

# Speech: Local Government Association Annual Conference 2018

## **Introduction**

Thanks, James [Councillor Jamieson], I'm delighted to be here at my first LGA Conference.

When I was appointed to this role, I said that it was a great honour to be representing you all and leading on local government.

And I meant it.

Because my passion for local government isn't just professional. It's deeply personal.

I grew up with local government.

And I'm reminded of this every day by a photo hanging in my parliamentary office of my great grand father standing on the back of a cart in rural Cornwall.

How my dad's life chances, from growing up in near poverty, were transformed by a Grammar School Education... and the career opportunity that local government gave him.

How that helped transform his outlook...

... from starting off working in the town clerk's office of the then Restormel borough council to ultimately becoming a chief executive of a London borough...

... and, for a period, Controller at the Audit Commission.

The insight into his work underlined to me the power of local government to be an incredible force for good – not as a distant, faceless bureaucracy, but, from the biggest unitary to the smallest parish council, as the heartbeat of the communities it serves.

As the bedrock of our democracy, on which our people can build better lives.

So I could not be more proud and pleased to be working alongside you.

You live and breathe the issues affecting your local areas.

And you've been harnessing this knowledge more effectively than ever to lead and deliver over the course of another busy and challenging year.

I'm hugely grateful for all your efforts.

In saying that, I'm under no illusions about that the challenges that you –

and we as a country – face. A difficult financial environment.

Big changes in demographics, lifestyles and technology.

Growing pressures on services.

There are no easy answers to these issues.

But I will listen and respond to what you're telling me.

And work with you to really understand the difficulties you face.

We won't always agree and I will provide challenge, when needed, to champion high standards and quality services.

But you can be confident that I will always stand up for you and for local government's interests.

## **Funding**

I know that money has been extremely tight. And that you've gone the extra mile to deliver efficiencies and help reduce our country's debts.

And that significant financial pressures remain.

We have listened and responded.

This year's local government finance settlement provided a boost in funding and extra money for adult social care.

We've also responded to calls for more control over the money raised through the extension of business rates retention.

Local authorities estimate they will receive around £2.4 billion in business rates growth in 2018 to 2019 – a significant sum on top of the settlement.

And I plan to shortly publish a prospectus for a further round of business rates retention pilots in 2019 to 2020, to help us understand how best to transition to greater retention from 2020 to 2021.

This will be published alongside our consultation on the approach to next year's annual settlement.

But you have told me that we need to do more, particularly when it comes to adult and children's services.

I know that the social care system is under significant pressure and we are committed to ensuring it is sustainable for the future. Health and social care are inextricably linked and any reforms must be aligned.

Which is why – as the Health and Social Care Secretary has announced – we will publish a Social Care Green Paper in the autumn.

This will include proposals to reform social care, better integrate services

and put social care on a long-term, sustainable footing.

I also know that you, more than most, will appreciate the complexities and the need to get this right.

That's why I'm keen to work with you on this, to draw on your frontline insight and intelligence – as seen, for example, in the LGA's recent publication on [what drives spend on children's services](#).

With that in mind, we're also keen to work with you on a whole new approach to distributing funding through the [review of relative needs and resources](#).

Everyone agrees that the current formula needs fixing. And I want to see a robust, straightforward approach, where the link between local circumstances and resources allocated is clear.

I know that the final outcome won't necessarily please everyone. But our overriding priority must be to make the best use of resources available.

2020 will be a big year for local government.

It will bring together the outcomes of the Spending Review and the Fair Funding Review. We are also aiming to increase business rates retention to 75% around this time.

I look forward to working closely with you as we prepare for these changes.

Changes that present a valuable opportunity to consider what local government in the 21st century can do and can be and the resources it needs to deliver.

## **Modernisation**

This will help inform an important part of my discussion with colleagues across Whitehall – as will the excellent work you're doing not just to achieve value for money, but to modernise and rethink the way you deliver services.

