

Local Government Association annual conference 2020

Good afternoon everyone. It goes without saying that we've been living through some extraordinary times. The fact that as a country we've risen to meet them is down in no small part to many of the extraordinary people joining us on the line today.

I think back to the comments that The Queen made on VE day when she said that "We are still a nation [that] those brave soldiers, sailors and airmen would recognise and admire".

I've no doubt that when she said that, The Queen was speaking in part about your staff in councils and about your communities. You and your staff really are the unsung heroes who have worked tirelessly to get us through the crisis.

From protecting vulnerable people, to keeping essential public services going, like bin collections, mobilising hundreds of thousands of volunteers, keeping schools open for the children of key workers and the vulnerable, keeping our parks open, you have made such a huge contribution to our national effort.

And I want to say on behalf of the Prime Minister and the whole government a big thank you to you which I hope you in turn can pass onto everyone who works in each of your councils.

And now that we look to the future, the the heroes of the pandemic are becoming the heroes of our national recovery...

...with businesses starting up again, with high streets in your communities and mine beginning to spring back to life, housebuilding and construction projects starting again, places of worship reopening and life events like weddings beginning once again in the month of July.

More broadly, people, in the length and breadth of the country, beginning enjoy the freedoms that we took for granted before COVID-19 and which for perfectly understandable reasons had to be curtailed.

I don't think in my lifetime I can think of another occasion on which local councils have never played a more important and more central role in the life of the country and our national mission than over the course of the last few months.

So I want to begin by saying how incredibly grateful all of us in government are for everything that you've been doing – for working with us so closely to achieve some remarkable feats for which you should be rightly proud. Things that in normal times might have taken years to achieve, have been done in a matter of weeks.

Some of those have truly been silver linings in the dark cloud of COVID-19. I think in particular about your work in helping almost almost 15,000 vulnerable people, many of whom were sleeping rough at the start of the pandemic, into safer accommodation, which has undoubtedly protected hundreds, if not thousands, of people's lives.

And now, your work on that mission to ensure those people don't go back onto the street. That as many of them as possible can be moved into better, move on accommodation, using some of the funding that we agreed forwards, to buy 6,000 new units in all part of the country. Creating a new national asset of move-on accommodation akin to the one created by my predecessor many years ago, George Young in the 1990s.

Instances like that show what local government adds to this country and how important it is that we have a strong and productive relationship between central and local government. When we do, we can really achieve great things.

It's meant that – through your hard work we've been able to get the extra funding we've provided for other important missions. Like, for example, on domestic violence – something that I care very much about and have wanted to ensure that we have the protections in place through the legal changes we're making in the longer term in Parliament at the moment, which will require practical implementation on the ground.

It's meant a huge effort to support hundreds of thousands of small and medium-sized businesses – 800,000 in total.

I've been inspired by everything you have done in partnership with the voluntary sector in your communities. For example, supporting the clinically extremely vulnerable who have been shielding...

...from the tailored food boxes that you helped to deliver, complementing the national food boxes that we've been delivering, to the mental health support, the check in and chat services, that have been done in all parts of the country. As a result of that effort and the more than 3 million food boxes that have been delivered, we've helped to shield and to protect millions of people through the pandemic and undoubtedly, as a result of that, to save people's lives.

I've been very touched by the emails and messages that I've received, and my Department has, which has been people across the country showing their thanks for that work. Sometimes thanking central government for the food boxes that we've delivered, but very often giving thanks for the personal support that you've provided to those individuals.

One of the most poignant moments for me was receiving an email from a 5-year-old boy from Corby, called Kaydyn, who lives with cystic fibrosis, and he and his mother were shielding and relying upon the food boxes that had been delivered and the support from their local council.

I remember that a week later, Kaydyn received a call from Prince William – the Duke of Cambridge – and they spoke about the shielding programme. I will

never forget how happy he was to receive that call and grateful for the support that his local council, working in harmony and productive partnership with central government, had managed to achieve to help him and his mum.

And, from speaking to colleagues across the country here in Parliament, I know there are countless other examples where people have come together and gone the extra mile and achieved great things for their communities...

...through small acts of kindness and courage. Small acts that together have made a huge difference.

But I wanted to say that the current situation in Leicester clearly reminds us there's no room for complacency – it's an echo of the difficult days we faced at the height of the pandemic and a reminder that there's still a great deal of work to be done to weather the storms of the pandemic.

That we in central government you in local government still have a big task to work together to get the country through this. I'm going to say a bit more in a moment about Leicester and about how we're going to work, I hope productively, on local lockdowns in the future.

Finance (COVID-19)

I'm under absolutely no illusion about the profound impact this emergency has had on local government – both personally, with the huge effort that councillors and officers have put in, but also financially.

