

Local Government Minister's speech at the LGA's local government finance conference 2020

Introduction

Thank you for your kind introduction and for inviting me to speak here today.

Can I start by saying how grateful the government is for all of the excellent work the LGA does, supporting local authorities across the country on key issues throughout the year.

We are particularly grateful for your collaboration on last year's Spending Round. The strong arguments put forward by the sector helped me and the Secretary of State make a persuasive and successful case to Treasury ministers.

The work that you do on political development, with I understand, over 1,000 councillors booked onto the LGA leadership programme this year.

Your work on corporate peer reviews, with over 150 challenges this year.

And the advice, sometimes very forthright advice, that you provide on the sector's needs to ministers, is incredibly valuable. So we are incredibly grateful to you.

And I would like to take this opportunity to thank everybody here who is working in local government and elected members for all your efforts to deliver high quality and efficient services.

I know as a minister, a constituency MP and as someone who has been involved in my community in South Gloucestershire for many years the direct impact that well-run local authorities have on local residents' lives.

There are many people in this room who have made a big contribution to the sector over the past 12 months, but I would like to single out James Jamieson for his leadership over the last 6 months – it's been a pleasure to work with you.

And, whilst I didn't have the opportunity to work with Lord Porter direct, I would also like to publicly acknowledge and thank him for his work as chair – we will continue to see the legacy of your work for years to come.

Every New Year is an opportunity for us to reflect on the one that has just passed, and to look to the year ahead. I hope you will allow me to do that and reflect on our world of local government.

2019

One of the stand out events in 2019 was the rapid one-year Spending Round and the publication, some might say the very last-minute publication, of the [provisional local government finance settlement for 2020 to 2021](#).

And we believe that the proposals set out in the Spending Round and in our settlement consultation will give local authorities access to the largest year-on-year increase in spending power in a decade: 4.4% in real terms.

The local government finance settlement delivers significant extra resources to the priority areas of adult and children's social care: an extra £1 billion of grant across adult and children's services, plus an additional £500 million from a 2% council tax adult social care precept.

I am glad these resources have been welcomed by many for providing significant extra help for local authorities to support the most vulnerable.

We also committed to ensuring that local authorities receive the certainty and stability they need to confirm their plans for next years' service delivery. We did this in the Spending Round by providing protection for vital services by increasing core settlement resources in line with inflation.

We also maintained key grants from 2019 to 2020 – including continuing all existing social care grants, such as the £2 billion improved Better Care Fund.

There will be a new £900 million round of New Homes Bonus and a continuation of last year's £81 million Rural Services Delivery Grant, which was the highest paid to-date.

In our manifesto we committed to ensure that 'local people will continue to have the final say on council tax.'

We have proposed a package of council tax referendum principles which provide local authorities with the flexibility to address service pressures, while ensuring local residents have the final say on any excessive increases.

If the package is approved by Parliament, the expected average council tax increase for 2020 to 2021 would be the lowest since 2016 to 2017.

We have now also confirmed [Dedicated Schools Grant allocations for 2020 to 2021](#), including an increase in high needs funding for schools and colleges of over £700 million. This extra money will enable local authorities to think carefully about where best to invest in provision so that they can establish a more sustainable system in future.

Every school will get more money for every child – "levelling up" funding and helping to spread equality of opportunity for all. This government is determined to invest in the education and future of our young people and the dedicated teachers and staff who support them.

At the same time, we also recognise that it is not just about the money and the cross-Whitehall SEND review that the Department for Education is leading will be looking carefully at what other aspects of the system need to be improved or changed

There will also be an increase in Public Health Grant, to allow you to continue to invest in prevention and essential frontline health services.

Additionally, the NHS's contribution to the Better Care Fund will grow in line with the additional investment in the NHS in 2020 to 2021 – 3.4% in real terms.

I would like to thank colleagues in local government for your responses to our settlement technical consultation last year.

These allowed us to develop a set of proposals in this provisional consultation that we genuinely believe reflects the priorities of local government in this roll-forward year. Including extra resources where they are needed most and stability in other areas.

I look forward to hearing your views on our proposals through the [consultation](#), which is open until 17 January.

