

# Housing, Communities and Local Government Committee

## Oral evidence: Work of the Department, HC 302

Monday 4 May 2020

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Watch the meeting

Members present: Mr Clive Betts (Chair); Bob Blackman; Ian Byrne; Brendan Clarke-Smith; Ben Everitt; Paul Holmes; Rachel Hopkins; Abena Oppong-Asare; Mary Robinson; Mohammad Yasin.

Questions 70 - 118

### Witness

[I](#): Rt Hon Robert Jenrick MP, Secretary of State, Ministry of Housing, Communities and Local Government.

### Examination of witness

Witness: Rt Hon Robert Jenrick MP.

Q70 **Chair:** Good afternoon and welcome to this session of the Housing, Communities and Local Government Select Committee. We will be taking evidence from the Secretary of State for Housing, Communities and Local Government this afternoon, looking at the issue of the Covid-19 emergency, how local government is tackling that, the challenges local government is facing, the problems it is facing and how we can work together to overcome those.

First of all, I will hand over to the Secretary of State, who would like to say a few words at the beginning.

**Robert Jenrick:** Thank you, Mr Chairman. Can I welcome you once again to your position and welcome new members to the Committee? This is the first time we have had the opportunity to meet in this way since the general election.

I just wanted to say a few words in opening. First, I want to thank all of the civil servants in my own Department who have been working exceptionally hard in very difficult and unusual circumstances. MHCLG has found itself at the heart of the Government's response and the national challenge that we have been working through, whether that is as



the steward of local government, in our efforts to bring rough sleepers off the streets, in shielding the most vulnerable in society, in ensuring that local economies are supported and protected as far as they can be and, of course, in supporting the Department of Health and Social Care with the response through the NHS and social care at a local level.

Secondly, I want to say thank you to the many local government workers across the country who have done a fantastic job so far, again working extremely hard in managing an unprecedented situation. That is from the full range of public servants—from our social care workers, our teachers, those emergency planners and our binmen and women, to many other roles across the country. They have really risen to the challenge, and I am hugely grateful for their hard work. No doubt we will be discussing many of those different elements over the course of the session today. From me and from all of us in Government, a big thank you to everybody involved so far.

**Q71 Chair:** Secretary of State, I think everyone on the Committee would echo and endorse those words of thanks and appreciation to everyone in local government. You have just explained a wide range of different occupations and jobs that people do. Everyone has responded to the challenge in a way that we can all be proud of. Thank you for those words.

Secretary of State, we will not have to go very far into this session before we talk about money. It is very clear that local authorities, in responding to that challenge, are having to spend an awful lot more money, quite rightly, on very important things to enable services to be delivered of an enhanced nature and in a variety of ways, and of course they are losing income as well. We will come back to the income specifically in a few moments.

You said at the beginning of this emergency that local government would get whatever funding it needed. That slightly changed then, a couple of weeks ago, to local government sharing the burden with central Government, but last week you made it clear that local government was going to get all the funding it needed. Could you just re-emphasise that point? It is absolutely key that councils know they are going to get paid from central Government for the extra costs they are incurring.

**Robert Jenrick:** Thank you for the opportunity to make that point once again. I hope I have made it repeatedly from the outset of the crisis. I think I said in the first call I had to all council leaders and chief executives, in the very early days of the national response, that we will stand behind councils and ensure that they receive the funding they need to deliver the responsibilities that we are asking of them. For those things that we are asking councils to do in response to Covid-19, which involve, in some cases, very significant extra costs, we will ensure that councils are fully compensated.



We have already begun to do that. You have now seen two very significant injections of cash into local government in the space of just two months, each of £1.6 billion. In addition to that, we have provided almost £4 billion of cashflow measures. Taken together, with the cashflow measures and the new grant that is being injected into the system, there is a very significant amount of money being put in to ensure that, where we have asked things of councils, they get the funding that is required of them.

Of course, some councils are doing things over and above what we have asked, and it is absolutely their right to do so. I respect them for making those decisions, which are separate matters for councils. Where we have asked councils to do things, we are going to ensure that they are fully compensated.

**Q72 Chair:** That is an interesting point, is it not, about what precisely you have asked councils to do and what they are going to do over and beyond that? While we will come on to the precise nature of the distribution of the £3.2 billion, most councils are saying, currently, that they have already committed to spend, or indeed have spent, more money than the Government have given them. I was told on Friday that my own council in Sheffield were saying they had committed £70 million and were getting £34 million according to the allocation.

Councils as wide-ranging as Liverpool on the one hand and Cumbria on the other, or Windsor and Maidenhead, are all saying that the money the Government have so far allocated is not at the same level as the money they have already committed to spend. Does your commitment to give councils whatever is needed apply just to local government in general, or to each council specifically?

**Robert Jenrick:** Could I perhaps dissect the challenge into its different pillars? The first point, which I have just made, is that, where we have asked councils to do specific things to respond to Covid-19, we are going to ensure that they are fully compensated for that. Obviously, like all parts of the public sector, they need to spend public money wisely and ensure that there is good value for money, but we are going to ensure they get the resources they need. From the returns we have received so far, covering the first two months of the response—March and April—it is clear that the funding we provided is more than enough, in total, for the response that is being done, brilliantly, on the ground by local councils.

There is a second stream, which are perfectly justifiable decisions by local councils to do additional schemes, and that is their decision. There is a third element, which is quite different to that, and that is on the income side. Perhaps you want to return to this in a moment, but this is where councils of all types are seeing what you might call irrecoverable losses in income. Some of the fees that they might be expecting to receive from car parks and leisure centres, and so on, in this period are being lost because of the lockdown. In that area, we have provided some additional funding already. You saw that in particular in the second tranche of £1.6



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billion, where we directed some of that funding to lower-tier councils, like district councils, to stabilise their finances because we were becoming aware that some were finding it particularly difficult to navigate that sudden and unexpected loss in income.

The key thing for that area is to get better data, and that is what we are doing now. We are working with local councils, asking them to report that unexpected loss of income in as granular a detail as possible so that we can work with them in the weeks and months to come.

The last pillar, if you like, is on the tax side. Some councils are reporting a reduction in their tax base, both in council tax and business rates terms. It is quite soon to make judgments on that because we do not yet know the length of the lockdown measures, and we certainly do not know the degree of economic disruption that we are going to face as a country in the months ahead. Again, we are looking to gather data from councils and take a judgment when we have better information in our hands. We will not be in a position to make that judgment for some time.

That overall approach was borne out by the evidence, for example, that you received from the Local Government Association, which acknowledged that there was clearly a profound impact upon councils' finances but was not able to put much detail behind that, other than to say they thought it was going to be to the tune of a number of billion pounds. As you can understand, my role as Secretary of State is to ensure that we make decisions on the basis of the evidence, and that is the case I have to make to the Treasury to receive further funding.

The key thing on the latter pillars I set out is to gather the best possible information in the weeks or months ahead and then consider how we can ensure that councils are on a sustainable financial footing for the future.

**Q73** **Chair:** There is a survey being done, and every council is responding saying how much more they are spending, what income they are losing and what they think they might lose. It is understood that some of those, at this stage, will not be as definite as others. Will you, therefore, let each council know, when they put these submissions in, which elements of the costs they are incurring—where they have identified that and given a figure for it—you and the Government are going to cover and which you think are extra expenditure that they have incurred without being asked to?

**Robert Jenrick:** The very strong message we have had from councils is that they do not want the funding to be ring-fenced. One would have to proceed with caution before starting to ring-fence the funding for specific purposes, because that is not what local councils themselves would wish.

We will consider whether we can give further guidance to councils as to the areas of Covid-related expenditure that we would expect central Government to fund. Most councils would know them. In broad terms, they include, most obviously, the cost of social care, which would be the



largest cost. There is also the extra cost of housing to support rough sleepers. As you know, there has been a fantastic effort by councils to bring 90% or so of rough sleepers off the streets into safer accommodation in hotels, and that does carry a cost. There are additional costs being borne by the education functions within councils to protect vulnerable children, for example, and we are working very closely with the Department for Education there. There are then some other costs being borne elsewhere, for example in fire and rescue services, which you have seen have been accounted for in specific grants to them. There are then other functions as well.

There are things that councils are doing that are entirely of their own volition. As I say, I support councils making those decisions but, as you can imagine, it is only fair that central Government support things that are open to all rather than individual choices by local councils.

It is also worth saying, while we are on the subject of the resources that have been made available to local councils, that you also have to look at this in the round. Central Government is not only providing the quite significant support that we have provided so far in terms of the £3.2 billion of grant and the almost £4 billion of cashflow, but also a range of other funds to local councils to support their broader objectives and mission. This includes the business grants they are distributing to local businesses; the business rates holiday, which is now worth over £12 billion; the funding from the Department for Transport to support local transport systems like metro systems and so on, which are obviously experiencing difficulties with very low passenger levels; money for local charities; and the £3 million for the homeless. Taken together, you are looking at £15 billion-plus, and rising, to local councils in a period of two months. That is a very significant, if not unprecedented, level of support to councils and the critical role they are playing in the crisis.

