

# Speech: Sajid Javid's speech to LGA Local Government Finance Conference 2018

Thank you, Gary, and good afternoon everybody. As I'm sure you can imagine, it's been a busy start back since the New Year!

It's great to see the Local Government Association back home at Smith Square. As I said when I helped with the reopening, I got a little paranoid when you moved to the other side of London right after I arrived just around the corner!

But it's also good to have you back here in the heart of Westminster because that is where local government deserves to be. You're not the junior partner, a democratic afterthought. You're a vital part of British life, as important as any ministry, playing a huge and growing role in the daily lives of millions of people.

Speaking of ministries, as you know, my department has a new name – the Ministry of Housing, Communities and Local Government. A name that reflects the fact that this government is absolutely committed to building the homes our country so desperately needs.

I'm delighted to have been reappointed to lead on this. I've been clear that fixing our broken housing market is my number one priority. Great places for people to live and put down roots.

I recognise that local government has a vital role in helping us deliver on this.

The people of this country rely on you, put their faith in you. And you, in turn have to be able to put your faith in central government. You have to know that we're here for you, that we're standing up for you, that we're doing all we can to get you the resources that you need.

That's why, in the 5 years to 2020, we're giving English councils access to more than £200 billion in funding. And that's why, through our reforms to business rates, we're giving you greater freedom to raise and retain revenue in your areas.

After all, you know your communities better than anyone else. You understand the challenges, the pressures, the opportunities and more. And if you're going to really make the most of that knowledge, you need the freedom and flexibility to be truly local government, not merely local administration.

That's the thinking behind this year's finance settlement. Now, I know that [last month's draft](#) wasn't greeted with wild enthusiasm in the sector. Mind you, I don't think ANY local government finance settlement has ever been greeted with wild enthusiasm!

This year's was particularly special. I had one of those days when the press office phone up and say "Well, Secretary of State, the good news is you've made the front pages..."

Unfortunately I wasn't here before lunch to hear my Labour counterpart's verdict, so I'm going to assume he warmly welcomed the whole package... Is that right? I know he's a big fan of mine!

But look, it's important to remember that this is part of a broader and continuing process to establish what local government needs to continue to deliver excellent public services. There are plenty of discussions still to be had, I know the incoming Local Government Minister will be doing little else over the next month or so. Building on the excellent work that Marcus Jones has already done over the last 3 years. I want to take this opportunity to thank him for all of his work, and to reassure you, that he will still be working with local government in his new role.

So I'm going to run through some of the highlights of the settlement, talk a little about what we're doing and why. And then I'm looking forward to hearing what you have to say, hearing your thoughts.

## **Local government finance settlement**

I'll start with the future of the whole system of local government finance. Over the years, the current formula of budget allocations has served councils and residents well.

But we live in a changing world. Shifts in demographics, lifestyles and technology lead to changes in the different pressures facing different councils, and new risks emerge all the time. What's right today may not be right tomorrow, and the system of financing local government needs to reflect that, and help manage risks as well as providing opportunities.

We need an updated and more responsive way of distributing funding. One that gives councils the confidence to face the challenges and opportunities of the future. That's why I was pleased to launch a [formal consultation on a review of relative needs and resources](#). It's not just a paper exercise, it's going to be used to create a whole new system, one that more fairly reflects modern needs. And I hope to have that system in place in 2020 to 2021.

We're building a country fit for the future, and this review will ensure we have a local government finance system that's also suited to the challenges and opportunities of the years ahead.

Alongside the new methodology, in 2020 to 2021 we will also be implementing the latest phase of our business rates retention programme, a scheme that gives local councils the incentives they need to grow their local economies.

As you know, our aim is for local authorities to retain 75% of business rates from 2020 to 2021. That will be through incorporating existing grants into business rates retention including Revenue Support Grant and the Public Health Grant. And you'll be able to keep 75% of the growth in your business

rates from the new baselines in 2020 to 2021, when the system is reset. And we will continue to work with you to identify other opportunities to increase business rates retention further when it is right to do so.