2020

Looking forward to the coming year, we have an exciting agenda in front of us.

One of our first announcements this Parliament was the [allocation of £263 million to local authorities](#) to support their work to reduce homelessness and rough sleeping.

In 2020 to 2021 we are providing a total £422 million to tackle homelessness and rough sleeping. This is £54 million more funding than in the previous year – a 13% real terms increase.

In 2018, rough sleeping fell nationally by 2%, the first reduction in a decade. As the Minister for Homelessness I will work tirelessly to build on progress and see these reductions go further – to end rough sleeping by the end of this Parliament.

Looking to the Troubled Families Programme, over the weekend we [announced £165 million of new funding for 2020 to 2021](#) which will provide intensive support for some of the most vulnerable families and place the programme on a stable footing for the future.

We have been clear that we will build on the success of the programme; the latest evaluation results show that the Programme is reducing the proportion of children going into care, of adults going to prison and of juvenile convictions, and helping people back into work.

I am always struck by the extraordinary skills of the family key workers in

building trust and gaining a true understanding of the issues confronting the whole family so they can support them in moving forward with their lives.

This new funding will enable local authorities across the country to achieve even more in the year to come.

There will be a longer-term Spending Review, alongside reviews of the allocation and distribution of those resources, and a review and upcoming revaluation of the business rates tax.

We will set out our plans to fix the social care system once and for all, to give everyone the dignity and security that they deserve. We will work with political parties from all sides of the House of Commons to seek consensus around the very best solutions.

And we will publish an 'English devolution white paper', aiming for full devolution, so that every part of the country has the power to shape its own future.

The Spending Review will not just settle the amount of resources available to local government over the period and the approach to distributing these, but also important related questions including:

- which programmes are the most effective in delivering outcomes for local communities?
- how do we balance resources for mainstream programmes with much-needed investment in prevention?
- what is the best approach to incentivising local housing supply and economic growth? For which we have already committed to reform of the New Homes Bonus
- how do we provide the certainty to support investment in improving services?
- and how do we best support local authorities to improve; helping you become more efficient and transform services around the needs of local people? I want to have a wider look at how we can do this more effectively, and will make an announcement soon on next steps.

Fair Funding Review

As you know, the review of relative needs and resources is progressing – finding ways to ensure authorities receive the right allocations to meet their needs.

This is a large and complex project – and expectations are high on all sides. We are making good progress and will continue to try to build consensus – or at least the recognition and confidence that everything has been thoroughly tested – as we start to take decisions to narrow the range of options for the future of local authority funding.

But successful delivery of the Fair Funding Review will require everyone to recognise the need for trade-offs which will be necessary in order to deliver the review as planned.

Compromise will be needed to ensure that the formula works for everyone.

The direction of the review has been welcomed by many, but we must deliver a sustainable formula that works for the whole sector.

This is a time when a well-argued sector position with a clear consensus would be helpful, not only in delivering the Fair Funding Review, but also in building a strong position going into the Spending Review.

And we will be consulting on further detail of the proposed reforms as soon as we can, allowing time for your feedback before final decisions are made; and we aim to release some exemplifications in advance of this, to allow dialogue on technical issues.

Business rates retention

We also know that business rates retention has been a popular part of the local government finance system, with many councils benefitting from keeping additional business rates growth.

But we also know there are questions about some aspects of the way the system operates – like the volatility caused by business rates appeals; like whether all councils benefit from the same opportunity for reward; and whether there could be stronger incentives for councils to work together across their areas.

We have been examining these issues alongside local government and are still genuinely welcoming views on the best way forward.

Business rates tax

Everybody here will appreciate how important it is that the system of local government finance works well if we want to deliver top flight public services.

Which is why we have committed to carrying out a fundamental review of the business rates tax.

It is therefore vital that we are hearing the perspectives of those who are administering the system in this review.

It is also important that we consider alongside you how business rates income is used, and how well that meets councils' funding needs, whilst we consider the future direction of reforms.

Conclusion

We have a bold and ambitious agenda for change, and a working majority in Parliament now gives us the ability to achieve this.

But we will not be able to succeed in this without working in close collaboration with local government. We need your help to achieve these bold

and ambitious objectives. I am looking forward to doing just that in the year ahead.