I said – as did the Chancellor Rishi Sunak – at the start of the crisis that we would ensure councils have the resources that you need to weather this storm – and I meant it and I know that the Chancellor meant it as well

I said I would champion your cause in government, that I would fight your corner – and I meant it.

Since the start of the crisis, we have provided more than £27 billion to get councils, local businesses and communities through COVID-19...

...including £3.8 billion of new funding to councils...

... over £20 billion in support for local businesses, including pausing business rates and offering the additional grant funding that councils have been so superb in getting out to the front line...

...over £5 billion in cashflow support for councils ...

...£105 million to support rough sleepers...

...and £500 million in council tax hardship funds to offer absolutely vital economic support to the most vulnerable.

But I think it's important not to get lost in these large numbers – there are individual stories behind each of these figures.

I think of my own constituency and the hard work my local council has put in in Newark and Sherwood, like Beaumont House Hospice in Newark. They have been able to access small business grants to keep their charity shops going, and have been supported by fund specifically made available from the government.

I think of victims of domestic abuse in my local constituency like our local refuge, which has been able to weather the storm and to put in place extra capacity so that as lockdown eases and more victims of domestic abuse require housing and support the funding and capacity should be there. And if it isn't, there's more work for us to do in the future to make sure to make the funding available.

COVID-19 expenditure

From discussions that I've had over the past few weeks, I appreciate the very clear concern from councils the future. Many councils are worried about the financial burdens of COVID-19 and I want to provide the certainty and the stability that you need to plan for the rest of the financial year.

That's why today I am announcing the next stage of our plan, and this, I hope, will provide you with that certainty and provides for the first time a comprehensive plan which provides the 3 central pillars of support – COVID-19 related expenditure, irrecoverable income loss, and losses in tax revenue.

This is a more sophisticated plan, developed in conversation with the LGA, and has been designed to give council leaders and officers the confidence to continue to deliver essential public services for the rest of the financial year.

You've stepped up and supported people in their time of need – and I want central government to step up and to support you too.

Moving forwards, it is difficult to forecast accurately the true financial consequences of COVID-19 on all councils. Many have incurred significant costs – but whether these costs continue or begin to gradually decline depends on the virus itself.

Councils have seen a reduction in tax revenue, but, as with everything, the scale of this reduction will be in line with the scale of wider economic disruption and we'll learn more about that in the months to come

Similarly, with the third pillar, councils have lost a great deal of income from sales, fees and charges since the start of the pandemic.

Across the country, car parks, museums and leisure centres have been closed for the past few months, and I know this has had a very significant impact on many councils' finances.

Many of these, I am delighted to say, are either open again or will be shortly as we move into the phase beginning on 4 July – and these revenue streams should start to slowly recover, depending on the speed and the scale of our national economic recovery.

So what is important, with these points in mind, is the need for a comprehensive plan which is flexible enough to adapt to the needs of local councils, and to the different possible scenarios ahead.

That's exactly what we are announcing today.

If I can speak briefly to each of the three pillars.

Firstly, for COVID-19 related expenditure.

This morning I announced that councils in England will receive a further £500 million to support their communities, taking the total support provided by government to £4.3 billion over the course of the last few months.

Recognising that councils are best placed to decide how to meet pressures in their local area, this funding has not been ringfenced.

This government will continue to stand shoulder to shoulder with councils and communities as we recover from this pandemic and renew our commitment to unite and level up the country.

We have a Prime Minister who truly understands the needs of local government. He is after all the first Mayor to become Prime Minister since Clement Attlee.

The Prime Minister, the Chancellor and I are all united in our confidence and determination that you as councils will receive the funding that you need to meet COVID-19 related expenditure.

The £500 million that I'm adding today is the next stage in that process, but I want you to have the reassurance that should further funding be required later in the year to meet those legitimate costs that we've asked of you and you've stepped up to deliver, then obviously I will do my very best to make sure you receive that from the Treasury.

The second pillar of our plan is non-tax income.

I'm pleased to announce a major new scheme today, which will help to reimburse the majority of lost income during the pandemic and to boost cash flow.

I am announcing the scheme now, as I recognise that you need certainty to continue delivering local public services.

We all know these income streams vary from year to year, but for some councils this year's losses have been unparalleled, so where these losses are more than 5% of your planned income, I will cover from the exchequer 75p in every pound that you lose.

This is an unprecedented commitment by central government.

This means that if your council has a car park or a museum, a theatre or a leisure centre you run directly, we will support you and meet 75% of your

costs.

We will be writing to you as soon as possible with more details of how the scheme will operate.