Rochford District council, for example, has become one of the top councils for recycling by sharing a waste service with 3 other councils – a contract that has freed it up to remodel the service around behaviour change and that demonstrates the rewards to be reaped from greater collaboration on waste services.

And in Leeds, staff have are taking the lead on delivering social care services via a staff mutual. These services helped secure a good rating and also saved the council money.

The smarter use of technology is also driving improvements and helping develop more efficient, targeted and responsive services. This has the potential to be genuinely transformative.

So I'm delighted that my colleague Rishi [Sunak], the Minister for Local Government, will be launching the Digital Declaration at this conference

tomorrow, setting out how central and local government can learn from best practice in this area and build the public services of tomorrow.

I know that some of you have also been looking at reorganising the way you operate by for example, combining, in the interests of your communities where there's a good deal of local support and it involves credible geographies.

I want to support this work, although I have no intention of forcing reorganisation on local government where it isn't wanted or needed.

There is so much impressive work going on out there and so much talent and expertise in the sector.

And I want to do all I can to help you celebrate and spread this; to increase transparency and share best practice.

And we want to hear from you about how we can best do this, so that councils can not only make their funding go further, but truly transform services and engage those who use them

## **Onward devolution**

This last point is crucial.

The days of people passively accepting what's offered are long gone.

In our digital age, the ability to feed back, interact with and shape services is the new norm and government – central and local – needs to reflect that.

It provides the opportunity to harness community groups, the voluntary sector, and, increasingly, those mobilising online and on social media, and use their hyper-local knowledge to redesign services.

People want to have a say over what happens in their communities.

Which is why we'll be publishing the civil society strategy this summer; setting out our vision for how government can work positively with groups on the ground.

And why we created the city region mayors, who have got off to such a successful start.

We've been clear that devolution deals should, wherever possible, include this kind of "onward" devolution of service delivery, with local communities deciding what outcomes matter most and finding local solutions that suit local circumstances.

I'm pleased to see that some of you are already stepping up to do this and shifting power from the state to the citizen.

This is true localism in action and a much-needed renewal of our democracy, giving people, particularly from disengaged groups, a real sense of ownership

over the places where they live.

What might be described as an “ultra localist” agenda is something that helps create stronger communities.

## **Housing**

It supports a stronger sense of belonging and identity to the place that you live in and is something I will be giving greater thought to in the time ahead.

This sense of ownership also very much depends on all parts of our community having a decent, affordable, secure home.

On this count, we have the challenge of a generation on our hands.

Successive governments, of all stripes, quite simply failed to build enough homes.

And the consequences are plain to see: ordinary families, young people starting out in life and many others struggling to secure that most basic of human needs – a place to call their own – and being denied the opportunities and security that come with it.

Which is why fixing our broken housing market is one of this government’s top domestic priorities.

Councils, of course, have a big role to play in this.

And thanks to your efforts, we’ve made significant progress, with planning permissions up and 217,000 homes delivered in 2016 to 2017– the highest level in all but one of the last 30 years.

But there’s further to go.

Which is why we’re supporting local authorities to do more to deliver new homes – with a focus on affordability and building them where they are most needed.

It’s why we’ve responded to your calls for extra financial flexibility and last week invited councils to bid for £1 billion of extra borrowing – paving the way for a new generation of council housing.

It’s why we’re investing £9 billion in a wide range of affordable housing and giving councils and housing associations more certainty over their rental income until 2025.

And why we’re reforming planning and working with you to combat homelessness and rough sleeping.

We need to speed up the delivery of new homes and this is not only planning permissions. Today I am announcing a new approach to delivery of the £9 billion [Affordable Homes Programme](#).

Homes England will enter into longer term Strategic Partnerships with housing associations to deliver affordable homes.

These Partnerships will allow housing associations to have a single conversation with Homes England, thereby delivering more homes more quickly.

I am launching the first 8 Strategic Partnerships today – one of these is a consortium including Sandwell.

We are investing £590 million of the Affordable Homes Programme in this approach to deliver over 14,000 new affordable homes, including for social rent.

These deals will work across the country and I know you will work closely with the housing associations in these areas to deliver the affordable homes that your residents want and need.

