

# Local Government Association annual conference 2021: Secretary of State's speech

## **Introduction**

Good morning everyone.

It's often said that it's during the worst of times that the best of us step up.

And that's certainly true of local government over the course of the last 15 months.

From your initial and ongoing response to the pandemic through to your support for the vaccine rollout, the resilience that you have shown has shone through during this dark and difficult period.

My thanks must go to the LGA for your leadership and support you have given me through this national emergency, and for your close and productive partnership with national government – particularly with MHCLG. Of course, there have been ups and downs and things that you would have done differently. But overall, we should be proud of the way we have worked together.

I know I speak for the Prime Minister and the whole of government when I say that we could not be more grateful for everything you've done and continue to do. I hope that you distil that message to your members, officers and staff in councils across the country.

I'm proud to be your voice at the Cabinet Table; ensuring you've had the resources and tools you needed to continue delivering for your communities.

And I will continue to fight your corner through the Spending Review and beyond.

When we met this time last year, many spoke then of the move from response to recovery. Of course, in some respects, it was premature as there were still hard yards to be trodden.

Today, thanks to the phenomenal vaccine rollout, we are in an immeasurably different position. However, it remains true that the pandemic is far from over.

We should prepare ourselves and the country for cases to rise, quite likely very significantly. As the Prime Minister said on Monday, hospitals capacity and pressure will come under great strain again.

We have to level with people, that whilst we are confident that the vaccines work and have given the scope to return to normality as much as possible, we are far from out of danger and have a duty to show personal responsibility and a collective duty as public servants and leaders to prepare for all eventualities.

However this recovery isn't about reverting to the world as it was.

We can and must build back better.

That means seizing this historic opportunity to learn from the pandemic and confronting the long-standing issues that have held us back – issues which Covid has thrown into sharp relief.

It means embracing new ways of working through technology and innovation, as with your councils my department has worked remotely and delivered public services, but very differently over the course of the past year.

And, above all, it means redoubling our efforts to level up opportunity and prosperity across the whole country.

Which equals more good jobs.

Better infrastructure.

Better access to skills and training.

More, greener, beautiful homes – and more homes for young people and families to own.

It means reinvigorated towns, cities and high streets that are fit for the 21st century.

Actions that will protect and create the jobs that will fuel our recovery – and build on the national and local pride we have seen during the course of the pandemic.

## **Beyond Whitehall**

Localism and local government are at the heart of this mission. We won't succeed unless councils do. Councils must now be empowered to take this agenda forwards. I see that as a crucial part of the work of my department in the months ahead.

On a personal level, I'm delighted that my department will be the first to relocate out of London, with our new dual HQ in the great city of Wolverhampton. Thank you very much to Wolverhampton City Council for their work with my officials in recent months to make that possible. We will be opening our office later this summer, not just hundreds of jobs in investment to that city, but greater diversity of thought in decision-making. Debunking the myth that civil servants and government can only happen in Whitehall. It can and should be happening in other parts of the country.

And we're not alone. The new economic campus and I was with Darlington Council only the other day seeing plans developing there. Some of my team from MHCLG will also be based alongside the Treasury officials in the North East.

We aspire to be a one nation government, serving the whole of the UK. It is therefore right that our work from central government continues to reflect that.

Devolution to Cardiff, Holyrood or Stormont should not mean stripping those councils and communities of their direct relationships to the UK Government.

Another focus for my department over the course of this year will be re-establishing those bonds, seeing it's mission as levelling-up Swansea as much as Southport or Southampton. I look forward to establishing these strong partnerships across Scotland, Wales and Northern Ireland, including with your partner organisations in those nations.

MHCLG has seen itself for too long as an England only department. We are one United Kingdom and MHCLG should aspire to represent and support communities in all parts of the UK

## **Levelling up / regeneration**

It is through these partnerships that we will begin to deliver on our levelling up agenda. One of the first steps on this path is our £4.8 billion Levelling Up Fund, which will be investing in the next generation of roads, railways, theatres, galleries and digital technology in the places that need them the most. That will be delivered across the United Kingdom to councils.