Business rates retention encourages growth in your local economies. So it's no surprise that our 100% retention pilots have proved so popular with councils. We were originally planning on running an extra 5 pilots in 2018 to 2019, but when we asked councils to apply to take part we were almost overwhelmed by the reaction. More than 200 authorities put themselves forward.

Picking just 5 areas was never going to be easy, which is why we're now going to do 10 pilots instead, covering 89 authorities. The 10 that we've selected, taken alongside the existing pilots, give a broad geographic spread. North and south, urban and rural, small and large. This is no accident, we want to see exactly how the system works in all circumstances, and the pilots will make sure that happens.

The expansion of the pilots – and our plan to do more piloting in 2019 to 2020 – is a great example of this government listening to local councils and responding to what we hear.

And that has also been the driving force behind a number of other elements in the settlement.

For example, rural councils have expressed concern about the fairness of the current system, with the Rural Services Delivery Grant due to be reduced next year. In response to that, we're increasing Rural Services Delivery Grant by £15 million in 2018/19 so that the total figure remains at £65 million for the remainder of the 4-year settlement.

We've also responded to concerns about proposed changes to the New Homes Bonus. To date we have made almost £7 billion in NHB payments to reward the building of 1.4 million homes. Over £946 million in NHB payments will be allocated in 2018 to 2019, rewarding local authorities for their work in fixing our broken housing market.

It has been a huge success, but I'm a hard man to please, I always want to know if we can do even better. That's why, last year, I asked the sector for its views on proposals to link NHB payments to the number of successful planning appeals, further rewarding councils who don't let the bureaucracy slow down housing growth.

But the appetite for change wasn't there. The sector wanted continuity and certainty and that's what it's getting, no changes to the NHB this year and a baseline maintained at 0.4%.

Then there's "negative RSG". I know this has been a concern for several of you over the past few months, it's something that crops up again and again in my regular meetings with councillors from right across the country.

Although we won't see the effects until 2019 to 2020 I want all of you to know that it is on the radar and it is being looked at. My department is

developing fair and affordable options for dealing with the issue. We'll be formally consulting on these in the spring, so that we have plenty of time to reflect on what you tell us ahead of next year's settlement.

Of course, I couldn't talk about local government finance and not mention social care. It's one of the biggest single issue facing councils today, one of the biggest challenges facing the whole country in fact. That's why, over the past 12 months, we've put billions of pounds of extra funding into the sector.

At Spring Budget, an additional £2 billion was announced for adult social care over the next 3 years. And with the freedom to raise more money more quickly through the use of the social care precept that I announced this time last year, we have given councils have access to £9.25 billion more dedicated funding for adult social care over 3 years.

Since 2014 the government has also invested more than £200 million in innovation and improvement in Children's Social Care, and before Christmas I announced an additional £19 million to support councils develop their capacity to care for unaccompanied asylum seeking children. The detailed allocations, together with the successful proposals for supporting unaccompanied asylum seeking children that will receive Controlling Migration Fund money, will be announced shortly.

I know you'd like me to stand here today and say I'm turning on the spending taps, writing the big cheques, throwing taxpayers' money at the problem. [political content removed] But this is a long-term challenge. The challenge of social care is not going to go away. We need long-term systemic change. And I very much hope that this summer's green paper on future challenges within adult social care will set us on the path to securing that.

Finally, of course, there is Council Tax. And this is an issue that requires a serious balancing act. While we all want to ease growing pressure on local government services, none of us want to see hardworking taxpayers saddled with ever-higher bills. That's particularly important at a time when inflation is growing faster than wages, when people are already feeling the effects on their pockets.

This settlement aims to keep taxes low whilst also raising the revenue you need. In addition, we are continuing to ensure that council taxpayers can veto excessive increases via a local referendum if they choose to do so. The referendum threshold has been set in line with inflation, and so we are setting the core council tax referendum principles at 3%.

