

# Housing, Communities and Local Government Committee

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

Wednesday 22 July 2020

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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 200 - 259

### Witnesses

I: Rt Hon. Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government; Mr Simon Clarke MP, Minister for Regional Growth and Local Government, Ministry of Housing, Communities and Local Government.

### Examination of witnesses

Witnesses: Robert Jenrick and Mr Simon Clarke.

Q200 **Chair:** Welcome, everyone, to this session of the Housing, Communities and Local Government Committee. We are looking at the work of the Department, particularly in relation to the Covid pandemic. Secretary of State, welcome once again to the Committee. To the Minister for Regional Growth and Local Government, welcome to your first appearance before the Committee.

On behalf of the Committee, I want to begin by saying thank you to everyone who has worked in the Ministry, but particularly more widely in local government, including councillors, council officers, those who have done an incredible job in social care, directors of public health, environmental health officers, who have responded to the crisis in an exemplary way, and those who have kept our existing regular services ongoing through the pandemic, including refuse collectors, bus drivers and others who are so important to our daily lives. As I said in the Chamber the other day, we do not do clapping in Parliament, but we do things virtually now, so I am sure a virtual round of applause from the Committee to everyone in local government who has done so well in the last few weeks would be entirely appropriate.



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To begin with, we have two hours this morning—that is what we have agreed—to look at a wide range of very important issues, so I ask colleagues to bear that in mind when they ask questions, and Ministers to bear it in mind when they respond to them as well. Then hopefully we can get everything covered.

Secretary of State, to raise an important issue at the beginning, we were delighted this week to see the draft Building Safety Bill launched. The Committee has done a lot of work in the three years post-Grenfell on this. We have had Ministers before us, then Judith Hackitt on a number of occasions and others, and we have made a number of recommendations. Informally, we have heard that we may not be asked to do the pre-legislative scrutiny, which would be very disappointing for us. Could you confirm what the position is?

**Robert Jenrick:** First, can I say thank you very much for inviting me back before the Committee once again and to have Simon Clarke at my side virtually on this occasion? I will also reiterate your remarks to everyone who works in local government, both in my own Department, where I am incredibly grateful to my civil servants at MHCLG, and, as you said, to the hundreds of thousands of public servants in local councils across the country, who have done an exemplary job in, at times, very difficult circumstances and are continuing to do so as well. We may discuss Leicester and other parts of the country where there are still concerning levels of transmission of the virus. Local public servants are doing a great job day in, day out, so I completely concur with everything you just said.

On Monday, we published the draft of the Building Safety Bill. I am sure we will come on to discuss that later in the Committee. I would like to ensure that there is a strong role for you and your Committee members in the process. We have chosen to publish it in draft form precisely so that parliamentarians can have an input into this, to ensure we get this complex piece of legislation into the best possible shape.

We have not yet made a decision as to exactly how we will handle the pre-legislative scrutiny. We are discussing that with the House authorities and with both the Lords and the Commons through the usual channels, but I can revert to you swiftly with a decision. Regardless of that, I want to ensure that your voice, Mr Betts, and that of the Committee is heard and we make the best of this. This is a once-in-a-generation opportunity to improve our building safety legislation.

**Chair:** The Liaison Committee has discussed this and there is a very clear view that, as the elected Committee of the elected Chamber, our purpose is to scrutinise you in the Executive. We would expect to have first opportunity to scrutinise draft legislation. That is the Liaison Committee's point of view, reiterated the other day, but let us have further conversations, because we certainly are up and ready to go. We have terms of reference agreed. You might be surprised to know we can call for evidence straightaway during the summer, which another Committee



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could not do, because we are here and we are ready, so we make that offer in the right spirit.

**Robert Jenrick:** Thank you. I appreciate that. If I can revert to you very soon, we can resolve this.

Q201 **Chair:** Secretary of State, I am sure it would not be long before we get on to Westferry, but let us begin with the situation, because there is an expectation that we will, as a Committee, come back to you on the issues. We initially wrote to you asking for information. You sent us a lot of information and detail, and we appreciate that. Clearly, your Department got a lot of papers and sent them to the Committee, and that was made public. We then wrote with a number of further questions to you, some of which we got specific answers to. On some we got general comments and on some we did not get answers at all.

Can I make it clear right at the beginning that it is not the job of this Committee to try to second-guess your decision on a planning application? If we were going to do that, we could do nothing else but take up complaints about how planning applications had been wrongly decided at all sorts of levels. It is not our job. It is not our job to investigate ministerial conduct. There are other places for that. Again, it is not our role as the Committee and we do not want to get involved.

We want to explore the processes involved, ask questions about them, see if we have concerns about them and, ultimately, maybe make recommendations. You have kindly asked the Committee to come back to you with comments about the whole issue of guidance for Ministers in this process and we are going to do that, because it is our proper role.

This morning, to come on to the specifics of the issues we raised with you, in that sort of spirit, you said, in comments that you made, "I am not blind to the fact that things could and should have been done differently. On reflection, I should have handled the communication differently". It might be helpful and we might avoid some of the further details if you would like to elaborate on what you meant by that about what could and should have been done differently.

**Robert Jenrick:** Thank you, Mr Betts, and I am grateful for the opportunity to discuss this once again. You are right to say that it is difficult to discuss individual planning applications. I appreciate that we have made an exception in this case. It is also right to say, as I said in the House, that the cases that come before a Secretary of State are inevitably, because of the nature of our system, the most complex, the most contentious and often quite subjective in nature. If they were simple cases, they would not have come before the Secretary of State in the first place. They involve difficult judgments, to which there is not always an easy answer, and that was the case here.

I have tried to be very clear throughout that I made this decision entirely on the merits. I believe it was the right decision to approve the application. We can discuss that in greater detail if you wish, but it is set



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out in the decision letter and set out in more detail in the letter I sent you. I believe there is, and I stand by this, a generational challenge across the country, in particular in London, to build more homes of all types and tenures, including more affordable homes. If we are going to do that, it is right that we prioritise brownfield sites. If we are going to build upwards, it is right to prioritise those parts of the capital and the country where there are existing clusters of high-rise buildings.

On the merits of this particular application, it seemed to me after a thorough decision-making process that it was right to approve it. I appreciate that others may disagree with my judgment, including the local council, although, as I have repeatedly drawn to the Committee's attention, the local council had its opportunity to decide this case and it chose for whatever reason not to. You may wish to probe them on that and why they cancelled a succession of meetings in which they could have decided it.

In terms of the process of the decision-making, I have said in my letter to you that this could have been handled differently. I regret that I was sat next to the applicant at a dinner in November. I have also made clear that I had no idea that I was going to be sat next to him or his associates until I took my seat at the table. That is to some extent an occupational hazard of being a Planning Minister, because people do approach you to discuss applications, not just developers, but local councils, members of the public and, indeed, MPs. I suspect you, Mr Betts, have approached a Minister at some point in your long parliamentary career to lobby on a planning application for your constituents. That happens quite a lot.

I was very clear to the applicant, when it became clear to me that he was discussing an application that would come before me for a ministerial decision, that it was not appropriate for me to discuss it or to pass comment on it. That is exactly in line with the rules as they were explained to me and as set out by the Department. On that occasion, the conversation moved on to other things, as you would expect.

I have also said in my letter that, with hindsight, it would have been better not to have exchanged text messages with the applicant. We have set those out in detail in the correspondence that we have made available to the Committee. Once again, those text messages make very clear that, in accordance with the guidelines, I said to the applicant that it was not appropriate for me to discuss the application and that I could not pass comment upon it. On the first occasion, as you will see in the text messages, where the applicant made any comment beyond that, I went back to him swiftly and made that very clear.

I did intimate that I would be open to going on a site visit. That is entirely within the planning propriety guidelines, although there are very specific ways in which a visit would be handled. I took advice from my officials and we chose not to proceed with that, which I think was the right decision on balance.



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I entirely believe that the decision was the right one. There was no bias whatsoever. Any suggestion of that is extremely unfair and is, in most cases, a wilful misreading of events. Would it have been better not to have been sat next to the applicant? Yes. That was not my decision. Would it have been better not to have had text messages with him? Yes. Both I and the Department will learn lessons from the experience. We have welcomed your interest in this and suggested that you might like to give us your views on how the guidelines can be strengthened, so that not just the Secretary of State, but a range of planning Ministers in the Department, and officials are very clear about how to conduct planning decisions in the future.

Q202 **Chair:** Would it have been better, once Mr Desmond made the approach at the dinner, if you had immediately notified officials in the Department of that and maybe even sought advice at that stage as to whether you should have continued to be involved in the application?

**Robert Jenrick:** To be clear on that, there was no meeting with the applicant. I encountered him at a dinner. He mentioned the application. I told him that it was not appropriate to discuss it and I did not pass any comment. The Department was aware that I was going to the dinner. The Department was aware that there was a suggestion of going on a site visit. The correspondence that we have already provided to you shows that very clearly. I discussed it with my officials as to whether it was wise to go on the site visit, in light of the nature of the application and in light of the fact that I had sat next to the applicant at a dinner. My officials advised me that, on balance, they thought it was not, so we declined it. The Department was aware of events and at no point did anybody advise me to recuse myself.

