Local government in England: structures

Summary
1 Local government structures
2 Functions of local government
3 Elections to local government
4 Boundary changes and restructuring
5 Local government finance
6 Structures: history
Appendix: functions of local authorities in England
## Contents

### Summary

5

1 **Local government structures**

1.1 Local authorities in England 6

1.2 Fire and rescue authorities / Police and Crime Commissioners 7

1.3 Other authorities 7

2 **Functions of local government**

2.1 Intervention in local government 9

3 **Elections to local government**

3.1 Electoral systems and wards 12

3.2 Elections by halves and thirds 13

3.3 The franchise 13

3.4 Turnout 14

4 **Boundary changes and restructuring**

4.1 Creating a unitary authority 15

4.2 District council mergers 15

4.3 Structural changes since 2010 16

4.4 Government guidance 17

5 **Local government finance**

5.1 Sources of finance 19

  - Council tax 19
  - Business rates 19
  - Central government grants 20
  - Local fees and charges 20

5.2 The Local Government Finance Settlement 20

  - Funding included 20
  - Annual practice 21
Local government in England: structures

6 Structures: history 22

6.1 Pre-1972 22
6.2 The 1972-74 reforms 22
6.3 Structural changes since 1972 23

Appendix: functions of local authorities in England 25
Summary

This note contains basic details of the structure and functions of English local government. It outlines the system of counties, districts and unitary authorities, and other bodies such as fire and rescue authorities, combined authorities, and Police and Crime Commissioners.

Section 3 explains the system of local government elections, including the systems of electing by ‘halves’ and ‘thirds’ used in many local authorities. It also provides details of the local government franchise (those eligible to vote).

Section 4 provides details of the legal process for structural change in English local government. The Appendix provides a breakdown of the division of responsibilities between county and district councils in two-tier areas.

Section 5 provides brief details of the financing of English local government, including an explanation of the annual Local Government Finance Settlement. Additional details can be found in the Library briefing Local government finances, and details of the 2020-21 settlement process can be found in the Library briefing on the Local Government Finance Settlement 2020-21.

Section 6 provides some historical information about the development of local government in England.
1 Local government structures

1.1 Local authorities in England

The systems of local government in each part of the UK have developed separately, though often in parallel. This note focuses on local government in England: local government is devolved to Scotland, Wales and Northern Ireland. It outlines the structure and functions of English local government, together with elections and historical development.

English local government is divided in some areas into county councils (the upper tier) and district councils (the lower tier). A major reform in 1972 established county and district councils throughout England, Wales and Scotland (excluding three Scottish island authorities). Since then, unitary authorities have been established in a number of areas. The creation of unitary authorities has frequently been contingent on Government policy, or local initiative, at a given time, rather than any fixed rationale relating to local economy, geography or identity.

The two tiers have distinct functions, though they overlap in some matters. Where unitary authorities exist, they carry out all local government functions. As of April 2021, there are 333 local authorities in England, of which 24 are county councils, 181 are district councils, and 128 are single-tier authorities. Of the latter, 33 are London boroughs and 36 are metropolitan boroughs.¹

Some single-tier councils and district councils are known as ‘borough’ or ‘city’ councils. These are honorific titles: they do not constitute different types of council, and their use does not affect the powers available to the council. They signify that the council, or one or more of its predecessor councils, has been granted borough or city status by the monarch at some point in the past.

Additionally, a further tier of parish and town councils exists in some parts of England (see the Library briefing paper Parish and town councils: recent issues): these number some 10,000 across England. District, county and unitary authorities are sometimes referred to as ‘principal councils’ to distinguish them from parish and town councils, whilst parish and town councils sometimes refer to themselves as ‘local councils’ to distinguish themselves from principal councils.

¹ These figures take account of structural changes in 2020-21 in Dorset, Northamptonshire and Buckinghamshire.
Wales has 22 unitary authorities (also known as county councils or county borough councils), and Scotland has 32 unitary authorities. Both Wales and Scotland also contain ‘community councils’, roughly equivalent to parish and town councils in England. As of 2014, Northern Ireland has 11 district councils, but does not have (and has never had) an equivalent to parish and town councils.