## **Conclusion**

Our homes talk to us about who we are. So what does the refurbished, refitted Local Government House tell us about local government?

Well, its location, in the heart of our democracy speaks volumes about its importance. The building itself, a historic site, talks about local government's deep roots in our society. And the building's modern new

interior speaks of a sector that is fit for and looking to the future.

There are challenges in that future, yes. But there are opportunities too. Opportunities that we will only be able to make the most of by working together. By listening to each other. And I'm confident that, by working together, we can deliver reforms to the financial system that work for national government, for local government and – most important of all – for the millions of people we all seek to serve.

Thank you.

---

## [Press release: Major overhaul for M3 Winchester junction](#)

Junction 9 of the M3, where it meets the A34 near Winchester will be redesigned under the plans to create dedicated free flow lanes which will allow drivers travelling between the M3 and the A34 to avoid using the junction roundabout. The roundabout itself will be redesigned into a new 'dumbbell' layout, which will increase capacity, improve safety and make journey times more reliable.

The plans go on show today in a public consultation lasting until 19 February 2018.

Highways England project manager Simon Hewett said:

Junction 9 is a vital interchange between the M3 and A34. With more than 6,000 vehicles using the junction each hour during peak times, it can often become congested, with queues backing up onto the main carriageway.

The proposals we are publishing today will resolve that by separating out local and long distance traffic. With the new dedicated link roads, through traffic will not have to stop at the roundabout, freeing it up for local traffic and commuters. We are improving access for pedestrians, cyclists and equestrians too. I urge anyone interested to send us their feedback and to come along to one of our exhibitions.

Dr Mike Short CBE, Chairman of the Enterprise M3 Local Enterprise Partnership (LEP) said:

We are delighted that the proposed improvements to junction 9 of the M3 have progressed to the stage of public consultation. This

scheme is key investment in our transport infrastructure to support the local economy, by easing transport congestion, which businesses in our area state is a major barrier to growth.

The improvements to junction 9 are critical to enhancing the strategic corridor that runs all the way from the Port of Southampton to the Midlands and the North, which will help to rebalance the national economy. This corridor has a major national and regional strategic role and this improvement scheme is very welcome.

The M3 is the main road between London and the Solent Ports, while the A34 is the main corridor between the south coast and the Midlands. Around 110,000 vehicles use the junction every day, including over 5,500 HGVs, from Southampton and Portsmouth Docks.

The proposed free-flow interchange will help to reduce congestion by removing the need for through traffic to use the roundabout, in turn improving safety. The proposals include:

- introducing free-flow slip roads, both northbound and southbound between the M3 and A34, so traffic intending to use the interchange will not need to enter the roundabout at the junction
- reconfiguring the roundabout to a new 'dumbbell' road layout increasing capacity and reducing congestion
- upgrading the cycle routes to complete the gap in route 23 of the National Cycle Network
- upgrades to footpaths and improved bridleway access for horse riders

The improvements outlined by Highways England today would mean crucial additional capacity for the junction to improve journeys and support development in the Winchester area, which includes up to 11,000 homes and 17,200 jobs in the Winchester area. The proposals will also help to support developments at Southampton container port which are expected to increase freight traffic on the M3 and A34 by one third of the current levels.

Funding for the scheme comes from the Department for Transport's £15bn Roads Investment Strategy, announced in 2014, which is providing people with better journeys, cutting congestion and improving the economy.

A public consultation on the proposals starts today and runs until 19 February. Highways England is holding five information exhibitions at venues in Winchester and Kings Worthy so that people can examine the proposals and put any questions directly to the project team.

All responses to the consultation will be carefully considered before an announcement is made on a preferred route later this spring. Subject to a successful outcome, construction could start in 2021 and take around two years to complete.

Details on the proposals and the dates for the information exhibitions, along with the opportunity to give us your views are available on the [consultation](#)

[page.](#)

## **General enquiries**

Members of the public should contact the Highways England customer contact centre on 0300 123 5000.

## **Media enquiries**

Journalists should contact the Highways England press office on 0844 693 1448 and use the menu to speak to the most appropriate press officer.

