Press release: James Brokenshire confirms funding package for local authorities in 2019 to 2020

Councils in England are to benefit from increased funding for core services including additional support for the most vulnerable in society, Communities Secretary Rt Hon James Brokenshire MP confirmed today (5 February 2019).

Local authorities' core spending power will rise in 2019 to 2020 by £1.3 billion, taking councils' funding to £46.4 billion.

This year's local government finance settlement includes extra funding for local services with a strong focus on greater support for adult and children's social care. The settlement also supports and rewards economic growth and sets out reforms for a sustainable path for the future funding model for local government.

The real terms funding increase for 2019 to 2020 is in recognition of the pressures local authorities are facing to deliver the services residents need, whilst protecting taxpayers from excessive increases in bills.

The 2019 to 2020 settlement marks the end of a 4-year deal – accepted by 97% of councils – which provided local authorities with access to £200 billion in the 5 years to 2020.

Communities Secretary Rt Hon James Brokenshire MP said:

> This year's settlement paves the way for a fairer, more self-sufficient and resilient future for local government. That is why local authorities will have more control over the money they raise and a real terms increase in their core spending power.
>
> The settlement also recognises the pressures councils face in meeting growing demand for services and rewards their impressive efforts to drive efficiencies and rebuild our economy.

Provisional plans for the local government finance settlement for 2019 to 2020 were published in December followed by a period of extensive consultation with the sector. Representations from around 170 organisations and individuals were carefully considered before finalising the settlement.

The final local government finance settlement for England, 2019 to 2020, will be debated in the House of Commons with a vote by all MPs on Tuesday 5 February.

This year's Spending Review will determine funding for local authorities from 2020 onwards.

What the financial settlement includes:

Additional support for social care

The government committed £650 million more for social care for 2019 to 2020 in the Autumn Budget. This includes £240 million towards easing winter pressures on adult social care, with local authorities able to use the remaining £410 million on adult or children’s social care, and, where necessary, to relieve demand on the NHS.

This additional funding, alongside the adult social care precept and the improved Better Care Fund, means the government will have given councils access to £10 billion in dedicated funding which can be used for adult social care in the 3-year period from 2017-18 to 2019-20. For 2019 to 2020, local authorities will have access to £4.3 billion in dedicated resources for adult social care, including £1.8 billion in improved Better Care Fund Grant.

The Budget also confirmed £84 million is available, over 5 years, to drive improvements in social work practice and decision-making in children’s social care. The additional funding is part of the government’s measures to address pressures in services helping society’s most vulnerable.

Business rates pilots

To test out aspects of proposed business rates retention reforms in a wide range of areas across the country, the selection of 15 areas as 75% retention pilots for the 2019 to 2020 financial year has been announced.

Communities Secretary Rt Hon James Brokenshire MP has confirmed London will be piloting 75% rates retention in 2019 to 2020.

And as previously confirmed, pilots originally launched in 2017 in devolution deal areas will continue on the existing basis in 2019 to 2020.

The pilots will inform the government’s proposed reforms ahead of a renewed business rates retention system being introduced in 2020 to 2021.

Business rates levy account surplus to be redistributed to councils

Local authorities play a key role in supporting economic growth.

The current business rates retention scheme is performing well, with local authorities estimating in 2018 to 2019 they will keep around £2.4 billion in business rates growth, on top of settlement funding.

As a result of increased growth in business rates income, the government has announced it plans to distribute £180 million of the business rates retention levy surplus to all local authorities and proposes to share it on the basis of need.

Future of business rates retention

The government is aiming to increase the level of business rates retention from the current 50% to 75% from 2020 in a way which is fiscally neutral. It is also intending to implement reforms to the business rates retention system to ensure local councils have the levers and incentives they need to grow their local economies.

A consultation, launched in December, is seeking views until the 21 February on the proposed reforms. It seeks views on how the business rates system can be reformed to continue to provide a strong incentive for local authorities to grow their business rates bases. It proposes a change in how the system is administered to mitigate the volatility business rates appeals have on local authorities' income and to help reduce complexity in the system.