My thanks to the local authorities who have helped manage the application process for both this and the Community Renewal Fund. We look forward to reviewing the many bids we've received and announcing funding decisions later this year.

We appreciate that these funds bring challenges to local councils and we want to ensure there are fewer competitions in the future, more consolidated opportunities to access government funding. But the one principle I will stick to is that central government should be working directly with councils and we should avoid filters wherever possible, including Local Enterprise Partnerships that I want to reform over the course of this year.

These efforts are the beginning of levelling up, not an end.

We are already working directly with one third of towns across the country and I've seen for myself, in recent weeks, the difference this kind of investment can make.

I was in Doncaster recently – where almost £25 million has been awarded through the Towns Fund and is being used to upgrade its Station Gateway and create greener transport options, increasing footfall.

I was also in Bishop Auckland, seeing how Towns Fund and the Future High Streets Fund is turning that small market town into a genuinely impressive destination for County Durham and for the wider North. There the council is doing a fantastic job and also working with the private sector and private philanthropy to leverage tens, if not hundreds, of millions of pounds of investment. That is levelling up in action and what I want to see replicated in more towns and cities across the country.

This is building back better– we want to deliver a once in a generation wave of investment in areas that have been historically underserved for too long.

Your work here is crucial.

It is councils who put the bids together, making far-reaching decisions, and work with central government to craft projects. We want every local council to produce a ten, or twenty-year plan for their town, their city or their communities and for government to work with you in a genuinely place-based way. For MHCLG to be your initial port of call, your partner, your champion within government. So, you are not simply working with us on housing, or local government and then the Department for Transport on transport and Education on education and skills and Health on health and equalities but together we take a place-based approach which will be able to yield the greatest results for you to lead that plan for the future of your area.

We will be publishing a Levelling Up White Paper later in the year which will set out these plans in much greater detail and talk about how we can take devolution forwards with that spirit of localism at its heart.

The focus will be on tangible, meaningful change for communities and how we can ensure that good, local leadership is encouraged and that local leadership is also given the skills, powers and resources that they need to succeed.

## **High Streets**

The focus on tangible, meaningful change also very much extends to our high streets, which have had such a difficult year.

The pandemic hasn't changed anything but has accelerated and magnified existing trends – the shift online, the blurring of home and work.

And our high streets have been on the frontline of these challenges. Again, I think this is an area which local councils can, are and must lead.

As we level up and build back better, they must be at the forefront of our recovery.

I am not a pessimist. I believe that people want to enjoy their town and city centres and will do so again. But they will change and we need to recognise that, ensure that the tools are in the hands of the local businesses and entrepreneurs and we have those plans for future of the communities.

Of course, we have provided more than £350 billion of support and given businesses flexibilities they needed to respond— whether that meant temporarily extending their opening hours, delivery times, becoming a takeaway service or the alfresco dining revolution which we have seen on sunny days across our country. I'd like to put more of those things on a permanent footing and with your support, help those small businesses to continue to enjoy those freedoms for many years to come.

It's too soon for us to say, with certainty, how these changes we've been living through will evolve. I don't believe human beings will fundamentally change. We like being social and enjoy urban life in the end, but the way of life will evolve.

But we are potentially facing significant change. And luckily, we were responding to this shift before the pandemic.

Through substantial planning reforms promoting greater flexibility – changes to Use Class Order and permitted development rights – that have enabled offices to become cafés, hairdressers or yoga studios and, if derelict or empty, homes. Companies like John Lewis are now responding to bringing homes and gentle density to urban areas. In general, this is a good thing and we should all be embracing it. None of us want to see homes being built on green fields, even less so on the greenbelt. So, if we can use these flexibilities to build homes in our towns and city centres, that must be to the benefit of everyone.

And through our focus on creating many more mixed-use communities in town centres and high streets and on driving private sector investment in urban regeneration in areas beyond those which routinely benefit, will help to improve and give new life to those areas.

## **Planning / housing**

New planning laws that offer the flexibility to deliver new mixed-use properties are critical to this vision and to meeting our government's objective to build one million homes over the course of this parliament.