1.2 Fire and rescue authorities / Police and Crime Commissioners

There are 45 fire and rescue authorities in England (including the London Fire Commissioner) and three in Wales. Some are ‘combined fire authorities’, covering more than one upper-tier local authority area. Others cover a single upper-tier area, in which case they are often a department of the county or unitary authority.

There are 38 Police and Crime Commissioners (PCCs) in England, including the Mayor of London, plus four in Wales. Police and Crime Commissioners are directly-elected, with elections taking place in 2012, 2016 and 2021.

PCCs have the power to take on responsibility for fire and rescue in their area. As of August 2021 this has taken place in Essex, North Yorkshire, Northamptonshire and Staffordshire. In addition, the directly-elected mayoralties in Greater London, Greater Manchester and West Yorkshire are responsible for both functions.

In England, the boundaries of each of these types of authority are mostly based on the county areas established under the Local Government Act 1972 (see section 5.2 below).

Both Scotland and Northern Ireland have a single fire and rescue service and a single police service, and no directly-elected PCCs.

1.3 Other authorities

The Common Council of the City of London, and the Council of the Isles of Scilly, are often described as ‘sui generis’ (unique) authorities. In functional terms they are unitary authorities, despite their very small populations (they are included in the figures given in section 1.1 above). It is common for Acts of Parliament to mention specifically that they extend to each of these areas.

The Greater London Authority exercises a range of functions in transport, policing, planning, fire and rescue, housing and economic development. It is not a local authority for most purposes and is not included in the figures in section 1.1. In other parts of England, central government manages some of
the functions that it undertakes for London. Further details can be found in the Library briefing paper CBP05817, The Greater London Authority.

Ten combined authorities have been established in England via the Local Democracy, Economic Development and Construction Act 2009. These are not local authorities but joint legal bodies through which groups of authorities can work together. They too are not included in the figures in section 1.1. Further information is available in the Library briefing paper Devolution to local government in England.

Local authorities may establish joint waste authorities under section 205 of the Local Government and Public Involvement in Health Act 2007. Four have been established in London (West London, North London, Western Riverside, and East London) with others in Greater Manchester (excluding Wigan) and Merseyside. The Greater Manchester Combined Authority absorbed the waste authority on 1 April 2018.
Functions of local government

A breakdown of the functions of county and district councils in two-tier areas can be found in the Appendix. Councils in single-tier areas undertake all of these functions. Some are ‘concurrent’ responsibilities, which may be undertaken by either tier of government.

Under section 101 of the Local Government Act 1972, counties and districts are at liberty to agree to undertake functions for one another. If they do so, the responsibility for the function remains with the council to which it belongs in law.

Many public services are delivered by national organisations that are not accountable to local government. Examples include health services (via the NHS), welfare benefits and employment services, probation, and prison services.

Many further national organisations have been established by Government to carry out functions and/or distribute funding, but they are not accountable to local government. Examples include the Environment Agency, Natural England, the Homes and Communities Agency, Highways England, the Arts Council, the Skills Funding Agency and the Education Funding Agency. Many local authorities will have working relationships with them, but these bodies are accountable to their sponsoring central government department. They are often known as non-departmental public bodies (NDPBs), or ‘quangos’.

All parts of England are covered by (at least) one Local Enterprise Partnership. These are voluntary bodies, established in 2010-11 to co-ordinate economic development and growth policy in local areas. They have a close working relationship with local authorities (and any combined authority) in their area, frequently with councillors sitting on their management boards, but they are not formally accountable to local authorities. Further details can be found in the Library briefing paper Local Enterprise Partnerships.

Intervention in local government

In England, the Government has broad legal powers to intervene in the running of a local authority, which permit the takeover of any local functions by the Secretary of State or appointees. Intervention takes place under section 15 (6) of the Local Government Act 1999.

Formal Government interventions in the running of local authorities are rare. Each intervention begins with a formal direction notice. Typically powers are
returned to the local authority after a period of years, although they may not all be returned at once.

The circumstances of each intervention have differed. For instance, the Government intervened in Rotherham MBC in the light of a report on child sexual exploitation in the borough by Dame Louise Casey. The intervention in LB Hackney was focused on social services, education and waste management.