Review of relative needs and resources

Having consulted last year on a review of local authorities' relative needs and resources, the next stage of consultation ahead of the review's planned implementation in 2020 was announced at the provisional settlement in December and will run to 21 February.

This continues the government's work to address concerns about the fairness of current funding distributions by determining a robust and effective funding formula.

Maintenance of Council Tax referendums thresholds, aside from further flexibility offered on the police precept level.

The threshold at which a local referendum is triggered for rises in Council Tax will stay at 3%.

Further flexibility is also available for certain local authorities, such as those with responsibility for adult social care services. Referendum limits for police and crime commissioners will be set at £24, for a band D property, to address changing demands on police forces.

Northamptonshire county council will have an additional 2% Council Tax flexibility, to assist with the improvements to council governance and services after their serious issues.

The level of Council Tax will be a matter for the authority's cabinet and full council.

During the provisional settlement consultation, some local authorities called for referendum limits to be removed.

However, the government is committed to protecting local taxpayers from excessive Council Tax increases, in line with the government's manifesto. The

Council Tax referendum provisions ensure that local residents have the final say over any large increase.

Negative Revenue Support Grant (RSG)

Negative RSG is a direct consequence of the distribution methodology adopted for the 2016 to 2017 settlement, whereby for less grant dependent authorities the required reduction in core funding exceeds their available RSG.

Having listened to representations from local authorities since the provisional settlement, government has announced it intends to directly eliminate the £152.9 million of Negative Revenue Support Grant in 2019 to 2020 through the use of foregone business rates. This will prevent any local authority from being subject to a downward adjustment to their business rates tariffs and top-ups which could act as a disincentive for growth.

New Homes Bonus

The consultation after December illustrated local authorities want certainty on the future of the New Homes Bonus after next year. The government remains fully committed to incentivising housing growth and will consult widely with local authorities on how best to reward housing delivery effectively after 2019 to 2020.

An additional £18 million in funding will be provided for the New Homes Bonus, and the baseline for growth, below which new allocations of the Bonus are not paid, will stay the same at 0.4%.

This housing growth baseline provides a further incentive to local authorities to welcome housing growth and build more homes to relieve housing need. This strikes the right balance between supporting local authorities and ensuring they work to give more people the opportunity to have a place to call home.

Rural support

Communities Secretary Rt Hon James Brokenshire MP has responded to a number of councils’ concerns over rural services funding by announcing the level of Rural Services Delivery Grant in 2019 to 2020 will increase by £16 million to £81 million, in line with the levels of grant funding provided in 2018 to 2019. This recognises the extra costs of providing services in rural communities.

Fire funding for pensions

Around £97 million of funding has been announced to cover fire pensions liabilities. This responds to concerns raised by the sector over increased pensions liabilities for Fire and Rescue Authorities.

Further information

This relates to England only.

The provisional settlement gives councils a 2.8% cash-terms increase, and a 1% real-terms increase in core spending power in the 2019 to 2020 financial year – up from £45.1 billion in this financial year to £46.4 billion.

The areas selected for business rates pilots are:

- Berkshire
- Buckinghamshire
- East Sussex
- Hertfordshire
- Lancashire
- Leicester and Leicestershire
- Norfolk
- Northamptonshire
- North and West Yorkshire
- North of Tyne
- Solent Authorities
- Somerset
- Staffordshire and Stoke-on-Trent
- West Sussex
- Worcestershire

Following negotiations with London authorities, the Greater London Authority, the City of London and all London boroughs will also be forming a 75% business rates pilot pool. Existing pilots in devolution deal areas will continue.

Speech: Michael Ellis speech at the Walpole British Luxury Summit

Thank you Michael and Helen for the lovely welcome and for inviting me to speak at your inaugural British Luxury Summit.

