Kemi Badenoch’s speech to the LGA Local Government Finance Conference 2022

Thank you, James [Jamieson]. Its what you get when a Treasury Minister comes in to local government rather than the other way around. So I’m glad that the sector is pleased, and I think I’d start off by saying a little bit about the role of local government just in terms of delivering for our communities. It’s never been more important than through this incredibly challenging period. And it was good to hear you speak about the sector’s priorities and how we can ensure that you all are well-equipped to do the best possible job.

It’s my pleasure to be setting out the government’s position this morning.

This is my first keynote speech as a Minister for Local Government so please be nice when it comes to the Q&A! I am still early on the learning curve.

First of all I’d like to thank the many councillors, and council officers as well, who are joining us this morning for your tireless efforts – not just through the pandemic but in everything you do. I used to be married to a local councillor so I know what it’s like and I just want to say thank you.

From the department’s perspective you have been – and remain – at the very forefront of our response to COVID.

From your efforts in shielding the vulnerable, protecting those people who have been isolated, helping over 37,000 rough sleepers off the streets through Everyone In… all of this has been absolutely heroic.

And right through to your on-going work today, you’re making sure that the booster rollout has been the incredible success that it has been. You’ve been welcoming and helping Afghan refugees safely settle in the UK through Operation Warm Welcome. And it’s really hard to think of a time when local government, local councils, local councillors, all of you, council officers, it’s hard to think of a time when you’ve played a more important part in the history of our country. So thank you very much.

That’s why, since the start of the pandemic, we have provided £13 billion in support and compensation for income losses that you had, to help you tackle the worst effects that the virus wrought.

And we are determined that you have the tools, the funding and the resources you need, not just to continue the work, but to forge a lasting recovery – you know, the PM talks about building back better, as he says – that’s really what we want you to be able to do going forward.

Bigger picture

So looking at the bigger picture – before turning to the settlement itself, I think it's important to reflect on some of the broader developments the sector has seen over the past few months.

There have been important developments in grant funding for councils, so the £1.6 billion of additional grant for the year 2022/2023 announced at the Spending Review last October.

This new grant provides additional support for critical programmes like Supporting Families, of which I am very interested, and Cyber Resilience, as well as new funding which will be distributed through the settlement.

We've seen changes in the way we support local investment too, this is before my time, but recognising the vital role this plays in service delivery, in housing provision and of course in levelling up, which is what we are all about.

In June last year, I have been reliably informed by my visuals, we published our plan to make sure the capital investment system continues to support local decision-making freedom but at the same time preventing that excessive – the excess risk taking, from a small number of local authorities.

And, as many of you know, in December, the government published the adult social care reform white paper, People at the Heart of Care, which sets out our 10-year vision along with a commitment to invest £5.4 billion in the sector over the next 3 years.

Provisional local government finance settlement (LGFS)

So as we look to the future, we want to work in hand in hand with you, given all the issues that you've raised with us over the last few months and year, that's really the approach underpinning the provisional local government finance settlement we announced last month.

So the settlement delivers an additional £3.5 billion for the sector and a real terms funding increase of over 4% for councils in the year ahead, which I hope you're all really pleased to hear. Feel free to put the applause emojis on the Zoom. It's not always easy getting money out of the Treasury but we're very, very pleased with the settlement.

Most of the £1.6 billion of new funding announced at Spending Review will be allocated through the settlement, including that additional £822 million for all services that you're all curious about, through that one-off 2022/23 Services Grant – and we believe that this is substantial support in what remains a very testing time.

You also asked us for stability – and this settlement provides stability, and a firm foundation on which to build and grow, rolling over support like the

New Homes Bonus, the Rural Services Delivery Grant, and the Lower Tier Services Grant, and it also increases the Revenue Support Grant by £70 million and updates the funding floor, which is something James and others have been really keen to see, so it updates the funding floor so that no council anywhere in England receives less money than last year.

And I know some of you will accuse us of just doing a Goldilocks, but we think we've done the right thing with a core referendum principle of 2%, plus an additional 1% adult social care precept, we believe this is a settlement that strikes the right balance between giving councils flexibility to raise income whilst also protecting our very hard-working taxpayers.

Social care

But importantly, this settlement also recognises the significant pressures on social care – with an extra £1 billion made available to alleviate this pressure in the year ahead.

So this increases the Social Care Grant and the improved Better Care Fund. You can also make use of the 1% adult social care precept I just mentioned, in addition to the deferred precept flexibilities which have been rolled over from last year's settlement.

But please be in no doubt, we don't underestimate the scale of support that the sector requires, especially as we start this decade-defining challenge of putting social care on a more sustainable footing.

And it's why, on top of this funding to address those core pressures, there's also £162 million being made available to help you prepare for adult social care reform and ensuring the system is fit for future generations.