As of May 2021, nine interventions have taken place under the 1999 Act:

2. Hull City Council (2003-2006)
3. Stoke-on-Trent City Council (2008-2010)
4. Doncaster Metropolitan Borough Council (2010-2014)
7. Anglesey Council (2009-2013: intervention by Welsh Government)
8. Northamptonshire County Council (2018-2021)
9. Liverpool City Council (2021-24)

In each case, the Secretary of State (the Welsh Ministers in Wales) appointed ‘commissioners’ to take over certain functions of the councils in question. The breadth of commissioner responsibilities has varied between the interventions.2 The Communities and Local Government Committee examined two interventions in its 2016 report Government interventions: the use of Commissioners in Rotherham and Tower Hamlets.

‘Non-statutory’ interventions have also taken place in Birmingham City Council (the Birmingham Independent Improvement Panel, 2015-19), the Royal Borough of Kensington and Chelsea (the Independent Grenfell Recovery Taskforce, 2017-20), and Nottingham City Council (2020-present).

A joint report from MHCLG and Birmingham City Council stated that the participants “regard this model as having been successful in Birmingham, with opportunities for application elsewhere. Fundamentally, this model will only work where a host council accepts the need for change, takes collective responsibility for legacy failings and wants to pro-actively improve”.3

There is no fixed policy governing when the Government should intervene in a local authority. However, in May 2020 the Government published a guidance note outlining the Government’s approach to best value inspections and statutory interventions.4 The guidance notes that a Best Value inspection (see

---

2 See Clive Grace, Steve Martin, Tim Allen and Mike Bennett, evidence to Communities and Local Government Committee, June 2016
4 MHCLG, Statutory intervention and inspection: a guide for local authorities, May 2020
sections 10-13 of the [Local Government Act 1999](https://www.legislation.gov.uk/ukpga/1999/28) may precede an intervention, but that this is not a statutory requirement:

If, based on the evidence, the Secretary of State is satisfied that the authority is failing to comply with the best value duty, officials will issue a “minded to” letter to the authority setting out proposals for an intervention. Although this often means the appointment of Commissioners, it is important to stress that the Secretary of State’s powers also make provision for alternative actions such as directing the council to carry out certain actions (such as preparing and implementing an improvement plan or making certain appointments). …The authority, and other interested parties, will have the opportunity to make representations on the Secretary of State’s proposals (generally 10 working days).^5

The Government’s guidance note also explains the circumstances under which a Best Value inspection will be commissioned. An inspector will be appointed via a letter of appointment, and details provided via a Written Statement in both Houses of Parliament. The local authority must pay all reasonable costs of an inspection.

The note also provides details of the role of commissioners once an intervention is under way, and the process of ending an intervention.

In June 2020, the Government published a short note outlining lessons learned from recent interventions.^6 This covered matters such as corporate and political leadership, cultures of poor behaviour within a local authority, and scrutiny and transparency. In July 2020 the Government published a further ‘lessons learned’ document written by the commissioners appointed to Northamptonshire County Council in 2018.^7

---

5 Ibid., p11  
3 Elections to local government

3.1 Electoral systems and wards

Local authorities in England and Wales use the First Past the Post electoral system. Local authorities in Scotland and Northern Ireland use the Single Transferable Vote, with multi-member wards. ⁸

Local authorities are divided into wards, represented by councillors. Wards are based on parish areas where they exist. The Local Government Boundary Commission for England carries out ‘electoral reviews’, of ward boundaries in England, as it sees fit. Up to 2009 there was a statutory requirement for every authority to be reviewed every 10-15 years. ⁹ Currently, reviews take place at the discretion of the Commission. ¹⁰ Its current practice was outlined in a response to a Parliamentary Question in February 2019:

The [Boundary] Commission administers a rolling programme of electoral reviews and can include local authorities if they meet one or more of the following criteria:

- If a council has high levels of electoral inequality, where some councillors represent many more, or many fewer, voters than the average for the local authority area. The Commission targets authorities where the number of electors in 30% or more wards or divisions varies from the average of the council by 10% or more. Where one ward or division varies by 30% or more, the Commission will also consider carrying out a review. In both cases, the Commission will carry out a review if it believes the variances will not be corrected, without a review, within a reasonable period of time.