**Q74 Chair:** All of that funding is obviously welcome and for a good purpose. The point still is that, if there is a difference in understanding between what councils think they need to do to respond to this crisis and what Government are prepared to fund, that may only work its way through in a few weeks' time. We ought to be careful. Local authorities, which have been through austerity to a greater degree than any other part of the public sector, really do not have the backup and the reserves, very often, to carry that additional expenditure. I am still not quite sure how we are going to work through your Department and councils to ascertain what, in the end, you think councils need to spend out of their own resources to cover these matters.

**Robert Jenrick:** We have been very clear, actually, about the specific tasks that we have asked of local councils. If you, Chair, and your Committee would like us to set out those tasks in writing to you, I am very happy to do so.

**Chair:** That would be helpful.



**Robert Jenrick:** If any council leader or officer is watching these proceedings and is uncertain, as I always say, I would strongly encourage them to contact MHCLG—all councils have regular contacts with the Department—to discuss any of those issues. We would not want anyone to labour under a false impression that what they are doing is guaranteed to be funded by central Government. I do not, in honesty, think that those disagreements or misunderstandings are widespread. The schemes that we have asked of local councils are pretty well understood. These are national programmes such as the dispensing of business grants, the mission on rough sleepers and so on.

Q75 **Chair:** If you could set that out, Secretary of State, it would be extremely helpful. I have just one brief point and then I will move on. This is just something from the Institute for Fiscal Studies. In order to help councils through this, because there may sometimes be a gap between what they spend and what Government can help with, would it be appropriate to allow councils some flexibility for short-term borrowing to cover revenue?

**Robert Jenrick:** I have seen that request, and we are considering that. At the moment, we have obviously responded to the scale of the challenge facing local councils through the £3.2 billion grant and the very significant additional cashflow measures of almost £4 billion. Although, of course, there are always exceptional cases, because councils are such a broad range of organisations and their finances vary very significantly, our impression is that that is sufficient to support councils for the weeks and months ahead. If that changes, obviously, we will also have to change our response as well.

In the evidence that you received from the LGA last week, Mark Lloyd, the very experienced chief executive, said he was not expecting any councils to be in a position where they might have to, for example, be issuing section 114 notices in the weeks ahead. However, as I say, if there are councils that, for exceptional reasons, are in particular financial distress, the first port of call would be to speak with my officials or to come to me directly at the Department.

Q76 **Rachel Hopkins:** I am speaking as a sitting councillor still, so I have a very special interest in local government. In particular, I really welcome the point you just raised about councils being very varied and having different situations. You have mentioned income losses through loss of fees and charges, but there are many councils that have other more commercial income streams, which are impacted not just by the response that councils are delivering to Covid but, actually, by the whole impact of Covid on their ability to ensure an income stream.

It is slightly specific in my case. I represent Luton South, and we have our airport. That derives significant income into our council that directly delivers services. It is absolutely vital that considerations of those sorts are made. I would be interested to hear your response for all those councils that are really concerned about income loss from those commercial streams.



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**Robert Jenrick:** Thank you very much for that important question. The first task of Government was and is to ensure that Covid-related expenditure, which we have just discussed in some detail, on items that we asked local councils to do is fully funded. That is our first priority but, as I said already, I am very conscious that the nature of the lockdown has had a very significant impact on the income streams for local councils as well, and that some of that will be irrecoverable. That is why we have tried, in the design of the second tranche of £1.6 billion, to make a contribution towards those costs.

I decided that those costs were particularly profound in the lower-tier councils. That is why we gave further funding to district councils so that they had some more money to bear the loss of income. The average district council received over £1 million—I think 70% of district councils received £1 million in that tranche—which places them in a more sustainable position.

The first thing to say in response to your question is that those councils that are particularly exposed to irrecoverable losses of income can help my Department by giving us the best possible data on those losses through the returns that are coming into my Department, and almost every local council is facilitating that at the moment. The next set of data is being garnered over the course of this month. Your council and others will help us by providing us with that information so that we can get a better sense of the true cost.

The second response is to say that there are councils that are losing income in the normal course of business, and that would be car parks, leisure centres and so on. There are some other councils that have very significant exposure to commercial investments, some that are perfectly understandable and some that were perhaps unwise investments to have made in the first place. I have long argued against councils establishing very large commercial portfolios, for example, using borrowing from the Public Works Loan Board. For those, we are going to have to work with councils to think about what the most appropriate response would be.

There are, as you rightly say, some councils that have strategic investments, such as airports, and that places them in an exceptional position in this crisis. For those, we will have to work closely with the councils. There are only a small number of councils in that position that are particularly exposed. We will have to work closely with them and consider what the right response would be. We are working already with Luton Council. My officials are in regular contact with them, and we will have to work with them in the weeks and months ahead to see how we can navigate our way through what is undoubtedly a difficult situation.

It is important to differentiate between those councils that have done what Government have asked them to do over the years, which is to diversify and to garner income through the sorts of things we have just described, and the small minority of councils that have chosen to get



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income through much riskier assets. We will have to think carefully there about what the right response from Government is so as not to create a moral hazard that would prove unfair to those councils that have managed their finances responsibly.

**Q77 Ian Byrne:** The Government have announced how they are going to distribute the latest tranche of £1.6 billion to local councils. Will there be further information forthcoming on how this distribution is being made to ensure all types of council are reassured that an open and fair process is being used?

**Robert Jenrick:** We will continue to work with local councils as we assess their financial positions, as I have just said. The best thing for councils is to give us the richest possible data, and that can help inform any further steps we might make in the future.

In respect of the two tranches of funding that we have made, they now have to be viewed in the round. The first priority was obviously to ensure that those councils likely to bear the greatest cost in terms of adult social care had the required resources. Some 90% of the £3.2 billion is going to those types of councils so that they have the resources they need to fund Covid-related expenditure and obviously, most prominently, adult social care.

For the reasons we have just discussed, we felt it was right that some additional funding was also provided to lower-tier councils. That is, first, because they are also actively involved in the response to Covid. In many cases, for example, they are the ones responding to the challenge of rough sleeping, so they need the funding to do that, and it was right to give them some resources. Secondly, it was because we also felt that the evidence we were receiving showed that they were quite exposed to the loss in income for the reasons we have just described, so they also required some funding for Covid-related expenditure and for stabilisation of their finances.

In the round, of the £3.2 billion, that only actually amounts to around 10% of the funding. Together, we have come up with a fair distribution mechanism. If you look at your own city region of Liverpool, you have received £102 million so far of additional grant, which is a very significant amount of money, in two months. Obviously, we will continue to listen to the council and the representations we receive and, above all, to study the data that is received by the council to see if further interventions are needed in the future.

**Q78 Ian Byrne:** On Friday, the ONS released a report containing an analysis of all the deaths that occurred in England and Wales between 1 March and 17 April. The report stated that people living in more deprived areas have experienced Covid-19 mortality rates of more than double those who live in less deprived areas. Can you explain on what basis it was decided that deprivation would not be factored into the formula for the distribution of the latest funding tranche to combat this crisis?



**Robert Jenrick:** I am very aware of that report, and I am very concerned by it. We all want to fully understand what is happening with respect to Covid-19. We are all concerned by the emerging evidence that certain groups in society are more likely to be impacted, whether that is from a socioeconomic perspective or whether it is certain ethnic groups, for example. That is why Public Health England is analysing that in detail. It is doing a specific study, for example, on the impact on BAME communities, and that is absolutely right. That information and research should feed into the wider cross-Government response.

The first £1.6 billion tranche of funding that we gave was, as I say, based upon the existing formula and was very heavily targeted towards adult social care and those authorities that are leading the charge on that. Liverpool, for example, will have benefitted very significantly from that.

The second one paid attention to the per-capita costs that are flowing through across the country—that was the right thing to do—and also ensured that those lower-tier councils, for the reasons I have just said, got some extra funding as well to help stabilise them.

The rounded package was the right one, but I will certainly be paying close attention to the work that the Chief Medical Officer and Public Health England are now doing to better understand the impact of the virus on particular communities and how that should inform our work going forward.

Q79 **Paul Holmes:** Secretary of State, thank you for coming today. I just want to turn back to local authority borrowing, particularly for commercial investments. Last week, I asked the LGA about the potential impact on local authority revenues from any economic impact that Covid might have on commercial activity. On 20 April, *The Guardian* published a story that the Public Accounts Committee would be questioning MHCLG officials and local authorities on the potential problem that this could create.

I just have some quick examples. The National Audit Office says that local authority spend on commercial property is currently at £6.6 billion from 2016 to 2019. Just to give two specific examples, Spelthorne has an annual budget of £22 million but has a property portfolio of over £1 billion, and Eastleigh Borough Council in my constituency has an annual budget of £31 million but has a property portfolio of over £530 million. Are officials monitoring this level of spend? You have said that you would work with councils that have some investments like this. What options are you considering in this measure, and are you politically in favour of councillors speculating with taxpayers' money in this field?