Long-term future of the sector

So in terms of the long-term future of our local government, our unequivocal ambition and Secretary of State will have told you this already – is to help councils – to help you – meet the challenges of today while planning for tomorrow's opportunities. We don't want you to always be in crisis mode, always being reactive.

And that's why we want to ensure that funding allocations are based on an up-to-date assessment of needs and resources.

One challenge is that the data used to make this assessment has not been updated in several years – a lot of it is coming from 2013/14, nearly 10 years ago, and some even as far back as the turn of the millennium. I don't want to say 'pre-historic' but it's difficult to properly forecast using data that came before Windows XP!

So, over the coming months, we will work closely with you and all our partners from across the sector to look at the many challenges and opportunities facing local government before consulting on potential reform in the spring.

A key piece in this puzzle will be finding the right options to make sure that local authorities are supported through any change with transitional protection.

So we also know that there is significant diversity across the sector, and that's why we're keen to hear your views and ensure that the unique circumstances of your local areas are fully understood. We're not treating you as a homogenous block – that would be ridiculous. We have different needs and we want to know what we can do and as far as we can go in terms of tailoring the solutions to do what's right for you.

Conclusion

It's in that spirit of collaboration and partnership that we want to continue to work with you, bearing down on Omicron, plotting a clear course out of this pandemic and its one of the reasons why the local government finance settlement is never presented as a done deal. It's always provisional until you've helped us make it final.

I want to sincerely thank all of you who have taken part in the consultation on the provisional settlement. And for those who yet haven't shared their views please do so today, deadline is 11:45pm. So, 15 minutes before midnight is when it closes. I can't promise that I will be staying up quite that late to see your responses in person, but I really do want to hear your views and continue to work with you to put us on the best possible footing for this year.

I will finish by saying that central government and local government are at their strongest when working together, united in purpose.

And what we have accomplished over the last 2 years is nothing short of remarkable.

So, this settlement – I believe – provides the strong foundations on which to go forward as we build a brighter future beyond COVID.

First UK Annual Sanctions Report shows how UK independent sanctions underpin Global Britain's role on the World Stage

Press release

The UK has published its Annual Sanctions Report for 2021 – detailing for the first time the full extent of its new autonomous sanctions since exiting the European Union.

- The FCDO Sanctions Annual Report for 2021 has been published, which shows that, in its first full year since leaving the EU, the UK has imposed sanctions against 160 individuals and entities.
- Individuals and entities sanctioned for, among other activities, corruption and human rights abuses, are from a number of countries, including Myanmar, China, Belarus, Pakistan and Venezuela
- The report shows that since leaving the EU, the UK is more agile when deciding how and where to use sanctions which are now more focused on the national interest, while continuing to co-ordinate with our key international partners.

The UK has published its Annual Sanctions Report for 2021 – detailing for the first time the full extent of its new autonomous sanctions since exiting the European Union.

It comes after the UK established two new autonomous regimes, which allow it to show greater global leadership on sanctions, while acting more in the national interest.

On 6 July 2020, the UK launched the Global Human Rights sanctions regime, a powerful new tool to hold to account those involved in serious human rights violations or abuses. On 26 April 2021 this was followed by the launch of the Global Anti-Corruption sanctions regime, enabling the UK to combat serious corruption around the world and prevent funds from being used to fund conflict, terrorism or organised crime.

Minister responsible for UK sanctions, Lord (Tariq) Ahmad of Wimbledon, said:

> Since the end of the Transition Period, the UK has been pursuing an independent sanctions policy, driven by our foreign policy objectives and projecting the UK as a network of liberty and defender of human rights.
>
> By leaving the EU and moving to an independent sanctions policy, the UK has become more agile and has real autonomy to decide how we use sanctions and where it is in our interests to do so.

The introduction of our autonomous sanctions regimes, alongside our implementation of UN sanctions regimes, underpins Global Britain’s role as a positive force on the international stage.

The report shows that in 2021 the UK designated 160 individuals and entities across 13 regimes, launched the Global Anti-Corruption Sanctions regime and imposed a significant package of economic sanctions on Belarus. Sanctions imposed in 2021 include:

- Designations of 108 individuals and 10 entities under the Belarus sanctions regime, as well as a significant package of economic sanctions.
- Designations of 24 individuals and 9 entities under the Myanmar sanctions regime.
- Designations of 5 individuals and 3 entities from China, Myanmar and Pakistan under the Global Human Rights sanctions regime.
- Designations of 27 individuals across the world involved in serious corruption. This included misappropriation of public funds spent on memorabilia including a $275,000 Michael Jackson glove; and ruthless exploitation of public food programmes in Venezuela.

Read the full report.