Q203 **Chair:** Those conversations in the Department did not happen, did they, until 13 December?

**Robert Jenrick:** The documents we have shown to you, Mr Betts, show that the Department was aware I was going to the dinner. This was diarised in my ministerial diary. When a suggestion of going on a site visit came through this was emailed by my parliamentary assistant, because the email had come through that channel, presumably because the applicant found that email address the easiest one to find online, but you would have to ask him why he did that. Then that email was forwarded to the Department, so the Department was aware of the conversation. Then I had a formal discussion on my first day back.

You have to remember that this was during a general election campaign. The Secretary of State remains in position under our system, but you are not in the Department all the time. You are not making decisions. You are certainly not making planning decisions. This is purdah. Nothing happened on this case during this period and quite rightly so. Nothing could happen during this time. We did not know if we were going to win the general election and I certainly did not know if I was going to be reappointed as Secretary of State.



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I was reappointed by the Prime Minister on the 16th, I believe. When I came into the Department that afternoon or evening we sat down with my private office, went through all the matters that were pending and had a conversation about that. I believe that was acting entirely within both the actual rules and the spirit of the rules.

Q204 **Chair:** When you talked to officials after the election, they said to you at that point that you should not really have any further contact with Mr Desmond, did they?

**Robert Jenrick:** My officials never told me to recuse myself. We discussed the site visit and we decided that it was not wise to go on it. As I have already described, you can go on site visits. There are particular ways in which they would have to be conducted and we decided it was not right to do that.

If your question is whether I was given any advice on how I should conduct myself going forwards, no, and I was not advised to recuse myself. The advice from officials was clear that, on balance, we should not go on a site visit and, as you will see from the correspondence, we declined that in a courteous way in the days that followed.

Q205 **Chair:** Was it also that you should cease any further personal contact with Mr Desmond about this?

**Robert Jenrick:** We did not have a conversation of that nature, but I followed the advice that I had been offered by officials in terms of the way I had conducted myself throughout.

Q206 **Chair:** There was not a conversation about the texts, whether they had been appropriate and whether you should continue with them.

**Robert Jenrick:** You are asking two different questions there. I have been very clear in the letter to the Committee that I disclosed both that I had sat next to the applicant at the dinner and that I had had text messages from the applicant to officials in the Department, so both of those things were made aware to the Department. At no point did the Department then say that I should behave differently going forward or that I should have behaved differently in the past. I was never asked to recuse myself.

Clearly, as we have already said at the beginning of this conversation, the review that we are going to do into how we conduct these planning decisions in the future will need to consider whether we need to strengthen the advice that is available to all parties, so that we never have difficulties like this in the future.

Q207 **Chair:** We are going to come back to that. That is helpful. When the decision letter was published, do you think it would have been helpful, again in hindsight, to have included a reference to the dinner, to the text messages and to all these other issues you have now put in the public domain? Do you think it would have been helpful to include them in your





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decision letter, so there would have been absolute transparency from the beginning?

**Robert Jenrick:** I am not sure about that, because these were not meetings. If a Minister has meetings, they are disclosed through the official channels. You can see the transparency return of the individuals I meet in my ministerial capacity and, as you can imagine, that is a very broad range of people. If we have a formal meeting, there would be a readout from that and that might be disclosed, but that was not the case here.

They were not representations made by the developer here. I was very clear that they should not make representations. I said to the developer that it was not appropriate to discuss the application. I certainly was not going to comment on that at the dinner. The text messages, which we subsequently provided to you, also make clear that, as soon as the applicant made any sort of comment, I was very clear once again that it was not appropriate to make representations and advised him not to do so. There was not a meeting; nor were there representations, so there was not anything to release in that sense.

It is also important to state once again that nothing the developer said to me had any bearing on my decision whatsoever. This was a decision, let us remember, that came to me as Secretary of State because of the failure of Tower Hamlets Council to decide the matter. This is not something that either I or my predecessors chose to call in. I know some people have said that, including some people who frankly should know better, who understand the planning system well, like the shadow Attorney-General, who should not be going around making accusations like that.

It came to me because of the failure of the council. It would, therefore, have arrived on the desk of the Secretary of State or another planning Minister, but because of the scale of the development, and its complexity and contention, it almost certainly would have come to me. It did do so. My officials gave me this on my first day back in the office on reappointment, alongside a series of other applications. I made the decision after a careful and thorough decision-making process.

The documents we have released show that very clearly, because, of the set of applications that were given to me on the first day, some I was able to make a call on that evening at home in my box. This was not one of those, because it was of a different magnitude of complexity, and, therefore, it took a number of weeks more for me to make the decision. I asked for further advice. We had meetings with officials, including one with the full team. I asked for quite detailed extra information, which you have seen, Mr Betts, like images mocking up what the view from the Royal Observatory in Greenwich Park would look like.

**Chair:** If we go into details, we are going to be here for a long time.



**Robert Jenrick:** This is important, because the key fact here in this matter is whether this decision was taken on the merits with an open mind, whether that can be demonstrated and whether that is consistent with my other actions as Secretary of State. Absolutely, the answer to that is yes and I have not heard anybody produce any evidence to the contrary. If you look at the other decisions that I have made as Secretary of State in my time, although each one is made on the merits of the individual case, it is very clear that I have taken decisions to get housing built and build the homes that this country needs. That is what a Housing Secretary in a housing crisis needs to do.

**Chair:** Let us move on. We have two more areas we wish to explore on Westferry and we need to get on to others matters as well. I am conscious of time on these issues.

Q208 **Mary Robinson:** Good morning, Secretary of State. The Committee has also asked questions about the advice you received before you made the decision. I would like to direct my questions to that advice, particularly around the discussions on the community infrastructure levy. What advice did you get on the impact of the new CIL on the viability of the scheme and when did you receive this advice?

**Robert Jenrick:** The documents you have seen show that the advice I received on my first day back in the office upon reappointment as Secretary of State makes clear that Tower Hamlets Council was due to adopt a new local plan, which would have a CIL schedule attached to it, in early January. I think the council meeting had been scheduled for 15 January. This was a material consideration that a Planning Minister could take into account in terms of the timing of their decision.

I was already aware of the CIL and the impending local plan. This had been going on, as they do, for many months. As a Housing Secretary, you would hope that I would take an interest in plan-making processes, particularly in the local authorities that play such a crucial role in meeting our housing target, including key London authorities like Tower Hamlets. The advice was very clear. It was consistent with our policy and previous decisions. There has been case law in this matter, like the Thameslink case, for example, which shows that it is legitimate to try, if one can, to make a decision before a material change in circumstance might occur.

The inspector's report restated the point that the viability of the project might be compromised were the CIL to come in. The developer in its submission to the Planning Inspectorate made that point as well, so it was perfectly fair to see if we could, with a thorough decision-making process, make the decision one way or another in time to be communicated before that change in circumstances.

I would restate the point I have already made that this is a very longstanding application. This application was made in 2018 to Tower Hamlets Council. They spent many months in which they could have made the decision. We can all impute motive here, but for whatever





reason they chose not to make the decision. They even cancelled meetings of the committee that could have progressed this application on the grounds that they had no business to discuss. Clearly, that is a surprising choice of words when there was a very important application lying before them. It was as a direct result of their failure to progress the application that it eventually came to the Department. There was then the planning inspector's inquiry report and it came to a decision for a Minister.

It is a perfectly fair decision to try to get this done one way or another before the CIL charge came in. Who that benefits is of no interest to me. I am not interested in the personal finances of the applicant. I am interested in making a fair decision on the basis of the facts before a material change in circumstances occurs. That is the rule of law, that is natural justice and that is the role of the Secretary of State.

**Q209 Mary Robinson:** You have also made clear that the timing of that decision did not save the applicant £40 million and neither did it deny Tower Hamlets additional funding. Could you say why that is the case?

**Robert Jenrick:** I do not know and none of us knows the exact sum of money that is at stake here. You have seen that the applicant believed that that sum of money was at stake, but it is not MHCLG's role to interrogate the finances of the project. The planning inspector set out in his report that the viability could be compromised. As we have seen, that is clearly the view of the developer. For me as Secretary of State, if one can make a decision after the proper process in time, the most important thing is to get the decision done and communicated before a material change in circumstances. That is fair and that is the principle we should all work to. Whether this was you or me as individuals with a planning application in our own home, or the richest and most powerful developer in the land, we should try to make decisions fairly. That is exactly what I did here.

**Q210 Mary Robinson:** You said that the imminent change to the CIL charging schedule was a "valid material consideration that a decision-maker may take into account". Given the controversy around this issue, do you think it would be better for everyone if the planning system were reformed, so that the CIL charging schedule that is used is the one that is in place at the point of the application and not the decision?