- If a council has not undergone an electoral review in more than 12 years.

- Where the Commission has been asked to carry out an electoral review. ¹¹

---

⁸ See the Library standard note Voting systems in the UK for further details of each of these.
¹¹ House of Commons PQ 222690 2017-19
Ward boundaries are required to take account of community identity and the need to achieve ‘effective and convenient local government’. There is no requirement for ward boundaries to take account of Parliamentary constituencies, though county ward changes should have regard to district wards and vice versa.

Ward boundary reviews are an entirely separate process from structural reviews, which are used to create new unitary authorities and/or to merge existing councils (see section 4 below).

Some local authorities have single-member wards, whilst others have multi-member wards. In each case, under the First Past the Post system, voters can vote for as many councillors as there are vacant seats. Therefore, if all three members of a three-member ward face re-election on the same date, the elector will have three votes. The major political parties commonly put forward as many candidates as there are seats available in the ward. It is common for all councillors in a multi-member ward to come from the same party.

3.2 Elections by halves and thirds

Some local authorities elect ‘by thirds’. Each councillor serves a four-year term, with elections held for one-third of councillors each year, followed by a fourth year with no elections. This pattern is common in metropolitan councils, and it is also used in some district councils, with the fourth year being used for the county council elections. A small number of councils elect by halves (half of the councillors retiring every two years). In such councils, it is possible for the political balance – and hence the council leadership - to change at each election.

The Government has published a list of councils and their electoral patterns.

A council electing by thirds or by halves may resolve to change its electoral cycle so that all councillors are elected every four years. A council cannot make the opposite change – i.e. moving from full elections to electing by thirds or by halves – unless it is reverting to a pattern of electing by thirds or by halves that it has used in the past. A two-thirds majority of all councillors voting is required for either of these changes.

3.3 The franchise

Individuals who are citizens of the UK, Republic of Ireland, a Commonwealth country or a member state of the European Union and who are 18 years old or

---

12 See Local Government and Public Involvement in Health Act 2007, s31-36.
13 Ibid., s37-52.
over, and resident in the UK, may register to vote in local elections in the UK. In Scotland and Wales, the voting age for local and devolved elections is 16 years or over.

### 3.4 Turnout

Turnouts for UK local government elections have long been far lower than those for general elections. Despite some claims to the contrary, this is not a recent phenomenon but can be traced back to the establishment of UK local government. Average turnouts in UK local elections have varied between 30% and 45% since 1980, except for local elections which coincide with Parliamentary elections, which typically attract a similar turnout to Parliamentary elections. More detailed figures are available in the Library standard note [Elections: turnout](SN01467).
4 Boundary changes and restructuring

4.1 Creating a unitary authority

The procedure for the creation of a unitary authority can be found in sections 1-7 of the Local Government and Public Involvement in Health Act 2007.

The Secretary of State can ‘invite’ a proposal from a local authority to make a proposal for a county or district, or group of districts, to become unitary. The Local Government Boundary Commission for England (LGBCE) can be, but need not be, asked for advice on any matter related to the proposal. Regulations may be made covering how local authorities should go about preparing their proposal. The Secretary of State may then make an order implementing the proposal, or s/he may reject the proposal.

The regulations must be approved by both Houses of Parliament. In practice, such regulations are normally debated in the Lords but not in the Commons.

In October 2020, the Government invited proposals for unitary restructuring from councils in Cumbria, North Yorkshire and Somerset. In July 2021 the Government’s response to consultation proposed to create two unitary councils in Cumbria and a single unitary council in each of Somerset and North Yorkshire.

The Government has published guidance indicating the criteria on which it would assess proposals for mergers or restructuring (see section 4.4 below). This replaces previous guidance which applied to the 2007-09 ‘round’ of restructuring. 14

More information on debates around unitary restructuring can be found in the Library briefing paper Unitary local government.

4.2 District council mergers

Where two district councils wish to merge into a single district council, a separate procedure exists, in sections 8-10 of the 2007 Act. Under this procedure, the LGBCE may undertake a review at the request of the Secretary of State or of a local authority. The review may propose boundary changes, including the alteration of a boundary, the abolition of a ‘local government

14 DCLG, Invitation to councils in England to make proposals for future unitary structures, 2006
area’ (i.e. a council area), and the constitution of a new local government area.

