



Housing, Communities and Local Government Committee

Oral evidence: The Work of the Ministry of Housing, Communities and Local Government, HC 409

Tuesday 7 January 2025

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Members present: Florence Eshalomi (Chair); Lewis Cocking; Chris Curtis; Mr Lee Dillon; Maya Ellis; Mr Will Forster; Naushabah Khan; Mr Gagan Mohindra; Joe Powell; Sarah Smith.

Questions 1 - 52

Witnesses

I: Rt Hon Angela Rayner MP, Secretary of State, Ministry of Housing, Communities and Local Government; Sarah Healey CB CVO, Permanent Secretary, Ministry of Housing, Communities and Local Government.

Examination of witnesses

Witnesses: Angela Rayner and Sarah Healey.

Chair: Good afternoon, Secretary of State. Thank you to you and to Sarah Healey, the Permanent Secretary, for appearing before us this afternoon. Welcome to the Housing, Communities and Local Government Select Committee. First, Secretary of State, how would you like us to address you—Deputy Prime Minister or Secretary of State?

Angela Rayner: However you like.

Chair: Ange.

Angela Rayner: Absolutely.

Q1 **Chair:** Our Committee have a lot of questions this afternoon and we are keen to make sure that your replies are quite succinct, because we have a lot to get through. Happy new year to you. To start us off, Secretary of State, what are your Department's priorities for this Parliament?

Angela Rayner: Thank you, first of all, and happy new year. We have a full programme, as you have seen from July. After the general election,



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we have been motoring at full speed. That reflects the challenges we face, in particular around housing and local government. These are two key areas where the pressure has been on and I suspect quite a lot of questioning today will be around those areas. Part of that is making sure that people have a good, safe home that they can call a home, rather than an asset, so people have somewhere they can live.

We have seen a rise in temporary accommodation. Just this Christmas 160,000 children were in temporary accommodation. There is a social cost to that, but also the pressure that has put on councils has been significant. We will be tackling the housing supply issue so that people have a good, safe home.

Just before we broke up, we had, of course, phase 2 of the Grenfell inquiry. We are making sure we do everything we can to look at those recommendations. The Prime Minister is coming back in March with the Government's response to the recommendations.

Putting local government on a secure financial footing for the future is another area, because they are in significant need going forward. You will have seen all the other bits of work we are doing but, to be succinct, those would be the things that I would say have caused significant pressure, but they were also things that we were able to stabilise after what we inherited.

Q2 Chair: That is really important and it is good to outline those key areas. You will be aware, Secretary of State, that the Department's tweets in the new year outlined some of those key responsibilities and the to-do list. A big omission on that to-do list was leasehold reform. There are so many leaseholders up and down the country, as you will know, for whom the dream of owning their own home has turned into a nightmare. When will leaseholders see reform coming forward? Will they have to wait yet another year before anything is done on that?

Angela Rayner: Chair, thank you. You are absolutely right. Leasehold has been a significant problem and it is a problem we inherited. There was work done on leasehold reform under the previous Government, but there were big gaps in that Bill that were quite complex.

We brought forward, as part of His Majesty's King's Speech, a number of pieces of legislation, including on leasehold reform. We want to make sure we are moving at pace. We want to take that forward as quickly as possible, but we also want to make sure there are no unintended consequences, because there are a few gaps in that legislation currently that could cause problems. During the previous Parliament, the shadow Housing Secretary, who is now our Housing Minister, raised a number of issues—for example, it would not even impact on flats. It is important to make sure that we are able to influence that legislation and bring commonhold as the default position.

Q3 Chair: When will leaseholders see that legislation implemented by the



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House? Again, so many leaseholders did not have a peaceful or joyful Christmas, because they were worried about what charges were going to come through their doors. They were worried about the fact that some of them are still living in properties with unsafe cladding. They were worried about the insurance premiums that continue to go up every year. Do you have a timeline, Deputy Prime Minister?

Angela Rayner: We want to bring forward the legislation within this year, but there are a number of things within that, as you say, such as insurance. There is the remediation plan. We put forward and published the remediation acceleration plan. We are looking at insurance at the moment and doing a consultation exercise, so that we can help people who are in those circumstances. Again, we are looking at aspects of the previous Government's legislation around leasehold, how we can amend that and bring that legislation forward, but also move comprehensively towards commonhold as the default tenure.

Q4 **Chair:** What would you say are the biggest funding pressures with respect to prioritisation and local government finance?

Angela Rayner: There are a number of impacts on local government finance. Children and adult services are having a significant impact on local government finance. Temporary accommodation and homelessness are having a significant impact on local government finances.

We have been doing quite a lot of work to try to address some of those pressures. We have put in place a real-terms 3.5% increase for local government. We are moving towards a multi-year settlement for local government, which will help them to stabilise their finances. We are trying to ensure that we get ahead of the problem.

The problem that we seem to face—and it is the same with homelessness at the moment—is that we are spending huge sums of money on inappropriate accommodation, because we cannot front-load the problem with supply. The work we are doing to end section 21 no-fault evictions will hopefully stem some of the problems that we are seeing in regards to homelessness. There is also the money that we announced just before Christmas. It is not just about putting money in, but also about how we can reform the system to better prevent homelessness and not only deal with the supply problem that we have in the UK, but also put measures in place to mitigate people, particularly families, being homeless in the first place.

Q5 **Chair:** That is good. You touched on the number of children who woke up on Christmas day just gone in temporary accommodation, yet we have a situation where the Government chose to freeze the local housing allowance, which, in a sense, helped a number of families not to face homelessness, in terms of eviction. Ending section 21 is going to be a real game changer for many families but, where families are not able to keep up with rent, there is now a freeze on the local government housing allowance. Do you not feel this will undo all the good work you are doing



in your Department?

Angela Rayner: I do understand the question that you are asking and the issue around the local housing allowance. We have tried to take a number of measures to prevent homelessness and to ensure that we can deal with the root cause of the problem, including the supply, supporting families with the work that we are doing with the Employment Rights Bill, money to families, supporting them against homelessness and ending section 21 no-fault evictions.

That also includes spending so much—and there are billions of pounds being spent—on local housing allowance. The real elephant in the room is that we just do not have enough homes. We have not been building enough social homes. That is why I have made it very clear that we do not just need to build 1.5 million homes; we have to have the biggest wave of social and affordable housing for a generation. We are determined to deliver that.

Q6 Chair: That has to come at the right time. Were there discussions with the Secretary of State for Work and Pensions and the Chancellor with regards to the impact of freezing the local housing allowance and the pressures that would cause for councils, who are already seeing their departments being stretched? There are pressures in terms of that £1 billion of additional funding that your Department is giving councils. It will be absorbed, because a number of those councils are still spending a big chunk of their funding on temporary accommodation.

Angela Rayner: We have discussions around Cabinet on a whole number of measures, as I outlined. For the work that we are doing on child poverty, for example, we have an inter-ministerial group. For the work that we have been doing on homelessness, again, we have an inter-ministerial group that looks across the Departments. We have been working with the Departments on the issue around children's services and special educational needs and disabilities. There are a number of measures.

We know that these are very difficult decisions. We have tried to put extra funding in place, as I mentioned, around homelessness and supporting councils with the uplift of money this year. The budget that we had to set and the inheritance that we got was so dire; it was about stabilising. Now, it is about how we can support the initiatives going forward, where we can help families and, in the medium and long term, deal with the supply problem.

If you look at the money that is going into homelessness and into local housing allowance, the issue we have is that these are huge sums of money, but it is not the resource that is providing the permanent home that people desperately need. Until we build social housing, we are not going to be able to solve this issue.

Q7 Chair: No, and until we build the social housing, families need



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somewhere to live now. By freezing the local housing allowance, more families may find themselves being evicted because they cannot pay their rent. Lastly, Deputy Prime Minister, was an equality impact assessment carried out before that decision was taken to freeze the local housing allowance?

Angela Rayner: Again, there are a number of measures that we took in the Budget. It is not just the local housing allowance. There are a number of measures, including the work that we are doing on renters' rights and other things that can have an impact. It is not just as simple as looking at what is happening over here. There are a number of measures that can impact on family income and housing. You can look at one thing in isolation, but there are a number of other measures within the Budget that can help and assist.

