

Statement to Parliament: Provisional local government finance settlement 2018 to 2019: statement

With permission, Mr Speaker, I would like to make a statement on funding for local authorities in England next year.

From 2015 to 2020, councils in England have access to over £200 billion to deliver high-quality services their local communities need.

They deserve no less.

Local government is at the front line of this country's democracy, with councillors and officers working at the heart of the communities that they serve.

But to make the most of that local knowledge, councils need greater control of the money that they raise.

They need greater freedom to tackle challenges in their areas.

And they need the certainty and stability that will allow them to plan ahead.

This government is committed to delivering that...

... and today I am publishing a draft local government finance settlement that marks an important milestone in the journey to doing so.

It comes in the third year of a 4-year deal that was accepted by 97% of councils in return for publishing efficiency plans.

We will continue to work with the sector to help them increase transparency and share best practice...

...supporting greater progress in delivering increased efficiency over the coming year.

I expect this to have a tangible impact on the steps councils take to promote efficiency from 2019 to 2020.

Local government operates in a society that is constantly changing.

And the system of financing local government needs to reflect that.

The current formula of budget allocations has served councils and communities well over the years.

But to meet the challenges of the future we need an updated and more responsive distribution methodology.

One that gives councils the confidence to face the challenges and opportunities of the future.

So I am today publishing a formal consultation on a review of relative needs and resources.

I aim to implement a new system based on its findings in 2020 to 2021.

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 authorities the levers and incentives they need to grow their local economies.

The aim is for local authorities to retain 75% of business rates from 2020 to 2021.

This will be through incorporating existing grants into business rate retention including the Revenue Support Grant, and the Public Health Grant.

Local authorities will be able to keep that same share of growth on their baseline levels from 2020 to 2021, when the system is reset.

So from 2020 to 2021 business rates will be redistributed according to the outcome of the new needs assessment...

... subject to suitable transitional measures.

A number of 100% retention pilots have already been announced and those will continue.

A further pilot will begin in in London in 2018 to 2019 and we had intended that a further 5 pilots would begin that same year.

However, interest in the scheme was such that we will now be taking forward twice as many as planned.

I'm pleased to announce today that the new pilots will take place in:

- Berkshire
- Derbyshire
- Devon
- Gloucestershire
- Kent & Medway
- Leeds
- Lincolnshire
- Solent
- Suffolk
- and Surrey.

The first batch of pilots are taking place largely in urban authorities; the second wave will mainly cover counties.

This ensures that councils right across the country will benefit...

...that the scheme can be tested in a wide range of environments,

...and that the benefits of growth are broadly comparable between London, existing pilots and new pilots

We received so many applications to take part that we will continue to pilot the business rates retention programme in 2019 to 2020.

Full details will be published in due course.

Mr Speaker, over the past year my ministers and officials have been listening to councils of all shapes and sizes...

...understanding their concerns and working together to develop ways of tackling them.

The result of those conversations is reflected in this draft settlement.

So 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.

So today I can confirm that I will increase the Rural Services Delivery Grant by £15 million in 2018 to 2019...

... meaning the total figure will remain at £65 million for the remainder of the current 4-year settlement.

We've also heard concerns about proposed changes to the New Homes Bonus.

To date we have made almost £7 billion in New Homes Bonus payments to reward the building of 1.4 million homes.

Over £946 million in New Homes Bonus payments will be allocated in 2018 to 2019, rewarding local authorities for their work in fixing our broken housing market.

I consulted on proposals to link New Homes Bonus payments to the number of successful planning appeals and considered raising the NHB baseline.

Following conversations that I've had with the sector, I have been persuaded of the importance of continuity and certainty in this area.

So today I can confirm that in the year ahead no new changes will be made to the way New Homes Bonus works...

...and that the New Homes Bonus baseline will be maintained at 0.4%.

As I set out in the [housing white paper](#), local authorities will be able to increase planning fees by 20% where they commit to investing the additional income in their planning services.

This is a significant step towards addressing the widespread concerns of under-resourcing in local planning authorities.

Following discussions with the sector I am also announcing a continuation of capital receipts flexibility programme for a further 3 years.

This scheme gives local authorities the continued freedom to use capital receipts from the sale of their own assets.

This will help fund the costs of transformation and release savings.

One particular issue that's caused concern for some councils is the so-called "Negative RSG".

This is where changes in revenue support grant have led to a downward adjustment of some local authorities' business rates top-up or tariff for 2019 to 2020.

I do recognise the strength of feeling in local government around this issue.

So I can confirm that my department will be looking at fair and affordable options for dealing with Negative RSG...

...and we will formally consult on proposals in the spring so that the findings are in ahead of next year's settlement.

And of course, anyone who has spoken to anyone in local government will be aware of concerns about funding for adult and children's social care.

That's why, over the past 12 months, we've put billions of pounds of extra funding into the sector...

... and why the Department for Education are spending more than £200 million on innovation and improvement in children's social care.