**Robert Jenrick:** That is an interesting question. I have said on record that developer contributions and the system we have today are imperfect. We are about to bring forward proposals for wider planning reform, which we intend to consult upon, and I would imagine that the developer contribution system will be part of that conversation. I would be very interested in your views, Mary, and the views of the Committee in that consultation and the subsequent decisions we make as a Government thereafter.



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I am convinced that there is a better system. I would like to see a system that is more certain for all parties, both the applicant and the council, and one that delivers a fair contribution towards the social infrastructure of local communities. It is extremely important that we are laying the infrastructure we need, building the schools and GP surgeries, and providing the affordable homes that the country quite clearly urgently needs. A fair proportion of that needs to come out of the developer contributions, whether that is section 106 or CIL. We may be able to find a better way to do so.

Q211 **Mary Robinson:** Much of the discussion on this has been around the advice that was given and the discussions that were had at the time. You have made it clear that the Prime Minister did not discuss this planning application with you. Were there any more general discussions with other Ministers about it?

**Robert Jenrick:** No.

Q212 **Mary Robinson:** Whether it is usual or unusual for a Secretary of State to make a decision against advice or that differs from advice given, I am interested: is this usual for you? Is this the first time that you have made a planning decision that was contrary to advice of officials? Is this, in the general scheme of things, quite an unusual set of occurrences?

**Robert Jenrick:** No, this is not an unusual situation at all, for me or my predecessors of all political colours. Secretaries of State routinely disagree with the decisions of the planning inspector. I mean that with no disrespect to the people who work for the Planning Inspectorate, but that happens. There have been 14 decisions in the last three years where Secretaries of State have disagreed with the Planning Inspectorate. If you go back further than that, you can see many cases. I am less familiar with the last Labour Government, but there are prominent cases that one can remember, like the former Deputy Prime Minister signing off the tower in Vauxhall that was the subject of some controversy at the time, so it is not an unusual thing to do.

Neither is it unusual for a Secretary of State or Planning Minister to come to a different decision to that of their officials. Again, I do not mean that with any disrespect to the people who work in the planning team in my Department. They are an excellent group of officials for whom I have great respect. I value their advice and take it seriously when I receive it, but these are often highly complex, contentious and at times subjective decisions to which there is not always a simple answer. It comes down to a degree of judgment. That is why, in our system, very rarely, these decisions do come to Ministers to exercise that judgment.

It is also worth taking this opportunity to be clear on two further related points. First, there is a range of Planning Ministers in the Department. Some of the coverage of this matter has been pretty poor quality, where it has been suggested that, merely because a decision is going out in the name of the Secretary of State, it means that I, as an individual, made



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that decision. There are multiple Planning Ministers in the Department and different Ministers take different decisions. In fact, relatively few come to the Secretary of State.

Secondly, a much larger cohort of decisions are made under delegated powers by officials in the Department and are then issued, once again, in the name of the Secretary of State, because that is the legal entity and personality of the Department. For example, there was reporting of a case that was called in for Sandown Park, the racecourse. No Minister was involved or had any knowledge of this matter. It was taken perfectly legitimately by officials in the Department under delegated powers. I do not want to see, as a result of this case and some of the reporting around it, motives and conflicts imputed to the whole range of cases and planning matters that come before the Department in a perfectly routine way. It is important that we make that clear.

Q213 **Mary Robinson:** You may or may not make other decisions that are contrary to the advice that is given to you. That seems to be reasonably commonplace, as you have described it. In this case, was this the first time you had taken a decision contrary to the advice you had been given?

**Robert Jenrick:** No, I do not think it was. I would have to come back. I do not know exactly if this was the first. You have to remember I had only been in the Department for a relatively short period of time. There were not many decisions that had been made at that point, bearing in mind that I was appointed in late July and then we went into the general election campaign in November. I am happy to clarify that, if that would be helpful. To give you examples, even in my short tenure as Secretary of State at the time, one makes decisions, some of which are in disagreement with the perfectly legitimate views and opinions of officials. I am perfectly happy to be held to account for that, because that is the role of the Secretary of State.

On the day that I ultimately sat down with my officials to make a final decision about this planning matter, we also decided to call in another application from within Tower Hamlets. This was the decision to call in the Whitechapel Bell Foundry case. Again, contrary to the decision of Tower Hamlets Council, which had approved it, I chose to call it in, so it will now be the subject of a planning inquiry. You can see that decisions vary, but they are all made on the basis of merit.

Q214 **Chair:** I am sorry to interrupt, but can we just move on? We have a few more minutes to explore a couple of things on Westferry. We want to get on to other matters about local government finance.

**Robert Jenrick:** With respect, Mr Betts, it is you and the Committee that are spending time on this matter rather than others. It is not my decision to do that.

**Chair:** We could have a discussion about why we are discussing this matter in the first place, but let us say we have had a fair opportunity



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now to explore it. Bob Blackman has one or two more questions, and then we want to move on to local government finance and other really important matters.

**Q215 Bob Blackman:** Thank you, Secretary of State, for the answers you have given thus far. In our letter to you, we asked for a bit more detail about the decisions and the reasons for the decision, and you referred us to the decision letter. I want to focus in on three particular issues where the Committee would appreciate greater clarity. You have been, in my view, quite critical of Tower Hamlets Council, and of course one of your illustrious predecessors called in commissioners to run Tower Hamlets Council. How much of a factor in your decision making was your concern about how Tower Hamlets planning operation operates?

**Robert Jenrick:** It was not a factor at all in the decision to approve the application. It is an important fact that we need to consider that a small number of councils in the country are failing to determine applications within the statutory period, in breach of the law. That is maladministration and I strongly urge those councils to raise their game. It is not fair, regardless of the application or the applicant, to simply sit on applications. If you do not like an application, decide against it. Do not just sit on it. A fair-minded person would read into this situation that Tower Hamlets Council chose to sit on the application, rather than decide it, because it did not like the application or it did not like the applicant. I do not think that is the way we should be proceeding with planning applications.

My decision was purely based on the facts of the case. As I have already said, there is an urgent need for housing in London, as elsewhere in the country. The current mayor is not performing and delivering against his own targets. There is an urgent need for housing of all sorts, particularly affordable housing. If we are going to build those homes, where are the places that are most logical to build them? Many people in London are, understandably, reluctant to build on greenfield and greenbelt land. Many people in London are reluctant to build high-rise buildings in the suburbs where they seem more incongruous.

The most logical and popular places upon which to build are brownfield sites, ex-industrial commercial sites that are waiting to be developed. If you are going to build high rise, build them in existing clusters of tall buildings. The merits of the case seemed quite clear to me. In addition to that, this would provide hundreds of affordable homes, a new school and other social amenities in an area of London where those things are urgently needed.

I am not somebody who does not know or have any appreciation for that part of London. I lived in Tower Hamlets, less than a mile away from the site of this application. I worked there for a number of years. I know and care about that part of London. I know it needs housing. I know it needs schools. I was a school governor of a school a mile away from the site of



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this application. The merits of the case were clear and that is how I made the decision.

**Chair:** I am sorry to intervene, but we have a lot of questions to try to answer and we have had a discussion about the merits of the housing on this site several times. Can we go back to the points Mr Blackman wants to raise specifically?

Q216 **Bob Blackman:** Secretary of State, this is not intended as criticism of you. It is teasing out the particular issues around the council. As you will appreciate from your in-depth knowledge, the planning position on this site stretches back not two years but a number of years, including a previous planning application that the developer could have built out and we would now be seeing the housing there on site, rather than postponed with this particular application.

In terms of the decision-making around the amount of affordable housing, because this is a critical area, when the developer lodged the application with Tower Hamlets Council, it then, as you quite rightly say, for reasons that we cannot account for, delayed its decision making. It was agreed between the developer and the council that the developer would go for non-determination. At that point, after Tower Hamlets had ceased being involved in the planning application, the developer reduced the amount of affordable housing from 35%, which has been granted on a number of planning applications in Tower Hamlets, to 21%.

The planning inspector, in his report, said that the site could easily take far more affordable housing, indeed up to the original application level of 35%. Why did you not accord with the planning inspector and say, "Yes, we need the affordable housing. Please build that affordable housing", rather than the development that was placed in front of you?

**Robert Jenrick:** There are a few things I would say in response to that. First, I appreciate that I made this point already, but it is one of the crucial facts of this case: if Tower Hamlets had wanted to decide the matter, it could have done, but it chose not to. It was perfectly within its legal rights to make a decision one way or the other when the affordable housing was at the level you have just described. The decision then came to me and I had to make a binary choice of yes or no. When it falls to the Secretary of State, this is not a negotiation, as it might be with a local authority. You do not get to say, "I would rather there were more trees planted", or "there were more affordable homes", or "the design was better", or "the views were less contentious from the Royal Observatory at Greenwich". All those things are important considerations, but the Secretary of State is only able to say yes or no.