As I say, we have put a huge cash injection into local authorities—a 3.5% real-terms increase—as well as more money into homelessness and social care. There are also measures we have taken for councils to keep their full right-to-buy receipts and other measures that have been taken across the board as part of that Budget. We hope they will stabilise the situation.

I acknowledge the crisis that we face in housing. I acknowledge the pressures. It is about stabilisation, but then moving to make housing supply the No. 1 priority. That is why we have been really quite vocal before the election around planning reforms, around making sure we build these homes, and I am determined that we meet that target. It is a difficult target to meet, but the whole Cabinet are working with us to make sure that the whole Government will achieve the 1.5 million homes target.

For example, the target is 1.5 million homes, but we know there are 1.3 million people just on council waiting lists. That is just council waiting lists, let alone everybody else who needs a home. Even with this target, it is a dent in a housing crisis that has developed over a significant period of time. We are going to make progress on that.

Q8 **Chair:** So there wasn't an equality impact assessment before that decision was taken.

Angela Rayner: Again, it is really hard to try to do an impact assessment on one element of the Budget, when there are a number of measures that would offset or have an impact on it as well. It would be difficult to get a real assessment, by just saying, "We will pick one thing out and see the effects of that," without looking at how other things affect that as well.

Q9 **Mr Dillon:** I am going to cover some local authority finance questions. The first one is around funding settlements. We all accept that the one-year funding settlement for next year is welcomed by local councils, but in your manifesto you spoke about multi-year funding settlements. You



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spoke in your introductory remarks about the impact and pressures on local councils; quite simply, why not give them multi-year funding settlements from next financial year onwards? Why delay it until future financial years?

Angela Rayner: We are trying to do that, Lee. When we came in as the new Government in July, the immediate situation we found ourselves in was with a significant, £22 billion black hole. In my Department, we had spent our reserves fully on some very important issues, such as Homes for Ukraine, for example. These were some really important programmes that the previous Government had set in train, but we did not have the funding. The first thing, as a new Government, was that we had to stabilise the funding. There wasn't the time and there was urgency to look at the situation.

In local government in particular, the financial situation for local councils was quite dire. We know that we had already had a number of section 114 notices, which is, in effect, them declaring bankruptcy. This is not a party political matter. This has happened for many different local authorities. Therefore, stabilising the funding for local government this time—this year—was important.

Equally, as I said to the Chair, we recognise that there are huge, record sums of money going into local government and into various priorities, but it is not necessarily producing better outcomes. In special educational needs and disabilities, for example, there is huge funding going in, but is that giving the right outcome for those young people? It is not. With the multi-year settlements, we are trying to make sure that councils and local authorities can plan ahead.

This year onwards, and running up to the next spending review, is about how we can take forward the reform agenda, as well as how we can do things differently. We cannot just keep throwing good money after bad. We also have to ask whether it is working. We are paying huge sums of money for, for example, out-of-borough placements for young people, which are costing us loads of money, when actually what we really need to do is build a foundational amount of resources here, where we know it is needed, and look at better outcomes for people.

The multi-year settlement will be as soon as possible. We are looking to move towards that. The direct answer is that we just did not have the time available between setting the Budget and us being able to put that in place.

Q10 **Mr Dillon:** In that interim period, would you allow councils more flexibility on how they manage their funds at the moment? For example, capitalisation can be allocated to transition activities but cannot go directly to revenue or back into the general reserves. That would give them the ability to bridge that gap, until they get the multi-year funding settlements.



Angela Rayner: I have said to local authorities that I want to work with them. I do not want to use the threat of 114 or anything like that. Regardless of what council it is, I want to work with them, to try to help. The first thing I said I wanted to stop is all these little pots of money, the “Dragon’s Den” approach of, “You can bid for this and you can have a little bit over here.” We must try to pool it.

I believe local councils know what the local need is. I believe that they want to provide good services for their local area. We are trying to get them to be able to utilise that and to use every mechanism they can to deliver those services locally. We are definitely looking at how we can support councils. I want all councils to see this Government as working with them.

I come from a local government background. I spent a significant number of years in local government. I know the work that they do. They do a huge amount of work, on loads of different things, and it has changed significantly over the last 30 years. They are trying desperately with less to deliver more when demand is going up. We are working with local authorities to help them and to work with them to deliver those services that they want to deliver.

Q11 **Mr Dillon:** Would it be fair to say that if there are council leaders and finance portfolio holders out there with some ways to be able to bridge that gap, they should come and speak to the Department on a case-by-case basis.

Angela Rayner: Yes, absolutely. I have made it really clear, from the moment I went into my Department, that we should have a can-do attitude. What local government is facing is significant. Since 2010, the money that is available to local government has gone down but demand has gone up. At the same time, they are being asked to do so many different things that most people would not even know that local government do.

A lot of the complaints or issues that are raised with me as a local MP are actually local authority issues. Local councillors and local authorities do a tremendous job and touch our lives in ways that most people would never recognise. I understand the pressures that are on local authorities and my Department should do everything it can to support and to try to enable them to provide those services.

Q12 **Mr Dillon:** My own council of West Berkshire delivers over 700 services to its residents—a vast array of services—and I know other councils will be similar.

Let me move on to national insurance contributions. The Government’s definition of a public sector employer does not seem to extend to wider public service delivery bodies such as social care providers. According to the King’s Fund, the adult social care sector employs just as many people as the NHS. Can the Government provide clarity on any mechanisms for



compensating these providers for the additional tax costs they are going to face? How will you help councils out if there is not a mechanism in place?

Angela Rayner: The Government announced an additional £515 million of support for local government, including the mayoral combined authorities and fire rescue authorities, specifically to manage the impact of the changes to the employer national insurance contributions that we announced at the Budget. I know this is a pressure and, again, I come from an adult social care background, so I completely understand the pressures on care services in particular, and the fragmentation of care services and care providers and how they operate.

We gave councils the real-terms increase in their core spending power as well to try to support that, but you will also have seen in the Employment Rights Bill that we are putting forward a fair pay agreement. I am not quite sure that is the right name for it, by the way, because it goes way beyond pay. We need a care structure that has career progression and that understands the complexities of delivering care in the community, but also the opportunities to give people the best-quality care in the right place at the right time. If we are able to deliver that, it will unlock savings.

The FPA, for me, will be a game changer in terms of recognising the vital role of care workers and unlocking where the money needs to be spent across the NHS and care services—including within the care providers across the board, not just those that are considered the public sector—to deliver better outcomes for people. This is what I became an MP for, so I can wax lyrical about it. Not only do I believe that this will deliver better outcomes for people, but I know it will save money for the taxpayers as well. Hopefully, taking that work forward over the next 12 months, we will be able to deliver for those care providers as well.

We have also seen, over the last 10 years or so, many care providers leaving, because they say they cannot afford it. That has created a bottleneck, because people cannot get the care in the community and, therefore, they end up in hospital.

This is a real game changer. Working with employers in the sector—the NHS, local authorities and others—and the trade unions that represent the workers, we could do something really special in this area that will deliver for people and will be able to offset some of these challenges we face. That is not just the NICs, but other issues that we see in this sector.

Q13 Mr Dillon: When the NICs rise was considered, a bit like the impact assessment on LHA, was there any impact assessment done on adult social care in particular, and the pressures that the NICs rise would put on that service, given how important it is for the whole NHS model to have a functioning social care market?



Angela Rayner: The way I would answer this is that we know that there were pressures. It was not just the NICs pressures, but also the changes within the national minimum wage, for example, through the Low Pay Commission and the work that we did there. We know that there are pressures; that is the reason for the extra funding that the Chancellor announced through the Budget—the £515 million—but also the uplift that we gave to local authorities.

It is also the reason behind the work we are trying to do to give local authorities more non-ringfenced money, so that they can then plug the gaps that they see in their system at the moment. It is not just that, but it is also about giving local authorities the opportunity to look at reform as well. They want to deliver good services. They just do not have the opportunity at the moment to really drive some of that innovation.

Sarah Healey: It is probably worth mentioning the £880 million increase in the social care grants specifically as part of those uplifts in local government funding.

Mr Dillon: Yes, but there are additional uplift costs in providing adult social care, without the NICs raise.

Sarah Healey: Yes. Nonetheless, it is a significant increase in funding.