At [Spring Budget](#), an additional £2 billion was announced for adult social care over the next 3 years.

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.

But we also need to find a long-term solution to challenges that are not going to go away.

That's why we have already announced that a green paper on future challenges within adult social care will be published in the summer of 2018.

Finally, I am conscious of calls for further flexibility in the setting of Council Tax.

While we all want to ease growing pressure on local government services, I'm

sure none of us want to see hardworking taxpayers saddled with ever-higher bills.

This settlement strikes a balance between those two aims...

...giving councils the ability to increase their core Council Tax requirement by an additional 1% without a local referendum – bringing the core principle in line with inflation.

We have abolished Whitehall capping.

Under the Localism Act, local government can increase Council Tax as they wish – but excessive rises need to be approved by local residents in a referendum.

This provides an important check and balance against the excessive increases [political content removed].

This change...

...combined with the additional flexibility on the adult social care precept that I confirmed last year...

...gives local authorities the independence they need to help relieve pressure on local services such as adults and children's services, while also recognising that many households face their own pressures.

In addition, directly elected mayors will decide the required level of precept by agreement with their combined authorities.

I'm sure voters will be watching closely to ensure this freedom is not abused – as I will.

I can also confirm that the government intends to defer the setting of referendum principles for town and parish councils for 3 years.

This is subject to the sector taking all available steps to mitigate the need for Council Tax increases...

...and the government seeing clear evidence of restraint in the increases set by the sector as a whole.

I have also agreed measures with the Home Secretary to make it easier for Police and Crime Commissioners to meet local demand pressures...

...by allowing a £12 Council Tax flexibility for police services – raising an additional £139 million next year.

Mr Speaker, this settlement recognises the need to keep spending under control while also tackling many of the issues that have been raised by local government over the past year.

With 2 years of real terms increases in resources available to local government...

...it will give local authorities the funding and freedom they need to make decisions in the best interests of the communities they serve.

It's a settlement that offers councils the resources they need...

...the stability they've requested...

...and the fairness they deserve...

...and I commend it to the House.

News story: Fish merchant fined for fisheries offences

Geoffrey Blake, trading as Ventnor Haven Fisheries in the Isle of Wight, was sentenced at Portsmouth Magistrates' Court on 11 December 2017 in a prosecution brought by the MMO.

The court heard how the company, a registered buyer of first sale fish, failed to submit 369 sales notes in either electronic or paper form to the MMO within 48 hrs of the landing taking place between 25 February 2016 and 1 September 2017.

Mr Blake pleaded not guilty but was convicted by the court and ordered to pay a fine of £500, costs of £500 and a victim surcharge of £50.

A spokesperson for the MMO said:

The requirement to submit sales notes within 48 hours enables the MMO to gain an accurate picture of fish stocks on which to base its fisheries management decisions.

When, as in this case, sales notes are not submitted that picture becomes partial, distorted or inaccurate. This prosecution shows that the MMO will take the appropriate enforcement action to prevent such a situation occurring.

Press release: Police funding

increases by £450 million in 2018

Home Secretary Amber Rudd has today (19 December) announced a substantial £450 million increase in police funding across England and Wales as part of a comprehensive settlement for forces and counter terrorism policing.

Home Secretary Amber Rudd said:

Whether it is your local forces, the national picture or counter terrorism capabilities, this is a strong settlement that ensures forces have the resources they need to keep us safe.

Taxpayers will invest more money in forces because the work our officers do to protect us is absolutely vital, and we recognise demand is changing.

However, my message to police forces is that this increased investment must mean we raise the pace of reform.

For too long embracing digital and increasing productivity have been tomorrow's policing problems – now they are today's necessities. The government is committed to meeting this challenge and we want policing to do the same.

The settlement follows a period of engagement, with Minister for Policing and Fire Nick Hurd speaking to every force in the country about the demands they face. It is clear that with more victims of serious, hidden crimes such as domestic abuse, modern slavery and child sexual exploitation coming forward, this has placed greater demand on policing.

To help meet the needs of each area, government is protecting its grant to forces in cash terms and empowering locally elected police and crime commissioners to raise precept contributions by up to £1 a month for a typical household. Together, this will mean force budgets will increase by up to £270 million nationally.

Counter terrorism police funding will also increase by around £50 million to £757 million, a rise of 7%. This is in recognition of the changing threat from terrorism and to ensure counter terrorism policing has the resources needed to respond and keep the public safe.

At a national level, £130 million extra will be provided for priorities such as special grants to help forces meet unexpected costs, for example, the £9.8 million given to Greater Manchester Police after the Manchester Arena attack, and national technology programmes designed to deliver greater productivity and mobile working.

Police forces will also be able to access the £175 million police transformation fund. Led by the police themselves, the fund gives individual

forces money to invest in reform and digitisation projects to benefit the whole policing system.

Minister for Policing and the Fire Service Nick Hurd said:

Public safety is our number one priority and we have responded swiftly to evidence of a shift in demand on forces.