Obviously the beauty of the scheme is that it will flex up and down depending on the true cost to local councils that we will only learn over the course of the year. If some of the more conservative estimates are true, then this will cost less to the exchequer. If some of the larger estimates that I've seen turn out to be correct, then it will cost significantly more – potentially many billions of pounds.

You as council leaders and chief executives have the confidence to know that central government is standing behind you in either of those scenarios. I think that's what matters now, to give you the confidence, stability and certainty to move forwards for the rest of the financial year.

And the third pillar is tax.

To further support you, we are announcing today that tax deficits can be repaid over 3 years rather than the usual one, giving you more flexibility in your budgets, relieving pressure at a difficult time.

No one knows today with certainty how much tax loss will materialise, which is why at the Spending Review, the government will agree a fair apportionment of irrecoverable council tax and business rates losses, between central and local government, for 2020 to 2021.

I hope you will see from the approach that we've taken to the second pillar, on irrecoverable income losses which are non-tax related, the way in which we intend to approach these challenges – to ensure a fair apportionment and to ensure you have the certainty that you need to move forward with confidence.

And we will continue to keep under review local authorities' cashflow position for the rest of 2020 to 2021, as the impact of existing cashflow measures becomes apparent.

These measures together show our commitment to support local government, not just through the pandemic, but beyond it.

But of course, recognising the huge diversity of local government, the diversity of councils and of individual circumstances which I see every day, we appreciate that there may be some exceptional circumstances.

We don't want to see any councils faced with unmanageable costs. I would strongly encourage councils who have those concerns to come to me and come to my department officials. My door is always open to have those conversations. Any councils leader who wants to speak with me, I am at the end of the phone line and happy to discuss your needs.

Leicester and Test and Trace

On Saturday we will ease the national lockdown further, helping to revive our economy, opening local businesses and tourism and enabling friends and family to spend more time together.

But no one should think the virus has gone away, that this is mission accomplished. Your leadership in your communities is absolutely vital to keep the incidence of the virus down.

In some places – Kirklees, Ashford, Weston-super-Mare – local leaders have tackled outbreaks quickly and have got the virus back under control. I am very grateful for their actions.

In Leicester the government has taken national action to ensure that we delay the easing of measures and again closing non-essential retail in the city.

You are all essential to controlling outbreaks.

I would like to take this opportunity to urge you to impress on your communities the need to adhere to public health advice: to socially distance, to wear masks on public transport and to keep washing hands.

These simple actions remain the most important ones.

And local councils must continue to monitor the application of COVID-19 secure guidance and take action where you see breaches.

Still, there can be local outbreaks as we're seeing in Leicester. At which point you must do everything you can to act quickly and decisively with Track and Trace, engaging with your local communities, Public Health England and others.

If you don't act, the virus as we know can take hold. If necessary, the government will take national action to stop the risk of the virus spreading more widely.

We will keep driving up our testing capacity, which is already at over 280,000 a day...

...and we've made £300 million of funding available for local track and trace efforts, to help you develop tailored outbreak control plans together with local NHS and blue light partners.

But I'm not going to pretend that this is all easy – it needs a joined up approach from every part of government; an approach that involves:

- Local Resilience Forums being ready to respond at short notice
- active policing
- clear communications
- a community-focused strategy – using multiple languages where needed; and of course
- access to the right data at the right times

There's obviously a role for central government there to ensure you have that data and it works for you so you understand what's happening in your local communities.

We have always said that lifting the lockdown was conditional. So while I hope Leicester will be the last local outbreak of coronavirus, we must be ready and prepared for more in other parts of the country – and we should never stop learning lessons as we go on.

For those people who are shielding, this will continue to be a nervous time. The individuals asked to shield are now advised that they can enjoy much greater freedom, with a pause in shielding from Monday, and a relaxation of guidance from the start of August.

But we must remain vigilant. It will take all our collective resolve and discipline to keep the virus at bay. And we must continue to work very closely with you and be ready to change the advice if unfortunately we have to.

COVID-19 next steps

This is a critical moment in so many ways – but it's also a moment we must seize as a country. We have a unique chance to tackle some of the country's great unresolved challenges.

Like rough sleeping. We are stepping up our efforts to stop people returning to our streets after COVID-19 – but we have to have a broader mission now to end rough sleeping once and for all.

We now have a unique opportunity to get people the right support to help them rebuild their lives.

The £105 million in additional funding we made available last week will support councils to ensure longer-term solutions are put in place instead of simply the emergency accommodation that we've used during the pandemic.

This is on top of the 6,000 new supported homes we are bringing forward to help rough sleepers – 3,000 plus of which will be available in the next 12 months.