It is a great honour to be in such august company, with so many heritage brands, august establishments, emporiums and boutiques which help make the British tourism offer such an impressive one.

It is organisations like yours that attract our highest spending visitors. And higher spending visitors mean – quite simply – more money coming into the UK and its institutions. That spend creates jobs, contributes to UK taxes, and helps to drive further inbound investment.

But it is also a mark of quality for which the UK is recognised around the world. It thus contributes to our soft power and how we are thought of by others.

I want the luxury market to thrive long into the future here in the UK and the report you referred to just now shows that this part of the sector is growing at a tremendous rate.

Today’s summit is all about the future, so with that in mind, I want to talk to you about three key words: confidence, challenge and ambition.

Uncertainty has seemed like the word of the day for some time now, and I recognise that businesses like yours want certainty as a matter of priority.

The biggest uncertainty – of course – has been our forthcoming Exit from the European Union. But I know our officials, across Government, have been working hard to prepare businesses and citizens for the potential impacts our exit could have on the industry.

We have now published a series of technical notices about what no deal would mean for travellers, for passengers and for workers. Just last week the Home Secretary confirmed that arrangements for tourists and business visitors will not look any different.

Although the underlying legal framework will change, EU citizens coming for short visits will be able to enter the UK as they can now, and stay for up to three months on each entry. Until 31 December 2020, EU citizens will be able to enter the UK by showing either a valid national identity card or a passport.

But if anyone here feels uncertain on particular elements, please do contact my team – through my office – and they can provide as much guidance as possible.

Make no mistake, the UK’s Exit from the EU has obvious challenges which require us to be at the very top of our game. I know that our tourism and hospitality sector will be able to demonstrate to visitors that the UK remains an open and welcoming place.

Our relationship with the European Union may be changing, but our fantastic array of tourism products will not.

From the whisky distilleries of Scotland to the Giants Causeway of Ireland, Caldicot Castle in Wales to the London Eye, we have a little bit of something for everyone. We always have and we always will.

With the help of organisations like VisitBritain, a stalwart pillar of certainty for tourism in these uncertain times, I am confident that we can work together to resolve any concerns and grasp any opportunities.

Which brings me to the challenge. Uncertainty brings opportunity, a chance for everyone to step up and take their work to the next level. In the case of tourism, our challenge is to turn our incredible soft power into hard cash for businesses, jobs for citizens and opportunities for inward investment and growth.

So how can we do this? We need to ensure that our ambassadors have an outstanding stay whilst they are here, so that they promote our product to their friends and family – as well as their social media followers of course – and they therefore encourage more people to come and enjoy a holiday here in the UK.

And who are these ambassadors? They are our visitors, your clients. In essence, our lifeblood. Their word of mouth can persuade so many more people that a holiday in the UK is better than anywhere else. And that investment in the UK makes more sense than anywhere else.

In the luxury sector, we can provide them with the ultimate experience to talk about; the very best of customer service, accomodation, shopping and travel.

One of my challenges to you is to keep pushing the boundaries of our luxury offer and keep exploring what we can do to give our customers an even more comfortable and luxurious time in our great nation, with amazing stories to share with their friends and family.

Not only does it increase our draw as a nation, but it improves our prospects of investment, with figures showing that people who had a good time in the UK were 17% more likely to invest in British businesses. I think that is a pretty good statistic, but I would like to make it better.

Currently, just under 1 in 5 people who visit the UK want to invest in us in the future. Well what if we could make that 1 in 4?

Which leads me to my final word: ambition! Achieving the highest possible standards has long been a British ideal. And achieving these standards is increasingly important in an ever more competitive environment.

So many of our global competitors are seeing the growth potential of tourism, and that means more choice for visitors. We need to make sure Great Britain is heard among that noise.

You will have all, I hope, heard about the ideas being worked on for the proposed Tourism Sector Deal.

For those of you that have not, what we would like to see is a deal, between us in Government and you in industry. You have come together and told us what you need from Government to boost your productivity and keep the UK competitive. On business visitors. On local tourism offers. On connectivity.