---

# **Statement to Parliament: Transparency of the Parole Board and Victim Support**

With permission, Mr Speaker, I should like to make a statement on the Parole Board's decision to release John Worboys and the government's response to the issues raised by this case.

I should like to start by echoing the statement made by my predecessor at the weekend, and to express my unreserved sympathy to all of the victims. They will never erase the emotional trauma of his crimes and the Parole Board's decision to order his release must have brought back painful memories. These were horrific crimes and I take the concerns raised, including by many colleagues of this House, very seriously.

John Worboys was convicted of 19 offences in 2009, and received an indeterminate sentence of imprisonment for public protection with a minimum tariff of 8 years in custody. Following the expiry of the tariff, he was eligible for review by the Parole Board, which was required to consider whether to release him.

The Board reviewed his case at a hearing on 8 November 2017, by which time he had served 10 years in custody including a period on remand. A three person panel considered a detailed dossier of evidence. Its subsequent decision to release him was communicated to my department on 3 January.

There are two main concerns in respect of the contact with victims that I think it essential to address today: whether the correct procedures were followed in this case; and whether those procedures are right, or whether improvements are needed.

Turning first to whether procedures were followed in this case, all victims of the crimes for which he was convicted have a statutory right to receive information about parole hearings and decisions under the Victim Contact Scheme (VCS). On the basis of the information I have received since arriving

in the department yesterday, it appears that in relation to these victims, those who opted to remain in contact via the VCS were informed of the parole hearing. Of the victims currently in contact with the Scheme, those who chose to be informed of the Parole Board decision by phone or email were contacted immediately on 3 January, although I have just become aware of a case where a victim did not receive the email. Letters were also sent immediately to those who chose to be informed that way, but these of course took longer to arrive. Some victims entitled to this contact chose not to opt in, which of course is their right.

Any victims whose crimes were not prosecuted do not fall within the statutory remit of the VCS, and so the arrangements are different. Discretionary contact can be considered, but in this instance, the National Probation Service has no record of any requests for discretionary contact.

However, while it appears that the correct procedures were followed, the fact that some victims learned of the decision from the media suggests that there is a need to review these procedures and examine whether lessons can be learned and improvements can be made.

It is a priority for this government that victims of rape and sexual assault have full confidence in the criminal justice system. Sentence lengths for these horrific crimes have increased by over 30% since 2010 and more victims are coming forward, but there is still more to do.

I should be absolutely clear that I think that that the Parole Board should remain an independent body, responsible for making decisions about the ongoing risk that individuals pose after serving their tariff.

But I agree with my predecessor's assessment that there is a strong case to review the case for transparency in the process for parole decisions and how victims are appropriately engaged in that process, and consider the case for changes in policy, practice or the Parole Board Rules, or other guidance or procedures including the Victims' Code. With that in mind, I can confirm that I have instructed my officials to establish a review to examine these questions and I will share more information on this shortly.

I think it is appropriate that the department leads this work, but that it consults victims' groups and others. I have spoken to the Victims' Commissioner, Baroness Newlove, and the Chair of the Parole Board, Nick Hardwick, to discuss what changes we could make and how best to draw on their expertise and insight in this review.

Finally, I note that the Chair of the Justice Select Committee has announced his intention to hold an evidence session. My department stands ready to provide the committee with any information it may require.

Mr. Speaker, I intend to prioritise this review and it will conclude before Easter. I hope that this course of action reassures the House of the importance and priority I attach to this. As such I commend this statement to the House.

---

## [Press release: Work starts on major Northumberland flood scheme](#)

L-R Phil Rothwell, Chair of the Northumbria Regional Flood and Coastal Committee, Martin Lawlor, Chief Executive of Port of Blyth, and Tristan Drought from the Environment Agency.

Work has started on a major £600,000 flood scheme which will protect homes and businesses in a Northumberland coastal town from tidal flooding.