Mr Dillon: Yes, but overall pressure is still up.

Q14 **Sarah Smith:** Deputy Prime Minister, I am going to talk a bit about the SEND issue, which is certainly one of the biggest issues that comes up on the doorstep in Hyndburn and in my inbox. What are the Government's plans for the broader reform of SEND and adult social care funding, given that the current levels of spending by local authorities to provide these services seem unsustainable when the demand just keeps going up?

Angela Rayner: I know this has been discussed before the Liaison Committee with the Prime Minister, and with the Secretary of State for Education. There has been a significant amount of money that is going into special educational needs and disability, including the money that we have announced in local government, but there is a real challenge around reform in terms of, for example, the out-of-borough placements that we are seeing, the inadequate places for children with special educational needs, the ability to provide that care for people in the school setting and the wider support for their families. There is a lot of work that we are doing, with the Department for Education and others, to make sure that we can work with the NHS as well to deliver a better service and talk to parents.

Anyone who has watched Prime Minister's Questions over the last couple of months will have seen that, across the whole House—again, it is not a party political issue—this has been recognised by Members of Parliament. We are hoping we can work together to really try to address the problems, because although we are putting more funding in and there are record levels of funding going in, we are not getting the best value for



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young people who desperately need their needs to be met. We are not meeting their needs early enough. They are being let down by the system at the moment. There is a real drive across Government Departments to deliver that change as well.

Q15 Sarah Smith: How do you envisage solutions being found that will not just improve where we are now? There are families out there who are really worried that there may be winners and losers out of these reforms. I am assuming that the approach is hoping to avoid that. How will the approach avoid there being losers in the things that come forward?

Angela Rayner: Hopefully, there are not losers. We have put an additional £1 billion of funding into special educational needs and disabilities. We are looking at the alternative provision funding as well. It is fair to recognise that one size does not fit all. That is the frustration. Young people even with the label of a particular disability might present in very different ways. Neurodiverse young people have different challenges.

Our education system, our health system, and how that impacts on young people, will have a real impact on their quality of life and their outcomes. The most important thing for us is making sure that young people get the support they need very early on in the system, and that we are able to break down some of the barriers. For example, for young people trying to get access to CAMHS now, the waiting list is so severe. Speech and language therapy services are really difficult to access.

If you want to get an assessment for your child, getting an EHCP now is like getting the holy grail. Even when you get one, does anyone recognise it? It is so frustrating for families who are at this crisis point, because they are not able to get the resources they need. We have been concentrating on having the resources available and the early intervention, so that we can support families and it does not have to feel like you have to fight the system. You should not have to fight the system to get a diagnosis and you should not have to fight the system to get some support. That is what we want to turn around.

Part of that is around looking at different types of provision that are available, but also how joined up those services are with health, education, housing and local government, so that people do not have to navigate a myriad of various different places, where they find one door slams and they have to go and knock on another one. It is incredibly frustrating for families in those circumstances. It costs us huge sums of money and we do not have good outcomes for those young people.

Q16 Sarah Smith: Removing that adversarial approach from the system is really important. That is something you hear again and again. Often, currently, those with the loudest voices are those with the most time and capability to fight within the system. The children that might need the help even more are constantly left behind, because their parents do not have that same capability. How, within the reforms, are you going to



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tackle that particular issue, so that we can be confident that the children who need it the most are the priority, not just the ones who can afford to shout the loudest?

Angela Rayner: That is why it is important that families get access to that support as well from professionals, whether it is through a GP appointment, which can be really difficult to get, or through the school being able to alert and say, “We need some support here. Can we get some additional support to a young person?” or even through getting an NHS appointment. The machinery of government and how we are linking in around these challenges will hopefully break down some of those silos and those barriers at the moment.

It feels like you have to go through this hoop to get here and you have waited so long to get there, and then you might not get to that hoop. We want to empower people who are in those young people’s lives to look at the whole place around that child. If it is a housing need, let us try to fix that housing need and not say, “We cannot do anything about that.” Housing can have a severe impact on special educational needs and disability.

You have to be able to fix the system—to have a whole-systems approach to it. I know that Bridget and Liz, along with the child poverty taskforce, have been doing a huge amount of work, not just on poverty but on how we can provide the best outcomes for children as part of our opportunities mission.

Q17 **Chair:** This is more of a Department for Education issue, but we have seen the VAT increase on private schools start on 1 January. Are you worried that any additional funding in SEND and money to local authorities will just be absorbed? There could be an additional increase in families who may not be able to afford to continue to send their children to specialist schools coming back into the state system. That is obviously something that the Government would want to welcome, in terms of improving the state system for all families.

Angela Rayner: We also recognised that independent schools play a vital role in providing support for some children with special educational needs and disabilities. There were exemptions within that. For example, if an independent school has over 50% of children with a statement of educational needs, they are exempt from paying that VAT.

There were a number of measures that were put in within that legislation to protect those children who are in independent schools because they have a special educational need and disability. We recognise that that provision was unique and important for those young people.

Q18 **Chris Curtis:** It is clearly fantastic to see the ambition on housing and planning and what has been achieved already by this Government. Do you want to set out, quickly, how you see us moving towards 1.5 million, given the fact that 221,000 homes were completed in the last financial



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year? We clearly need to significantly improve on that. What do you see as the journey from where we are to where we need to be?

Angela Rayner: I really welcome the question, because often people will break it down annually. I do not see us getting there annually. There are a number of measures we have taken immediately, such as the national planning policy framework and the consultation we have done already on that, which sets new mandatory targets for all local authorities. There has been investment in 300 new planning officers within local authorities to speed up the planning situation.

We envisage a planning and infrastructure Bill coming forward probably around March this year, so that we can take further measures and do planning reform. We introduced in the Budget the £500 million additional affordable homes programme. We delivered some flexibilities within that as well, so that we could get the money out the door. We have been speaking to metro mayors and to local authorities around Homes England and how we can support that programme.

We have had a new homes accelerator. Where there have been stalled sites, we have had a dedicated team working to unlock some of the challenges we have faced on that. There are a number of levers that we are pulling at the moment, which will hopefully start to turn the tide. But it is a bit like the Titanic; it is not like one of the hackney cabs that can turn really quickly. It will take more time in the early stages before we start to see the shoots.

Q19 **Chris Curtis:** The broad point is that you will be underachieving 300,000 in the early years of the Parliament to overachieve later in the Parliament, and hopefully in subsequent Parliaments as well.

One issue would be that the housing target you are setting local councils is 370,000. The reason is it 370,000, as opposed to 300,000, is because you expect a bit of leakage there, but still, how do you expect to be able to exceed 300,000 a year towards the latter stage of the Parliament if the housing targets that you are setting local authorities are based on the assumption of building 300,000 a year?

Angela Rayner: Again, we are already unlocking sites that were having challenges. You are absolutely right. I do see us ramping it up as we get through the course of this Parliament but, with the new mandatory targets, which are over the 1.5 million homes targets, we also have the new towns programme. The taskforce will report later this year around new towns and the opportunities for that as well, which are not within that 1.5 million target currently.

We are hopeful that we will be able to do that and, as sites come forward, we have the brownfield passport. Again, we are saying we want brownfield to be delivered first. We will be able to prevent some of the blockages. It can take around seven years at the moment to get planning permission for housing. Seven years is just way too long. We need to have a system where you have the rules in place that protect nature, that



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make sure the houses are built safely and in the right place and that there has been local consultation through the local plan. We can then speed up that process.

Q20 Chris Curtis: I will come on to some of the other blockages in a minute, but if it looks like we need to be increasing the annual number towards the end of this Parliament, will you look again at that 370,000 number and potentially look at increasing it? It may not be high enough to hit the kind of numbers that we need to be hitting.

Angela Rayner: I have set that target and most people, to be honest, Chris, say, "This is ridiculous. We cannot make that target."

Chris Curtis: Not me. Make it higher.

Angela Rayner: If somebody wants to come forward and beat that target, then we are not going to turn around and say, "No, you cannot do that." The 1.5 million homes target is a stretch target. The whole of Cabinet are determined. I do not lose. I hate losing. I have always been underestimated, all my life, and I am determined, personally, not to lose this fight either.