But we – in turn – want to see equal ambition from the industry. Ambition to invest in training our workforces. As I saw at Gieves and Hawkes with their highly-skilled apprenticeship training. -Ambition to share the data you have, so that we can better target our overseas promotion. Ambition to make the UK the most accessible destination in the World.

This is where I want to see Tourism's ambition and drive shine through. Where you can all work together and, with Government, create something durable, that makes us more prosperous and a centerpiece in the UK's economy.

I encourage any of you who have not yet done so, to work with Steve Ridgway of VisitBritain – on this Sector Deal particularly – but also in preparing our sector for the future, expanding our markets and appeal and driving growth across the nation.

I challenge you all to be even more enterprising, committed and pioneering.

Working together, I believe we have an offer here in the UK that can continue to go from strength to strength. Continue to create those jobs. Continue to attract that tax growth. Continue to encourage investment.

I thank you all for your attention and I look forward to working with you in the future.

Speech: Wealth of Diversity Conference: Economic Secretary's speech

Charles Babbage, the computer pioneer asked the following question in 1864: "if you put into the machine the wrong figures, will the right answers come out?".

Nearly 150 years later, this question is still being answered.

By companies and industries of all shapes and sizes.

Take the next frontier of commerce: Artificial Intelligence, the next innovation set to transform financial services.

I was interested to learn that sophisticated programmes which employ AI operate much as we do as humans.

For example, AI is increasingly being shown to produce similar biases to those in the workplace.

A 2015 study showed that in a Google images search for "CEO", just 11% of the people it displayed were women – even though 27% of the chief executives in the US are female.

The world's major technology companies are starting to recognise that machines learn from the input they receive – and the results that this input generates.

Despite great intentions, seemingly subtle actions and moments can really entrench toxic or biased cultures.

And in this vein, I want to extend a huge thank you to PIMFA – Liz and her team are doing a lot of work to push the need for diversity to the top of commercial agenda.

Today I wish to speak to you about the business case for diversity and inclusion…

…and give my two cents on the best way to get there.

And the first step is welcoming diversity…as a matter of principle – and profit.

We need an inclusive workforce for many reasons – and ethics is but one of those reasons.

It is simply the right thing to do and to expect.

And it is a hallmark of a civilised society.

Ethics aside, there is more than anything, a strong commercial case for real diversity.

Diversity of thought leads to better outcomes…

…a happier workforce…

…reflects shareholder values…

…and is increasingly attractive to investors.

A report by the CBI in 2016 concluded that diverse workplaces generate innovation and greater employee engagement…

…employees said that they're 84% more likely to innovate and more than twice as engaged in workplaces that are diverse and inclusive.

And research by Forbes in 2017 found that inclusive teams make better business decisions than less diverse teams up to 87% of the time.

McKinsey, the management consultant, has released research showing that closing the UK's gender gap could create an additional £150 billion on top of business-as-usual GDP forecasts for 2025.

Diversity – and inclusion – challenges group think, it strengthens an organisation from within – and, it gives you competitive advantage.

The business case is irrefutable. And I know that you know that. That's why you're all here today. So I don't want to spend my time here today convincing you why this matters – I want to focus on what needs to be done.

Despite the strong commercial argument, Jayne-Anne Gadhia's [the former CEO of Virgin Money] 2016 review into the representation of women in senior managerial roles in the financial services industry was revealing.

One of the key findings from the report was that women make up just 14% of Executive Committees…

…25% of the firms included in the review had no women at all on their Executive Committee…

…and 17% had no women on their board.

The Treasury decided to take action and in 2016 launched the Women in Finance Charter.

And I'm pleased to say that the Charter has been an enormous success – I am delighted with the impact it has had…

…both in terms of driving the debate…

…and in giving firms a framework to set targets, and then develop and implement a plan.