Certainly, every economic recovery in my lifetime – and far beyond – has always been led by housing and construction. Millions of jobs depend upon it.

That's why housing and planning were central to the ambitious and comprehensive agenda that the Prime Minister set out for the whole country during the Queen's Speech.

As many of you know, this included reforms to leasehold and building safety as well as planning and more security for the millions of people who rent. Thanks to your efforts and many beyond, we're making serious progress; delivering more strongly last year than many anticipated – 244,000 homes.

That's the highest number of homes delivered in this country for over 30 years.

A very significant achievement.

But there's still much more to do.

There's no question, that the past year has been much harder for people stuck in smaller, substandard homes – or without a home at all – making our mission to address long-standing issues around affordability and delivering homes that meet people's needs all the more urgent.

That includes the need to reverse the decline in home ownership, which is still out of reach for far too many people.

The property-owning democracy is one of the foundations of our country.

This should go beyond party politics. It is hard to believe that there are still people questioning the need for house building. Arguing in one form or another directly or otherwise that there isn't a serious shortage of decent housing in this country.

Despite all the polls showing that the vast majority of people in this country aspire to own their home, by the age of 30 those born between 1981 and 2000 are half as likely to be homeowners as those born between 1946 and 1965.

We shouldn't accept that home ownership should be reserved only for the lucky few. Those born into privilege or born within a previous generation.

I hope we can be serious about bridging this divide and we can do this as far as possible across the party political divide.

As a government, since 2010, we pursued a whole raft of demand-side interventions. Some have been very significant and very successful – over 700,000 households helped on to the housing ladder through Help to Buy and Right to Buy, a better, more consumer-focused model of Shared Ownership has now been rolled out, Help to Buy Equity Loans continue, the 95% mortgage guarantee scheme that the Chancellor and I launched earlier this year is already helping young people onto the housing ladder. More recently, I've launched the First Homes Scheme and the first properties are now for sale in Bolsover in Derbyshire and in Cannock in Staffordshire. My thanks to the two local councils there who helped to bring those pilots to the market. That scheme is important because it has an emphasis on discounted homes to own for local people and key workers among others. It has to be true that demand-side schemes are not enough in of themselves. So, we have ambitions on the supply-side as well.

Our new £11.5 billion Affordable Homes Programme is one way to do that. It will help us to ensure, not only do we build hundreds of thousands of affordable homes across all tenures throughout the country – with a greater weighting outside London reflecting our commitment to levelling up – it will also unlock £38 billion of private sector investment for housing.

The biggest single investment in affordable housing since 2010.

And we're backing you – councils and housing associations – all the way to build, build more home yourselves. We've done reforms more recently to Right to Buy receipts, we've included within the Affordable Homes Programme the largest share for social rent that we have as a government since 2010 – something I know the LGA and its partners have campaigned for and strongly welcomed.

We've also worked with Homes England to launch the Local Government Capacity Centre to help councils overcome the barriers that they face to unlock development in their areas.

An approach that's already paying off.

Councils built 30,000 affordable homes between 2010 and 2020 compared to the 3,000 recorded between 1997 and 2010. These numbers are still small compared to the scale of the challenge. There is no silver bullet to tackling the housing challenge. It will require action by all of us in many different respects.

You are, of course, also social landlords; responsible for providing safe, decent homes and neighbourhoods. I hope you would have seen our landmark Social Housing Charter.

A Charter that, for the first time, encourages councils to be subject to proactive consumer regulation by the Regulator of Social Housing, including routine inspections of the largest landlords.

The many, many good local authorities have my praise and admiration.

There are those who fall below that standard. We saw Croydon for example, most recently, fall seriously short. That needs to change. All those living in social housing deserve to be treated with dignity and respect and when they have concerns, for their voices to be heard.

I know that councils can do more and want to do more not just in this regard, but to build the homes your communities need and deserve.

That takes us back to the topic of the planning system and how we can ensure sensible and pragmatic reforms that enable the planning system to be modernised and brought into the 21st Century. I don't think we need to rip up the planning system and start again. I think we need to improve the planning system and I hope we can work together across the party political divide to ensure that a system that is sometimes slow and bureaucratic with poor outcomes and a low level of public trust can be improved for everyone's benefit.