**Robert Jenrick:** I have been on the record for a long time, including in my former role as a Treasury Minister, as feeling it was very unwise for councils to invest in often quite risky commercial assets outside their own council boundaries. It is entirely different for councils to be playing a role within their own area in investing in regeneration and housing. Those things are extremely important parts of the function of local councils.



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Obviously, they need to do so wisely and we need to be careful that councils do not, as a matter of course, take on assets that are no longer desirable to the private sector without a great deal of thought.

We have been pursuing reforms in this area and, working closely with the Treasury, we have reviewed the work of the Public Works Loan Board and are using that now to encourage councils, as I say, to focus on the good they can do within their own areas, in particular on regeneration, town centres and housing, when they are borrowing, and disincentivising councils from becoming highly indebted and, in particular, building up speculative portfolios of assets outside their own boundaries. That work will continue.

There is a concern in this situation as to whether the asset portfolios of a very small number of local councils—you have mentioned some of the ones that have become more prominent, such as Spelthorne Council—will prove problematic as a result of whatever may happen in terms of economic disruption in the weeks and months ahead. We are considering that issue, and if we need to have specific conversations with those councils, we will do. As a more general matter of course, I do not think it is wise for councils to be building up speculative property portfolios. For precisely the reasons we are now discovering, that can place a great deal of strain upon their finances.

**Q80 Paul Holmes:** I am grateful that you have said that your Department is monitoring the situation, which is welcome. If this does seem to be a problem, do you think there is a role for further guidance on restrictions on local authority borrowing for these kinds of activities, which I would welcome? Added to that, I know we recently reformed the way that the Public Works Loan Board is operating, which is entirely welcome. If there is a downturn in areas like this, are you and your departmental officials actively considering allowing local authorities to short-term borrow on that once more to cover the costs that these commercial properties might mean they have?

**Robert Jenrick:** With respect to borrowing, as I said, the approach we have taken thus far has been to give councils the cashflow they need by bringing forward grants so that they should have the resources they need to navigate their way through the coming weeks and months. Obviously, today it is too early to say the degree of pressure that councils are going to face in terms of their finances. We will learn more in the weeks ahead as we understand when the lockdown is able to be eased and what degree of economic disruption flows as a result of the economic position that we find ourselves in at the end of the lockdown. We do not yet know whether it is necessary to take further steps in that respect.

As regards the PWLB, we have taken a number of steps already and, as I say, they are designed to strongly discourage councils from building up speculative property portfolios while still enabling and encouraging them to play the leading role that we would expect them to play in housing delivery, particularly social housing, and regeneration of town centres.



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That is a role that will be even more important at the end of this crisis, when we want councils to be playing a leading role in the recovery and growth of their local economies.

**Q81 Mary Robinson:** In the past, many local authorities have been borrowing, using Public Works Loan Board money, to regenerate their town centres and do the regeneration that we really need to happen in order to protect our high streets and our local centres. However, we are in a different position going forward in terms of how they are likely to borrow again. Many councils still have the debts and the interest owing on the loans they have taken. Has consideration been given to the effect of councils having to repay the interest on those loans at this present time? Are you planning to review that for the future?

**Robert Jenrick:** It is up to councils to make sound financial decisions. Those councils that have chosen to take out loans from the Public Works Loan Board will need to carry the cost of those. Obviously, we will consider the sustainability of councils, both individually and collectively, in the weeks and months ahead, in particular as we look towards the next financial year and the Spending Review. That will have to take into account all of the pressures that they face.

I want to encourage councils to continue to play a leading role in regeneration. That is at the heart of our levelling-up agenda. That is why, for example, we are pursuing some of our other policies that continue, such as the Future High Streets Fund and the Towns Fund, which I know Cheadle benefits from and with which you are working closely. While some of those initiatives may have had to be temporarily placed on the backburner by local councils because they are focusing all their resources on the immediate response, we hope that, as we move into a phase of recovery and focus on economic growth, they will return to those and we will get the first of those deals signed and delivered over the rest of this year.

**Q82 Bob Blackman:** Secretary of State, thank you for the answers you have given thus far. You mentioned earlier in your submission that you were not aware of any local authorities that were likely to issue a section 114 notice against them. Obviously, local authorities have a duty to produce a balanced budget during the course of the year. Obviously, this financial year started with huge amounts of money having to be spent by local authorities in all sorts of areas that they would not have expected.

We have heard rumours, and we heard this last week, that a number of local authorities are under severe pressure in balancing their books and therefore are, potentially, moving money away from absolutely vital public services in order to answer the current funding crisis.

You said that you are not aware of any, but there are authorities, such as Windsor and Maidenhead, Liverpool City Council and others, that are putting their hands up and saying, "We are going to have to make some really tough decisions here." How are you monitoring that and making



sure those authorities do not fall into that position?

**Robert Jenrick:** We monitor the finances of every council in the country. My officials have good relationships with councils, chief executives and treasurers. If there are councils that are very concerned about their finances, they should contact their regular point of contact at the Department and raise those concerns, and we will work with them.

I said that Mark Lloyd, the chief executive of the LGA, had said that he was not aware of any council that believed they needed to go down the route of a section 114 notice. Obviously, as you have, I have read some of the reports from councils in the press. My response to them would be to work with my officials at the Department, to give us the best possible data so that we truly understand their position, and also to think carefully about how they consider their costs over the course of this year.

Some of the estimates I have seen are highly speculative. They are assuming, for example, that the loss of income that we have seen in the course of the last two months will continue for the rest of this year, or that some of the deferrals on council tax and business rates that have been seen over the course of the last two months will continue over the course of the year and that deferrals will become defaults. It is too early to say on either of those accounts. We do not yet know how long the lockdown measures are going to continue. We do not know how deep the economic disruption will prove when the lockdown measures are eased.

It is difficult to extrapolate, from the very significant impact on council finances that we have seen in the last two months, the full-year position for councils. It is probably unwise just to round up the loss of income that councils have seen in March and April and assume that that will be the full-year position. We have seen that in some of the speculation I have seen in the press. It is much better to give us the data and for us to consider more cautiously what the true position is going to be. That will only become apparent as the weeks and months progress. By later in the summer, we should have a much better understanding of the true position of councils' finances.

**Q83** **Bob Blackman:** Just moving forward and looking to the future a bit, you have delayed the fair funding formula review and also the greater retention of business rates income for obvious reasons, and we understand that. Can you shed any light on when you would now intend to introduce that and move it forward?

**Robert Jenrick:** We took the decision, which was with broad agreement across the sector, that now was not the right time to proceed with either of those changes. If you are going to make fundamental reforms to councils' finances, you want to do so at a time when councils can focus upon the challenge and can properly engage with consultations, and also at a time when my Department has the capacity to do that, so that we make the right decisions.



We have announced that. We are now going to consider that carefully and decide when to return to it. We will have a Spending Review later this year, and we will have to see whether that is a one-year or a three-year Spending Review. There will be choices at that point as to whether or not we proceed with this in the following year. I remain committed to bringing forward the fair funding proposals, and indeed the retention of business rates. They are both things that are good, needed and long overdue but that need to be brought forward at a time of greater stability for the sector.

**Q84** **Bob Blackman:** That builds to the final point I wanted to query. Local authorities will start their budgeting process in the autumn, and they will be looking at what resources are going to be available to them. Clearly, we would normally be in a position whereby the local authority grant mechanism and other Spending Review decisions are taken shortly before Christmas and then fed into that budget process. Local authorities, at this time, desperately need some degree of certainty over future funding. You said that one to three years might be an appropriate time. Are you thinking potentially of an even longer period of time for funding so that local authorities can plan for the future with a degree of certainty and can, therefore, set their budgets in the new financial year, after we have gone through these extraordinary circumstances, with a degree of certainty?

**Robert Jenrick:** I have always been in favour of giving councils greater long-term certainty over their funding arrangements. Last year we were only able to do a one-year settlement because of the position of Parliament and the Brexit negotiations. It will be a decision for the Chancellor as to whether or not there is a one-year or multi-year settlement in the Spending Review. I assume he will take that decision in the months ahead as we approach what looks like a late summer or early autumn Spending Review.

As always, there are arguments either way. You have made the argument for giving greater long-term certainty on funding. On the other hand, this will be an exceptional year in terms of the instability in councils' finances and the economic disruption coming out of Covid-19. The Chancellor will have to make the decision as to the best route there.

**Chair:** We will now move on to social care, which, as you have indicated, Secretary of State, is a really important issue that councils are addressing.

**Q85** **Abena Oppong-Asare:** Thank you, Secretary of State, for coming to this meeting. One of the Government's five tests for lifting the lockdown is ensuring that the NHS can cope. Do you think that test should include social care?