This legal procedure would also be used to implement a proposal to divide a council into two or more councils, or to ‘return’ a unitary authority to a county council that it once formed part of. However, there have been no examples of those two types of change since the 1972 reorganisation. The trend in recent decades has been towards larger rather than smaller units, as reflected in the Government’s current criteria for structural change (see section 4.4 below).

The creation of new parish councils is also a separate legal procedure. This takes place under part 4 of the Local Government and Public Involvement in Health Act 2007. Further details can be found in the Library briefing paper Parish and town councils: recent issues.

There is no legal procedure to ‘promote’ a parish or town council to become a district council or unitary authority. Any attempt to create a new district council would have to take place under the procedure outlined above. There would be no formal role for a pre-existing parish or town council.

4.3 Structural changes since 2010

The following changes have taken place to local authority boundaries in England since 2010. The first three new councils in the table below are merged district councils, and the remainder are new unitary authorities. The net effect has been to increase the number of unitary authorities by three, to decrease the number of district councils by 17, and to decrease the number of county councils by three (as Buckinghamshire and Dorset are now regarded as unitary authorities rather than county councils).
Other proposed mergers have not gone ahead: for instance, a merger between Babergh and Mid-Suffolk district councils was postponed in early 2018, and a proposal for a merger between West Devon and South Hams district councils was abandoned in October 2017.

### 4.4 Government guidance

The then Secretary of State, James Brokenshire, made a written statement on 22 July 2019 which set out the criteria used by the Government to assess requests for restructuring and for district council mergers. Those criteria are in line with a statement made on 7 November 2017 by the then Secretary of State, Sajid Javid. They are also in line with guidance provided to councils in Northamptonshire following the publication of the Caller report in February 2018.

Section 15 of the **Cities and Local Government Devolution Act 2016** gives the Secretary of State general powers to disapply the provisions of the 2007 Act in respect of boundary change. The initial aim was to provide an expedited procedure for creating unitary authorities alongside a ‘devolution deal’, if this was desired locally.

---

HCWS 1790 2017-19, 22 July 2019  
HCWS 232 2017-19, 7 Nov 2019  
MHCLG, *Invitation to submit a proposal for a single tier of local government in Northamptonshire*, 27 Mar 2018. For more information on the events leading up to reorganisation in Northamptonshire, see the Library briefing *Local authority financial resilience*.  

---

<table>
<thead>
<tr>
<th>New council</th>
<th>Predecessor councils</th>
<th>Date of first elections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somerset West &amp; Taunton</td>
<td>Taunton Deane DC, West Somerset DC</td>
<td>2019</td>
</tr>
<tr>
<td>East Suffolk</td>
<td>Suffolk Coastal DC, Waveney DC</td>
<td>2019</td>
</tr>
<tr>
<td>West Suffolk</td>
<td>Forest Heath DC, St Edmundsbury DC</td>
<td>2019</td>
</tr>
<tr>
<td>Bournemouth, Christchurch and Poole</td>
<td>Bournemouth, Poole, Christchurch DC, Dorset CC (part)</td>
<td>2019</td>
</tr>
<tr>
<td>Dorset</td>
<td>Dorset CC (part), East Dorset DC, West Dorset DC, North Dorset DC, Purbeck, Weymouth &amp; Portland</td>
<td>2019</td>
</tr>
<tr>
<td>Buckinghamshire</td>
<td>Buckinghamshire CC, Wycombe DC, Chiltern DC, South Bucks DC, Aylesbury Vale DC</td>
<td>2021 (postponed from 2020)</td>
</tr>
<tr>
<td>West Northamptonshire</td>
<td>Daventry DC, South Northamptonshire DC, Northampton BC, Northamptonshire CC (part)</td>
<td>2021 (postponed from 2020)</td>
</tr>
<tr>
<td>North Northamptonshire</td>
<td>Corby BC, Kettering BC, Wellingborough BC, East Northamptonshire DC, Northampton CC (part)</td>
<td>2021 (postponed from 2020)</td>
</tr>
</tbody>
</table>
The 2016 Act permitted this disapplication only where the ‘relevant authorities’ consent – i.e. those which would be directly affected by a proposal. A section of the Act permitting restructuring where only one of the affected authorities consented expired on 31 March 2019.