I took the view that, while I would have liked there to be more affordable housing on the site, and the inspector had said that, in his opinion, more affordable housing could have been delivered on the site, nonetheless, the economic benefits, the social benefits of 1,500 homes and hundreds of affordable homes, of the school and the other amenities, on balance,



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outweighed the alternative. That was rejection and none of those homes at all would then be permitted to be built. The future of the site would be entirely uncertain. Who knows? It is certainly not within the control of the Secretary of State to determine what might happen next.

On balance, I took the view that, although I would have preferred there to be more social housing, it was better that some housing was built on this site. There were more affordable homes than would have been built otherwise. I think there was double the number of affordable homes that would have been built under the former application you are referring to, with all the other benefits that flowed. The alternative was rejection and that none of those homes be built. I think that is a fair judgment. These are the difficult and subjective calls that fall before Planning Ministers when you make these decisions.

**Q217 Bob Blackman:** Here is the crucial issue: by you granting the planning application, effectively, that would approve the position. If you had rejected and upheld the planning inspector's decision, it was perfectly open to the applicant to go back and revise the application in accordance with the reasons for rejection, and then resubmit the application on the basis of an application that would be acceptable to all concerned. Obviously that has changed now, because of the position over the court action, but your decision would have allowed that application to proceed without, potentially, a substantial increase in affordable housing. Do you regret that in hindsight?

**Robert Jenrick:** No, that is not correct. As I said, the role of the Secretary of State is to make a binary choice, whether to approve or reject the application on the basis of the facts that are before them. The role of the Secretary of State is not then to gameplay what may or may not happen later on down the process to seek to negotiate a better outcome.

**Q218 Bob Blackman:** I am not suggesting that you would negotiate. I am suggesting that the applicant—

**Robert Jenrick:** You are. You are suggesting—

**Q219 Bob Blackman:** No, I am saying that the applicant can actually submit a new planning application or a revised planning application to go through the planning process again. That choice is always before an applicant that has had a rejection of its application.

**Robert Jenrick:** You are suggesting that the Secretary of State should reject an application in the hope that that will lead to a better application being submitted in the future. We do not know. None of us can speculate about what may or may not happen in the future. All the Secretary of State can ultimately do is make a decision on the merits of the case that is before him. That is the role of the Secretary of State. That is the legal duty.





As I said very clearly, I took the view that, while this development, like many others, has imperfections and there were ways in which I would have preferred it to be improved, on a binary choice, I would rather have 1,500 homes, hundreds of affordable homes, a school and all the economic benefits, the hundreds and thousands of jobs that would be created with that major development, than to reject it and have a very uncertain future for the site.

**Q220 Bob Blackman:** Can I finish with one brief question? You touched on this subject but it is very important, so it is on the record. There were the heritage aspects, such as the views of the Old Royal Naval College in Greenwich. You said that the views of those were outweighed by the merits of the scheme. Could you very quickly outline why you believe that to be the case?

**Chair:** Could it be brief, Secretary of State? I want to get on to local government finance now, please.

**Robert Jenrick:** That is an extremely subjective decision. I read the inspector's report. Because it is a difficult call to make, I asked the Department if it could produce images so that I could see what the view would be like. I have stood on that spot by the Royal Observatory many times myself. Looking at those images, I took the view that the impact of some extra towers on the Isle of Dogs was relatively modest. There are a lot of built towers and a lot of towers that are already consented to be built in Canary Wharf and on the Isle of Dogs, so I took the view that it was a relatively modest additional impact and was outweighed by the benefits I have just described in terms of housing and so on.

Anyone who knows me or knows my record as Housing Secretary would say that I take a lot of interest in heritage and conservation. It is one of my personal interests. If you look at other decisions, I have just mentioned one that was taken on the same day, which was to call in the Whitechapel Bell Foundry, a very historic building in the same planning authority. It would be unfair to suggest I am not interested in these things. I take that very seriously because it is a personal interest.

**Chair:** Can we move on now? Thank you for answering those questions, Secretary of State. We can move on to the really important issue—I am not saying that is not important—of local government finance. We have already said what a great job councils are doing. Do they have the money to do it and to continue doing it?

**Q221 Ben Everitt:** Chair, with your permission, we could possibly give the Secretary of State a brief rest, having answered questions for an hour or so now, and move on to the relative simplicity of local government finance as a subject area. Minister Clarke, this is a fairly general question about local government finances and Covid. We know that there is probably a strong and shared view that the current funding settlement is quite out of date and creaking. Indeed, successive budgets have sort of topped this up, in lieu of some serious reform. Unfortunately, Covid has



bumped the fair funding review a bit further down the track.

Covid itself has presented significant financial pressures. These are estimated by the LGA to be coming it at an additional £10.9 billion for this year. That is obviously a significant amount. Nobody is denying that the Department has given huge amounts of extra resources to local authorities already, however not £10.9 billion worth. Given that we know that many authorities are quite close to issuing section 114 notices, do you anticipate further funding for councils related to Covid specifically?

**Mr Clarke:** Thank you for the chance to address the Committee. I fully associate myself with the remarks of both the Chair and the Secretary of State regarding our gratitude to the Department but also the wider local government family, who have moved mountains during the course of the last difficult few months.

The package we have brought forward, as you say, is extremely significant, so £4.3 billion thus far, of which £3.7 billion is un-ring-fenced for councils to meet their expenditure needs, with the addition now of an income guarantee scheme, which is capable of flexing to meet income losses as they crystallise for councils. That represents a very significant safety net as the situation fully clarifies itself over the second half of the year.

We remain in very close contact with individual councils that are facing particular strains on their finances. We have an excellent team in the Department that is capable of working on a very particular level with individual authorities. We continue to have those conversations as required to understand their circumstances.

More broadly, this is an evolving situation. The Secretary of State and I have both been clear about that. The Treasury accepts that. As we get more evidence about the full extent of the disruption, both expenditure pressures and income losses, we will respond as required.

**Ben Everitt:** I am sure councils will be heartened to hear that, and not least those that have been advised by the Department to get in touch prior to issuing section 114 notices. How many councils have taken up that offer and started a dialogue with the Department prior to issuing a notice?

**Mr Clarke:** You are absolutely right. We encourage all authorities, if they believe they are faced with unmanageable pressures, to speak to our team here. A number of those conversations are ongoing. There is no specific number in that context: "This is definitely to do with a 114". There are a lot of wider conversations, as you would understand, about varying degrees of concern. Over the course of the summer and as we return back in the autumn, we will clearly understand much more about which authorities are under genuine strain.

That is often linked to their very particular circumstances. Some are heavily reliant, for example, on revenue from tourism, a sector that has



been absolutely devastated by lockdown. Those types of authority may find themselves with very grave losses. Even there, once the income guarantee scheme has been announced, it perhaps changes how worried they are about their circumstances. You will understand that, as our response evolves, so does the consequential concern of individual authorities about where they are left.

**Q222 Ben Everitt:** To give the Committee an idea of the scale of this, how many of these conversations about either 114 notices or, as you put it, wider discussions are you having? Is it a dozen? Is it 50? Where are we on this?

**Mr Clarke:** In terms of actual conversations regarding serious concerns, it is a handful of authorities. It is certainly nothing like the order of 50. As I say, we continue to work through those conversations as they develop. Our hope is that the wider package of measures we have announced, which include support for expenditure pressures but now the income guarantee, will catch the overwhelming majority of councils. Where those pressures threaten to become unmanageable, it is important that we have the opportunity for more bespoke resolution. We will discuss those cases as and when any such notices are in serious danger of being issued.

No such notices have been issued at this point in time. There probably was a degree of speculation that, by this point in the year, some would have been issued. The fact that they have not been is testament to the fact that the response the Department has brought forward has been genuinely, as promised, comprehensive.

**Q223 Ben Everitt:** And indeed the hard work of councils to cut their cloth as well. I am sure the Department is aware of how hard councils are working on this. In terms of the conversations you are having, is it with upper-tier authorities? Is it with unitaries? Are we worried about districts, or is it a blend of all of them?

**Mr Clarke:** It is a blend. It is less about class of authority than it is about their particular circumstances.

**Q224 Ben Everitt:** We will probably get on to that with my colleague from Luton.

**Mr Clarke:** I was going to say, without singling out authorities, Luton would be a really good example of an authority where, just by dint of the fact it owns its local airport, there is a knock-on effect. That is just the kind of extraordinary factor, for want of a better way of putting it, that we need capacity to respond to.

**Q225 Ben Everitt:** I understand that. Taking what you say about the income support and the flexible approach, hindsight is a wonderful thing. We have talked about that a lot over the last few months. Would it have been better to just announce a big package, where we would be clear about the scale of this at the start, or are you comfortable that the approach we



are taking, in terms of piecemeal support, is the right one?

**Mr Clarke:** The response has necessarily evolved. A strength of the fact that we have been able to approach this in the way we have is that we have been able to adjust our response according to the nature of the pandemic and the pressure it has placed on authorities. For example, we have been able to issue the third tranche of expenditure money, the £500 million that was announced earlier this month, through a new formula based on our most developed understanding of how these pressures are impacting authorities and which need the most support.