The final part of our social recovery I want to reflect on is the vital work you have been doing to support adult social care throughout the pandemic.

We have provided you most recently with £600 million to pay for infection control in care homes, and this must get to providers as quickly as possible.

But we understand the challenges you face, and we'll continue to work with you to monitor the situation; I can assure you we won't hesitate to take decisive action where it is needed.

Matt Hancock the Secretary of State for Health and Social Care, wanted to pass on his own message of thanks to the sector today. Because we understand

just how important adult social care is – that’s been displayed vividly during the crisis – and how important it is that we now move forwards and get this right for the future.

As the Prime Minister recently reminded us: “We have to look after those who have looked after us”.

That is why we won’t wait to fix the problems in social care; we are finalising our plans and will try to build the cross-party consensus that we promised and we will try to ensure that the voice of local government is heard in those plans as we prepare them, publish them and seek broad consent for them.

Economic recovery and devolution

Local government will also be at the heart of our economic recovery too – and our broader mission as a government and the one we were elected on at the end of last year, to level up and unite our country.

As the PM set out on Tuesday, we’re committed to delivering an infrastructure revolution in each and every part of our country...

...and we’re determined to waste no time in our mission to ‘Build Back Better’, with a New Deal to get Britain building.

And at the heart of this mission is our plans to update our outdated planning system – to breathe new life into town centres and high streets and to ensure vacant buildings are given new opportunities for businesses to thrive and people to get jobs going in those parts of the country

And we’ve also launched this week our £900 million Getting Building Fund which will deliver ‘shovel ready’ infrastructure projects across all corners of the country. The allocations for that have been made today and local councils and LEPs can be involved in the next 2 weeks in determining which projects should move forward. The money will now flow and we want to get shovels in the ground as quickly as possible.

Meaning new projects, new ideas, and new jobs. All of which can be created in this financial year.

I’m looking forward to working with local leaders to deliver public buildings like schools and hospitals, and to ensure we build them as quickly as possible to meet the expectations of the public and our manifesto commitments to build those new hospitals and schools and public services people want to be delivered.

We’re also accelerating our £3.6 billion Towns Fund, to help 100 towns and communities build more prosperous futures and innovative plans for regeneration. I would like to see as many of those 100 town deals to be announced this year to get shovels in the ground and to boost confidence in those communities.

There must be no limit to our ambition to build beautiful, good quality, low-carbon, safe homes – especially on brownfield sites. And with the lifting of the HRA cap, that’s an ambition we must all share responsibility for

But this pandemic has brought about a profound rethink of the way we live and work.

We’ve seen how our councils can be the key to boosting the health, skills and education of people in every place – giving them the confidence to stay, raise their families and start businesses.

We’re building today the foundations for future prosperity tomorrow – raising our sights to when we are a fully independent and self-governing country for the first time in 45 years.

We now have a chance to shift power, not just from Brussels, but from Whitehall too.

The Prime Minister has asked me to publish our Recovery and Devolution white paper later this year to set out an ambitious place-based regional economic strategy – one which helps us to kickstart the recovery and to level up.

My colleague Simon Clarke will be talking in greater detail about our plans on that agenda tomorrow, but once again I want that to be jointly commissioned between central government and local government and for your views to be at the heart of your ideas and policies.

I’m clear: when it comes to devolution, we’ll be building on what we know works:

- empowering local councils to lead the economic recovery
- ensuring local councils can play a fulsome role in health and education in local communities
- facilitating local government reorganisation where there is local demand
- more metro mayors where local communities want them, driving growth across economic areas that make sense, where there is local interest and where it can be done in harmony with local identities and to the benefit of the local economy and the delivery of local public services; and
- more dynamic regional partnerships, like the Midlands Engine and the Northern Powerhouse, but also in other parts of the country – helping our regions to gain a global footprint and ensure all parts of Whitehall are working for those areas

For me, it’s about strengthening and empowering local leadership and local institutions to be the drivers of future prosperity.

Providing power back to local communities.

Conclusion

Like the rest of the world, we’ve faced the devastating impacts of COVID-19. We’ve been tested in ways we couldn’t have imagined just one year ago.

But it's thanks to your efforts that we are beginning to turn a corner.

The lockdown is coming to an end. The economy is beginning to move forward. And the recovery is starting.

And if we can show the same kind of unity we saw at the height of the crisis, there's no doubt in my mind that we will get through this, and the heroes of the pandemic will be the heroes of our recovery.

It's a moment to strengthen our resolve and to come together as central and local government to deliver for the British people...

...and I will continue to do everything I can to keep delivering for you and to strengthen the bonds between national and local government to do just that.

Thank you very much for your time.