**Robert Jenrick:** Yes, I do. Social care is very much at the forefront of our thoughts in a number of the tests that the Government have set, both in terms of capacity within the NHS and in respect of testing and



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PPE, where we look at whether the NHS and social care are properly equipped to continue to respond to Covid-19.

It will be at the forefront of our thoughts and is one of the most important areas of focus now for central Government. We see that in terms of the strategy that we have for social care: ensuring that those working in social care are getting priority for testing; ensuring that the mobile testing units that the Department of Health and the armed forces are delivering are being put at the disposal of care homes; ensuring that local resilience forums are supporting care homes to get the access to the PPE that is required until the more sustainable Clipper service comes onboard; working closely with the NHS to ensure that the best possible discharge procedures are in place, so that those people who are coming back to care homes are doing so only when we know they are free of Covid; and ensuring that the best possible practices in terms of infection control are put in place, so that care homes are the safest possible environment for the residents and those people who are working there.

Be in no doubt that the care sector is absolutely at the heart of the work that we are now doing across Government.

**Q86 Abena Oppong-Asare:** Last week, I met Inclusion London and the Greenwich Association of Disabled People. They are deeply concerned. Their service users are worried about care homes in particular. They are worried about the fact that homecare fees may rise after the Covid crisis, and I can understand why they are concerned about that. This has also been shared by Care England, who have publicly said this as well. Are you able to shed some light in terms of what the Government are doing to plan to mitigate against this happening?

**Robert Jenrick:** At the beginning of the crisis, we set out to work with care providers to ensure they have the resources they need. It is obviously a sector that has been under a lot of pressure, both in terms of its finances and the workforce, for some time. We wanted to ensure they are in a sustainable position to do the important work that they are doing and will do throughout the crisis.

One element of that has been ensuring that local councils get the resources they need and that that money is speedily flowing through to the providers. That is one of the reasons why we gave, in the first £1.6 billion, such a priority to those councils that lead on adult social care. In the second £1.6 billion, I made it clear when I wrote out to councils advising them of their allocation that the minority of councils that were, shall we say, being a bit slow in getting the funding out to providers need to do everything they can to speed that up.

I also said that those councils that, in their own local market, are seeing costs rising for social care need to find simple ways of taking that into account and getting the providers the extra funding they need. We were hearing that some councils, perfectly understandably, were putting in place lots of conditions on funding or were asking quite a lot of providers



to assess the added costs, while the need for speed necessitated getting the extra money out to the providers very quickly.

That was particularly true for smaller providers within the social care market. As you know, there are some providers who are part of big national or even international groups, but there are also many small independent providers, and they need particular support from local councils and need to ensure the funding is flowing through, in some cases not in arrears but actually in advance, so they know they have the money to continue providing the services that are required. We have paid particular attention to that. There is more work for us to do there, working with the Department of Health and Social Care, to ensure that the funding is flowing to providers.

Some providers are experiencing financial difficulties because some of their costs are rising and because, in some cases, fewer new residents are going to live at care homes, because some members of the public would like to keep their relatives in their current homes as they are concerned about putting them into care homes. We need to ensure that we work through all those difficult and challenging issues so that the finances are as strong and as sustainable as they can be.

We are also trying to help them in the other challenges they face, as I say, on the PPE side. You have to remember that, prior to the crisis, the more than 10,000 care homes in this country were, in most cases, receiving their PPE through the usual wholesale market, but that wholesale market has become very challenged and distressed as a result of the pressure, both domestically and globally, for PPE. We have stepped in there and, through the LRF network, provided another route for care homes to get the PPE that they require on a temporary basis.

We are also working—there will be more to do on this in the days and weeks ahead—to ensure that care homes get more support from the local NHS, whether that is from GPs, Public Health England or the wider NHS and social care sector, in terms of advice on infection control and other support that they might need, so that particularly those smaller providers are well looked after.

**Q87 Abena Oppong-Asare:** Locally, in my area, there were also challenges getting the PPE to the care homes. My local authority had to do a public call-out because they needed it really urgently. They had to rely on public volunteers donating PPE so that staff could work safely.

I also want to flag with you issues that have been raised by a number of residents of mine, and shared by Care England, about local authorities requiring care homes to take on people who have tested positive for Covid. Do you think that is an acceptable condition for receiving part of their social care funding?

**Robert Jenrick:** I am concerned to hear that. As I understand it, the discharge policy of the NHS today is that those members of the public



who have tested positive for Covid-19 should not return to their care home until they are free of the virus. That will either mean they remain in hospital until they are known to be negative or, where they have to return, perhaps because the NHS wants to free up that capacity to treat other patients, they should be placed in appropriate accommodation, which might mean separate accommodation from a care home or it might mean a specific wing or floor of a care home that is caring for patients who have Covid. They should not return to a care home or the part of a care home that has a mixture of residents, some of whom are known to be free of Covid.

That discharge policy, which has been updated over the last few weeks, should now be known to all care homes and is extremely important, because, although a very large number of care homes, unfortunately, have now had outbreaks—over 30%—clearly the majority have not. We need to do everything we can to shield those care homes through the discharge policy; through the testing of care home workers and residents, including the asymptomatic; through ensuring they have the PPE they need; through getting really good quality infection control going in care homes, over and above the standard you would normally expect of a care home; and through ensuring that support and advice is given to them from councils and other professionals such as Public Health England, district nurses and GPs.

**Q88 Abena Oppong-Asare:** I just wanted to double-check with you whether there are any measures in place to make sure that care homes are not accepting people with Covid. Are the Government monitoring this, or are they very much reliant on the recent guidance assuming that this is not taking place? Are any robust measures taking place to make sure this is not happening?

**Robert Jenrick:** I will have to ask the Department of Health and Social Care to come back with a clear answer on that. The discharge policy, which was updated recently and which I was involved in the creation of, is clear that those patients who have tested positive for Covid-19 should not be placed in care homes until they have either tested negative or 14 days have passed. What you describe should not be happening, but I will get a more detailed answer for you from the experts at the Department of Health.

**Q89 Brendan Clarke-Smith:** Just to declare an interest before we start, I am a councillor in Newark and Sherwood—two wonderful MPs.

Good afternoon, Secretary of State. I was going to ask you about addressing concerns about PPE in the care sector. You have already touched on it. The Clipper system that is in place for care providers to order PPE has been delayed by three to four weeks. Is anything being done at the moment to shorten that?

**Robert Jenrick:** Good afternoon. The Clipper service, which is the longer-term and more sustainable model to enable care homes and other



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healthcare settings, such as GP surgeries, pharmacies and so on, to access Amazon-style deliveries of PPE, is now up and running. It is being piloted in, I believe, 1,300 settings, many of which are care homes. Through that testing, we will obviously learn how to make the service more effective before it is rolled out to all care homes and settings across the country. That is the right thing to do. We do not want to start the system prematurely, until we know that it works and can deliver a very secure supply of PPE to the care homes on demand.

That will happen over the next two to three weeks. The Health Secretary said a week ago that it would be three weeks before the system is available to most care homes across the country. Obviously, we will bring it online as quickly as we possibly can, and the testing programme will expand to bring in more care homes as fast as it possibly can.

In the interim, many care homes are purchasing PPE in the way they usually would, through wholesalers. Where that is not possible, we are using the LRFs to deliver PPE to the frontline. Local resilience forums have now taken receipt of over 66 million items of PPE in the last few weeks, and that is being distributed primarily to care homes but also to some other settings such as those people working in homeless shelters and some workers within local government. There is a particular focus on social care.

I have to say that local resilience forums have done an absolutely fantastic job. They are not used to handling situations like this. It is very rare that they are stood up for protracted periods of time, and it is unprecedented that they are doing so for weeks on end. As you will know in your own constituency in Nottinghamshire, a more usual situation for a local resilience forum might be responding to flooding and being stood up for a couple of weeks at most. They have responded to this challenge extremely well and are a temporary way in which we can help to distribute PPE to those in need until we get to a more sustainable system in the future.

**Q90** **Brendan Clarke-Smith:** Will the Government be providing tailored guidance for day care and respite services to make sure they can be safely restarted?

**Robert Jenrick:** I do not have the exact details on that, so either I or the Secretary of State for Health and Social Care will come back to you. Obviously, we want to ensure that as much of the system can be opened up as possible but it has to be safe to do so, whether that is by ensuring that social distancing is applied or by taking other steps. We do not want to do anything that will compromise the safety of those individuals. At the moment, our focus is on ensuring that care homes that have not had outbreaks of Covid-19 are shielded and protected from the movement of, for example, agency workers, loved ones or people who might inadvertently bring the infection into a home.

**Q91** **Chair:** I would like a bit of clarity. The Government have announced a



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testing regime for both the residents and staff in care homes, and that is very welcome. Is it clear who is going to do that? I have heard it expressed as a national testing programme, but in Sheffield the teaching hospitals trust and the local authority together are doing this. Where is the responsibility? Where is the co-ordination?

**Robert Jenrick:** If you are referring to testing, tracking and tracing, the Health Secretary will be saying more on that programme in the next few days, so I will not pre-empt that, if you do not mind.