There is genuine merit in responding to this situation as it iterates. Where we were in March, which feels a long time ago, is obviously not where we are today. Some of the measures we have had to take, for example the income guarantee scheme, are really quite bold innovations. That the Government should backstop income losses is a big, bold commitment, designed to provide certainty that, after the 5% deductible, we will meet 75 pence in the pound of those losses. That was not a resolutioned mechanism that was on the table back in March. That had not been considered.

Although it is less dramatic than some of the mechanisms the Treasury has brought forward in the wider economy, in its own right it has taken a certain amount of careful thinking and reflection by Ministers and officials about interventions of that nature. That speaks to the fact that a lot of hard work has gone into trying to make sure that we not only support the sector but that we do so in the most smart and effective way with the taxpayers' money.

**Robert Jenrick:** There is inevitably a pressure to announce a very large sum of money. As you have seen, we have done a number of tranches of funding. The first two tranches of £1.6 billion are large sums. There are always those who ask for more than that, and I respect and understand that. We have now tried to move to a more comprehensive plan, which can flex up and down depending on what happens, in terms of both the virus and the economic disruption that we see in the months ahead.

If you look at each of the pillars we have set out on Covid-related expenditure, we have been clear that we are going to ensure the Exchequer covers all the Covid-related costs, the expenditure that is being incurred by councils, for the length of the pandemic. We have given this further tranche of £500 million to ensure councils have that funding. As Simon Clarke has said, were further funding to be required, he and I would go and discuss that with the Chancellor and ensure that councils continued to be funded for their Covid-related expenditure.

On the irrecoverable income losses, we now have not just a sum of money but an income guarantee mechanism that should allow councils to manage their finances. We appreciate it has been extremely difficult with the loss of income revenues.



On the tax side, the third pillar, we have been clear that councils can take an additional three years to defer payments. Also, at the spending review, when information is clearer about the scale of the losses of income with respect to council tax and business rates, if necessary we will implement a similar mechanism to the one we have seen with respect to income losses. Together, we are now in a stronger position than were I, as Secretary of State, simply to negotiate a large sum of money to help tide the sector over for a period of months. We now have a plan that speaks to each of the concerns that councils have raised with us and can flex up and down depending on the events that will follow in the months ahead.

**Chair:** Ben, I think you have one further point about Covid-19.

Q226 **Ben Everitt:** I have, but the Secretary of State has gone quite a long way to answering it in that question there. It related to the need to give certainty to authorities about the spending. That is what the Secretary of State has been referring to there. The question was really specific about the undertaking that you, Secretary of State, gave the last time you were at the Committee, which was that local authorities would have whatever it takes to get the job done. Do we think that clarity exists now for councils to be able to appropriately deal with the virus and take the measures that they need to?

As a comment, I do not think anybody on this Committee underestimates the fact that councils, of any type, and MHCLG in particular have played a critical role in our response to Covid. We quite often underestimate the role of local government and delivering local services. Along with the NHS and other public service professionals, our councils are our front line on this. I think everybody would appreciate the hard work they do. That includes the Department. It is about getting that clarity for them that the funding will continue to be there for them to do what they need to do.

**Robert Jenrick:** I hope we have made that clear, and I would make it clear again today. We are going to make sure that councils are reimbursed for all the Covid-related expenditure they are incurring. We obviously see the self-reported data from councils and we know that we have provided more funding than we have been told thus far councils have incurred for their Covid-related expenditure. My officials have written to councils. We have written, I think, in response to the last time I appeared before the Committee to make clear once again the extremely broad parameters of what we consider Covid-related expenditure. Since that time, they have expanded once again.

As new things arise, councils will need to be funded for those, either because they are new burdens or because we think that is the right thing to do. Track and trace is an example of that, where additional funding has been made available because councils now are playing an incredibly important part in that campaign as well.

**Ben Everitt:** That is incredibly clear. I am sure authorities will be very



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pleased with the undertaking you have given there.

**Chair:** That clarification is really helpful, Secretary of State. At some point, if we could have that comprehensive list revised, that would be helpful. I am sure we will come back to these issues as they evolve, as you have explained to us, in the coming weeks. We have some specific issues now about councils with particular problems.

Q227 **Paul Holmes:** Good morning, Secretary of State and Minister Clarke. Thanks for coming. This is my favourite subject at the moment, Secretary of State, because you will remember that I mentioned this subject to you the last time you appeared at this Committee. Minister Clarke, you heard my speech in the estimates day debate. I am sorry for making you sit through it. It is in relation to councils and local authorities that have made large investments in commercial properties. There are a number across the country, including Eastleigh Borough Council in my constituency, which has borrowed around £500 million to invest in commercial properties. Do you anticipate that local authorities are going to be in touch, or have any been in touch, because of a potential significant financial difficulty with the economic situation as it is in commercial property return?

**Mr Clarke:** It may be helpful if I start with this and then the Secretary of State can make any supplementary remarks. The income guarantee scheme is focused on income losses from transactions. That is to say irrecoverable lost revenue for things like car parking and from tourism. Those are the classic instances. We are looking at the issue of commercial income loss very closely. There is a range of more or less legitimate decisions that councils can have made in this space.

We certainly share the concerns that the PAC has already identified about the extent to which some authorities have exposed themselves to commercial speculation, particularly out of their own areas. It is one thing to look at investing in your own high street for regeneration purposes. We are much more wary of those who have made big bets on wider assets elsewhere. This is something where we are working closely with the Treasury to consider what steps we might take in regard to that.

In terms of authorities that come to us with issues, that is one of the points on which some have been left exposed. Our team will work with them to understand that. Clearly, part of that exposure is linked to how robustly the economy may or may not recover over the course of the second half of this year and beyond. Therefore, there is an element whereby the full liability they face is yet to materialise, but it is a concern. It is certainly something where we will have more to say in the months ahead. We are conducting a consultation at the moment on the Public Works Loan Board and the role authorities can play in managing their finances sensibly and not putting significant taxpayers' sums at risk with commercial speculation.

Q228 **Paul Holmes:** I wanted to slightly elaborate to see whether, Secretary of





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State, as Ministers within MHCLG, you were looking at firm action against councils. For example, Eastleigh Borough Council has invested in properties in Brighton, Bournemouth and across the UK. It has an annual income of £31 million and borrowed £500 million. There are other local authorities that have done that. As I said before, we need to take a bit firmer action on that. If I could move on to—

**Robert Jenrick:** Could I just add my comments to that? Most local authorities' capital spending is on entirely the things we would all support. This is a small minority of councils, but we have to take this issue very seriously. As Simon Clarke has said, there are three issues here. One is local authorities making investments outside their boundaries for yield. We think that is unwise and we should disincentivise people using public money to do that.

The second one is using public money through routes like the Public Works Loan Board to make very risky investments. Again, we strongly discourage councils from doing that. Commercial real estate is going through a once-in-a-generation restructuring. The roots of that have been clear for some time, but now, as a result of the pandemic, the market forces that might otherwise have happened over a decade have been brought forward and are being seen in a matter of months. If you look at the rate of default or deferrals on commercial rents, it is very significant. That is very concerning. We strongly discourage councils from going down that route.

There is a more difficult area, where councils are playing a role in regeneration of their town centres, high streets and city centres, which is something that we all want to see councils do and play a role in. There is a role for councils there. That is something that we, in effect, encourage through some of our schemes, like the towns fund and the high streets fund. There, we need to have a productive relationship with councils and for them to think about how they can take the best advice and make wise decisions, so that assets that are becoming toxic to the private sector are not simply being transferred to the public sector and then becoming issues that dog local authorities and their residents for many years to come.

Q229 **Paul Holmes:** I completely agree. When it is appropriate, that is the right thing to do. I was not leaving you out intentionally, but thank you for the clarity. I have one further question. The Government have recently stated that further account will be taken because of lost council tax and business rates income in the upcoming spending review. I know you have to deal with the Treasury in this, but would it not be better to provide certainty to local authorities in advance of the spending review, so that they can plan for anything that may be coming?

**Mr Clarke:** Obviously there is an advantage to certainty. The fact that we have been able to win agreement from the Treasury that it is willing to introduce this is important and should itself provide significant comfort to the sector. The Treasury was very clear with us that it wants to consider



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this question as part of the wider spending review, which is legitimate. It is a significant commitment and therefore needs to be placed within the full constellation of the decisions it will be taking this autumn.

We have the guarantee scheme on sales fees and charges, which I think was probably, for many authorities, the more significant. Then we will come to the tax guarantee in due course. The principle has been accepted by the Treasury. That should reassure authorities that are concerned about either business rates or council tax losses that there is serious protection on offer. That will be becoming fully clear in short order.

**Robert Jenrick:** We obviously have robust conversations with the Treasury. We are here to support local authorities and to get the best deal we can for them. In defence of the Treasury on this issue, information available today is imperfect. It is difficult to forecast accurately what the true level of income loss facing councils will be, either from council tax or businesses rates.