As I said at the beginning to the Chair, even if I and this Government achieve the 1.5 million homes target, it is a dent in what we need to achieve as a whole country to deliver the houses we desperately need. We have not seen this level of house building since the 1950s, post war, and it is a similar challenge that we face today to get that. They are achievable targets that we have set. They are mandatory and therefore councils and local authorities will be expected to deliver on them. We may be able to get more than that in some areas, but we are working with local authorities and mayors to deliver that.

Q21 Chris Curtis: I will come back to that point specifically in a second. You touched on the 300 extra planning officers that we are putting in. When I speak to local authority leaders across the country, they say that—I am not blaming anyone specifically—given the challenges of local government finances again this year, they are not sure they are going to be able to sustain their planning departments as it is. Most people would accept that even if we were successful in getting 300 planning officers, that is not enough, given how much of a bottleneck there is in the system. Are there any other things you will be looking at to increase the number of extra planning officers above and beyond that 300 that has already been promised and pledged?

Angela Rayner: Again, we have talked about the 300 planning officers, but we have also talked about streamlining some of the planning decisions as well. Sometimes things get called in and are constantly in this merry-go-round, whereas if it is very clear what the rules are, then we should be able to move forward on some things, instead of them being called in and constantly being in this merry-go-round. Hopefully, by streamlining the planning system, which is what we are hoping to



achieve, and making the rules that we expect people to follow very clear, we will be able to then focus the resources of planning committees and planning officers, so that we do not end up with them needlessly spending more and more time on tasks that really they should not need to do.

Sarah Healey: For instance, the fact that we want all local areas to have a local plan should simplify the role of planning officers, because if it is within the local plan, it should get planning permission. The whole process should be more streamlined, which is why it is possible to do it within the capacity. We will keep it under review as we go through meeting the 300 planning officers commitment.

Q22 **Chris Curtis:** This is my final question. If you speak to most people across the country and ask what the biggest objection to new housing is, one of them is that the new housing is not going to come with the infrastructure that is required. If the system is working right, if you have a good local plan in place, as everywhere should, you can get a lot of the infrastructure—such as the school and the GP—put in place within housing developments. If you have good planning officers, good council teams and a good local plan, it is entirely possible to achieve that.

One of the worries I have might be particularly relevant given the area I represent. If you are one of those places that is not just building the homes that are required for your local area, but also dramatically expanding and growing—Milton Keynes has built 3,000, but there are lots of other places across the country that are growing in population—then sure, your new housing estates can build the GP surgeries and the schools, but there are much bigger infrastructure projects that cannot be funded by that. A hospital is often the key example, but there are other things as well. They need to be funded by central Government. In those places that are growing quite quickly, are you having conversations across Government Departments to ensure that those extra bits of infrastructure, such as hospitals, are going to come alongside that extra expansion?

Angela Rayner: Let me first of all acknowledge that. I have always been frustrated by the NIMBY/YIMBY argument. I do not get that, because nearly everyone in this country knows a family member who has a housing need that is not being met—a daughter or a son who cannot get on the housing ladder, somebody in temporary accommodation or an elderly relative who wants to downsize but cannot. Everybody knows somebody. Everybody understands the need for building the houses. We have won that argument.

There is a rightful challenge. In the past, houses have been built but we have not had the infrastructure promised from developers, sometimes through 106, or, as you say, Government have not provided the infrastructure that is needed. The short answer is yes, I am having those conversations. To get the buy-in that we need from the electorate when



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we build these homes, they have to see that that infrastructure is going alongside it.

There is cross-Government work on this to make sure that where we do have those houses, we have put extra resources in to ensure that we hold developers to account on 106 notices and get the best from those 106 notices as part of that planning deal. As a Government, we are also looking at GPs, hospitals and dentistry. We know there are already pressures on those areas, but we have to make sure that the schools and other facilities, and the transport and connectivity, are built with that as well.

The short answer is yes, but I also want to acknowledge the premise of the question, because it is a really important one that you raise. Often, there is a genuine frustration from members of the public who say, "Hang on a minute. I'm not a 'not in my back yard' person. I have genuine concerns here. This is what has happened." That is why that infrastructure is critical, as well as the target of 1.5 million homes.

Q23 Mr Dillon: I want to come in on build-out rates. I absolutely support your ambition for 1.5 million new homes. I want to see us build more and I wish you all the success in achieving it. I just do not see any evidence that suggests that we will hit that target by the end of this Parliament.

I have a strategic site. We have an emerging local plan. The planning inspector has accepted that the build-out rate means there will be no completions until 2030-31. That will be 60 a year. Because of that, the inspector has now required smaller sites to go into the local plan because they can be built out quicker, but they will not have the infrastructure gain that a strategic site has. That is just one example and will be replicated across the country.

If you are going to be lower on your housing completions at the beginning of the Parliament, to get to that 1.5 million you will have to build more at the end of Parliament. Then you will need the workforce to be able to build that as well. I just have not seen a clear enough explanation, to be honest with you, from the Government on how we will get to that 1.5 million, apart from it being an aspirational target.

Angela Rayner: Like I say, there are a number of things we have done, such as the new homes accelerator, to unblock sites. There have been issues around neutrality and nature offsetting. Again, we are coming forward with the planning and infrastructure Bill later in the spring to make sure that we can address some of those issues as well.

We have announced additional funding for construction hubs. We have young people who need employment and I believe that we can match that within the construction sector. I am working with the Department for Education and the employment Department to deliver that. We have been working with Liz on how we can deliver that through jobcentres and the DWP. There are things we are doing that will deliver that.



In terms of simplifying the planning rules, most developers say to me that we are stuck in this merry-go-round. As I say, it can take seven or eight years—you pick a number—and therefore we do not get those sites unlocked. The frustration also put back to us is around housing associations not having the money. With the stuff we are doing around remediation, how can they release capital to come in on a 106 for these developments? We have, again, been looking at that, to support housing associations and councils. We have given them the opportunity to keep their right-to-buy receipts, which will help them to deliver on that.

Q24 Mr Dillon: I support all of what you are saying on that, but that all still has to have time to go through the process, and then you still have to get a planning application secured and then build the sites out. You have four and a half years, Deputy Prime Minister.

Angela Rayner: I know, but we are literally simplifying that whole process and putting more investment in. I acknowledge your point, if we look at where we are today and what we inherited, but I am also equally saying we have put rocket boosters up to make sure that we get there.

Mr Dillon: I wish you the best of luck.

Q25 Lewis Cocking: I draw everyone's attention to my register of interests as a local councillor.

On the seven years, you seem to be saying that local councils are not doing enough to build. What about developers? Sometimes developers do not play ball. They do not show councils that they are willing to listen, are willing to do 106 agreements and willing to do good development, good design, for example. Sometimes they have themselves to blame as to why they do not get planning permission or it takes seven years. You allude, in lots of your answers, to it all being councils' fault; what are you doing about developers and getting them on board to do more?

Angela Rayner: Lewis, first of all, I do not. I am not saying that councils are the problem. Planning can get stuck and bogged down, and that is the acknowledgement. That is just a fact. If you look at what is happening, that is what happens. That is why clarity to the system is important, as well as making sure that we hold developers to account. I alluded to that with the 106 notices and making sure that we have a dedicated team within my Department that will work with local authorities to hold developers to account on that as well.

We are also supporting small developers. We have huge developers that are in the business at the moment. We want to encourage other small and medium developers to come into the field and support them to make sure that they can also develop in areas.

There are a number of measures we are taking. There is a carrot-and-stick approach to this, Lewis. There is the carrot that says, "We're going to streamline planning. We're going to make it clear, so it's not subjective, so you are not bouncing around." Equally, I expect to hold



your feet to the fire in terms of whether you are delivering on your 106 notices and building the houses that people need, not the ones you think you can get the biggest profit for. We will work with developers to deliver that, but they have to follow the rules. We will set the rules and we will make them very clear.

Q26 Chris Curtis: Moving on to social housing, I might link it to that question. We talk about developers a lot but, broadly speaking, the way the model works at the moment is that developers bid for how much they can buy land for, with a local plan, having a reasonably good estimate of what the requirements are going to be when they build on that land, infrastructure-wise and particularly social housing-wise. That sometimes works.