Thank you so much.

[Have your say on proposed Rivenhall waste site permit decision](#)

Gent Fairhead & Co. Ltd was granted planning permission in 2010 to build the Rivenhall Integrated Waste Management Facility (IWMF).

An environmental permit is also required before the site can be operated and this was issued by the Environment Agency in 2017.

The company is now seeking to vary the permit and the Environment Agency is inviting the public to have their say on our intention to accept the company's proposals.

The company's application seeks to change current permit conditions in order to allow a reduction in the height of the incinerator stack from 58 metres to 35 metres.

The application also seeks to apply stricter limits on emissions of oxides of nitrogen (so called NO_x), sulphur dioxide and lower limits for certain heavy metals compared to those currently stipulated in the permit.

The company's application also seeks to change the primary means of controlling NO_x emissions.

At present, the permit requires the use of Selective Non-Catalytic Reduction (SNCR) for NO_x abatement. The variation application proposes the use of an advanced SNCR system.

An advanced system will optimise the reaction between ammonia dosing and NO_x resulting in lower levels emitted from the plant in order to comply with the stricter limits.

The Environment Agency consulted the public on the variation application between 24 January and 21 February 2019 and received a total of 137 responses.

After carefully considering the application over the last 12 months, including all received consultation responses, the Environment Agency is now proposing to accept the changes requested by the company.

A spokesperson said: "We are keen to hear from anyone who wants to have their say on our proposal before we make a final decision."

“Our draft decision document sets out in detail the reasoning for our current proposed decision.

“The draft decision document also provides details of our consideration of those issues/concerns raised by the public during the consultation earlier this year.”

What happens now?

The Environment Agency is holding a period of public consultation on its proposed decision, which starts on 9 January 2020 and will end on 6 February 2020.

As part of the consultation a local drop-in event will be held, during which members of the public will be able to ask questions of Environment Agency technical officers and discuss any issues of concern.

The drop-in event will be held on Friday, 10 January 2020, between 2pm and 7pm at Rivenhall Village Hall, 54 Church Rd, Rivenhall, Witham CM8 3PH

- Having previously consulted the public at the time the application was received, the Environment Agency is now asking for comments specifically in relation to its proposed decision and the reasons provided in the draft decision document.
- The public can view the draft variation notice, draft decision document and also make comments on-line [here](#)
- Please note that this link will only go ‘live’ from 9 January 2020.
- You can also view the documents at the Environment Agency office on the Threshelfords Business Park, Inworth Road, Kelvedon CO5 9SE. • Anyone looking to have their say on the application can send comments to: Permitting and Support Centre, Land Team, Quadrant 2, 99 Parkway Ave, Sheffield S9 4WF
- You can also send an email pscpublicresponse@environment-agency.gov.uk

Off-payroll review launched

- Government launches review into implementation of changes to the off-payroll working rules
- Review will gather evidence from affected individuals and businesses to ensure smooth implementation of the reforms

The Government is launching a review of changes to off-payroll working rules today to address any concerns from businesses and affected individuals about

how they will be implemented.

The review will determine if any further steps can be taken to ensure the smooth and successful implementation of the reforms, which are due to come into force in April 2020. As part of this, the review will also assess whether any additional support is needed to ensure that the self-employed, who are not in scope of the rules, are not impacted.

Off-payroll working rules, known as IR35, were introduced in 2000 to ensure that someone working like an employee, but through a company, pays similar taxes to other employees.

The reforms, announced in the 2018 Budget, are designed to tackle non-compliance with off-payroll working rules by making medium and large organisations in the private and third sectors responsible for determining the tax status of contractors.

The review will focus on the implementation of these reforms, which are due to come into force on 6 April 2020.

The government will launch a separate review to explore how it can better support the self-employed. That includes improving access to finance and credit, making the tax system easier to navigate, and examining how better broadband can boost homeworking.

Today's announcement fulfils a commitment made by Chancellor Sajid Javid on November 30th last year.

Financial Secretary to the Treasury Jesse Norman said:

We recognise that concerns have been raised about the forthcoming reforms to the off-payroll working rules.

The purpose of this consultation is to make sure that the implementation of these changes in April is as smooth as possible.