The picture is becoming clearer. You can now see, unfortunately, growing levels of unemployment. That will drive lower council tax revenues. Historically, councils have been very good at collecting both council tax and business rates. They have high levels of collection. Some of the lost revenue that you see today is probably deferred, rather than an actual default. Councils will be able to recover that perhaps when those individuals have greater certainty over their personal finances or businesses are back up in operation after the lockdown and feel that they are now comfortable to pay their business rates. The view of the Chancellor and his officials was that, by the spending review, we should be in a better position to judge how serious an issue that is going to be for councils. That is a fair judgment for them to make.

**Chair:** We need to move on now. Secretary of State, in terms of relations with the Treasury, we see our job partly to give you well-crafted ammunition to go and take into your battle with the Treasury on behalf of local councils. Minister, you have already referred to the issue that some councils have particular income challenges and mentioned Luton. It is very important Rachel Hopkins comes in and pursues that question with you.

Q230 **Rachel Hopkins:** Secretary of State and Minister, you will have heard from me both directly in questions and in the petition from our community, which had 10,000 signatures on, about the specific issues facing Luton Council. We have said that there has been significant income loss from our commercial asset, which we have used in response to 10 years of austerity to wash our own face locally, in terms of providing services for our communities. I want to check the response to the parliamentary question on 8 July, when the Government said the new lost income scheme would not cover lost commercial income. After a number of months when we know Luton Airport and other airports, such as



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Manchester, have not been able to operate fully, I need to check whether there will be no additional financial support for councils with airports. If that is the case, what do I say to the 350 to 400 people who are losing their jobs at Luton Council as a direct response?

**Mr Clarke:** This is a very serious situation with Luton as a response to the fact that it has the airport under its control. It is probably helpful to situate this in the wider backdrop, and then we can come to that specific question. Luton Council has currently received £13.4 million in emergency grant funding. That is on top of a £9 million increase in core spending power this financial year, thanks to the much better settlement that we delivered last December.

The scheme in question, the income guarantee scheme, will not compensate for lost commercial investment income, but we recognise that some councils with strategic investment assets, such as Luton, have been put in an exceptional position as a result of this crisis. We are continuing to work really closely with Luton. The council first met with our officials on 21 April. There have been subsequent meetings on 18 May, 12 June and 1 July. Officials met with them most recently on the 13th, last week, so we are working very closely with them. We will look to provide such bespoke support as is appropriate, as the situation develops. There is no sense in which Luton Council, its officials or the people of Luton will be left facing unmanageable strain as a result of this particular situation. We recognise there is a challenge; we are addressing it.

Q231 **Rachel Hopkins:** It is probably fair for me to declare an interest that I am still a councillor on Luton Council. I probably should have said that at the start—apologies. I am in close contact with the chief executive and leader of the council and very aware that lots of conversations have been had, whether that is because it has taken a while to get the understanding fully there. The day after that last meeting, on 14 July, Luton Council had to make an emergency budget because it is facing £22 million worth of in-year budget cuts in order to balance its books, which we know that local councils do.

Given that we went into lockdown in March, which was four months ago, the airport has not been able to operate fully and these conversations have just been ongoing, I press upon you that delay is going to have even more impact on not just jobs at the council but the local services that our residents have. I appreciate we have received some funding already, but it is not touching the breadth and scale of the impact of Covid on our council finances.

This is after, over the last 10 years, we have lost 60p in every pound of funding. You will be well aware of the 10 years of impact on local councils, notwithstanding a slightly shift recently. I recognise that you have put through the scheme around the income support for things like car parking, which covers a range of levels of local councils. You are reimbursing 75% of lost sales fees and charges income above the first



5% loss. Why did the Government decide that local authorities should bear more than a quarter of the lost income anyway?

**Mr Clarke:** To take that point on, the 5% deductible at the outset is designed to reflect the fact that, in any given year, income from sales fees and charges will wax and wane. Authorities normally make adjustment for that as part of their routine financial management. Beyond that, it is important to recognise that, at all levels of Government, local and national, there are consequences to a crisis of the magnitude of the one we have passed through and are passing through. We will all need to put our shoulder to the wheel in fixing this.

In the end, this is all taxpayers' money that we are dealing with here, just held at different levels of government. There will be consequences for the national Government's finances as well as for local government's finances, as a result of this situation. Fundamentally, it is reasonable to say that both tiers of government will need to take some of the strain of that. I think most people would say that was reasonable. Obviously the scheme we are putting in place is designed to make sure that at no point does the burden on local government become unmanageable. The income guarantee scheme is a very significant intervention to make sure that income losses are supported so they do not become unmanageable.

Q232 **Chair:** Have we an idea when authorities like Luton and Manchester are going to get an answer to the significant additional pressures they face beyond what most councils are facing?

**Mr Clarke:** It is fair to say that in each case that is down to an individual conversation. My officials will bring up advice to me at the point at which they believe—

Q233 **Chair:** Rachel Hopkins' point was that a lot of conversations have happened but there is still that funding gap there.

**Mr Clarke:** There is, but we need to fully understand the lie of the land before we make our final adjustments here. That is not to say that we are trying to defer this for deferral's sake. We are absolutely not, but we need to make sure that, if we intervene with a given authority, we are doing so on a basis that is sensible and at the right time.

There is no sense in which any of my officials are remotely blasé about any of the challenges faced by the authorities in question. Luton is high on our priority list. The fact there has been such a series of meetings, literally on a monthly basis, if not more so, is a reflection of the fact that they are very aware. The Secretary of State and I are keenly aware and Luton features reasonably regularly in our wider discussions about the situation with local government finance.

Q234 **Abena Oppong-Asare:** When you last gave evidence to us, you warned you would need to take further action against those councils that are somewhat less successful at distributing business rates grant funding. Are you now happy with the pace of grant payments to businesses by local



authorities?

**Robert Jenrick:** I think Simon has the statistics in front of him, but most councils have now performed well. There have been wide variations. When I last spoke to you, the variations were very significant. Today most councils are, I think, in the 80th or, indeed, 90th percentiles of having got the business grants out. From my perspective, as Secretary of State, I would praise councils across the country for the hard work they have done. There have been some superb councils that got the funding out very rapidly. As I say, there were some that were somewhat slower, but we are now in a position where most councils have done the job very well.

**Mr Clarke:** That is absolutely right. Approximately £12.5 billion was allocated for business grants, of which somewhere in the region of £11 billion has now been paid out. In many cases, the reason it has not been 100% of that funding has been that businesses either were uncontactable or, in some cases, did not even want the money.

It is fair to say that I had a series of conversations, largely in May, with authorities where we were more concerned about their rates of payments. I followed up with those on an individual basis, as did Ministers at BEIS, and we really pressed them as to their performance if they were lagging the trends. We are now confident that authorities across the piece have done their duty here and got that money out. Given that this was a task that authorities were not expecting to have to do, I would like to pay tribute to the hard work of officials and often councillors for following up with as many individual businesses as they could.

Q235 **Abena Oppong-Asare:** Are you able to tell me how many local authorities have not been successful in distributing business rates grant funding? You mentioned that you had followed up and made inquiries with authorities. Can you clearly outline to me what action you took?

**Mr Clarke:** There is no authority that we classify as having not done a good job. We are content right across England that every authority has now paid out everything that it possibly could have. We gave the discretionary fund, which was worth over £600 million in the end, 5% of the total, to enable them to support hard cases that had fallen outside the bounds of the original scheme.

In the conversations I had, it was a mixture of exhorting people to go the extra mile and sharing best practice from those authorities that had done really outstanding work. For example, one thing I was particularly impressed by was those authorities where individual councillors had taken lists of the last businesses that their officials had been unable to contact and then almost literally gone door to door to try to track down the owners. That was very impressive.



It was also about, in some cases, providing the necessary assurance that the priority was to get this money out and that there was a real urgency to this. I found the calls very reassuring. There was never a call, literally not one, where I met an authority that gave the impression that it did not recognise that this mattered and it was its duty to get it right. It is genuinely a very reassuring picture. I know Ministers at BEIS share that view.

**Q236 Abena Oppong-Asare:** The Institute for Fiscal Studies has highlighted the cliff-edge effects of thresholds on business grants of £10,000 and £25,000. Will you consider amending the scheme to introduce a tapering of grant funding?

**Mr Clarke:** The great bulk of the money has already been paid out and that certainly reflects the fact that this was really urgent. The scheme itself was designed by BEIS and we were simply administering it, so it was never within our remit to change it, even if we had wanted to. With the discretionary element of the scheme, councils had more flexibility to make smaller awards so they could get as many businesses within scope of that 5% of the discretionary funding. I know some chose to do that, so they caught as many businesses as part of their package.

**Chair:** We have three important areas of longer-term funding issues, the local lockdowns and the housing and private rented sector in particular. We need to try to make sure we get through those by the end of the time allotted to us. In the past, the Committee has recognised the longer-term funding challenges for local authorities. This is the here and now we have talked about today and the problems of Covid. Basically, there is a system that is pretty broken anyway.

