

25 January 2018

Rishi Sunak MP, Minister of State for Local Government

Purpose

As background to the discussion.

Summary

Rishi Sunak MP, Minister of State for Local Government, will join Councillors' Forum for this item. This session provides an opportunity for councillors to raise questions to the Minister.

This report covers a range of issues including the recent renaming of the Department for Communities and Local Government (DCLG), local government priorities, adult social care and local government finance.

Recommendation

Members of Councillors' Forum are invited to note the background report and, following the Minister's speech, pose questions from a local government perspective.

Action

Officers will take forward actions identified.

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Rishi Sunak MP, Minister of State for Local Government

Background

1. In January 2018, the Government confirmed a new name for the Department for Communities and Local Government (DCLG) as part of the ministerial reshuffle. The new Ministry of Housing, Communities and Local Government will work to create places to live and work, and to give more power to local people to shape what happens in their area. Responsibilities of the Ministry include: driving up housing supply, increasing home ownership, devolving powers and budgets to boost local growth in England and supporting strong communities with public services. The name change reflects the Government's promise to deliver more homes and build strong communities across England.
2. The Rt. Hon. Sajid Javid MP will continue as the Secretary of State. Mr Javid will also continue as the Ministerial Champion for the Midlands Engine.
3. Junior ministerial appointments and their responsibilities were confirmed by the Prime Minister on the 15 January. This included an addition of a further Parliamentary Under Secretary of State to the ministerial team to reflect the Government's renewed focus on housing issues. Below are details of the new ministerial team and their roles:
 - 3.1. **Dominic Raab MP** – Minister of State for Housing and Planning
 - 3.2. **Jake Berry MP** – Parliamentary Under Secretary of State, Minister for the Northern Powerhouse and Local Growth
 - 3.3. **Lord Bourne of Aberystwyth** – Parliamentary Under Secretary of State, Minister for Faith
 - 3.4. **Rishi Sunak MP** – Parliamentary Under Secretary of State, Minister for Local Government
 - 3.5. **Heather Wheeler MP** – Parliamentary Under Secretary of State, Minister for Housing and Homelessness

Minister for Local Government

4. Rishi Sunak MP was appointed as the Minister for Local Government on 9 January. This is his first ministerial role, the responsibilities for which include the following:
 - 4.1. Local government policy, including local government reform
 - 4.2. Local government finances, including local authority sustainability and business rates retention
 - 4.3. Adult social care
 - 4.4. Local government interventions policy and oversight of existing interventions

25 January 2018

- 4.5. Local government pensions
- 4.6. Troubled families
- 4.7. Parks/green space
- 5. A biography for Rishi Sunak MP is attached at **Appendix A**.

Priorities for Local Government

Local government finance

- 6. The Local Government Finance Settlement was announced on 16 December 2017; consultation closed on 16 January 2018, the final settlement is expected around the beginning of February.
- 7. Almost no new money from central government has been included in the settlement, although the Government has increased the general council tax referendum limit from 1.99 per cent to 2.99 per cent for 2018/19 and 2019/20. The [LGA's settlement response](#) says that it is extremely disappointing that the Government has again chosen not to address the continuing funding gap for children's and adult social care. We have repeatedly warned of the serious consequences of funding pressures facing these services, for both the people that rely on them and the financial sustainability of other services councils provide. An injection of new money from central government is the only way to protect the vital services which protect children and support families and care for older and disabled people.
- 8. Local services are facing a £5.8 billion funding gap in 2019/20, as well as a £1.3 billion pressure to stabilise the adult social care provider market today. Whilst we estimate the welcome additional council tax flexibility to be worth up to £540 million in 2019/20 if all councils use it in both 2018/19 and 2019/20, it is nowhere near enough to meet the funding gap. The Government needs to provide new funding for all councils over the next few years so they can protect vital local services from further cutbacks.
- 9. Further business rates retention income could be used to meet the funding gap facing local government, and discussions will continue between Government officials, the LGA and councils on the introduction of further business rates retention for all in 2020/21. The Government has also confirmed that the Fair Funding Review will be completed in time for implementation in April 2020. We will continue to work with the Government on further business rates retention and the Fair Funding Review, including tackling the impact of business rates appeals on local authorities in time for the implementation of further business rates retention in 2020/21.
- 10. The four year deal runs out in March 2020. We remain concerned that there is no clarity over funding levels, for both the national pot and local allocations, and any council tax referendum limits, after that date. This hampers meaningful financial planning at a time when central government grant funding is the lowest it has been for decades and demand pressures are increasing.
- 11. The LGA will continue to work with the Government and councils on the stated priorities and will continue calls for an injection of new money from central government which is needed to address the funding gap and children's and adult social care.

Adult social care

12. Adult social care must be treated as a national priority. It is a vital public service which Local Government provides to support working age disabled adults and older people with often high levels of need. It also promotes the wider wellbeing and independence of many of our residents. An adequately funded social care and support system is also essential for supporting the sustainability of the NHS by helping to reduce the demand it faces.
13. The extra money for social care announced in the Spring Budget 2017 was a step in the right direction. However, it is only one-off funding which reduces each year and stops at the end of 2019/20. It is not a long-term solution. Even with this injection of funds adult social care faces a funding gap of £2.3 billion by 2020. This includes an immediate and annually recurring pressure of £1.3 billion, which is the difference between what providers say they need and what councils currently pay.
14. The consequences of long term underfunding means an ever more fragile provider market, growing unmet and under-met need, further strain on informal carers, less investment in prevention, continued pressure on an already overstretched care workforce, and a decreased ability of social care to help mitigate demand pressures on the NHS. This is having a significant impact on many of those supported by adult social care and support services.
15. It is extremely disappointing that the Government chose not to address the continuing funding gap for adult social care in the Autumn Budget, while announcing further investment in the NHS. Adult social care needs to be placed on an equal footing to the NHS. It is clear that the public understands this, as adult social care was a central talking point in the recent general election.
16. We welcome the recent announcement of a period of engagement and consultation ahead of a green paper on the future of care "by summer recess 2018". However, that process will only focus on older people, will take time and we simply cannot wait for its solutions to deliver a sustainable system. The pressures are immediate and people of all ages using services want action now.