300 financial services firms have signed the Charter who together employ over 780,000 people…

…close to 60% of the sector.

It includes everyone from global banks to FinTech firms with just a few employees.

We have also inspired other countries, like Brazil and China, to take action on improving gender balance, through their own Women in Finance Charters.

The Financial Reporting Council's review of board diversity reporting, published in September 2018, found that Charter signatories had a higher diversity reporting score than other FTSE 350 companies.

And I've seen the impact the Charter can have within my own department. HM Treasury has set a target to increase the representation of women in the Senior Civil Service to 50% by 2020. In 2017 39 out of the 87 people in the Senior Civil Service were women, equating to 43%. This has now risen to 48.2%, and we are committed to building on this progress.

As we have now generated a large amount of industry support for the Charter, the focus has shifted to maximising its impact…

…by pushing ourselves to set and achieve more stretching targets through the use of evidence-based interventions.

I'm delighted that so many organisations have signed up to the Charter, which demonstrates the enthusiasm across the industry to solve this issue.

But for me the real measure of success is not just the number of organisations who sign up – I want to see firms taking this seriously and taking meaningful action, so we see a real shift towards gender parity.

The second Women in Finance Charter Annual Review will be published in March this year, where signatories to the Charter will provide updates on their progress. I will be looking at these updates closely, to assess whether firms have made sufficient progress and are taking appropriately ambitious action. And I will be using this to inform Government action going forward.

To have a real impact, it is important that we focus on what works, delivering interventions collaboratively and with a collective voice that promotes the progression of women.

Across the whole spectrum of the debate, it is clear that evidence-based interventions to bring about the step change is needed, as progress is slow.

Firms should make a habit of learning from one another, measuring their impact, and self-evaluating.

I am pleased that when I talk to senior leaders in the finance world, diversity and inclusion is increasingly an important issue for them.

Everyone has a role to play in creating a more equal working culture. And so I challenge everyone in this room to think about what you can do to drive change in your own organisation.

If you are responsible for recruiting or promoting people, ask yourself –

- Could this job be done by someone working part-time, or someone working flexibly, or someone who is returning to work after taking time out?
- Are you using skills-based assessment or structured interviews, so that your decisions are driven by what candidates can really do, rather than a sense of whether they will ‘fit’?
- Have you included more than one woman on your shortlist?

If you are a senior leader, ask yourself –

- Does your organisation know that you are committed to improving diversity?
- How are you communicating this, and how are you holding your team accountable? Are you treating this like any other business priority?
- Look at who you mentor and sponsor – does this reflect the widest pool of talent in your organisation?

And whatever your role, ask yourself:

- Do you support and encourage difference in your team?
- Can you be a role model for someone else?
- And I put to everyone the same question I put to senior leaders – does your organisation know you care about this and how are you holding them accountable?

On that note, let me wrap up my remarks this morning.

Ladies and gentlemen – simply, a wealth of diversity will lead to a wealth of outcomes.

The business case is irrefutable…

…getting there is the hard part.

Which is why I want us all, government and industry alike, to focus on action which will drive change – I don't want us to be having this same discussion in five years.

I hope that you can put the sessions today to good use…

…and that they can be a starting point for pushing the agenda across the industry.

Because although it is a tough discussion…

…it is one that we need to have…

…and it is an issue worthy of no less than national attention.

Thank you very much.

Press release: HS2 reveals Old Oak Common station designs as work ramps up on west London super-hub

The new high speed station will help kick-start the UK's largest regeneration project, which aims to transform the former railway and industrial area, into a new neighbourhood supporting up to 65,000 jobs and 25,500 new homes.

The high-speed platforms will be situated underground with an integrated connection to the adjoining conventional station at ground level via a stylish shared overbridge providing seamless connections between HS2 and Elizabeth line (Crossrail) trains, to Heathrow and central London. The current station design also includes the potential for provision of future services to Wales and the west of England from Old Oak Common.