The planning system reforms announced in the Queen's Speech aim to do just that, through a simpler, faster, digital, more predictable system that delivers homes, infrastructure like schools, hospitals, roads and Freeports and ensures the planning system is fundamentally modernised to take account of our commitment to Net Zero and the environment.

Let me be clear, the proposals we will bring forward later in the year will

be council led. They will also be plan led; in fact the will emphasis plans more than ever before. They will require up to date plans for every local authority because that at the of the day is the foundation of a plan-based system.

It will be for councils to determine how to provide the homes their areas need, with communities having a greater voice from the very start of the planning process.

Our reforms will provide greater certainty over what development is permitted – and where – through clear land allocations in local plans.

They will also say where they don't want to see house built and what we as communities want to protect including precious green spaces, the green belt, national parks, areas of outstanding national beauty and SSIs.

They will provide greater clarity; replacing complex and quite opaque Section 106 agreements with much more predictable, transparent levies which will be locally set, locally levied which greater flexibility for your as councils to determine how they are spend. That will ensure that more land value uplift is captured for public good, ensuring you as councils have greater revenue to fund more affordable and social housing.

The other litmus test will be if they top the balance in the favour of the small builder and local entrepreneur. The current planning system, although I am sure it is not the favourite system of the big volume housebuilder, nonetheless is one that they know how to navigate. They do so. We want a system which will enable small builders and new entrants to navigate with confidence, creating a far more diverse and competitive housing and construction industry.

And our reforms will make the planning system more accessible through digital plan-making; ensuring more local people – more than the 1% who currently engage with plan making – can get involved.

Local people can see what's happening in their area and have their say at the swipe of a smart phone, reconnecting them to a planning system that serves them.

In all, we're taking power out of the hands of the big developers. We're ensuring that there are fewer lawyers and consultants involved in the planning system and giving it back to local communities, to small builders and to democratically elected local councillors. .

We will also consider new ways of ensuring that sites build out as expected. Something that drives a great deal of public mistrust and frustration with the current planning system. And which through my many conversations with councils and councillors, I know is a serious area of concern for you.

In addition, our reforms will empower local people to set standards for beauty and design in their area through local design codes reflecting their area's unique aesthetics, culture and heritage, with tree lined streets accompanying new developments.



An approach – reinforced by changes we intend to make to the National Planning Policy Framework – that will put beauty, for the very first time, at the heart of the planning system.

And we are now establishing the Office for Place, led by Nicholas Boys Smith, who worked with Sir Roger Scruton on the Building Better, Building Beautiful Commission which aims to help local authorities across the country create user-friendly, effective design codes for their communities.

We've announced the 14 councils who will test this new approach and will bring forward further pilots over the course of the summer to ensure councils are ready to do this at scale when the new revised planning system comes into play. So that those design codes and masterplans are not unusual, inspired outliers or the things that you see in particularly impressive local estates like the Duchy of Cornwall, but something that is ubiquitous and present in all of our daily lives.

In short, our aim is to give councillors control over what to build where; replacing jargon-laden and technical documents running to thousands of pages with readily-understandable, easy to navigate, succinct assessments; creating the design codes and masterplans reflecting the genuine preferences of the community and extending participation to anyone with a smartphone.

This is about creating beautiful homes and neighbourhoods that instil pride and that are built to last.

It's about empowering local communities to shape their future in real, practical, ways.

It's about returning planning and planners to the social and moral mission that it originally aspired to be.

Something I hope we can all sign up to.

## **Local government finance / leadership**

It's clear, then, that, whether we're talking about housing and infrastructure, economic regeneration and recovery, local government is in the driving seat when it comes to levelling up.

We want to ensure that you continue to receive the support you need now and in the future through the upcoming Spending Review – my team and I look forward to working with you on these proposals.