Published 13 January 2022

Mid Wales Growth Deal reaches an important development milestone

Today (Thursday 13 January), saw the signing of the Final Deal Agreement of the Mid Wales Growth Deal by the Welsh Government, UK Government and the region’s local authorities, Ceredigion County Council and Powys County Council.

It marks the commitment of all partners to deliver the Mid Wales Growth Deal, a ground-breaking partnership bringing a combined investment of £110m from UK and Welsh Government, which is expected to lever in significant additional investment from other public and private sources maximising the impact in the Mid Wales region.

In addition, the programmes and projects supported by the Growth Deal will be expected to produce wider social and economic benefits, such as enhanced quality of life, creating business opportunities following the impact of COVID-19, decarbonisation in industry and consideration of climate change impacts.

The agreement is made after the development and submission of the Portfolio Business Case on the basis of the current shortlisted set of programmes and projects which cover a range of investment proposals across a number of themes – digital, tourism, agriculture food & drink, research & innovation and supporting enterprise.

The proposals set out to Government demonstrate the potential outcomes that are achievable in Mid Wales through Growth Deal investment:

- To create between 1,100 and 1,400 new jobs in Mid Wales through the Growth Deal by 2032.
- To support a net additional GVA uplift of between £570 million and £700 million for the Mid Wales Economy through the Growth Deal by 2032.
- To deliver a total investment of up to £400 million in the Mid Wales Economy through the Growth Deal by 2032.

Councillor Ellen ap Gwynn, Leader of Ceredigion County Council and joint chair of the Growing Mid Wales Board said:

> We'd both like to thank UK Government and Welsh Government for the support and commitment shown to ensure this hugely significant investment for Mid Wales. This signing at last marks the final phases of development before the funding can start flowing.

Leader of Powys County Council, Councillor Rosemarie Harris said:

> I am delighted to be able to share this signed agreement with the businesses and communities of Mid Wales.
>
> The signing of the agreement means that the delivery framework of the Growth Deal is now in place to allow programme and project business cases to come forward.
>
> The Growth Deal is a long-term investment that can provide capital funding to support regionally significant interventions that drive private sector investment and stimulate growth.

Both Leaders added:

> Collectively, we look forward to seeing the benefits this important investment will bring for people and businesses across Mid Wales. There are some hard yards ahead of us yet to ensure this investment makes a difference to our communities. However, we have invested

time, effort and have a team in place to help move this forward.

We actively encourage our businesses and stakeholders to make their investment proposals known to our team – so that we can work together towards long-term success.

Parliamentary Under Secretary of State for Wales, UK Government, David TC Davies, said:

This is an incredibly important milestone for Mid Wales. The UK Government has huge ambitions for the people of mid Wales, and these ambitions will now be backed by £55m UK Government investment.

This Deal has the power to transform livelihoods, creating jobs and spreading prosperity and I'm absolutely delighted to be signing it today. I look forward to seeing the tangible benefits of today's agreement in the coming months and years.

Welsh Government Economy Minister, Vaughan Gething said:

I am delighted to be able to sign the Final Deal Agreement today alongside our regional partners and the UK Government. This signals a major step forward for the region and it is important that momentum is maintained so that the region can progress towards the delivery of the Deal.

The Mid Wales Growth Deal, boosted by £55m Welsh Government investment, has an important role to play in our immediate economic recovery and reconstruction in light of the Covid-19 pandemic.

It will also be key to deliver against the future vision and priorities for Mid Wales, helping to promote the economic wellbeing of the region whilst addressing some of our collective ambitions around decarbonisation and a more prosperous, green and equal economy.

UK Minister for Levelling Up, the Union and Constitution, Neil O'Brien MP said:

This deal will have a real impact on communities and businesses across Mid Wales, supporting more green and sustainable economic growth.

I am proud to sign this agreement, which underlines the UK Government's commitment to levelling up every corner of the country and I look forward to seeing the programmes and projects supported by this deal now move forward.

The signed Final Deal Agreement will be available on the Growing Mid Wales website

For further information, or for a discussion with officers on the proposals or any new ideas please contact Growing Mid Wales

---

Self-isolation for those with COVID-19 can end after 5 full days following 2 negative LFD tests

- People self-isolating with COVID-19 will have the option to reduce their isolation period after 5 full days if they test negative on both day 5 and day 6 and do not have a temperature, from Monday, 17 January
- Individuals who are still positive on their rapid lateral flow tests must stay in isolation until they have had 2 consecutive negative tests taken on separate days
- This will support essential public services and keep supply chains running over the winter

From Monday 17 January, people with COVID-19 in England can end their self-isolation after 5 full days, as long as they test negative on day 5 and day 6.

The decision has been made after careful consideration of modelling from the UK Health Security Agency and to support essential public services and workforces over the winter.