**Chair:** We will come on to the tracking and tracing a bit later.

**Robert Jenrick:** That will primarily be a national programme. The testing is being done through a number of different routes, but if you are within a care home setting, you can receive testing through your employer. You will have privileged access to the national testing programme through your employer in the same way you would if you worked in the NHS.

You will also be able to make use of the mobile units, which are being directed to locations that should be particularly accessible to care homes. We are asking local resilience forums to help to guide the Department of Health and the Ministry of Defence in choosing the circuits for those testing sites, so they are not somewhere that is a long distance away from where care workers are actually working and living.

As an essential worker, you would also be able to go on to GOV.UK any day and book either a home testing kit to be sent out to you or to go to one of the drive-through locations. Care workers have privileged access. That is a policy decision, because it is so important that they can do it, but they are also able to access the other routes available to any essential worker.

Q92 **Chair:** Are the efforts by Sheffield teaching hospitals trust and the local authority co-ordinated into this national scheme, or is it still a bit disjointed?

**Robert Jenrick:** Local NHS trusts should be fully co-ordinated with the national effort. An employer, through either the NHS or care homes, has privileged access to the national testing programme. That may be what you are describing. I am not familiar with councils that set up their own parallel testing programmes. If that is happening, I am afraid I am not familiar with it.

**Chair:** I might write to you about that for some clarity.

Q93 **Ian Byrne:** The LGA was worried about a drop-off in referrals to child social services, especially when coupled with reports of increased domestic abuse. What measures are being taken to ensure the continuing safety of these vulnerable children?

**Robert Jenrick:** You have raised a very important point. It is absolutely crucial that vulnerable children are not left behind during the crisis. The



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funding we have provided, in addition to the services that we have already discussed, should help local authorities to provide the support they need. We are keeping referral rates under close review with the Department for Education in the coming weeks and months.

We enabled schools to remain open for the children of key workers and for vulnerable children, so that that essential link could be maintained wherever possible and teachers could continue to perform their role of keeping an eye out for children they know to be either within the care system or otherwise vulnerable. It is true that a relatively small number of children have been coming to school, including from vulnerable households, so that makes it even more important for councils to be carrying out their wider functions and that means phoning up households, doing Skype calls and visiting where it is possible to do so, as long as they socially distance and protect themselves and the children. That role is very important.

The Department for Education is also taking seriously its function in ensuring those children are getting a good-quality education. That is why they have brought forward some of the programmes that you will be familiar with, such as providing tablets to households that do not have them, so that children can get the education they need, and ensuring there are vouchers available so that they can get internet connections if they are in a household that does not have access to the internet. Those schemes are ongoing. If there is more that we need to do in that respect, then we will do it, because we do not want to ensure that children who are already from lower-income households become further behind as a result of the lockdown measures.

**Q94 Rachel Hopkins:** What role do you think local authorities and, in particular, their well-trained environmental health and public health officers will play in contact tracing and tracking?

**Robert Jenrick:** The Department for Health, which is drawing up the national strategy for contact tracing, has been speaking with public health professionals in local councils. Their advice is very important because they have, in many cases, decades of experience of doing this. We want them to be involved in the process, but there will be some things that need to be done nationally. We have, for example, been creating the app that will be launched shortly and is going to be piloted in the Isle of Wight. We are also looking to recruit, in the first instance, 18,000 individuals who are going to roll out the network across the country. It will be a combination of a national and consistent initiative, but with the support and guidance of local councils and their public health professionals as well. The Secretary of State is going to be saying more about that in the next couple of days when he sets out in greater detail how the system is going to work.

**Q95 Rachel Hopkins:** Can you explain a bit more about how key stakeholders, such as the Association of Directors of Public Health, have been involved in the design of these plans?



**Robert Jenrick:** My officials have been in regular contact with them, as has the Secretary of State for Health and Social Care. Their experience is extremely important because, although this is an unprecedented situation, they have reserves of knowledge and expertise to draw upon to help inform our approach and to make sure that it works in all parts of the country. Not everywhere will be the same and some challenges will be very particular for certain communities, because of deprivation, rurality, pre-existing conditions and so on, so it is important that we take a nuanced approach there.

Q96 **Rachel Hopkins:** Can I just push on that? Would you agree with me that that local-level expertise is really important, given the sensitivity of Covid, to ensure local trust in any system? Would you agree that local accountability through local authorities will be very important?

**Robert Jenrick:** Local authorities will be very important. That is why the model that will be established will be a mix of healthcare staff on a local level and national inputs, so national call handlers, for example, at the phone centre. Local authority membership bodies, such as the ones you discussed, will be playing an important role in helping to design the model, and local authorities will be asked to contribute staff to the effort. As I say, some of those staff have a huge amount of experience to bring to bear.

Q97 **Chair:** I am very pleased to hear that you see a role for local authorities and public health directors in both tracking and tracing contacts, but also in designing the system, which will be a national system. I am pleased your officials have been in touch, because last Monday you probably saw that both the Local Government Association and the Association of Directors of Public Health said no one had been in touch with them. Has that changed since then?

**Robert Jenrick:** The best information I have is that officials from the Government have been in contact with professionals from local government, and they will play an important role in designing the system. We are going to be laying out further information in the next couple of days, which will set out the shape of the track and trace system to come and, in particular, give further information about the design of the first pilots. At the weekend, the Chancellor of the Duchy of Lancaster set out that we will be doing a pilot of the app on the Isle of Wight, and I know we have been in close conversation with the local council there, who wanted to be part of it and saw that the unique situation of the Isle of Wight made it a good place to begin the pilot.

Q98 **Bob Blackman:** In relation to the way that local authorities have been performing during the coronavirus crisis, one aspect that has been of great concern to a lot of MPs and a lot of people across the country is that some councils have kept their recycling centres open and others have closed them and are contemplating opening them. You have given very strong advice to local authorities on what they should be doing. Could you confirm the advice that is now being given to local authorities,



particularly to those that closed recycling centres and are now contemplating the huge backlog there will be of people wanting to visit those recycling centres and civic amenity sites?

**Robert Jenrick:** My view has been that local councils should reopen their waste and recycling sites. We all know the pressure that is building up in some people's homes, particularly those people who live in flats and apartments without very much space. Having bin bags, recycling and boxes from deliveries building up is both a challenge in terms of space but also a public health issue that needs to be resolved. It is one that is only likely to get worse the longer it is delayed. I have worked with the Local Government Association and with colleagues across Government, in DEFRA and in the Home Office, to ensure that we have a co-ordinated message that councils should now plan an orderly reopening of their waste and recycling sites where it is possible to do so in accordance with social-distancing measures, which is the case for most sites across the country.

We have also been working to update the guidance for those councils that want further reassurance that it is a necessary journey to go to a waste site—obviously, doing so responsibly. That guidance will be published in the next couple of days, and I believe it will be published by DEFRA tomorrow. If the remaining cause of concern to councils is that they do not have absolute certainty that it is a necessary journey to go to the local tip, that will be made clear in the guidance tomorrow.

This can be handled appropriately. You have already seen some sites reopening and, by and large, it has been done successfully. There are ways in which councils can manage demand by asking people to come in cars with different registration plates, booking appointments and so on. There are options available to councils if they are concerned about long queues.

**Q99** **Bob Blackman:** There has also been a consequent increase in fly-tipping that is being reported very widely. Moving on to another area, the Government funding for businesses has been extremely welcomed right across the board, whether it is by larger businesses or smaller businesses. However, the performance of local authorities in processing the applications and getting the money to businesses has been mixed, to put it mildly, with some local authorities achieving between 80% and 100% turnaround and others, which I will not mention, achieving less than 40% of the applications being processed to date. What are you actually going to do to ensure that this money, which has been given by the Government to keep businesses going, actually reaches the people who need it?

**Robert Jenrick:** The overall package is very strong. It is an unprecedented intervention by the Treasury. We have allocated over £12 billion to local authorities to pay grants to businesses. In my constituency, as in yours, some of these grants are extremely welcome,



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particularly the simpler grants, such as the £10,000 and £25,000 business grants.

Overall, local councils have performed well in getting those grants out to the frontline. The average is 61% of total grant funding being delivered to the businesses in receipt of the business property grants, but, as you say, there is quite wide variance between the best and worst performers. The last statistics I saw were that the No. 1 performing council for the business grants was Ealing; it had paid out 95%. The weakest performer, if you can call it that, was Sandwell Council, which had paid out only 25%.

What I have done, working with the Business Secretary, is to put that data in open form in the public domain, so that you as Members of Parliament and the local business community can see how well their local council is performing and put some pressure on councils to get moving, if necessary.

There is a range of reasons why councils might be somewhat slower in getting the grants out, but it is certainly true that some councils that one might have thought would find it quite challenging, such as very rural councils and councils with a very high number of small businesses, have actually performed extremely well. One of the best performers in the country has been Cornwall Council, for example; it has a very large number of small businesses and yet has managed to get over 90% of the grants in a relatively short period of time.