A light and airy concourse will link both halves of the station with a soaring roof inspired by the site's industrial heritage. Designed by a team led by WSP and architects, WilkinsonEyre, the station is set to be the UK's best connected rail interchange, with an estimated 250,000 people passing through every day.

Escalators will take passengers down to the HS2 platforms, with a new public park built above them. The green space, which could include broad-leafed trees and water features, and outdoor event spaces, will welcome visitors to Old Oak Common and provide a new focal point for the growing community.

The long-term planning and development of the wider site is being led by the Mayor's Old Oak and Park Royal Development Corporation which is planning a mixed-use development, with commercial, residential and leisure uses.

Matthew Botelle, HS2's Old Oak Common Project Director, said:

> The arrival of HS2 has the potential to transform Old Oak Common, unlocking thousands of new jobs and homes around the UK's best connected transport hub. Linking HS2 and Crossrail, our new station will be a landmark piece of architecture at the heart of the development, designed around the passenger to ensure seamless, accessible and stress-free travel.
>
> We want the community to be a part of the design process and we are asking for their views on the latest plans.

HS2 Minister, Nusrat Ghani, said:

> HS2 will be the backbone of Britain's rail network, unlocking regeneration and economic growth across the country, while improving journeys for passengers.
>
> These designs show how Old Oak Common will set world-class standards for the future of stations. The task for our designers and engineers now is to take these ideas from the drawing board to reality, building an iconic station that is accessible, safe and open to all.

Chairman of OPDC, Liz Peace CBE, said:

> The launch of the HS2 station designs at Old Oak today is an exciting step forward for the Mayor of London's Old Oak and Park Royal Development Corporation (OPDC). In line with Mayoral policy we will be using the opportunity offered by the HS2 station, which we are now beginning to see take real shape, to create a vibrant new quarter of London that will bring jobs, housing and a whole new social infrastructure, for the benefit of both local people and also those that will want to move into this area.

Adrian Tooth, WSP Project Director on Old Oak Common, said:

As well as being a catalyst for regeneration within the wider OPDC area, the new HS2 Old Oak Common station will become a landmark destination featuring an area of urban realm to the west of London. Our design responds to the station's function, recognising that more than half of those using the station will interchange between the below ground HS2 and the Elizabeth Line. The station form takes inspiration from our Victorian railway heritage and the juxtaposition between the above and below ground railways.

WSP has welcomed 21 new apprentices to the Old Oak Common station project, as part of our 240-strong project team. We are committed to boosting the skills of Britain's next generation while delivering this transformative project.

The station will be built on the former Great Western railway depot at Old Oak Common. HS2 is currently working to clear the site and prepare the ground for the start of construction, later this year.

The 6, 450 metre HS2 platforms will be built in a 1 kilometre long underground box, with twin tunnels taking high speed trains east to the terminus at Euston and west to the outskirts of London. Material excavated during work on the tunnels will be removed by rail from the nearby former Willesden Euroterminal depot.

The community have been invited to comment on the designs, which are on display today (5th February) at the Collective, Nash House on Old Oak Common lane and other local venues of the coming month.

The first services are due to run in 2026.

Government response: MOJ response to Public Accounts Committee: Transforming courts and tribunals

Ministry of Justice response to the Committee’s fourth recommendation on the approach to identifying and evaluating the impact of the changes on peoples’ access to, and fairness of the justice system.

The response covers three broad areas:

- Has reform altered outcomes (fairness for example case/hearing outcomes, sentencing and financial awards)?
- Has reform changed the ability of users to pursue a case effectively (access to justice for example the ability and speed at which court users can access and pursue a case)?
- Has reform had an effect on costs incurred by those who use courts and tribunals (for example travel costs, costs of time wasted)?

The response describes our multi-tiered approach which sets out how the overarching evaluation fits with:

- The agile approach, incorporating review and assessment;
- Formal project level evaluations; and
- The on-going approach to cost/benefit assessment.

PDF, 227KB, 8 pages

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