause 33 extends powers of mayors and strategic authorities to charge the community infrastructure levy (CIL) which is a charge on new development.

Community Infrastructure Levy (CIL) aims to ensure communities benefit from development and support investment in local infrastructure and other priorities. Local authorities are not currently required to charge CIL and pass on a proportion of the CIL receipts – the neighbourhood share – to parish and town councils in their area. The proportion increases from 15% to 25% for an area with a neighbourhood plan in place.

The Bill should go further by requiring all local authorities to charge CIL and provide flexibility for parish and town councils in how the neighbourhood share is used.

Clause 38: Local Growth Plans

Clause 38 would require strategic authorities to produce and publish local growth plans.

These plans would have to include: an overview of the economic conditions of the area; priorities for economic growth of the area, agreed with the Government; and projects for delivering economic growth, through private or public investment.

Given parish and town councils are local leaders who know their areas best, strategic authorities should be required to involve them in the development of their growth plans and to consider their role in delivering projects including any support required such as funding and/or capacity building.

Clause 39: Grants to Local Authorities

Clause 39 provides strategic authorities with the equivalent power to ministers to pay a discretionary grant to one or more constituent authorities.

Neither the White Paper nor the Bill include funding to local councils as local leaders to help them improve their areas or to help them to improve and build capacity and capability.

Local councils are primarily funded through their small precept on the council tax. The average Band D is just £92 per year. Unlike principal authorities they do not receive revenue support grant or a share of business rates.

Furthermore, despite the growing role of parish and town councils in responding to the social, economic, and environmental needs of communities, they have not been eligible to apply in their own right for government growth funds such as the Community Renewal Fund, Levelling Up Fund, Towns Fund, UK Shared Prosperity Fund (UKSPF) or Community Ownership Fund (although this was eventually extended before it was scrapped).

Many local councils faced significant financial pressures during the Coronavirus pandemic due to additional costs, but in particular, lost income. However, government funding to support local government during the coronavirus pandemic was not passed on from principal authorities to parish and town councils. The Conservative government stated they could not fund parish and town councils directly as they had no powers to do so.

The Bill should provide ministers of the crown and strategic authorities with the power to grant fund parish and town councils.

Clause 40: Encouragement and Promotion of Visitors

Clause 40 would extend local authority powers to encourage and promote visitors for recreation or health purposes, encourage the holding of conferences, trade fairs and exhibitions, and improve facilities for these events. It would also extend powers to facilitate provision of entertainment and appropriate facilities, such as theatres, concert halls and dance halls, as well as maintenance of bands and orchestras, and promotion of the arts.

While the intention is to exercise these powers concurrently with constituent councils, it is important to recognise that parish and town councils also have similar powers but are not constituent councils.

The Bill should also require strategic authorities to engage with parish and town councils regarding the exercise of these powers.

Part Three: Local Authority Governance

Part 3 of the Bill introduces measures relating to local authorities including reorganisation and neighbourhood governance.

In NALC's view, local government reorganisation will be worthwhile if it achieves new unitary authorities of sufficient size, scale, and footprint to enable parish and town councils to be empowered and take on a bigger role where they have the will and the capacity, and for new parish and town councils to be established where they do not currently exist.

Parish and town councils and county associations of local councils have an important voice which should be listened to from the beginning of the process to create new unitary authorities. County associations should be appropriately equipped to contribute to reorganisation, along with adequate resourcing and support for parish and town councils to ensure the process has sound long and short-term benefits.

The government has said that in working up proposals for reorganisation, it expects principal local authorities to ensure engagement from parish and town councils, however in a survey of county associations nearly 60% rated that engagement as poor.

Consideration should be given to mechanisms to enable effective partnership and collaboration, including county association membership of the Joint Implementation Team; the development of a charter; dedicated parish council liaison officers; establishment of a focus group; monthly engagement with the county association; provision of training support; and county association representation on new unitary authority.

Clause 58: Neighbourhood Area Committees

Clause 58 would require local authorities to make appropriate arrangements to secure the effective governance of any area of a specified description. Regulations may require local authorities to establish specified organisational structures for the governance of neighbourhood areas.

NALC is supportive of the principles outlined in the Bill and the Government's commitment to "move decision making closer to local residents". We also

recognise that services need to be aligned more closely with the needs of communities.

Guidance published alongside the Bill states that “local authorities can still set up parish and town councils, and parish and town councils which exist now can continue. Future guidance will say how neighbourhood governance structures can work well with town and parish councils, and that parish and town councils are independent of local authorities”.