Sometimes, you then have a massive inflation in costs and they try to wiggle out of those commitments. There is a massive asymmetry on information. Housing developers are obviously trying to maximise their profit margins. They have a duty to do so. Councils are arguing back and it gets very messy. Often, you can get in a situation where there is a trade-off that is then created, where it is suddenly not feasible for developers to build the project, so we get held up—we do not hit our housing targets and we do not get our building starts—or you do not get enough social housing built and we end up in the worst of both worlds.

Broadly speaking, throughout the whole of British history, when we have been really successful at house building, the answer has been to do more to capture that land value and have more state intervention to ensure that you are not just driving up land value. It is all right talking about developers' profit margins, but the people who are really making the most money in the system are the landowners, who are making millions of pounds because that land value is being driven up in certain areas.

Do you think that, generally, if we want to deliver more social housing, we need to be doing more to think about how we can get land values down in a way that does not hold up building starts and everything else, to get more homes built? Has your Department been looking at ways to achieve that?

Sarah Healey: You are absolutely right about the value of land value capture as a way of funding this.

There are a few things I would say about viability specifically and the role of section 106. We consulted, in the national planning policy framework, back at the end of July, on an approach to social housing, particularly in areas of identified grey belt, to say that we wanted 50% of that to be affordable and social housing. We amended that approach specifically because of concerns over viability, and have set out that we want the local target for affordable housing plus 15%—that is the content of the national planning policy framework—precisely because we want to make sure that we are taking account of that viability issue for developers.



We have said that we are going to come out with much tighter guidance about the way viability is assessed because, as you say, we end up in these debates between developers and local authorities. In order to get the housing built, we end up agreeing on lower amounts of social and affordable housing than is able to be built. By tightening up that guidance, we will be able to try to constrain some of that and make sure that those arguments end up a bit more balanced and only take account of viability issues when they are genuinely the case.

Until we have got to the point of that tightened-up guidance, when it is the use of grey-belt land under the golden rules, we are going to stick with our local target plus 15% as the proportion of affordable housing that needs to be built where land is released for use.

Q27 **Chris Curtis:** Outside of that, is there anything else that you think should be looked at?

Sarah Healey: Particularly when we come to things like new towns, we will be looking at how we can make absolute best use of that. We have also consulted on reforming compulsory purchase orders to try to make sure that we can get hold of land where it is particularly strategically important.

Q28 **Chair:** On social housing, your predecessor had a target of 30,000 new homes. In terms of the issues that you outlined—homelessness, people on waiting lists—how are you going to make a dent in that, if we do not have a figure and a target for how many new social homes are going to be built by this Parliament?

Angela Rayner: I appreciate the challenge, but the reason why I have not put a target on it, other than that we will have the biggest wave of social and council homes of a generation, is because, first of all, every Government have failed to meet the target that they have set. Equally, as the Permanent Secretary just described in that last answer, there are a number of different permutations.

It depends on the local plan. They will identify in the local plan—which I am not in control of, because it is a local plan—areas of land that could be used and then, depending on the area of land that could be used, the land value and other factors, that will determine how many social and council homes you can get from it. What we will do is set out, as we have with the golden rules for the release of grey belt, what we think people should be delivering as part of that, so that we do get those numbers.

It very much depends on the land and local plans in terms of how many of them are delivered, through which programme. It would be foolish of me, without having those local plans, to try to—

Chair: Even a minimum level, Secretary of State, for—

Angela Rayner: The minimum level is as I have said: the biggest wave of social and council housing for a generation. That is quite a big target. I



do not want to fall below where we have been in the past; I want to way exceed that. The reason we have put the golden rules in, and the reason why we have put so much resource into making sure that developers do not wiggle out of their obligations under 106 notices, given councils the full right-to-buy receipts, and put additional money into the affordable housing programme, is all about making sure we can deliver more social housing.

It would be ill-advised, with all those moving parts, to try to give you an exact, definitive figure. It would be impossible. I could just put a finger in the air, and then I might reach it.

Q29 Naushabah Khan: Thank you, Deputy Prime Minister, for being here today and also for recognising some of the big challenges we face, not only with the housing crisis but with homelessness more generally. What has the inter-ministerial group on ending homelessness achieved so far?

Angela Rayner: We put in a significant additional amount of funding. There is an increase of £233 million, to a total of nearly £1 billion of funding for homelessness and rough sleeping, which was announced at the Budget, and also a £10 million emergency support package to protect rough sleepers. We have had a particularly cold spell over the last couple of weeks.

We have also put in an uplift of £192.9 million to the homelessness prevention grant, to tackle causes, not just the symptoms of people being homeless. We have been working with charities, local authorities and the mayors to look at the vital support services around that, because often people can find themselves homeless and there are a number of different factors; it is not just about the practicalities of having a home. There may be substance abuse or other ongoing issues.

We have also been looking at the criteria. I wrote to local authorities in November around making sure they understand their obligations around homelessness, making sure that people are housed within their area and that they are given that support as well. We have been putting additional funding in, but we have also identified 20 local authorities facing the most acute pressures for B&Bs—for temporary accommodation. We have been looking at emergency accommodation reduction pilots with them, to test their innovative approaches and kick-start new initiatives on how we can prevent homelessness and support people back into homes that they can feel safe and secure in.

As I say, one of the things that, on a personal level, really had an impact on me is that over the Christmas period in my role as Secretary of State I visited a number of the homelessness charities and spoke to those who work in the sector. That figure of 160,000 children being in temporary accommodation makes me really upset, because it is not just the fact that they do not have a home; it also has an impact on all their life chances. We are therefore trying to look at innovative ways of supporting and preventing homelessness.



It is not only me as Secretary of State, but also that inter-ministerial team that have been looking at how we can deliver the services for people. For example, Bridget has been looking at how we can support young people who are coming out of care, looked-after children in transition, and how we can give more support, for example, in those areas. There are a number of different things we are working on to try to support people, and particularly vulnerable people, who may find themselves homeless or at risk of homelessness.

Q30 Naushabah Khan: This is not a new issue. Every Government have pledged that one of their core priorities is to end homelessness. In terms of some of the many complexities that you have highlighted around this, a lot of work has already been done in the past on how we can end it and there are learnings that can be taken from Everybody In and from reports such as that of the Kerslake commission, which detail how some of those complex needs, particularly around rough sleeping, can be addressed.

How are you going to use those learnings? Is there a timeline in terms of ending homelessness and the strategy to do so? Given that the last Government had a very clear timeline that they were not able to achieve, how are we going to ensure that this time it is different?

Angela Rayner: It is really challenging to set a timeline for it, in particular because of the challenges we face with the inheritance that we have at the moment and the projections of where homelessness is going. Therefore, one of the biggest things we need to do is deal with the supply. As I say, the section 21 no-fault evictions are having a significant impact on homelessness. There will be learnings from those 20 local authorities that we are looking at, with those pilot projects.

There is also some incredible work that is going on at individual local authority level and through mayors. I might be biased, given it is the Greater Manchester mayor, but I have seen A Bed Every Night and what Greater Manchester has achieved through the combined authority on tackling homelessness. We can learn from that. There are unique challenges for different areas—rural areas, city areas, coastal areas—so part of the piloting and looking at what works is about how, for some of the challenges local areas face, one size does not fit all.

Some of the bigger challenges you allude to in terms of the Kerslake report are that it is just not about providing a home; it is around having the right services for people when they need it, at the time that is right for them, and being able to access that. I was reminded at Christmas of the work that Shelter was doing around people coming in and having those services available immediately for people, at the time when they need it, so that we can get them on track. That is incredibly important.

There is other work that we have also been doing with the Home Office and the Ministry of Justice as well around people who face homelessness, because they provide pressures on the system. For example, we inherited a dire situation with the prison system. How can we make sure that there



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are services available so that if you are leaving prison, you are able to get employment opportunity or access services? Then people do not end up homeless and end up back in a cycle of crime because we do not have the services in place to support them.

There is a lot of work that our inter-ministerial team have been looking at in terms of how we can try to make sure that those services are there for people when they need them the most, because that will affect their outcomes longer term. It will cost us more money if we do not do that at the beginning.