I would just really urge councils that have not yet managed to reach those sorts of levels to now focus on this and ensure those grants get out, because every day that those grants are delayed, there will be businesses that go to the wall as a result.

**Bob Blackman:** Absolutely. Businesses, especially small businesses, would welcome greater pressure from the Government on local authorities to get the grant applications processed. One of the concerns is always that it is very easy to process applications and say yes or no—you qualify or you do not—but it is actually much more important to make sure that a grant is accurate, is granted and the money flows as quickly as possible. A lot of local authorities are putting unnecessary bureaucratic hurdles in the system to prevent businesses getting their money. I have reports of different small businesses that, as you say, will go to the wall unless they get this money. Are you considering any further action to force local authorities to complete the process by a given date or take other action? Obviously, you are naming and shaming, to a certain extent.

**Robert Jenrick:** We are asking for regular reporting. We have put the data in the public domain. I began by praising those councils that have got the money out and, as I say, there are councils of all types, sizes and political colours that have done a fantastic job here. I have tried to highlight successful councils by tweeting out those that are doing well



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over the last few weeks, but we will need to take further action against those councils that are somewhat less successful, and I would encourage the public to take an interest by looking at the open data that is available.

One thing that we have also done, as you may have seen this week, is to provide a degree of flexibility to councils in handling some of the more difficult cases that have arisen. We have provided the equivalent of 5% of the grant allocation available to each local council to help them deal with those cases that are at the edges of the existing schemes. Examples that are well known include businesses in shared spaces, such as small business incubator spaces, markets and B&Bs. Every local council will now have a degree of flexibility and pragmatism to support some of those businesses that they will have wanted to help but will have found impossible because of the way that the original scheme was designed. I would now encourage councils to think back over the businesses that unfortunately they have had to turn away in recent weeks and find ways of supporting the small number of very difficult cases that they have experienced. As constituency Members of Parliament, we are all familiar with some of those.

**Q100 Bob Blackman:** A large number of small businesses have no premises at all and, therefore, do not qualify. What help is being given to those businesses, as far as you are concerned?

**Robert Jenrick:** The schemes as currently designed, because they are focused on business properties, do not help some of those businesses. They are able to take advantage of other schemes that are available, for example the furlough scheme, but there is not a business property scheme at their disposal. The Chancellor is well aware of some of the challenging cases that we have experienced there.

**Q101 Mohammad Yasin:** Bedford food bank in my constituency experienced a 70% increase in people accessing emergency food parcels in March. This surge is replicated in food bank charities across the country. Many people are choosing between paying rent and putting food on the table. How will the Government ensure that tenants who have not been able to pay their rent over this crisis period are protected from eviction after three months?

**Robert Jenrick:** The first thing that we did as a Government in the Coronavirus Act was, as you say, to bring about a moratorium on evictions, so that no new eviction proceedings could take place during the three months that was initially envisaged to be the life of the crisis, with the option, at the discretion of the Secretary of State, to extend that by a further three months. That has brought eviction proceedings to a standstill, so that nobody should be in a position where they have to leave their home during the crisis, and that was the right thing to do. Having said that, if you can pay your rent, you should do, and those tenants who are in a position to do so need to pay.



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We are also working with the banks and UK Finance to ensure that landlords are not disadvantaged, because we do not see why landlords either should end up with unmanageable debts. They have, for example, been able to negotiate a three-month mortgage holiday for buy-to-let landlords, if required. We have put in place those measures to try to support both smaller landlords and tenants who might be in financial distress during the crisis.

With respect to wider measures to support the vulnerable, for those people who we have asked to be shielded because they have specific clinical reasons that make them extremely vulnerable to coronavirus, we are providing a national package of support. They are eligible to go online or call us and take advantage of the food boxes that we are now delivering. We have already delivered over 800,000 of those boxes, which provide a basic level of support to individuals and are delivered every week to their home.

Local councils are providing support to the wider vulnerable group of people, beyond those who are being shielded, on a very varied basis across the country. They are using food banks, for example, but also community groups, faith groups and others to provide support to people who are having to shelter at home, who are newly unemployed or who were already vulnerable prior to the crisis.

Through the measures that the Chancellor has brought forward, we have also tried to protect a very wide range of people across society through the crisis, whether that is those people who are in employment, through the job retention scheme, or those people who were already in the benefits systems through making universal credit more generous or using the local housing allowance, for example, to provide more support in that respect. We have tried to put in place support for as many people as we possibly can across society.

**Q102 Mohammad Yasin:** We must continue to ensure people can isolate safely in their homes without the risk of building up rent arrears. When will the Government decide whether to extend the period from three months to six months?

**Robert Jenrick:** The decision point is in June, which is when the three-month moratorium, as set out in the Coronavirus Act, expires, so there is still some time to come before then. We will review it carefully, and it will very much depend on the medical advice we are receiving on the passage of the virus and the lockdown measures that may or may not be in place at that time.

**Q103 Mohammad Yasin:** I have one last question. What measures will the Government take to control the post-crisis situation to avoid a sudden hike in rents and a spike in evictions?

**Robert Jenrick:** In addition to the three-month moratorium, we have also said that we will be working very closely with the Lord Chancellor



and the Lord Chief Justice to ensure that the pre-application protocol is in place, which puts a duty on the landlord to work in good faith with their tenant to see if there is a sensible way in which you can manage the situation before embarking upon eviction proceedings. In most cases, that would mean coming up with a repayment plan that is suitable and affordable to the individual and means you do not have to go down the route of eviction proceedings.

That was applied in the financial crisis in 2008 and seemed to work quite well. It helped many people to stay in their home at that time, so we will be doing that and we are working very closely with the Lord Chief Justice and the court system to prepare for that, which provides an added element of protection to tenants, even after the moratorium is lifted.

**Q104 Ben Everitt:** Thanks for coming in, Secretary of State. Just to follow on from Mohammad's questions, I am just wondering about the scheme to protect tenants and mortgage holders for up to three months. That expires on 25 June, which is rumbling up on us. Should a similar scheme be in place to protect lodgers?

**Robert Jenrick:** The relationship of lodgers is obviously a slightly different contractual position, but we have encouraged people at all levels to work with their landlord to try to reach an amicable situation. We do not want to see anybody having to leave their home while the lockdown measures are in place. It is important that people can stay in their home, so I strongly encourage anyone who has a lodger to work with them and find a way forward so that they can stay in their property until after the lockdown measures have eased. By and large, I think that is what people are doing across the country. People want to do the right thing and protect their tenants, lodgers and neighbours during this. It is also not in the interest of landlords to lose their tenants at a time when it is very difficult to get new ones, because we have also discouraged unnecessary moves at this time.

**Q105 Ben Everitt:** The Committee received your letter of 22 April. Thank you for that. In that letter you refer to the fact that you are working with the Master of the Rolls to strengthen the pre-action protocol requirement and extend this to the private rented sector. Can you please expand on what you are proposing to do and, specifically, on whether this will apply after the crisis period as well?

**Robert Jenrick:** That is the procedure I set out in answer to the previous question. This will apply at the end of the moratorium on evictions, whether that is in, as you say, late June or later in the year. This will give tenants an added degree of protection because, instead of embarking on an eviction proceeding immediately, there will be a duty on their landlord to reach out to them, discuss their situation and try to find an affordable repayment plan that will enable them to remain in their home and to recover the rent that they have not been able to pay because of their circumstances during coronavirus. This has happened before, was successful and enabled many people to remain in their home.



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We want to find sensible arrangements that work for both the tenant and the landlord, and in most cases that will happen.

Q106 **Ben Everitt:** Thinking about situations where the landlord is the local authority or housing association and there are uncollectable rent arrears as a result of Covid and the actions taken in response to the guidance from central Government, is there thinking in central Government that these costs and unrecoverable debts to local government and housing associations might be covered by central Government?

**Robert Jenrick:** It would be a matter for the councils or housing associations themselves to come to a conclusion on whether they can recover unpaid rent. We have encouraged them to work with tenants to come to sensible solutions and put in place reasonable repayment plans that meet the financial circumstances of the tenants. There is no plan for central Government to compensate housing associations for those costs. That is the normal course of business for a housing association.

Q107 **Ben Everitt:** If the unrecoverable rent was due to Government policies, would that still be the case?

**Robert Jenrick:** I am not sure exactly what you mean by that. If you mean as a result of the lockdown, then there is no plan for the Government to compensate housing associations or local councils if they choose to relieve tenants of their rent during that time, but we are in conversation with the National Housing Federation. Responsible housing associations are doing what they should be doing and ensuring that they protect tenants who are in financial distress and work out sensible payment plans when their circumstances allow.

Q108 **Ben Everitt:** There is just one last quick one from me. We have come across the issue where students are being charged by private companies for accommodation that they cannot access at the moment. Are there any plans to address this particular issue?