The review, which will conclude by mid-February, will engage with affected individuals and businesses on their experiences of the implementation of these reforms.

As part of the review, the Government will hold a series of roundtables with stakeholders representative of those affected by the reform, including contractor groups and medium and large-sized businesses, to understand how the government can ensure smooth implementation of the reforms. The Government will also carry out further internal analysis, including evaluation of the enhanced Check employment status for tax (CEST) tool and public sector bodies' experience of implementing the reform to the off-payroll working rules in 2017.

The off-payroll working rules do not affect the self-employed, as only those working like employees are in scope. As part of the review, the Government

will explore whether there are any further steps it could take to support businesses in correctly determining employment status.

In parallel to the review, HMRC will continue its comprehensive programme of education and support activities, proactively helping customers to prepare for the reform to off-payroll working rules in April 2020. This will include one-to-one engagement, webinars and workshops alongside targeted communications and support for customers, and their representatives to help them prepare for implementation on 6 April 2020.

Further information

- The off-payroll working rules were introduced in 2000 and require that individuals who work like employees, but through their own company, pay similar taxes to other employees. Those who do not comply with the rules pay significantly less income tax and NICs than an equivalent employee.
- Since 2017 public sector employers have been responsible for assessing the employment status of individuals. The reforms being introduced in April 2020 will require medium and large organisations in all other sectors to do the same.
- The Chancellor announced the off-payroll review in an interview with [BBC's Money Box](#) on November 30th 2019.

Somalia: international partners welcome agreement between the Federal government and ASWJ

Somalia's international partners welcome the statements by the Federal government of Somalia and the leadership of Ahlu Sunna Wal Jama'a (ASWJ) issued on 12 December.

We appreciate the tireless efforts made by the Federal government of Somalia, ASWJ leadership and other concerned stakeholders to resolve points of difference through dialogue and compromise.

We believe this is an important step towards establishing a unified and stable administration in Galmudug, which will be essential in order to advance Somalia's national priorities for 2020.

We encourage all concerned to continue their efforts and underscore the importance of an inclusive process that reflects the aspirations of all the communities of Galmudug, and that results in a fair, credible and transparent outcome that is acceptable to the people of Galmudug.

Joint International partners statement : African Union Mission in Somalia

(AMISOM), Canada, Denmark, European Union, Ethiopia, Finland, Germany, Italy, Intergovernmental Authority on Development (IGAD), Kenya, Netherlands, Norway, Sweden, Turkey, Uganda, United Kingdom, United Nations and United States.

Divorce 'blame game' to end

- biggest shake-up of divorce laws for 50 years
- government reintroduces Divorce, Dissolution and Separation Bill to Parliament
- new law to ease impact of unnecessary conflict on couples and children

The Divorce, Dissolution and Separation Bill represents the biggest shake-up of divorce laws in half a century and aims to reduce the impact that allegations of blame can have on a couple and in particular children.

Currently, one spouse has to make accusations about the other's conduct, such as 'unreasonable behaviour' or adultery, or otherwise face years of separation before a divorce can be granted – regardless of whether a couple has made a mutual decision to separate.

The new law will remove this 'blame game' by allowing one spouse – or the couple jointly – to make a statement of irretrievable breakdown. It will also stop one partner contesting a divorce if the other wants one – which in some cases has allowed domestic abusers to exercise further coercive control over their victim.

The Bill was first introduced in June 2019 after a public consultation and is being brought before Parliament again following the General Election.

Justice Secretary & Lord Chancellor Rt Hon Robert Buckland QC MP said:

The institution of marriage will always be vitally important, but we must never allow a situation where our laws exacerbate conflict and harm a child's upbringing.

Our reforms will stop divorcing couples having to make unnecessary allegations against one another and instead help them focus on separating amicably.

By sparing individuals the need to play the blame game, we are stripping out the needless antagonism this creates so families can better move on with their lives.

Aidan Jones, Chief Executive at relationships charity Relate said:

We're pleased to see this important bill being reintroduced to Parliament today and hope for the sake of countless families that it is passed. Evidence tells us that parental conflict is damaging to children's outcomes in life, yet the current fault-based system leads divorcing partners to apportion blame.