The 2019 changes in Dorset also featured regulations under section 15 which gave retrospective authority to the Dorset local authorities to make a proposal without a formal invitation. ¹⁸

¹⁸ See the draft Dorset (Structural Changes) (Modification of the Local Government and Public Involvement in Health Act 2007) Regulations 2018
Local government finance

Local government finance is extremely complex. This section of the paper presents a very brief framework of the key sources of funding and procedures for allocating funds to local authorities.

5.1 Sources of finance

English local authorities have four principal sources of finance, as follows. The bulk of the funds from these sources is not ‘ring-fenced’ – i.e., local authorities can spend the money as they choose.

**Council tax**

Local authorities set their own levels of council tax and retain all of the revenues locally. Council tax bands are fixed by the Government, and properties are allocated to the bands by the Valuation Office Agency (VOA). Annual rises in council tax are subject to ‘referendum principles’ set by the Secretary of State (see the Library briefing Council tax: local referendums).

**Business rates**

Local authorities collect business rate revenue. Some of this is retained locally, some passed to central government, and some redistributed within the sector (see the Library briefing Business rates). The Government intends the sector to retain a larger proportion of rate revenue in the future (“75% business rate retention”: see the Library briefing Reviewing and reforming local government finance). This was to have been introduced from the 2019-20 financial year, but it has now been postponed.

Currently, local government as a whole retains 50% of business rates revenue (the ‘local share’), with the other 50% being passed to central Government (the ‘central share’). The ‘local share’ is subject to a system of redistribution between authorities (the ‘tariff and top-up’ system). In short, areas with high rate revenues pay a ‘tariff’ in, and areas with low rate revenues receive a ‘top-up’ out. Additionally, a number of areas have piloted local retention of 100% of rate revenue from 2017 onwards.
Central government grants

Central government passes a number of grants to local authorities. The largest is the annual Revenue Support Grant (RSG). This grant is not ring-fenced.

Some additional grants are ring-fenced (e.g. the Public Health Grant). Others are not, and may be spent as local authorities choose (e.g. the New Homes Bonus, Rural Services Delivery Grant). Each of these grants are distributed between authorities according to separate criteria.

Local fees and charges

Local authorities have hundreds of powers to charge fees for services provided. In most cases, fees must not exceed the cost of providing the service, and in many cases fee levels are set nationally. The income is retained locally but must be treated as a contribution to the provision of the service for which it is paid. Thus it is not treated as a separate source of revenue in local government accounts.

Local authorities may also receive commercial income deriving from their ownership of assets, or from investments.

5.2

The Local Government Finance Settlement

Funding included

Each year, levels of central government grant for local authorities in England are decided via the annual Local Government Finance Settlement. This involves the setting of redistribution provisions for business rates revenue (‘tariffs’ and ‘top-ups’) and the fixing of Revenue Support Grant levels. These sums, together with a few smaller grants are known as an authority’s Settlement Funding Assessment (SFA).

The annual settlement covers all county, district and unitary authorities in England, plus fire and rescue authorities and the Greater London Authority. It has also recently included mayoral combined authorities.

Police and education funding are not included in the annual settlement. Nor are figures for housing benefit (which is administered by local government to central government requirements). However, some central government statistical publications list all of these lines of funding as elements of ‘local government funding’.

The funding mentioned here solely consists of revenue funding. Local authorities also receive annual allocations of capital funding, which must be...
Local government in England: structures

Local government finance is devolved to Scotland, Wales and Northern Ireland. In each of the devolved territories, the devolved legislature operates a comparable annual procedure, though with differences regarding the funds included.

Annual practice

The Government is required by statute to publish Revenue Support Grant allocations annually, and the House of Commons must approve the settlement. Practice in recent years has been for a draft settlement to be published in mid-December, and a final settlement in early to mid-February, before the start of the relevant financial year in April. The Library published a briefing paper on the Local Government Finance Settlement for 2020-21.