**Robert Jenrick:** That question is better directed to the Secretary of State for Education, because he is working with universities and providers to find solutions here. It is a twofold issue, as you probably know. There are a small number of universities that are holding students to the full cost of their accommodation, but, as I understand it, most universities are supporting students by finding ways to reduce the cost of accommodation that they are not able to use.

There are also some private providers of student accommodation, and there it is more difficult because they have a contractual relationship with their tenants, the students, but I believe the Department for Education is working with them to encourage them to show leniency and forbearance where they can.

Q109 **Bob Blackman:** One question in relation to the moratorium is going to be that the vast majority of private rented accommodation is let on the basis of assured shorthold tenancies, which are normally for six months.



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Given the moratorium was for three months, which might be extended to six months, at the end of that period there will not be a tenancy agreement in place for tenants and landlords over which any rent arrears could be defrayed. What are you planning to do about that particular challenge?

**Robert Jenrick:** We are aware of that. We are working with the Residential Landlords Association to take their views on that. It is one of the challenges of the rental sector as opposed to mortgage holders, where it is much easier to agree mortgage holidays in the knowledge that that money is likely to be recovered at a later stage in the lifetime of the mortgage.

We chose still to go down this route for renters, because we felt it was important to protect renters, but we also have to ensure fairness to the landlord, and many of those landlords will be concerned that they will not be able to recover any rent that is being deferred because, as you say, the tenancy itself might come to an end.

The overall message is that we hope that landlords and their tenants will work together and that both sides will try to be fair to the other, but there will be circumstances, I am sure, where that proves very difficult, because the circumstances of the individual do not allow. We will continue to work with the Residential Landlords Association and others as we plan the end of the moratorium in late June.

Q110 **Bob Blackman:** I think I speak on behalf of the whole Committee when I say that we warmly welcome the decisions you announced on Saturday for additional funding to help the weak and vulnerable and, in particular, the decision to help those fleeing domestic violence. Clearly, with the number of arrests that are taking place and the spike in domestic violence that is taking place during the lockdown, all of this is incredibly helpful and we would all warmly welcome that. Thank you for that decision, which we all warmly welcome.

We can also say that the decision to take rough sleepers off the streets and provide them with accommodation during this crisis is, once again, warmly welcomed. We are up to about 90% of rough sleepers now accommodated. The crunch issue, however, is that most of those people have been accommodated in hotels and other such facilities and, as the lockdown ends and potentially hotels want to go back to normally business practice, they will want their hotel rooms back. This is probably a once-in-a-lifetime opportunity to end rough sleeping, so what are you going to do to help those people who have been accommodated during the crisis to find a safe and secure home as the crisis ends?

**Robert Jenrick:** First, thank you for the work you did with respect to the Domestic Abuse Bill and the amendment you brought forward, which the Government are now committed to adopting. That will ensure victims of domestic abuse are given priority for housing, which is exactly the right



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thing to do and is probably long overdue. I am very pleased that we will be able to bring that forward.

With respect to rough sleeping, it is a great achievement that more than 90% of rough sleepers across the country have now been offered safe accommodation. That is over 5,000 individuals. As you say, they are in accommodation that is really of a temporary nature. It is hotels—Travelodges, Premier Inns and so on—and at some stage that accommodation is not going to be available. Those businesses will want to return to normality and we will need to ensure they can move into something better and more sustainable. That is really the next phase of our work. We have now asked Dame Louise Casey, whom I appointed as the Government’s adviser on rough sleeping earlier in the year, to lead a taskforce, made up of charities, councils and other experts in the field, to plan what that next stage might entail. Like you, I do not want to lose the opportunity that we have here and see those people drift back on to the streets when the lockdown starts to be eased in due course.

I do not underestimate the scale of the challenge. It is easy to conclude that rough sleeping has now been solved. That is not the case. We have managed to bring people in for a particular reason, which is to protect them from coronavirus, and they are in accommodation that would not ordinarily be available and that will not be available in the long term. There is limited capacity in the sort of accommodation that we would all want to move these members of the public into, which is good quality move-on accommodation and Housing First-style interventions.

What we will do in the days and weeks ahead is assess the capacity of accommodation of that nature, how we can build more capacity at pace and what other accommodation is available on an interim basis, some of which will, unfortunately, be more basic, such as hostels and night shelters, simply because there is not sufficient move-on accommodation of the type we all want to be available. We will then see how we can have a national strategy to try to move as many people as possible into that sort of accommodation and wrap care around them as well, because this is not simply a housing challenge; it is also one of mental health and addiction.

I do not want to overpromise on this, because this is an extremely difficult situation and the limited capacity available to us will make it challenging to get everybody into the sort of accommodation that we would wish, but the task ahead, which Louise will lead for us as there is nobody better than her to do this, is how we can get as many people as possible into that type of accommodation and as few as possible returning to the streets.

Q111 **Bob Blackman:** You are absolutely right that we have a position whereby people who have been sleeping rough, particularly for some time, will have mental health problems and physical health problems. They may have addictions as well. The trials that have been going on



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with Housing First have reportedly demonstrated a high level of success in providing that network of support around people.

The other issue is that people who have been accommodated in hotels and other facilities during the crisis have had varying degrees of help and assistance. Some people have literally just been stuck in a room with no catering facilities and no opportunity to go and easily acquire food. Others have literally been in a hotel where they have kept the hotel kitchens going to feed everyone, which is fantastic.

The key point here is that we have had the trials on Housing First. We have seen the results of that. Your Department has been assessing how that has gone and there is now the opportunity to roll out Housing First, so when will we see Housing First being implemented as one route, certainly, for large numbers of these people affected?

**Robert Jenrick:** I am a big proponent of Housing First. The trials that we have seen in cities such as Birmingham have been very successful, as indeed they have elsewhere in the world. You see as many as 90% of those going into the programme finding sustainable long-term accommodation and help to turn their lives around, so they are extremely successful.

We have secured funding in the Budget to extend the Housing First programme and to pursue other what we call Housing First-style interventions, which may be easier to deploy, because Housing First as a programme requires a lot of intervention and support around the individual. There are some things we can learn from that and there are ways in which we can roll it out on a national basis. I want to see more Housing First accommodation available in all parts of the country.

My caution is simply that we are going to have to provide this accommodation within months, or possibly within weeks, to these individuals and there is clearly a limited amount of capacity in the country today, so the taskforce is going to have to adopt a realistic approach, in terms of assessing how much capacity is available, how much we can increase that capacity in that very short time span and, where there is a shortfall, what is the most humane way in which we can support those individuals to give them the care and accommodation that we all want them to get on an interim basis until, hopefully, we can provide a better outcome for them in the future.

If Louise Casey were before you today, she would be the first person to caution you in assuming that we will be able to help every single one of those individuals into Housing First-style interventions in the first instance. The task is to have as few people as possible end up back on the streets.

Q112 **Bob Blackman:** Finally from me, you said on 28 April that Government policy on those individuals with no recourse to public funds had not changed and the Government were not providing funding for them, but that local authorities had the discretion to assist them if they so choose.



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The question that leads to is whether that mean councils that take that decision are not going to get funding and help from the Ministry. Equally, will housing charities that have been providing that support get any funding to support people who have basically been taken off the streets because they literally have nowhere else to go and no funding for them?

**Robert Jenrick:** Government policy on no recourse to public funds has not changed, as I have said in previous answers in the House. However, local councils do have a degree of discretion, which they should be familiar with exercising, because they would be used to doing that, for example, in cold weather in winter, where they provide some support to those individuals who do not have immigration status on a very temporary basis. We would recommend that they exercise their judgment in accordance with the precedent that is available in more normal times, but we have not changed Government policy more broadly with respect to no recourse to public funds, and I do not expect that to change.

Q113 **Bob Blackman:** Just to clarify, they will not receive any specific funding if they choose to accommodate people with no recourse to public funds.

**Robert Jenrick:** They should use the discretion that is already available to them and that they exercise as a matter of course in providing short-term support to individuals in cold weather. We have not made a broader change to the policy that goes beyond what is a well-established practice of limited intervention where there is a risk to life.

Q114 **Brendan Clarke-Smith:** There are 313 ACM buildings awaiting remediation, and hundreds more with forms of dangerous cladding. How many have seen this remediation delayed during Covid-19?

**Robert Jenrick:** At the outset of the crisis, the Government tried to ensure, which I strongly encouraged, that the housing construction industry continued to function where it was safe to do so and where those sites could be operated in accordance with social-distancing guidelines and, in particular, that building safety was prioritised for all the reasons that we are familiar with, because it is so essential that we get the ACM cladding off buildings and make other essential changes.

Unfortunately, for a range of reasons, a lot of that work came to an end, and at one point the best estimate that we had, speaking to all of the sites that we are in contact with, was that around 70% of sites had seen work paused. Out of concern, I then gathered together the mayors and council leaders of the main cities that have high-rise buildings and issued a joint pledge to encourage those building owners and contractors to get back to work, because the message I had received from them was that they felt, in some cases, there were conflicting messages coming from central Government and from other actors, whether that is the Mayor of London or the Mayor of Greater Manchester. We wanted to have a co-ordinated approach and a very clear message that it was right that that work continues, and that the people working in that industry are essential workers and should be supported in the work they are doing.