The proposed changes will encourage a positive start to the new relationship divorcing couples must form as co-parents. Divorce isn't a decision people tend to take lightly but the introduction of a minimum timeframe will provide an opportunity for couples to reflect and seek vital support such as counselling and mediation.

The Bill will bring divorce law in line with the government's approach to family justice – avoiding confrontation wherever possible and reducing its damaging effect on children in particular.

Crucially, it will also introduce a 20-week period between the initial petition stage and when the court grants the provisional decree of divorce (the 'decree nisi'). This will provide a meaningful period of reflection and the chance to turn back, or where divorce is inevitable, it will better enable couples to cooperate and make arrangements for the future.

Specifically, the Divorce, Dissolution and Separation Bill will:

- Replace the current requirement to evidence either a conduct or separation 'fact' with the provision of a statement of irretrievable breakdown of the marriage (couples can opt to make this a joint statement).
- Remove the possibility of contesting the decision to divorce, as a statement will be conclusive evidence that the marriage has irretrievably broken down.
- Introduces a new minimum period of 20 weeks from the start of proceedings to confirmation to the court that a conditional order of divorce may be made, allowing greater opportunity for couples to agree practical arrangements for the future where reconciliation is not possible and divorce is inevitable.

Notes to editors

- The government published its response to the public consultation, [Reducing Family Conflict: reform of the legal requirements for divorce](#), on 9 April 2019.
- Current divorce law requires people seeking divorce to give evidence of one or more of five facts to establish the irretrievable breakdown of the marriage; 3 are based on 'fault' and 2 are based instead on a period of separation.
- The 5 facts are: 'unreasonable behaviour', adultery, desertion, 2 years' separation (if the other spouse consents to the divorce) and 5 years' separation (otherwise). These are summary versions of the facts.
- The behaviour fact, for example, which was an issue in the case of the high profile Owens v Owens case, is often called 'unreasonable

behaviour' but is actually 'that the respondent has behaved in such a way that the petitioner cannot reasonably be expected to live with the respondent'.

- Separation-based facts are effectively unavailable to those who cannot afford to run two households before resolving their financial arrangements on divorce.
- At present, where both parties agree, the court can dissolve the marriage after the couple have lived apart for a minimum 2 years. Where one spouse disagrees, the other spouse will either have to wait to be separated for 5 years before a divorce is granted or may instead obtain a divorce if they demonstrate to the satisfaction of the court that their spouse has committed adultery or that they have behaved in such a way that the party cannot reasonably be expected to live with them. Desertion is rarely relied upon. The legal definitions of the facts can be found in [section 1\(2\) of the Matrimonial Causes Act 1973](#)
- Data shows that out of every five divorce petitions over the last three years, close to three rely on conduct facts and two on separation facts. Between 2016-18, the behaviour fact accounted for nearly half of all petitions (46.4%, or 47.1% when combined with the adultery fact). In 2018, 118,000 people petitioned for divorce in England and Wales.
- The ability to contest a divorce is rarely used (in less than 2% of cases). The Bill removes the possibility to contest a divorce but all divorce applications could still be challenged on the bases of jurisdiction, the legal validity of the marriage, fraud or coercion and procedural compliance.
- The current law does not require any minimum period of time to elapse before granting the decree nisi (conditional order of divorce). Between 2011 and 2018, around one in ten cases reached decree nisi within 8 weeks, and 3 in 10 cases between 9-13 weeks. It is expected that without the introduction of a minimum timeframe, the average time would reduce as online divorce is extended.
- The average period to the final decree is much more varied, as some parties take a long time to make financial arrangements before they apply for the final decree. We will retain the current minimum period of 6 weeks before a final decree can be applied for.
- The divorce will not be automatic at a fixed date at the end of the minimum timeframe, but will require the applicant to continue to affirm their decision to seek a divorce. This keeps the important safeguards of the existing process.
- Parallel changes will be made to the law governing the dissolution of a civil partnership which broadly mirrors the legal process for obtaining a divorce.
- The proposed legislation will not cover other areas of matrimonial law such as financial provision. Financial provision on divorce is handled in separate proceedings and the court has wide discretion to provide for future financial needs.