Q31 Naushabah Khan: I appreciate that you have set out why it is challenging to set out a timeline at this stage, but is there a targeted approach to this, in terms of how you would see a year-on-year reduction in rough sleeping particularly? Is there anything that you are working towards, or is this still something that you are not able to put a figure on at this point in time?

Angela Rayner: I would be very hesitant to put a figure on it, but we really want to see an impact. Part of the problem is not just the fact of plugging the hole—it is also the amount that is coming in. There is a lot of work that is going on that is preventing, but then with the sheer volume that is coming in, you are not really seeing a reduction at the moment. The frustration for me is that the issue around longer-term problems around supply will just keep us coming back to this point over and over again.

We are taking measures now, and the measures around ending section 21 no-fault evictions, the prevention of homelessness and supporting local authorities in terms of their ability to build the houses they need will have an impact, but we need to see a real dramatic increase in the supply of housing in order to really be able to reflect a net significant drop in homelessness. The pressures are so acute. More people are coming into the system than we can get out of the system at the moment.

Q32 Naushabah Khan: Thank you. That is very helpful. We have talked a lot already about temporary accommodation and the pressures it places, and also the need to have that long-term strategy in place to deal with the supply issue. However, there is an immediate pressure and there is an immediate need in certain places to tackle some of the challenges.

First, the conditions in temporary accommodation are not necessarily always meeting the standards that we would expect. The second issue is out-of-borough placements, which you have touched on, in terms of the impact that they have on people's life chances, particularly for young people. Are there any plans to tackle those two issues in terms of legislation—to look at both out-of-borough placements and the impact they have on individuals and host authorities, and also temporary accommodation in the immediate term?



Angela Rayner: As I say, in November I wrote to local authorities reminding them of their duties in terms of out-of-borough placements and housing, and making sure that people get the support they need.

Within that question is a real tension and a challenge. I see this every single day. At the moment, people's housing needs are not adequately met. There are people in housing that is not good for their health. It is not safe for them, but they are too frightened to even raise the alarm that this is not adequate because no sooner have they raised it than they will be put out of borough, their children will be disrupted from their school or a landlord will section 21 no-fault evict them and find someone else who will be quite happy to move in and will take the squalor that they are putting them in.

Not all landlords are like that. There are some incredibly decent landlords out there. The decent homes standard, Awaab's law and the new homes standards that we are introducing are about making sure that we can support people in having safe and secure housing. At the moment, I am under no illusion that there are significant numbers of people who are not just in temporary accommodation, but the housing they have at the moment is completely not safe for them and not adequate. We have to address those issues.

We have put additional funding aside to support landlords as well. We have said we want to work with landlords to make sure that they can bring their homes up to standard as well. This is not about saying "Landlords are bad"; this is about the need to acknowledge that we have a housing crisis in this country. It is not just about building the homes, but also about making sure the homes that we have currently, and even the temporary accommodation, is fit for human habitation.

We cannot continue to see situations like we unfortunately had in Greater Manchester, where Awaab lost his life. The contributing factor to that was the housing that he was in. We want to turn that around.

Sarah Healey: Just to add to what the Deputy Prime Minister said about decency and the importance of things like the decent homes standard, we have said we will consult on how we would extend the decent homes standard to temporary accommodation. There are some complexities in doing that, partly because of the use of B&B and hotel accommodation, which is something that the guidance steers local government against but is unfortunately used quite extensively at the moment, but there is a view to applying that decent homes standard to temporary accommodation, precisely for the reasons that you point out.

Local authorities already have a duty to avoid category 1 hazards in temporary accommodation, but clearly, as the Deputy Prime Minister set out, we want much higher-quality accommodation for people than that.

Q33 **Naushabah Khan:** I have one final follow-up question. Is anything going to be done to discourage out-of-borough placements, particularly where



you see people being sent hundreds of miles away from their family network, their friends or their original authority?

Sarah Healey: We already set out that local government should avoid out-of-borough placements except when absolutely necessary. That is what the Deputy Prime Minister's letter underlined and emphasised. We want to say a bit more about it in the long-term homelessness strategy that we are publishing later this year.

Q34 **Joe Powell:** I have a very specific follow-up on the homelessness prevention grant. There is a new restriction within that, which is that 49% needs to be spent on prevention. Of course, we all support prevention in the long term, but specifically some London councils are really concerned about that. They currently spend approximately 80% of the grant on temporary accommodation. Is there a risk that that restriction is a little bit of a one-size-fits-all model, which could actually exacerbate some of the funding pressures in places like London with high numbers of temporary accommodation?

Sarah Healey: It is true that, clearly, more of the homelessness prevention grant has been spent on temporary accommodation in recent times than we would want to have seen to be the case. We want it to be spent upstream rather than downstream. We have looked at the distribution of the homelessness prevention grant to try to target where there are some of those extra needs that you talk about in London. I know from many of my conversations with chief executives and officials across London councils how serious those pressures are.

It is not the only funding that is spent on temporary accommodation—some comes out of core council funds, which we have put extra money into as well—but we always remain open to discussing particular issues that councils are experiencing, as DPM said earlier, in terms of pressures they are experiencing or problems they have, and looking at how we can help with that. Clearly, until we can get funding to be a bit more upstream and less downstream on homelessness, we are simply going to see increased numbers in temporary accommodation and children, in particular, which we know is a specific, severe problem in London.

Q35 **Chair:** You cannot confirm that councils are going to have to fund that gap from their general funds.

Sarah Healey: All I am saying is that, at the moment, the funding for temporary accommodation comes out of several different sources for councils. We absolutely recognise that and have put an increase into that homelessness prevention grant and looked at ways in which we can distribute it and match with needs—

Chair: That is going to be absorbed by the situation in London.

Sarah Healey: Ultimately, we do need some of the funding to go more upstream than it has been in recent times.



Q36 Joe Powell: I want to move on to remediation. This year will be the eighth anniversary of Grenfell Tower, and the National Audit Office recently estimated that 60% of buildings have not yet even been identified. The remediation action plan puts new targets on speeding that up. How exactly can we speed up this identification? If we do not know what the buildings are, we cannot even then move on to the very lengthy phase of actually remediating them.

Angela Rayner: I totally acknowledge that point. More than seven years after the Grenfell tragedy, the remediation has begun or has been completed on only 48% of those buildings that we have identified. That is why we felt it was completely unacceptable and that we needed to have a plan. That is now covered by 95% of those developers, and those people who are responsible will be part of the remediation acceleration plan to make sure that, by the end of this Parliament, all those buildings that we have identified above 80 metres will have their remediation completed.

We are also looking at buildings with unsafe cladding that are just over 11 metres as well, and making sure they are on the right path. Otherwise, the landlords will be liable for severe penalties as part of that. We are also looking at how we can identify those buildings as well. There is a piece of work that we are trying to do, looking at the land audit and so on, to make sure that people do come forward, so that we do have an understanding of how many buildings there are that are not in the programme at the moment that we think actually could be in need of remediation. At the moment, we do not have a true figure. It could be, I think, up to 7,000.

Q37 Joe Powell: Once the buildings have been identified, the next thing in the remediation plan is around forcing action. One of the big frustrations that people have is this buck-passing between developers and freeholders, and the issue of what leaseholders will face versus others. The scale of this is huge. It is millions of people around the country.

If we sped up the identification, I am trying to understand whether Government will consider taking a much more hands-on approach to forcing action. The plan says this will be considered, but it does not really then say how we will knock heads together to get these building finally into a decent state.

Angela Rayner: The short answer is yes, and I will consider bringing legislation forward. We will need further legislation from phase 2 of the Grenfell report. We are committed to making sure that we do everything we can to meet the targets that we need to meet, to ensure that people feel safe and that remediation happens. If we cannot knock heads together, then we do need to make sure that we take action.

I have met with the main developers and people involved in the housing sector. I have also met various different organisations that are responsible for building safety as well, to look at where there are potential gaps, where it is like trying to pin blancmange to a wall and



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where people are trying to get out of it. We are looking at how we can clarify that and then take action.

There has already been extra support given and local authorities have started to take serious legal action against those who are not remediating those buildings. We have been supporting that action and we have not taken anything off the table in terms of bringing forward more legislation if it is needed. The previous Government introduced quite significant legislation regarding this after the Grenfell tragedy and, for me, it is shocking that we are still in a position today where thousands of buildings still have this unsafe cladding.