That call to arms appears to have had some success, and we are now seeing a number of those sites resume work. That has grown over the course of the last week, and I expect it will increase this week as well. Correspondingly, the wider housing construction industry is also starting to resume work and most of the main house builders over the course of the last week have said that they are also returning to work, which is important, because the building safety work relies on much of the same supply chain, and in some cases that work relies on scaffolding firms being back at work and so on. It appears as if, from a difficult position just a few weeks ago, work is slowly starting to resume now, and I will do everything I can to encourage that.

**Q115 Ian Byrne:** This week we published our survey of residents completed by over 1,300 people, which showed that many people are facing high costs for waking watches while they wait for the buildings to be made safe. For a moment we should all put ourselves in the shoes of these residents, with the mental pressures of dealing with the lockdown and living in a building covered in dangerous cladding. They are having to face the financial pressures from both the Covid crisis and funding additional safety measures. It must be utterly intolerable for them, so with further delays to remediation due to the Covid crisis, what will the Government do to support the people while they wait for the works to be carried out?

**Robert Jenrick:** The first thing to say is that I have done everything I can to urge those companies to get back to work and to do the remediation work that needs to be done. That approach was not supported across the board to begin with. Many people urged those companies to down tools, so I have tried to push against that as hard as I possibly can to get them back to work.

Secondly, we have brought forward both the £600 million fund for the removal of ACM cladding and the new £1 billion fund for non-ACM cladding on buildings over six stories. That is going to be launched this month, and we expect applications to be able to be made to that fund by the middle of the summer at the latest. Those people who were not eligible for the ACM fund and felt trapped in their homes because they could not afford to have that safety-critical work done will be able to bid into that second fund relatively soon and then hopefully get that work done.

I have also, because I was not happy with the pace at which the remediation work has been pursued across the country, created a new taskforce within Government to push this forward and we have brought in Faithful+Gould, one of the country's most respected private sector project management organisations, to push this work forward at pace. Its job, working with the new Minister for Building Safety, Lord Greenhalgh, will be to keep track of all the projects across the country and get it moving as fast as we possibly can. Is the tendering process going on? When are workers going to get onsite? How is that work progressing? I



hope the concerted effort that I am putting into this with Lord Greenhalgh will get the work moving in the second half of the year.

With respect to waking watch, I have a lot of sympathy for those costs. They are very significant for people. I get a lot of correspondence about it and I can see the pain and suffering it is causing to people, even more so if they are now being furloughed or made unemployed as a result of coronavirus. I have asked Lord Greenhalgh to look into this and to review it for me, but with a particular focus on how we can bring those costs down, because some people are being charged inflated costs for waking watches, and I want to see if there is a way in which we can make that more cost effective for members of the public.

The long-term solution has to be to get the works done, and my focus is on how we can get people onsite in as many of those buildings across the country this year, so that people can have the certainty that this nightmare is coming to an end for them.

**Q116 Paul Holmes:** In your letter to the Committee on 22 April, you said that supporting the Government's response to Covid-19 was the Department's top priority, which of course we all agree with, but what is your assessment of the impact that the pandemic will have on the other work that the Ministry planned to deliver this year?

**Robert Jenrick:** It has had a profound impact on the Department, because we have rightly had to marshal our resources behind Covid-19. We have been at the heart of the challenge across Government, including leading certain aspects ourselves, such as: the work on rough sleeping that we have spoken about; the shielding programme that has been very successful and has been created out of nothing in five weeks; the work around local resilience forums, which we have already talked about this afternoon and that have been playing a much more prominent role in this crisis than they have probably played in any national event before, because they are used to dealing with very localised challenges rather than every LRF in the country being stood up and having to be supported by our resilience and emergency division here; and then the many functions we are fulfilling in terms of council work and social care.

It has required us to move many people off other areas of our day-to-day business and to stand up the Department in a very focused way, where every morning we begin the day with a gold committee, where we run through the progress against the challenges I have just described, and then end the day looking at the progress that we have made and how we can move that forward.

There is also our involvement in the cross-Government committees. We are represented on the economic response committee, because we are the voice of local economies within Government. We are represented on the healthcare implementation group, and I deputy-chair that for the Health Secretary, bringing the voice of local government and social care to that committee. We are represented in many areas as well on the



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public services committee, led by CDL. With respect to the Prime Minister's morning 9.15 committee, we are represented there almost every day when there are issues that particularly pertain to the Department.

As a result of all that intensity of effort, a number of our other priorities have had to take somewhat of a backseat. We took the decision early on that we would retain almost everybody who was working on building safety work, because that is as important, from a public safety perspective, as responding to Covid-19, so that workstream and the significant number of individuals who work on it has continued.

We are now looking towards the next phase of our response to Covid-19 and how we can ensure that some of the Department's other, longer-term priorities have the resources that are required. The growth and recovery of local economies and the Department's role there will be particularly important, as will the future of the housing market and how we can ensure that we bring forward measures that boost confidence in the housing market, support house builders, particularly SME builders, and keep the planning system going, because it is such an important driver of economic growth in the country. I hope we can manage both to respond to Covid-19 on a sustainable basis and to turn our attention again to some of the key priorities of the Department in the coming months.

**Q117 Paul Holmes:** Can I just pay tribute to your civil servants and your Department for what they are doing? I know they are working incredibly hard. One aspect we have heard about is NHS volunteers and some disconnect between the national picture and the pilots or programmes that have started on the ground, particularly Local Resilience Forums, in picking these things up. One of those is NHS volunteers. What steps is your Department taking to ensure that these individuals can be used to help local authorities with actions such as delivering food to the vulnerable, because we have heard that large numbers of these volunteers who have signed up are still not being used?

**Robert Jenrick:** My philosophy, as Local Government Secretary, in cross-Government discussions about support for the vulnerable and support for volunteering has been to encourage a bottom-up process, whereby all of the wonderful work that is being done by councils, community groups and faith groups in each of our constituencies is supported by central Government, rather than central Government telling them what to do and imposing programmes upon them. That has, by and large, been the approach that has been adopted by central Government.

The NHS volunteering programme, as you know, had an extraordinary response and there are now 600,000 people who have been approved to be volunteers through that scheme. We have made those people available to local councils and other groups operating in communities through the GoodSAM app. Every local council can now post opportunities to the app, so that those volunteers in Eastleigh, or wherever they may



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be across the country, can go on to the app and see what is available. I have strongly encouraged councils to do that. Not all councils have done that, and not all councils probably have done it as much as they could do, so there is still unmet demand from volunteers. I would encourage councils, if they need volunteers, to make use of the app as a way of sourcing people to support them.

It is also fair to say that local communities, as you would expect, got going very quickly, built up brilliant programmes in most parts of the country, were overwhelmed by offers of support and have not always needed centrally designed and implemented programmes to supply the volunteers, because there has just been so much appetite at a local level to help in their local communities.

**Q118 Chair:** Secretary of State, thank you very much for coming and answering so many questions from Committee members today. You said that you will write to us and spell out clearly those elements of extra spending incurred by local government that central Government will cover, and that is very helpful.

There are just two other issues that I have seen members expressing further concerns about; maybe you will want to write to us about them. One is a need for certainty for local government that the costs it is incurring will be covered in a way that officers in local government do not have to issue section 114 notices. It would be a disaster if that happened and stopped spending in the current climate. You might want to write to us in detail about that.

It is welcome that you are having discussions with the National Landlords Association and the Residential Landlords Association about getting proper arrangements for tenants when the ban on evictions comes to an end, but there will perhaps be a minority of landlords who just feel the need to get on and start the eviction process as soon as they can. What extra help can Government put in place to help people in that situation, so they do not find that they have probably lost their job, lost their income and now they are going to lose their home as a result of all this?

**Robert Jenrick:** I would be very happy to write to you on both of those issues, particularly the first one, where we can set out the work that we are doing with local council officers to provide reassurance and guidance to them as to how they should approach the longer-term financial sustainability of their councils.

On the second point, again, I can set out the work that we are doing to plan how we can approach the end of the moratorium on evictions. The most important point to stress there is the work that we are doing with the Master of the Rolls to ensure that the protocol is in place, so that landlords are not able simply to begin the eviction proceedings on day one, but would need to work in good faith with their tenants to understand their individual circumstances and, wherever possible, plan



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an affordable repayment programme for them, which has worked well in the past and will be particularly important here.

**Chair:** It will be, and it will be very helpful to have that from you in writing as well, Secretary of State. Thank you very much for your time. I expect we may be seeing you again before too long on these issues, because it is very important that Parliament can exercise scrutiny over what the Government are doing and, particularly, we all recognise the great importance of the work of your Department and the work that local authorities are doing. We join in your thanks to everyone involved in that. Thank you very much indeed.