In December 2015, the Government published indicative funding levels for the following four financial years (2016-20). Local authorities were given the opportunity to ‘sign up’ to a four-year settlement:

The Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. As part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. Councils should also use their multi-year settlements to strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.

Funding levels for individual authorities agreed at this time can be found on the website of the Department for Communities and Local Government (DCLG). At the time of writing, there have not been any multi-year settlements since 2020.

It is commonplace for funding streams to be transferred in and out of the finance settlement each year. This makes it difficult to provide meaningful figures for how much an individual authority’s funding has risen or fallen over several years, as it is not possible to directly compare like with like. The four-year settlement between 2016 and 2020 is an exception to this: but in other years, the Government has published adjusted figures for the current year alongside the forthcoming settlement to allow direct comparison to be made.

---

20 See sections 78 and 78A of the Local Government Finance Act 1988. The law is silent on what happens if the House of Commons fails to approve the settlement.
21 DCLG, The provisional Local Government Finance Settlement 2016-17 and an offer to councils for future years, December 2015, p. 24
22 See the spreadsheet entitled Core Spending Power: supporting information.
6 Structures: history

6.1 Pre-1972

Elected county councils were established in England and Wales by the Local Government Act 1888, and district councils by the Local Government Act 1894. A number of larger towns and cities were permitted to opt out from county government under the 1888 Act: these became 'county boroughs'. The 1888 Act included criteria through which authorities could apply for county borough status in the future. Similar structures were introduced by the Local Government (Ireland) Act 1898 and the Local Government (Scotland) Act 1889.

6.2 The 1972-74 reforms

The Local Government Act 1972 reorganised the whole of England (except London) and Wales into a two-tier structure, with 45 county councils as upper-tier authorities and 332 district councils as the lower tier. Six of the counties, and 36 of the districts, were ‘metropolitan counties’ and ‘metropolitan boroughs’ respectively: the division of functions between the two tiers in metropolitan areas was different to that in non-metropolitan areas. In addition, London was governed by the Greater London Council (GLC) and 32 London boroughs.

Immediately prior to the reorganisation, England had 46 county councils, 79 county boroughs, 32 London boroughs, 449 urban districts, 227 metropolitan boroughs, and 410 rural districts. The changes came into effect on 1 April 1974.

The six ‘metropolitan counties’ all covered newly-constituted geographical areas, with most including parts of two or three traditional county areas. Their boundaries took strong account of ‘functional economic geography’ – essentially unifying cities with their economic hinterlands. Metropolitan counties handled police, fire, passenger transport, waste disposal, economic development and land-use planning. These counties were abolished by the Local Government Act 1985, following the Conservative government’s 1984 white paper Streamlining the Cities.

An equivalent reorganisation took place in Scotland under the Local Government etc. (Scotland) Act 1973, which replaced 33 counties, 197 burghs

---

23 Lord Redcliffe-Maud, Royal Commission on Local Government, 1968, p. 21
and 196 district councils with nine regional councils, 53 district councils, and three unitary authorities (Orkney, Shetland and the Western Isles). The Local Government Act (Northern Ireland) 1972 replaced 55 district councils, two counties, six county boroughs and ten boroughs with 26 district councils in Northern Ireland.

London had previously been reorganised under the London Government Act 1963, with changes taking effect in 1964. This Act introduced one county council, 32 boroughs, and left the City of London untouched. The area covered by the new Greater London Council had previously been covered by the London County Council (with 28 boroughs, smaller than the current ones), Middlesex County Council, and a patchwork of municipal boroughs and urban district councils.

A number of local authorities were permitted to retain the title of ‘borough council’ or ‘city council’ following the 1972 reforms, despite taking on the status of a district. These are honorific titles and have no implications for these authorities’ functions.