**Q237 Mohammad Yasin:** As this Committee has repeatedly said, and included in the report about local government finance last year, local councils need a long-term sustainable financial settlement. Can you guarantee us that the next funding package will be a multiyear settlement to give greater financial certainty to councils?

**Mr Clarke:** The latest settlement was the most generous for a decade. It delivered a funding rise for local government from £46.2 billion to £49.2 billion in this financial year, so an average 4.4% real-terms increase. That was including an extra £1.5 billion for social care. The spending review process has literally just begun, ahead of progress with that this autumn. We are working on that already as a Department. It is a three-year spending review and therefore it will give that longer-term horizon for authorities, in terms of their finances.

**Q238 Mohammad Yasin:** You touched on social care. Can you guarantee us that there will be clear plans for funding social care in advance, given the significance of this to council funding?

**Mr Clarke:** Social care is obviously an enormously important part of the work councils do. It is worth noting that over 90% of the £3.7 billion of un-ring-fenced funding has been allocated to councils with responsibility





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for social care services during this outbreak. More broadly, in terms of the future of social care and wider reform, we continue to liaise closely with DHSC on that, as we come to understand what it is proposing in regard to wider reform of that part of Government and how we, in local government, can assist that process.

We are building on that progress, pressing forward to develop that long-term plan for the future of social care. The Government hope that we can achieve lasting cross-party consensus about what we need to do in this space, such that we can end the prolonged uncertainty over what the future of social care, with an ageing population, should look like. That is something that we all, as MPs, will need to step up to the plate with during the course of this Parliament.

**Q239 Mohammad Yasin:** Can you assure us that there will be a sufficient increase in funding to bridge the multibillion funding gap identified by the LGA?

**Mr Clarke:** What I have already said about the scope of the support we provided during the course of the outbreak to date should provide real comfort that of course we are going to address the funding gap. We do not yet fully know how those losses will ultimately crystallise. That is why the package has been designed as it has. Our commitment remains absolutely unyielding, as the Secretary of State has said, that we will support councils with the costs of this crisis, from both their income and their expenditure pressures. There is a total determination across Government that we will get the sector through this intact, in such a way that it continues to deliver the vital services it does for the population.

**Q240 Chair:** Following on, Minister, I know you will not be able to tell us today about the likely timetable for a social care White Paper. This Committee stands ready to engage. We said in the past that it is about getting not just Ministers but the Opposition Front Bench to the table as well, if we are going to get a cross-party agreement. Not today but later on, we are going to be with you on a proposal on devolution. Personally, I hope when we get to social care we look at devolving powers and look at the Manchester experience among others. I hope we do not see a knee-jerk reaction to a national care system and start centralising everything like it is a bureaucratic solution to the problems we have had. I certainly would be very wary of that approach. I am sure we will discuss that further on devolution matters in due course.

**Mr Clarke:** Yes, indeed. That is a very clear representation that I am sure will be heard by Government across the piece.

**Chair:** Can we move on now to something where we appear to be getting more local involvement? That is the local lockdowns, test, track and trace and the announcements that have recently been made.

**Q241 Brendan Clarke-Smith:** Good afternoon, Secretary of State and Minister. The Government have announced powers for councils to impose



localised lockdowns. The guidance notes that there are going to be significant increases in the powers available for this. With councils, there is an expectation that they are going to be used with their discretion. How will the Government ensure these powers are used consistently and proportionately across the UK?

**Mr Clarke:** The contain framework sets out how these decisions will be made. That was published last Friday. The latest set of new powers became operative on Saturday, last weekend. That is absolutely about making sure that local authorities have all the tools they need to try to nip outbreaks in the bud. As the Prime Minister has rightly been clear on, the last thing we want to see is a second national lockdown.

We want to make sure we can address outbreaks of coronavirus as locally as possible, preferably at the level, frankly, of an individual workplace or school, rather than, say, at authority level, as we have been compelled to do in Leicester. We are very clear that all the focus is on giving authorities the requisite ability to have both the data and the powers they need to catch these outbreaks early and minimise the number of people who have to be locked down as a result.

Q242 **Brendan Clarke-Smith:** Will central Government be able to overrule local authorities if they think they have gone too far or maybe not far enough?

**Mr Clarke:** Upper-tier authorities have a range of legal powers under environmental health and safety law, which allow them to close public spaces, businesses and venues for a specific reason or purpose. We have now extended that to individual premises and public outdoor spaces to place restrictions on events. We have asked them each to develop their local outbreak plan, which is a very sensible set of proposals, and in each case that is tailored to their local needs.

With all the authorities that are seeing a heightened level of Covid-19, we are in contact with them. That includes sometimes at ministerial level as well. It is not our intention to second-guess local directors of public health about the responses they might choose to take. They are experienced professionals. They are trusted with these powers and we will work with them to make sure they are discharged effectively. It is extremely unlikely we would end up in a situation where we were countermanding the decision of people on the ground who know their community and are dealing with it day to day.

Q243 **Brendan Clarke-Smith:** Following on, it was also announced that the Government are going to give councils access to named patient data. Would you be able to tell us why it has taken so long for that information to be provided and when it is likely to be fully implemented?

**Mr Clarke:** It is really important that councils have access to the data that they need. We have been gradually maturing the quality of the data available to them. Councils have had access to the data dashboard that has been set up since 11 June. Since 24 June, they have had



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postcode-level data as well and the ability to interrogate that. There are issues surrounding individual data privacy here, and that is part of the wider backdrop to this. We are confident that all authorities now have the ability to drill down into that data, to the level of an individual postcode, and to get a clear insight into what is going on there. That is the right thing to do.

**Q244** **Brendan Clarke-Smith:** Contact tracing has been particularly challenging in some parts of the country. Looking at Blackburn, I think only 50% of people were successfully contacted there. I wondered why you think that may be the case and what we can do to improve the rates in these communities.

**Mr Clarke:** We absolutely want to reaffirm the message today, and as MPs we should all join in this, that, if you have coronavirus yourself, you should report your contacts online via the portal that exists for you to do so. If you are one of those contacts, you should self-isolate when you are contacted. We work very closely with authorities to promote this. I am going to be meeting Kate Hollern, the MP for Blackburn, and her council about the situation in the town, to understand what, if anything, as a Department, we may be able to do to further assist there. Obviously the situation in Blackburn is the concern, so I am looking forward to tomorrow's meeting to make sure that we get all the answers we need from the authority but also that they get the help they may need from us.

**Q245** **Brendan Clarke-Smith:** Finally, will the Government be providing additional support for places that have experienced one of these local lockdowns?

**Mr Clarke:** This is a question that we continue to evaluate very closely across Government. The most significant example at the moment is Leicester. It is worth affirming that Leicester City Council has received £20 million worth of support and then Leicestershire has received £27 million worth of support. There have been two additional tranches since of £500,000. We will always work with authorities that find themselves in this situation to understand the pressures they are facing. This is something we continue to discuss with Leicester as part of its wider situation. We all want it to end as soon as it is safe for it to do so there, so people can get back to normal and businesses can reopen.

**Q246** **Chair:** I would like to follow up on two points, Minister. You referred to the postcode level data that local authorities are now receiving. The greater engagement that has happened in the outbreak committees and outbreak plans is very welcome. Could you confirm, though, that directors of public health are not getting postcode data, but are now getting named patient data, so they can really drill down and do the connections between individuals, whether the transfer is within the community, the workplace or wherever?

**Mr Clarke:** That is my understanding in response to specific outbreaks, yes.



Q247 **Chair:** Given that it is a notifiable disease and they have a legal entitlement to that, I suppose the question might be why it has taken so long to get it to them.

**Mr Clarke:** This is something that DHSC Ministers are probably better placed to answer than I am. We have worked very closely with directors of public health throughout this crisis. They received notifications, even before these new tools were introduced, about instances of Covid-19, so they could act under existing protocols. DHSC has done a very good job in developing this data dashboard. It is an entirely new tool that did not exist before and had not ever been conceived of that allows data on number of tests, positive tests and Covid-related 111 and 999 calls, all of which can be viewed at national, regional or UTLA level. Now they have this data on postcode level, broken down by ethnicity, occupation, age and gender.

These are very significant tools. In saying it has taken time for this to be developed, I do not think we should underestimate the scale of the technical challenge required in commissioning it.

Q248 **Chair:** It was just the role of directors of public health, which is even different to that of local authorities, in terms of legal entitlement. Moving on, a number of authorities have slightly higher levels of infection rates than others. Sheffield, for example, is in the position where it is not in the top tier by any means, but within the city there are different infection rates in different communities. That is very clear. If more general lockdowns were going to be considered, would the Government listen very carefully, because in the end that is a national decision on a wider lockdown, to representations about whether that should involve a whole authority in the future, or whether there should be a concentration of resources on those areas where infection rates are particularly high?