It is crucial that people isolating with COVID-19 wait until they have received 2 negative rapid lateral flow tests on 2 consecutive days to reduce the chance of still being infectious.

The first test must be taken no earlier than day 5 of the self-isolation period, and the second must be taken the following day. If an individual is positive on day 5, then a negative test is required on day 6 and day 7 to release from isolation.

It is essential that 2 negative rapid lateral flow tests are taken on consecutive days and reported before individuals return to their job or education, if leaving self-isolation earlier than the full 10-day period.

For instance, if an individual is positive on day 5, then a negative test is required on both day 6 and day 7 to release from self-isolation, or positive on day 6, then a negative test is required on days 7 and 8, and so on until the end of day 10.

Those who leave self-isolation on or after day 6 are strongly advised to wear face coverings and limit close contact with other people in crowded or poorly ventilated spaces, work from home if they can do so and minimise contact with anyone who is at higher risk of severe illness if infected with COVID-19.

The default self-isolation period continues to be 10 days, and you may only leave self-isolation early if you have taken 2 rapid lateral flow tests and do not have a temperature in line with guidance.

Health and Social Care Secretary Sajid Javid said:

> After reviewing all of the evidence, we've made the decision to reduce the minimum self-isolation period to 5 full days in England.
>
> These 2 tests are critical to these balanced and proportionate plans and I'd urge everyone to take advantage of the capacity we've built up in tests so we can restore more freedom to this country, whilst we are keeping everyone safe.

Existing public health measures remain in place, including:

- staying at home if you feel unwell
- getting a test if you experience any COVID-19 symptoms
- wearing a face covering in crowded, enclosed spaces
- working from home if possible
- maintaining social distancing and regular hand washing
- taking up the offer of the free COVID-19 vaccine

Self-isolation may continue in certain circumstances, such as for those who work with vulnerable people. A full list will be published in guidance in due course.

Vaccinations remain our best defence against COVID-19, offering substantial protection against infection and hospitalisation – and the government continues to urge the public to get boosted as soon as you're eligible.

In line with today's announcement, the government will also consider the guidance for close contacts of people with COVID-19, including around the advice for fully vaccinated contacts to take daily rapid lateral flow tests for 7 days.

Under the current testing rules, around 6% of people will be infectious when they are released from isolation on day 7 following 2 consecutive negative rapid lateral flow tests.

Once the guidance is changed to end isolation on day 6 with 2 consecutive negative rapid lateral flow results, modelling from the UK Health Security Agency shows this figure will rise to around 7%.

If you leave isolation on day 6, after 5 full days of isolation, between 20% and 30% of people are still infectious.

The percentage of those released while infectious is reduced to around 7% if people have 2 consecutive negative tests and then leave isolation from day 6.

The self-isolation period was previously reduced from ending on day 10 to day 7, with a negative rapid lateral flow test result taken 24 hours apart on day 6 and 7 on 22 December 2021.

Individuals may only leave isolation once they have had 2 negative rapid lateral flow tests on 2 consecutive days; if they test positive on day 5, 6 or 7, they must continue testing until they have 2 negative tests.

If you test positive for COVID-19 you must self-isolate, it is the law. The law states that you must self-isolate for 10 days, however this change enables people who are not infectious, proven via 2 negative tests over 2 days, which can start from day 5, to leave isolation on day 6.

If individuals test positive during their isolation period it does not restart the clock for the 10-day isolation period. Day 0 of the isolation period is when you first show symptoms or, if asymptomatic, the day you took your test.

The rules for contacts have not changed. Fully vaccinated individuals who are identified as contacts of someone with COVID-19 should take daily rapid lateral flow tests for 7 days but are not legally required to self-isolate. Unvaccinated contacts are legally required to self-isolate for the full 10-day period.

UK sets global transparency standard for asset returns

News story

The UK is the first country to publish its policy and principles on international asset returns.

Today (Thursday 13 January) the UK has become the first country in the world to demonstrate how it returns proceeds of corruption to foreign countries with the publication of a new framework.

The UK is the first country to publish its policy and principles on international asset returns, in an unprecedented effort to provide transparent insight into government decision making on returning proceeds of crime. This applies across England, Wales and Northern Ireland.

The government places great importance on the recovery and return of the proceeds of corruption. We recognise that assets must be returned in a transparent and accountable manner, in line with the UN Convention Against Corruption provisions.

The publication of this framework demonstrates the UK's commitment to the fight against corruption. The document represents a key transparency indicator and forms part of the UK's 2021 commitments under the G7, the UK's National Action Plan, and the upcoming 2022 US Summit for Democracy.

We hope that publishing this framework will encourage other international partners to follow suit and that it will enshrine the principles of transparency and accountability in international asset recovery practices worldwide.

Published 13 January 2022