6.3 Structural changes since 1972

A number of further reforms to local authority structures have taken place since 1972 (see the Table below; see also the table in section 4.3). The overall effect has been to reduce the overall number of authorities and councillors, and to move further towards a pattern of unitary authorities and a move away from the two-tier structure of the 1972 reforms.24

---

24 See Office for National Statistics, Historical boundary change, for details of changes up to 1998; Office for National Statistics, United Kingdom: Local Authority Districts, Counties and Unitary Authorities, 2012, for subsequent changes.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>Abolition of the six metropolitan county councils and the Greater London Council, passing some of their functions to joint boards and some to borough councils in their areas</td>
</tr>
<tr>
<td>1994</td>
<td>Replacement of two-tier structure in Scotland and Wales with 32 and 22 unitary authorities respectively</td>
</tr>
<tr>
<td>1996-98</td>
<td>Creation of 46 new unitary authorities across England</td>
</tr>
<tr>
<td>2003-04</td>
<td>Proposals for unitary authorities in the North-East, Yorkshire &amp; Humber and North-West regions, accompanying plans to introduce elected regional assemblies in the North of England. Neither plan succeeded.</td>
</tr>
<tr>
<td>2007-09</td>
<td>Creation of nine new unitary authorities across England, in an application-based process</td>
</tr>
<tr>
<td>2014-15</td>
<td>Merger of 26 district councils into 11 larger district councils in Northern Ireland. Proposals for the merger of 22 unitary authorities in Wales into 10-12 larger unitary authorities</td>
</tr>
<tr>
<td>2019-</td>
<td>Ad hoc merger of local authorities in England</td>
</tr>
</tbody>
</table>
### Appendix: functions of local authorities in England

<table>
<thead>
<tr>
<th>Function</th>
<th>Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and recreation</td>
<td>County / district</td>
</tr>
<tr>
<td>Births, deaths and marriage registration</td>
<td>County</td>
</tr>
<tr>
<td>Building regulations</td>
<td>District</td>
</tr>
<tr>
<td>Burials and cremations</td>
<td>District</td>
</tr>
<tr>
<td>Children's services</td>
<td>County</td>
</tr>
<tr>
<td>Coastal protection</td>
<td>District</td>
</tr>
<tr>
<td>Community safety</td>
<td>District</td>
</tr>
<tr>
<td>Concessionary travel</td>
<td>County</td>
</tr>
<tr>
<td>Consumer protection</td>
<td>County</td>
</tr>
<tr>
<td>Council tax and business rates</td>
<td>District</td>
</tr>
<tr>
<td>Economic development</td>
<td>County / district</td>
</tr>
<tr>
<td>Education, including special educational needs, adult education, pre-school</td>
<td>County</td>
</tr>
<tr>
<td>Elections and electoral registration</td>
<td>District</td>
</tr>
<tr>
<td>Emergency planning</td>
<td>County</td>
</tr>
<tr>
<td>Environmental health</td>
<td>District</td>
</tr>
<tr>
<td>Highways (not trunk roads), street lighting and traffic management</td>
<td>County</td>
</tr>
<tr>
<td>Housing</td>
<td>District</td>
</tr>
<tr>
<td>Function</td>
<td>Tier</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Libraries</td>
<td>County</td>
</tr>
<tr>
<td>Licensing</td>
<td>District</td>
</tr>
<tr>
<td>Markets and fairs</td>
<td>District</td>
</tr>
<tr>
<td>Minerals and waste planning</td>
<td>County</td>
</tr>
<tr>
<td>Museums and galleries</td>
<td>County / district</td>
</tr>
<tr>
<td>Parking</td>
<td>County / district</td>
</tr>
<tr>
<td>Passenger transport (buses) and transport planning</td>
<td>County</td>
</tr>
<tr>
<td>Planning</td>
<td>County / district</td>
</tr>
<tr>
<td>Public conveniences</td>
<td>District</td>
</tr>
<tr>
<td>Public health</td>
<td>County</td>
</tr>
<tr>
<td>Social services, including care for the elderly and community care</td>
<td>County</td>
</tr>
<tr>
<td>Sports centres, parks, playing fields</td>
<td>District</td>
</tr>
<tr>
<td>Street cleaning</td>
<td>District</td>
</tr>
<tr>
<td>Tourism</td>
<td>County / district</td>
</tr>
<tr>
<td>Trading standards</td>
<td>County</td>
</tr>
<tr>
<td>Waste collection and recycling</td>
<td>District</td>
</tr>
<tr>
<td>Waste disposal</td>
<td>County</td>
</tr>
</tbody>
</table>
The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:

commonslibrary.parliament.uk

@commonslibrary