The project in the Cowpen area of Blyth will see an existing 180m flood wall upgraded and extended to create a 380m wall to reduce the risk of flooding to the town.

When taking climate change into account these new defences, from Crawford Street to Quay Road, will protect over 1,000 properties into the future while also offering immediate improved protection from tidal flooding to 58 properties.

The work is being funded by the Environment Agency but is being built by Port of Blyth as part of their wider redevelopment of the adjacent Bates and Wimbourne Terminals. The flood defences are due to be completed in Spring 2018.

While the Environment Agency has advised on the specifications and design of the flood wall, Port of Blyth will own and maintain the wall. The Environment Agency will carry out annual inspections.

Leila Huntington, the Environment Agency's Flood Risk Manager for the North East, said:

This is a great example of a partnership project which protects homes and businesses now and into the future. We have been working closely with Port of Blyth to support the development of a flood wall as part of a wider land development scheme.

By working together it means a greater standard of flood protection improvements can be provided at a reduced cost and with less disruption to the local community.

We're committed to increasing protection for our at-risk communities and are continuously looking for opportunities to collaborate with our partners and provide the best possible solutions.

Martin Lawlor, Chief Executive of Port of Blyth, added:

This project is a real win-win for the town of Blyth and the Port. As a result of this programme of flood defence work, a huge number of homes and businesses within Blyth will be protected by the flood risks presented by global warming.

On top of this, the scheme enables the Port to move forward with our development plans for connecting our Bates and Wimbourne Quay terminals which will attract inward investment into the town.

A Flood Warning service is available for Blyth residents considered to be at risk of flooding, one for the North Sea at Blyth and another for the North Sea at Blyth Town Centre.

To check if you are at risk of flooding and to sign up for free flood warnings call Floodline on 0345 988 1188 or visit the [gov.uk web pages](#)

---

## **Press release: Support deal worth £100m agreed for Puma helicopters**

£100 million deal to provide future support to the Royal Air Force's fleet of Puma HC Mk2 helicopters. Crown copyright.

The deal will sustain around 25 jobs at Airbus Helicopters UK Ltd in Oxfordshire at the company's base in Kidlington and at RAF Benson, where the front line squadrons are based and many more across the supply chain.

The support arrangement will enable planned and responsive Puma operations to take place and ensure the maintenance of the aircraft as it provides support to ground troops on the battlefield and to civil and emergency services responding to disasters and emergencies.

Defence Minister Harriett Baldwin said:

This £100 million investment will ensure our Puma helicopters continue to transport British troops and kit to the front line – helping us provide vital support quickly in rapidly evolving situations.

The deal – part of our £178 billion Equipment Plan – will not only give our Armed Forces the kit they need to deal with intensifying

global threats, but will also sustain British jobs at Airbus Helicopters.

The contract, which is intended to eventually provide support until the Puma HC Mk2 out of service date, currently planned for March 2025, will provide technical services to support safety management and fault investigation and materiel support including repair and overhaul of major components. It will also provide a training service for RAF maintenance engineers.

The Puma HC Mk2 was the first helicopter deployed to the Caribbean from the UK to provide emergency humanitarian relief to the islands left devastated by Hurricane Irma back in September 2017.

Deploying rapidly, the aircraft provided relief to people who saw their homes destroyed and helped deliver supplies and aid as part of the wider UK emergency response within 72 hours of receiving the call. Separately, the Puma HC Mk2 has been deployed to Afghanistan since 2015 as part of the UK's contribution to the NATO Afghanistan Mission named Operation RESOLUTE SUPPORT.

Air Vice Marshal Graham Russell, Director Helicopters, for the MOD's procurement organisation, Defence Equipment and Support said:

The Puma HC Mk2 is carrying out a vital role in troop transport, load movement and humanitarian operations around the world. The upgraded helicopters represent a significant increase in capability over the Mk1.

This support arrangement, which embraces learning from the early days of operating the Mk2 aircraft, will ensure that cost-effective support is always available to allow the user to deliver the capability wherever and whenever it is needed.