This new comprehensive settlement will mean local forces can be more effective in their critical work to fight crime and protect the public.

I have seen for myself the exceptional, can-do attitude of police officers and staff around the country. The government remains very committed to helping police improve efficiency by investing in the technology and skills that modern policing will need to be fit for the future.

The Home Office agrees with the findings of Her Majesty's Inspectorate of Constabulary and the Fire Service, who last month said forces can be more ambitious in driving efficiency.

The Home Office, working with the police, has also identified around £100 million of potential savings to be made through smarter procurement of everything from cars to uniforms.

If all forces delivered the level of productivity from mobile working as the best forces, the average officer could spend an hour a day extra on the frontline – this has the potential to free up the equivalent of 11,000 extra officers across England and Wales.

In addition, plans are also in place to increase transparency around police reserves, which range from 7% to 42% of forces' annual funding. In March 2017 police forces held usable reserves of over £1.6 billion, which compares to £1.4 billion in 2011. The Home Office intends to publish data on all PCCs' reserves and introduce guidance to require PCCs to publish clearer information in a bid to make force funding more comparable for the public.

To help forces plan their finances more effectively for the future and in response to the view of PCCs and Chief Constables, the Home Office has signalled its intention to repeat the same settlement for 2019 to 2020 provided there is substantial progress from policing in delivering productivity and efficiency improvements.

You can read the [provisional police grant report for 2018 to 2019](#) which sets out the amount of grants proposed for the police in England and Wales.

Press release: Environment Agency offers stocking fillers for anglers

The Environment Agency is getting into the festive spirit by providing stocking fillers for anglers as its staff restock rivers with thousands of fish in the run up to Christmas.

Calverton fish farm, the Environment Agency's specialist fish breeding farm in Nottingham, produces between 400,000 and 500,000 fish each year. The farm breeds nine species of fish including Chub, Dace, Barbel, Roach, Bream, Crucians, Rudd, Tench and Grayling. The restocking activity is part of an annual programme, funded by income from rod licence sales.

Alan Henshaw, fisheries team leader at the Environment Agency said:

Many of our industrialised rivers have improved dramatically in water quality in the last 30 years and concerted restocking from Calverton has accelerated the restoration of natural fish stocks and viable fisheries.

New techniques in Pond Rearing have delivered significant improvements in the average size of the 18 month-old fish and many rivers and lakes throughout England have benefited from these stockings. The quality and range of fish produced as part of the restocking programme is testament to the hard work of the staff at Calverton farm.

All of this work is funded by money from rod licence sales to protect and improve fish stocks and fisheries."

Some notable stockings that will take place:

- 34,781 mixed Chub, Dace and Roach stocked into the River Leadon in Gloucestershire.
- 29,750 mixed fish stocked into Rivers, Canals and Stillwaters across Cumbria and Lancashire in the North West.
- 600 Barbel into the River Dearne in South Yorkshire.
- 21,000 Roach, Bream, Crucians and Tench stocked into still waters and 7,600 Chub, Dace and Barbel stocked across rivers in Thames region.
- 6,400 fish comprising of 6 different species split between the River

Wid, Blackwater and Colne in Anglian East region.

- 4,250 Roach, Bream and Tench into the Blind Yeo in Wessex plus more than 3,000 additional fish split into other waters in the area.

More stockings will continue into the New Year.

Restocking of England's Rivers and Lakes by the Environment Agency happens for a number of reasons. This may be following a pollution incident where the original population has been lost, where recruitment is poor or in the creation of brand-new fisheries and Angling opportunities.

News story: Over 900,000 more customers open fee-free basic bank accounts

Over 900,000 new fee-free basic bank accounts were opened between July 2016 and June 2017, taking the total number of fee-free accounts open to nearly 5 million, according to the government's basic bank account report published today.

Basic bank accounts have been available in the UK for over a decade, but since September 2016 the UK's nine largest banks have been legally required to offer fee-free basic bank accounts, designed to improve financial inclusion for those who don't have a current account or who might struggle to open a standard account.

Other findings in this year's report include:

- there are just under 8 million basic bank accounts open in the UK
- for the second year running, Nationwide and Lloyds Banking Group opened the most fee-free basic bank accounts between July 2016 and June 2017
- Nationwide, Clydesdale Yorkshire Banking Group, and Co-op have a larger market share of basic bank accounts than personal current accounts
- Lloyds Banking Group accounts for almost half of the basic bank account market

Stephen Barclay, the Economic Secretary to the Treasury said:

Making sure that everyone has access to the financial services that they need is at the heart of our plan to build a fairer society and an economy that is fit for the future. The government has legislated to make sure fee-free basic bank accounts are available

to those who need them and I am pleased to see that so many people – who might have previously been at risk of running up debt through bank charges – have access to a completely free account. It is important for a fair economy that banks continue to help all their customers to manage their finances confidently and responsibly.