The current guidance also states that “details of the obligations on local authorities will be set out in regulations that will be made after the Bill is in force. Before those regulations are made, the Government will undertake a review as to the best way to achieve the aims including speaking to the sector to ensure they can contribute and share existing good practice”.

Parish and town councils should be empowered formally by principal authorities to work alongside and be represented on new neighbourhood area committees, with the aim of ensuring services are more intimately tied to local needs and that the work of parish and town councils is not duplicated or sidelined.

NALC welcomes clarification on the creation of new parish and town councils but seeks assurances that the creation of parish and town councils will not be blocked by the government or deprioritised in favour of other neighbourhood governance structures.

To ensure neighbourhood area committees meet the ambition set out by the Government, consideration should also be given to mechanisms to enable effective implementation and collaboration. These include minimum meeting frequency, governance responsibility, councillor allocation method, decision-making protocols, chair and vice chair elections, communication, consultation and training.

Clause 60: Right To Buy

Clause 60 extends the community right to bid system to provide a community right to buy.

NALC welcomes this measure as it has long called for this community right to be strengthened to give a community body such as a parish or town council the first refusal on the asset.

NALC also supports the introduction of a right of appeal when a nomination is unsuccessful and the new category of sporting assets of community value.

In December, the government announced that an anticipated final round of the [Community Ownership Fund](#) (COF) would not go ahead. The COF was a

£150m government-funded programme to provide grants to local communities across the UK to take control of assets, amenities or facilities at risk of closure - from parks to pubs, lidos to libraries.

NALC was bitterly disappointed that the COF was closed with £15 million still unspent. Communities across the country who had been planning their applications, including parish and town councils, were left in uncertainty as to when, or whether, a new programme will be launched.

NALC urges the Government to support the new right to buy with a successor support programme. This should comprise of longer term and more consistent funding, with a simpler application process and more accessible support, especially for the most marginalised communities, a more structured approach to supporting applicants securing match funding, and be co-designed with sector and grassroots groups.

Part 4: Local Audit

Clauses 61 to 70 provide for the establishment of a new Local Audit Office (LAO) and associated matters.

NALC has previously welcomed many of the measures the Government has proposed to fix the local audit system, which needs urgent reform. These include a local audit vision with eight core principles; establishing a statutory and independent Local Audit Office; simplifying financial reporting requirements to ensure they are proportionate; improvements to enhance capacity and capability in the local audit sector, such as the introduction of public provision; strengthening the relationship between local bodies and their auditor; and reforming the audit regime.

However, our view is the audit regime for smaller authorities largely works well and that Smaller Authorities Audit Appointments (the sector-led body established by NALC working with the government) is an extremely effective audit coordinator for audit firms appointed for smaller bodies and has worked successfully to appoint and manage audit firms. For this reason, NALC advocates that SAAA should sit outside LAO but work closely with LAO.

NALC further welcomes the Government's commitment to strengthen internal audit capacity and capability for smaller authorities and its review of the Annual Governance and Accountability Return.

Clauses 67-68: Smaller Authorities

Clause 67 would change the smaller authorities references in the 2014 Act to category 2 authorities to allow the LAO flexibility to set assurance and audit

regimes which are risk based rather than focussed on binary financial basis thresholds.

Clause 68 would permit the Secretary of State to make regulations which permit authorities that are not smaller authorities/category 2 authorities to be treated as such under certain circumstances. NALC has lobbied for this change as it will ensure smaller authorities will be subject to timely and appropriate limited assurance review.

NALC welcomes these two measures as they are improvements to the audit regime which we have already called for.

Outstanding issues

We are disappointed that the Bill does not include other proposals contained in the White Paper or further measures to give communities and parish and town councils more tools to improve their areas.

Funding

Neither the White Paper nor the Bill include funding to parish and town councils as local leaders to improve their areas or to help them to build capacity and capability.

Parish and town councils are primarily funded through their small precept on the council tax. The average Band D is just £92 per year. Unlike principal authorities, they do not receive revenue support grant or a share of business rates.

NALC's proposals include a multi-year exemption from council tax referendum principles; direct access to dedicated government funding; a share of business rates and exemption for community and cultural assets; borrowing rules extended to cover revenue spending and relaxed requirements to evidence community support; share of New Homes Bonus; CIL made mandatory; scrapping limitations and restrictions such as Section 137 of the Local Government Act 1972; simplifying grant procedures; and ensuring communities are compensated for new financial burdens.

Remote meetings and standards

NALC welcomed the White Paper commitment to give councils the flexibility to hold remote meetings and to strengthen the standards regime. These are important reforms which NALC has called for. We also welcomed and responded to subsequent consultations, which set out further details.