People are going to bed at night, every night, in buildings that need remediation. The same people who want to build the houses now want to say, "It's not our responsibility." I do not accept that and I have made it very clear to them that I expect them to do everything they can to make sure that they do that. Like I say, at least 30 developers have signed up, covering 95% of the buildings, to make sure that we have that remediation completed before the end of this Parliament.

Q38 Joe Powell: Conscious of the time, let me switch topics briefly to elections. Do the Government recognise the risks of potential foreign funding in our political system and a general lack of transparency and accountability around money in politics? When might we expect some action on this?

Angela Rayner: Yes. We were looking at this in opposition, around how we can make sure that elections are transparent and that funding and donations are transparent within our system. We continue to look at that, making sure that we have the systems in place that people have confidence in.

The one thing I would say is that all the reports we have had in the past show that electoral fraud is very minor. Therefore, we want to enfranchise people into exercising their vote. We will look at voter ID as part of that and supporting that process but, equally, we want to see transparency in the process of where donations come from, so that people are very clear about that and the rules are followed.

Q39 Joe Powell: Do you know when we might see legislation or a Bill on this?

Angela Rayner: It was not in the King's Speech this time. You will have noticed that quite a lot of the King's Speech legislation was in my Department this time. I want to say a huge thank you to all the civil servants, the Ministers and everybody else who has been working with us on the task we took on since the election.

I certainly would want to do that as soon as possible—certainly before the next general election—so that people are very clear and have confidence in our electoral system and its transparency, so that people can exercise their right to vote. I get frustrated that people feel disconnected from politics and politicians. I want people to be engaged with that process



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and to have confidence in our political system. That is what we will be hoping to achieve.

Q40 Mr Mohindra: Secretary of State, thank you for attending this afternoon. I have correspondence from George, one of my constituents, who is disabled. They want to talk about future-proofing your planning. They are a wheelchair user. The question they have asked me to pose to you is: "How many of the new homes that Labour plan to build will be wheelchair accessible? In London, 10% of all new builds must meet the M4(3) wheelchair standard. Will the Secretary of State roll out this 10% quota to the rest of England, so that more wheelchair homes are built?"

The second question is: "Given the huge shortages of accessible housing, will the Secretary of State be implementing section 36 of the Equality Act, and schedule 4, and bringing them into force? If so, when?" I understand that they are technical questions and I am happy for you to write back to me, but I just wanted to acknowledge that George did write to me.

Angela Rayner: Sure, and thank you to George for writing. There have been recent announcements made in the Department of Health as well, in the last couple of days, around accessibility, to make sure that people can retrofit and get the equipment they need to live independent lives.

Without answering the specifics, which I can get back to you on, we want houses to be accessible at the first point. We do not want to be having to retrofit. We have the same problem with energy efficiency. That is why we are saying that homes should be safe, secure and energy-efficient, but they also should be accessible. There are a lot of things that we could do. If we do them up front, as we are looking at the planning stage, that will have impact. I mentioned earlier people who may want to downsize but are not able to do that at the moment. There is a high demand on bungalows. If we could build more bungalows, people would be very happy.

There have not been the resources put into sheltered accommodation and supported living as well. We are looking at how we can provide support through housing associations, through local authorities and with developers to build mixed tenures. It comes back to the point I made to Lewis or Lee about how houses are built not just for what the profit could be but for the need in their area. There should be much more focus on that.

It is about stretching the 106, making sure we comply with that, but also making sure that local authorities and local housing providers have the resources they need to match the demand in these areas. If we are building homes, we should be trying, where possible, to futureproof them, so that we are not creating these problems that we find in older buildings, which are difficult to retrofit.

Q41 Chair: I am mindful of the time, so can we keep the replies a bit more succinct?



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You will be aware, Secretary of State, that the predecessor Committee had a report and inquiry on disabled people in the housing sector. We still have not received a reply to that, so it would be helpful if we could, as a Committee, get a response.

Angela Rayner: I will chase that, Chair.

Q42 **Maya Ellis:** I will move on to devolution, which we had a number of questions on, but we will focus on some of the things that may not be talked about as much. First, a lot of the devolution deals that have happened so far have been in metropolitan areas, but there are opportunities going forward for a lot more shire areas and county areas. Can you tell me a bit about what you see as the greatest challenges and the greatest opportunities for devolution in those more rural and disparate areas?

Angela Rayner: The main thing for me is that I want to see not a patchwork of devolution but the whole of England having devolution deals. I have been really up front about that and have said that I want to see collaboration. I said that at the Local Government Association conference and I have said it to local authorities. I do not want to pitch them against each other: I want them to collaborate. We also have the issue around unitarisation and looking at how we can not only be the best and most efficient but also have the landscape and the economy of scale to devolve more powers to areas, so it is not about a local authority footprint.

Transport, connectivity, skills and employment are big, chunky, central Government powers at the moment. If we could get more devolution and more combined authorities and a mayoral model, with a seat around the table of the council of England, we can make an incredible difference to ordinary people's lives. People do not go on about their council much. The footprint of your life, to take me as an example, is not, "I just stay in Tameside." We move and work, into Manchester or Oldham. There is the bus, the family connections and the job connections, which mean a much bigger footprint than that.

Devolution across the board is what I want. I have tried to match that ambition with the paper we are bringing forward on devolution. That is about how we can give more powers and show that, by having that strategic approach, looking at how you can combine and collaborate together, you can deliver better outcomes in your local area. It is not about taking powers up; it is about bringing powers down, but also having the economy of scale to really deliver those outcomes for people locally.

Q43 **Maya Ellis:** Do you see any more specific different challenges for those more shire areas than we have seen so far in some of the more metropolitan devolution deals?

Angela Rayner: I think so, but I also see some really good opportunities. One example is local healthcare and matching people's



healthcare needs. Healthcare, schools, skills, education, transport and connectivity are different challenges in some of the rural areas to what you would get in an urban area, for example. Them having more control in that combined area will allow them to cater for those needs.

I want to be very careful here. I know people are very close to their identity as an area, and therefore it can be a challenge to ask them to collaborate with partners next door but, on some things, you could get more by doing it locally with your partners there, compared to a Secretary of State in Whitehall, who might not know your rural area that well, saying, "This is what we think you should have." It could be an opportunity to deliver better outcomes in rural areas.

Q44 Mr Forster: Deputy Prime Minister, I want to talk about the impacts of reorganisation and devolution, if I may. I will try to fire through two questions and then come to the third in a bit. I have always thought your priority was delivering housing targets—something that I agree on—but does reorganising councils not distract them from delivering that housing target, particularly in respect of them agreeing their local plan? Local authorities can either deliver that 1.5 million or they can reorganise. Do you think they can do both? Is it not counterproductive to risk trying to make them do both?

Secondly, social care is the elephant in the room when it comes to local government finances. The Government review into social care and funding is concluding in 2028. Councils are generally underfunded now and a decent chunk of them are going to be restructured in that time. How do you think councils are able to cope with those three challenges at once?

Angela Rayner: It is an opportunity to do that. Part of the challenge back is that, rather than pitching against, by actually collaborating and working together you can meet that. I alluded to it—two different boroughs could have local plans that integrate with each other, which can deliver their joint housing target.

If you have 10% of the land in one local authority, 30% in another and 40% over this way, you could end up in a situation where you do not have that in your local plan or it is not delivering, whereas if you can combine together with your local housing mandatory targets, you could deliver a bigger infrastructure programme that delivers the housing and the infrastructure. You can combine your efforts and deal with those problems.

The reorganisation is critical to get the mass in order to deliver on some of these really big challenges that we face. The challenge back is that it could be an opportunity. Yes, there are always threats with opportunities, but it is the way forward for them, to gain more powers from the centre and to be able to deliver at scale on some of these issues around housing—you are right—but also around social care as well. By being able to look at social care and primary care services, and the interface



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between primary care and the NHS, in a bigger area, we will be able to deal with some of these big, ingrained challenges that you may face, which you could not do at a small, unitary level.

Q45 Mr Forster: I speak as the MP for Sara Sharif. I am really concerned that reorganising councils when they are trying to protect vulnerable children or vulnerable adults creates a risk of distraction. The Prime Minister told the House just before Christmas that he plans to review children's social care. How is that review going to be implemented at the same time they are reorganising? What impact assessment have the Government made on the risk to vulnerable people while you are reorganising?