In addition, we will shortly be publishing our Social Housing Green Paper – an important part of our wider response to the disaster at Grenfell Tower.

A year on, the shocking events of 14 June 2017 that triggered this work are still hard to comprehend.

And I want to thank everyone who supported those affected, helped with recovery efforts and who have been working with us to keep people safe.

Remediation work has started on more than two-thirds of buildings in the social housing sector and we announced a package of measures last week to speed up the work that councils are carrying out with the owners of high rise blocks in the private sector to make these safe.

And we're going further – by publishing [guidance](#) today on applying for the £400 million of funding announced by the Prime Minister for the removal and replacement of unsafe ACM cladding on social sector buildings.

This work with communities has been crucial in so many ways, not least in helping rebuild public trust, with local government at the forefront.

And your role – in ensuring that all groups in our society feel valued and can succeed – could not be more important as we leave the European Union.

## **Brexit and local growth**

Brexit will, undoubtedly, generate different opportunities and challenges for different areas.

And I want to thank the LGA for its valuable work in this area; in identifying the issues at stake and also in recognising the opportunities that will be available.

I met council leaders earlier today to discuss how we can work together on this issue and I want to hear from more of you over the coming weeks and months.

There's clearly more to do on this issue and today I can announce that I am setting up a delivery board with local government that will support the implementation of changes linked to Brexit within the sector.

Regardless of our political differences, we all have a duty to ensure that every community can benefit as we build a modern, outward-looking Britain after Brexit.

In this context, it's even more essential that we renew our focus on local growth and higher productivity through not just the devolution deals already underway, but the other growth opportunities – housing deals, local industrial strategies and the LEP (Local Enterprise Partnership) review – that are open to local areas.

These opportunities, of course, include our significant investment in the Northern Powerhouse and Midlands Engine.

And I couldn't leave the great city of Birmingham without saying how pleased I am to be Ministerial Champion for the Midlands Engine.

I look forward to working with Sir John Peace and the other partners across the region to ensure that it can really thrive.

These efforts – to invest in skills and infrastructure – will stand us in good stead as we prepare for Brexit, yes, but also in our ultimate goal of creating, quite simply, great places to live and work.

## **Communities**

This is what everything that we're doing – on local growth, on housing, on quality public services – comes down to – building the strong, vibrant, well-integrated communities that we all want to see, with local government leading the way.

We're supporting these communities to flourish – to ensure that people of all backgrounds can take advantage of the opportunities that our country offers – through our bold new [Integrated Communities Strategy green paper](#).

Everyone needs to play their part in this endeavour. And strong local leadership is critical to making sure this message gets through and to driving this agenda.

Which is why we're trialling a new localised approach to tackling integration challenges in 5 areas – Blackburn with Darwen, Bradford, Peterborough, Walsall and Waltham Forest.

And why we plan to host a Communities Conference in September; to inspire policymakers and showcase the incredible impact that communities can have.

From my previous roles, I know just how important this work is to creating a strong sense of civic pride and identity and places that people are proud to call home.

And – as we saw following last year’s terror attacks in London Bridge, Manchester and Finsbury Park and also, of course, the Grenfell Tower fire – how there’s nothing more powerful than a community coming together in the darkest of times.

I want to pay tribute to the way that local authorities worked with their residents and other partners in the aftermath of such loss and suffering.

## **Conclusion**

This has, without doubt, been a challenging year, but I am full of admiration with how you’ve responded.

And I’m keen to celebrate this work and to see you continue to innovate, aim high and really show what world-class local government looks like.

This will be vital to help us seize the opportunities and meet the challenges that lie ahead – on building the homes our county needs, on strengthening our communities, on powering growth and ensuring that, after Brexit, every part of our country can prosper.

In doing so, I want you to know that I’m on your side.

In doing so, I want you to know that I believe in local government and what you do. That I want to see a renewal and renaissance in local government.

And that I’m here for the same reason as you – to make a difference and deliver for communities who deserve no less.

Thank you.