I look forward to working with you on the immensely challenging questions of Adult Social Care. I fully appreciate the pressures on Social Care and the wider implications this has for so much of your work. I know you will be hearing from the new Health Secretary later this week. I will be working ok with him and the Chancellor to ensure your views and concerns are at the very heart of the reforms as they come forward and crystallise and to ensure that those reforms are funded so that councils have the resources they need to do the job.

I do not, for one moment, underestimate the considerable pressure placed on local authorities by the pandemic.

Thanks to the very significant financial support we made available to councils over the pandemic, bar a few exceptions, the vast majority weathered the storm far better than many would have predicted when we met last year.

Those that did experience difficulties were often the result of mismanagement long predating the pandemic. It has to be said, that some councils, like Croydon and Slough have let their residents down, have damaged the good name of local government and have wasted millions of pounds of taxpayer money.

Failures, like the Brick by Brick housing company that never finished a house or the Robin Hood Energy company that almost bankrupted Nottingham City Council would be funny were the consequences for local people not so serious and long lasting.

I know that you on this call are not cavalier with other peoples' money, other peoples' jobs and public services and we have to ensure we work even harder to take a sound approach to finances to capital investment on which levelling up hinges and ensure that we are taking the right decisions as local councils when we make investments with public money.

As you know, the Prudential Framework – that gives councils the freedoms to determine their own capital strategies – has its benefits. But it's right – given some recent notable failures – that we strengthen the system to protect taxpayers' money from the minority of councils taking on excessive debt or pursuing risky commercial strategies for increased income.

We will be publishing plans to do just that soon.

## **Sector innovation / Net Zero**

This is a moment of renewal for local government as it is for our country.

Especially when it comes to the environment

The pandemic has certainly not dimmed our determination to do all we can to protect our environment and tackle climate change – as underlined by the Prime Minister's Ten Point Plan for a Green Industrial Revolution.

The UK is the first major economy in the world to pass a net zero emissions target into law.

Our Future Homes Standard will help us meet this by ensuring that, from 2025, all new homes will be expected to have at least 75% lower carbon emissions and be zero carbon ready without the need for expensive retrofitting.

Our planning reforms will be designed to modernise the planning system so it reflects our commitment to Net Zero and to biodiversity, to putting a greater emphasis on better outcomes, rather than simply on process, to protect and enhance the environment and ensure that biodiversity net gain is met.

So, there is a significant contribution for councils to make here and I know many councils are already innovating and achieving great results.

I understand that there are some concerns about extra financial burdens arising from measures to boost recycling rates in the Environment Bill. I can assure you today that DEFRA has agreed to fund all new burdens, and that I will ensure that your voice is heard in the conversations my department and the LGA are having with DEFRA. It is in all our interests to ensure that the costs are fully understood on this issue and all other flowing from the Net Zero agenda. We will be sure to consider your responses to recent consultations on this issue.

And in the year that the UK hosts COP26, it is worth reflecting that global leadership on this issue has to be underpinned by strong local leadership focused on building homes and communities that stand the test of time in every sense – that are greener, more beautiful, more sustainable.

This must be our legacy to future generations – passing on what we inherit, not depleted, but enhanced. No one knows that better than you, because you represent and care for your local communities and are most closely connected to them,

## **Conclusion**

So, in conclusion, we have worked well together I hope over this tumultuous last 15 months, in the midst of all the uncertainty, I know that your cool-headed commitment to deliver for your communities will continue.

I am very grateful for your leadership and commitment to public service. I know that you are in local government for the right reasons and I know that you appreciate that good leadership matters. Leadership means tackling difficult questions just as it has meant meeting the moment in a difficult period through Covid.

So my challenge to local government this year and to myself and my department is not only to provide the services your communities deserve or to continue steering them through the remaining challenges of the pandemic, but raising yours and their eyes to the horizon, leading them forward – working with me to plan for new homes, to revitalise town and city centres, embracing new ways of working to make sure that councils are fit for the 21st Century and ensuring that local leadership meets the environmental and Net Zero challenge of our generation.

I hope you have a very successful conference and look forward to answering as many questions as I can and I hope that next time we meet it will be in person.

Thank you very much indeed.