This is why we are disappointed that the Bill does not include measures to take these reforms forward. The Bill should be amended to make provision for remote meetings and reforms to the standards regime.

Support and Development for Councillors

Our communities thrive when people get involved, give up their time, and come together to take action on the issues they care about. This includes councillors who are the lifeblood of local democracy and the cornerstone of local government, working hard to make a real difference in their community. There are around 100,000 parish and town councillors in England – four times as many councillors than in principal authorities – all volunteering their time (over 14.5 million hours a year) and taking up civic office to provide local leadership and make decisions about improving their area.

We therefore welcomed the White Paper's recognition of the vital role of councillors as frontline community convenors. We also welcome and support the commitment to work with local authorities and the wider local government sector to develop proposals to improve support and development for councillors, as well as addressing barriers to attracting and retaining elected members. NALC stands ready to work with the Government to take this commitment forward.

Since the National Improvement Strategy for Town and Parish Councils was published in 2016, of which the Government is a signatory and partner, there has been no direct investment from the Government to support the delivery of its vision and initiatives.

This contrasts with the £19 million a year of funding for sector support provided by the Government to the Local Government Association (LGA). This has led to constraints in increasing the sector's efficiency, securing improvement, and unlocking performance that only the Government has the policy and financial levers to help with.

NALC's proposals for improving support and development for parish and town councillors include: government involvement and financial support to the current review of the Strategy; rewiring a proportion of funding from existing sector support funding directly to NALC to support the delivery of the Strategy; and reform of outdated legislation.

Accordingly, the bill should be strengthened to support councillors by reforming outdated legislation to extend both the parish basic allowance to co-opted councillors and the power for parish and town councils to pay dependent carers allowances to Councillors.

Workforce

Parish and town councils are supported by around 6,000 parish and town clerks, who, as professional officers, provide managerial leadership and work in partnership with councillors to deliver their ambitions in the first place.

Other roles in the wider workforce include deputy clerks, responsible finance officers, and staff in areas such as finance, facilities and maintenance, community development, marketing and communications, youth outreach, regeneration, economic development, tourism and markets.

The White Paper acknowledges that the local government workforce is facing widespread capacity challenges, caused by ongoing problems with recruitment and retention. Such challenges apply equally in parish and town councils, particularly the turnover of clerks.

That is why we are pleased to have recently started working with the Local Government Association to extend their ‘Work for your local council’ campaign to parish and town councils

We therefore welcome the White Paper commitment to establish a local government workforce development group. This will be run in partnership with the sector and will identify practical solutions to help resolve and improve workforce issues and promote the sector as a great place to work, while ensuring the workforce is set up for the future.

NALC urges the Government to ensure NALC is represented on this workforce development group.

NALC’s proposals for solutions to address workforce issues and promote the sector as a great place to work, while ensuring the workforce is set-up for the future, include: government involvement and financial support to the current review of the National Improvement Strategy; rewiring a proportion of funding from existing sector support funding directly to NALC to support the delivery of the Strategy; support for the delivery of a national recruitment campaign.

Neighbourhood Planning

Planning reform and housebuilding is another area where a key government mission can be supported by parish and town councils. While undoubtedly a politically difficult issue, the government rightly recognises that local people are allies not enemies in its mission to “get Britain building again” and has pledged to “ensure local communities continue to shape housebuilding in their area”.

Neighbourhood planning is a tried and tested way to do just this. It is a cornerstone of localism, empowering communities to shape the development and growth of their areas. Since its inception, over 3,000 communities have initiated neighbourhood plans, with more than 1,500 plans successfully passing referendums. The bottom up approach that neighbourhood planning allows, evidenced in [independent research](#), shows that areas with neighbourhood plans allocate more land for housing than areas without one.

The success of neighbourhood planning has been underpinned by a robust support system, including grants and technical assistance, which has enabled communities, often with limited resources, to engage meaningfully in the planning process.

NALC was bitterly disappointed at the Government's decision to withdraw funding for the support programme. This presents significant challenges for communities currently developing or considering neighbourhood plans as without access to grants and expert guidance, many groups may struggle to progress or initiate plans, potentially undermining the momentum built over the past decade.

Neighbourhood planning remains a vital tool for community empowerment and democratic engagement in planning. It contributes to local ownership of development decisions, better quality and more sustainable outcomes, stronger community cohesion and resilience

NALC urges the government to reinstate funding for the neighbourhood planning support programme.

Contact

For more information and to arrange a meeting to discuss the Bill or amendments, please contact Justin Griggs, Head of Policy and Communications via policycomms@nalc.gov.uk, or the wider team at nalc@connectpa.co.uk.

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