Angela Rayner: What happened there was an absolutely awful case. One of the challenges is that councils are very clear around their safeguarding, children's services and their statutory obligations. They should be ingrained. The recording mechanisms and also the way in which they are inspected are the same. There should be no deviation or excuse to not safeguard young people and children, because they are statutory obligations that each and every local authority has. Therefore, they should be able to carry out those duties. I do not see how reorganisation is an excuse not to do that.

It is very important that we learn the lessons of the past as well and make sure that all those systems are not failing. There are far too many cases I have seen, even in my time in local government, and as an MP, where young people have fallen through the net. We have to make sure that we deal with that, that our children's services are absolutely up to scratch and that we know where our young people are, we are identifying them and are able to support when they need it the most.

Q46 Lewis Cocking: The devolution White Paper talks about unitarisation, and it talks about 500,000 people. What does that mean in reality? Does that mean creating super-councils of a million-plus? Does that mean creating councils of 200,000? Can you tell us your thoughts around how fixed that 500,000 is?

Angela Rayner: We have set a benchmark. We would consider it to be around 500,000. We have not said it has to definitely be 500,000. There are a number of factors. We are saying it to local authorities, to give them a ballpark: "We want you to come together. We want to find that efficiency." We think that 500,000 is a benchmark figure, but it could be slightly less, depending on the local circumstances, or it could be more, but we want to see the economies of scale, so that they can collaborate and come together.

Q47 Lewis Cocking: What does "slightly less" mean? Does that mean 300,000 or 350,000?

Angela Rayner: Not really, no. We have said 500,000, but if a local area came to us and said, "We have these district councils here, here, here and here, and we want to come together. We think this is the right area for us and this is why we think it, because we can deliver on education,



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we can deliver on social care outcomes and so on. These are the benefits of it and this is the geography of why we have come together to collaborate," we are not going to say, "No. We think you lot know nothing."

We are working with local areas to say, "Find that economy of scale." There has been acknowledgement that economies of scale are not always there. We are therefore working with them to find that local solution. That is how I am trying to work towards it. We put the benchmark at 500,000 to give them an idea of what we would think of it. If two came together and said, "We are 200,000," we would probably be thinking, "You are not there, really. You haven't got it," but we are working with them locally.

Q48 Lewis Cocking: You are reorganising the Conservative counties. What are you doing about the small London councils? Your own local council is 231,000, according to the last census. Are you saying to them, "You have to merge with the council next door, because you are not quite big enough"? Lambeth, for example, is 317,000. Are you saying to them, "You have to merge with the London borough next door, because you are not big enough"? What are you doing in those cases?

Angela Rayner: We are part of Greater Manchester Combined Authority. We already collaborate. We collaborate on social care. Andy Burnham, as our mayor, has a significant number of devolved powers. We collaborate on our housing plans, for example. We collaborate on our transport services. We have seen some significant benefits in our local authority from that collaboration.

I would encourage local authorities to collaborate more. I would encourage my local authority to collaborate more, because people's lives do not work on the boundary of, "You're Tameside, so it doesn't matter what is going on in Oldham or next door in Stockport." People's lives do not work like that. My mum lives in Stockport. I live in Tameside. She has visited Stepping Hill Hospital. She has visited Tameside Hospital. Her needs are the same.

How you can collaborate services to deliver for people in local areas is incredibly important, as are transport routes. I would not exclude my local authority from doing that. It is a really important way of safeguarding and delivering better services for people. People's lives do not work off local authority boundaries or district council boundaries. We are trying to, with reorganisation, deliver the size and scale to deliver quality public services for people at a local level, which recognises that people's lives do not work off the demarcation of what we do in local government.

Q49 Lewis Cocking: You will ask small Labour metropolitan councils to consider merging as well, then.



Angela Rayner: We are asking people to collaborate and we are looking at how we can deliver the economies of scale so that people can deliver better outcomes for people. We have been very clear about that. Collaboration is what I have said is a driving force of this Government, not competition, not pitching one against each other.

I know you use “Labour” and “Conservative”. I am not in the business of doing that. I am trying to look at how we can deliver better outcomes. In fact, as a Labour Government, I am trying to devolve more to local areas. You will know those local areas are not always Labour areas. I am trying to work to deliver better outcomes for the electorate, who have lost faith a lot of the time in politics being a driver for change in their areas. I would argue that devolution has unlocked change. We have better transport and bus systems in Greater Manchester, because we have had devolution. I would say it is a win for people in their local area.

Q50 **Sarah Smith:** Currently, councils, including in Lancashire, are considering the option of delaying elections to allow for devolution and local government reorganisation to move forward at pace. However, it has led to some suggestions of our country being like a dictatorship. I was curious as to how you would respond to those accusations.

Angela Rayner: We are not dictating, first of all. The Minister for Local Government and English Devolution wrote to councils in two-tier areas and their neighbouring small unitary authorities on 16 December, to set out the next steps for delivering devolution and reorganisation. The letter indicated that we would be willing to postpone elections if the council requests that to help them to manage the demands of planning for devolution, alongside reorganisation. It is not us dictating that.

If they are looking at reorganisation and they are coming together, it would be absolutely ludicrous to do that and then have another election within a few months of them being just about to have an election because they are reorganising how they do things. It would be a crazy situation, but we are not dictating to local authorities to say, “You have to stop elections.”

Our devolution agenda is not to delay or stop elections. I want to see more democracy exercised and that is what devolution is about for me. It is about giving more power to people, to see how politics can genuinely change their lives for the better.

Q51 **Naushabah Khan:** Thank you very much for answering so many of our questions. My last question is about our town centres and high streets, which are such an important part of so many of our local communities. You have just talked about giving that power locally. What safeguards are going to be put in place to enable businesses on our high streets and those who want to set up local enterprises? How can we ensure that our high streets and town centres are thriving, given the recent Budget and the forward plan for this Government?



Angela Rayner: We continue to work with high street businesses. The Chancellor and the Secretary of State for Business and Trade have been really clear on making sure there is cross-Government effort to support those high streets. We are addressing strategic issues on areas including high street regeneration. You will have seen the things we have done with the high street rental auctions, which gives more power to local authorities to bring high streets back into life.

There is also the skills issue, sustainability and productivity. We are supporting small businesses' ability to invest and grow with a range of measures, including protecting small businesses from the inflation in business rates by freezing the small business multiplier for this coming year. We are also looking at improving the financing offer for businesses looking to export, and committing to continue funding for key business support programmes, like the growth hubs and Help to Grow.

We recognise the challenges that small businesses face. I know it was difficult, in terms of the relief that they were getting through the covid period. The Chancellor recognised that in the Budget by making sure we gave some protection and long-term sustainability, so they understood what was coming. It was a cliff edge before, whereas now we have been looking at how we can support small businesses on the high street.

There are a number of measures we are taking. We have also done a lot of work on anti-social behaviour, making sure that there are powers, measures and police in place so that we can support the high streets, where often people are frightened of crime that they see going on. There are a number of things we are also doing to support shop workers. We have been putting that forward in terms of legislation to protect them from violence and on shoplifting.

Q52 **Naushabah Khan:** I have one final follow-up question. On the rental auctions, I appreciate that a current phased pilot is being reviewed. At the minute, it does not necessarily give flexibility around buildings that have been sat empty for a longer period of time, as opposed to shorter. Will there be opportunities for local authorities to feed back on whether it is working, in terms of some of the challenges they are facing? If you have had a property empty for one year, at the minute that offers a real solution but, if you have had properties empty for 15 years, which could be brought back into use, it is not quite there yet.

Sarah Healey: The purpose of doing it in that rolling pilot form is precisely because we want to get that kind of feedback. We are bringing forward further work on supporting communities later this year, and high streets will be a vital part of that, because we understand how important it is to the success of towns and cities that people live in.

Angela Rayner: The English devolution Bill also has the right to buy for valued community assets. Again, that feeds into that process as well.

Chair: Thank you very much, Secretary of State, and thank you,



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Permanent Secretary, for attending the Committee this morning and answering our questions. We look forward to welcoming you at future Select Committee meetings. I will bring the meeting to a close.