**Mr Clarke:** I can give that assurance, absolutely. As I said in an earlier answer, our intention is always to make our intervention as tightly aligned to an area where there might be a specific outbreak as possible. It would be wholly exceptional for us to shut down a whole city in the way we have had to with Leicester, but the situation there was extremely concerning. It is also, thankfully, at present unique.

**Chair:** That is really helpful to explain that. We move on now to the housing situation in the private rented sector, where the Government have clearly had a big involvement and we have challenges going forward.

Q249 **Ian Byrne:** Good morning, Secretary of State. The Government have confirmed that the evictions moratorium will end next month. With housing agencies talking about half a million under threat of eviction, how will the Government support these people who have already built up rent arrears?

**Robert Jenrick:** First, the unprecedented action we took to have a moratorium on evictions throughout the depths of the pandemic, or at



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least this wave of it—let us hope that there is not a second one—has helped a lot of people. It ensured that nobody had to move house against their will, particularly during that crucial period when we, as a Government, on medical advice, had closed down the housing market altogether, so one could only move in exceptional circumstances, if one really had to do so.

We have now reopened the housing market. It has been open now for several weeks and the evidence suggests that transaction levels are quite high at all levels of the market, so an individual who wants to move home is able to do so. We are also now in a very different phase in the pandemic. Fortunately, the rate of transmission is quite low now, but we are monitoring that very carefully, for all the reasons we have just described, to ensure there are not further flare-ups. We have also changed the advice on some of the most vulnerable groups. For example, even the extremely clinically vulnerable, the shielded category, are now being advised that they will be able to return to their daily lives, while taking certain precautions, and return to the workplace, again while respecting social distancing.

It seems now that it is the right moment to begin a very careful reopening of the courts service. We have been working very closely with the Lord Chancellor, who holds that relationship with the courts and with the judiciary, to see how that can be done in a fair and safe manner. The Master of the Rolls and his colleagues have been extremely helpful to us in helping to plan how that can be done. The Lord Chancellor, as you may have seen, has laid a statutory instrument, which makes certain provisions already. That is the way in which the courts will approach this matter when those possession hearings start to return.

As a landlord, you will have to set out the particular vulnerabilities of your tenant. They will then be heard by the judge or magistrate and the judiciary will take due consideration of that. It is obviously a matter that you would have to ask the Master of the Rolls or the Lord Chancellor to opine on. The conversations I have had with him and his officials suggest that the judiciary will take this matter very seriously indeed. They are very concerned about protecting vulnerable individuals and ensuring that public health is taken seriously by the courts service when those cases start to return.

They are also, as I understand it, thinking how the individual courts will prioritise cases when they start to come before them. I imagine that they will take into account those cases that are entirely unrelated to the Covid pandemic, so those that were in the system prior to lockdown itself and for which there is no obvious connection with the pandemic at all. I suspect they will also take into account antisocial behaviour. As a constituency MP, you may have received correspondence on this. I certainly have from mine. There are individuals behaving in a manner that is putting a real strain upon the lives of their neighbours, heightened by the fact that we have been in lockdown and people have been in their



homes a lot more. It would be sensible for the courts service to bring those cases to the fore first.

The courts service will be taking all the necessary precautions to ensure this is handled in the most sensitive manner possible. I am certainly going to continue discussions with the Lord Chancellor and he, in turn, with the Master of the Rolls to see if there are further steps we need to take and to monitor how this pans out in the weeks and months ahead.

**Q250 Ian Byrne:** I have a couple of questions to come on the legal side of it. I am interested in, as we talked about, the half a million people who are actually in debt now. They are probably listening to the answers and are extremely worried about what the future holds for them. I read with interest that Spain has introduced a low interest loan scheme to help tenants meet their rental payments during the crisis. The National Residential Landlords Association told us that such a system could work here. Would you support such a loan system to alleviate some of the worries that people are going through at the moment? I am sure it is a huge issue mentally for a lot of people.

**Robert Jenrick:** Different countries have responded with a different package of measures to support individuals and families. Most independent commentators have agreed that the package the Chancellor has brought forward stacks up very well by international comparison.

**Q251 Ian Byrne:** But on the specific issue of Spain—

**Robert Jenrick:** You have to look at the package of measures we have brought forward in the round. We obviously have the job retention scheme, which is supporting the livelihoods of 9 million individuals. We have increased the generosity of the welfare safety net. These are the ways in which individuals will be able to meet their financial commitments. We have increased the safety net through the welfare system by more than £9 billion. We have listened to the sector and colleagues on both sides of the House with respect to the local housing allowance and have increased the rate of that to the 30th percentile of local market rent, something that many have campaigned on for some time. We have also taken action to support the self-employed through the self-employed income support scheme.

The package of measures we have brought forward is very significant in the round. They obviously do not help every person. This is a very difficult and challenging situation that we are going into as a result of a global pandemic, but we have taken a range of measures to try to help people get through this.

**Ian Byrne:** I fully accept that, but what I am trying to drill into—

**Robert Jenrick:** I have one further point. I have seen representations that suggest we could postpone people's rent payments for a very extended period of time. I have a concern about that proposal, because I do not think it is ultimately to the benefit of individuals to rack up very





large and unmanageable levels of person debt, to see their credit ratings weakened if not destroyed. That is not a way of protecting the vulnerable in society. The steps we have taken, or the Chancellor has taken, do that. They go a long way to doing that. The measures we are taking with the Lord Chancellor will focus the courts' efforts and ensure they protect the most clinically vulnerable and those people who, as a result of the pandemic, we would all like to see supported as far as we can.

**Q252 Ian Byrne:** I will take that as a no then. Let us have a look at the court proceedings. The pre-action protocol for renters suffering arrears due to the coronavirus will not be in place before possession proceedings resume in August. Instead, are you allowing judges to adjourn proceedings? Are you just kicking the can down the road, instead of ensuring, in your own words, no one should lose their homes as a result of the coronavirus?

**Robert Jenrick:** I think I have answered the question already. We took an unprecedented step when lockdown commenced. We, as a Government, had closed down the housing market, all bar the most exceptional circumstances. Now we are in a very different stage of the virus and it is right that we begin to reopen the courts system, as we are reopening all other aspects of our lives, and do not allow very large backlogs of cases to build up, which I do not think is to anyone's benefit. We set out some of the particular cases where that definitely would not be for the benefit of the public, like individuals who have clearly been acting in an antisocial manner.

The statutory instrument that the Lord Chancellor is laying provides further protections. It means that, if a landlord is seeking possession of their property, they would have to set out any relevant information about the tenant's circumstances, including information on the effects of the virus on the tenant's vulnerability or social security position. It gives judges the ability to adjourn proceedings, as you say, until that information has been provided to their satisfaction. It requires landlords to re-notify the court and their tenant where they wish to continue pursuing a possession claim that is already in the system. Together, that is a good package of measures. We will obviously have to take the judgment of the Master of the Rolls.

**Q253 Ian Byrne:** Are you happy that it is strong enough without a pre-action protocol?

**Robert Jenrick:** It is not a matter for Ministers to second-guess the opinion of the judiciary as to how they should manage court proceedings. As I say, my own limited dealings with the Master of the Rolls and his officials have been extremely positive and have led me to believe that they are taking this situation extremely seriously, doing all they can and using their best judgment, as are independent judiciary, to design interventions they believe will work.

**Q254 Ian Byrne:** In the letter from the Housing Minister we received yesterday, he told us that the new Civil Procedure Rules will be



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implemented by a statutory instrument before Recess. Although the SI has been laid, it does not come into effect until the 23rd, and the Civil Procedure Rules it implements have not yet been published. When can we expect to see Practice Direction 55C?

**Robert Jenrick:** I will have to come back to the Committee on the exact date on which the practice direction will be effective. As you say, the statutory instrument was laid on 17 July by the Lord Chancellor. This is really a question for him and his Ministers at the Ministry of Justice. We have certainly been in discussion with them for several weeks, and so they are taking the steps that are required to ensure that the measure is in place before the courts service starts to handle the cases.

Q255 **Ian Byrne:** We should get that in writing during Recess, before the 23rd.

**Robert Jenrick:** As I say, you are asking a question to the Lord Chancellor. I am happy to take that away and ensure that we get a full response from him or the relevant Minister for you.

Q256 **Ian Byrne:** Thank you. I will take that up with the Chair. Lastly, the Government's consultation into a specialist housing court closed in January 2019, but no progress has been made since then. This Committee has repeatedly voiced its support for a specialist housing court, noting potential benefits for tenants and landlords. When will the Government take these proposals forward? It has probably never been more important.

**Robert Jenrick:** We remain fully committed to our manifesto commitment to bring forward a renters' rights Bill, which will include a range of measures, including the abolition of section 21, which has been a longstanding issue on which I think we are all broadly agreed. We will be preparing that legislation and that will include other new rights for tenants and responsibilities for landlords, so that the system works more effectively. As soon as I am in a position to give you more information about that, I will do. I will be interested in your views as a Committee on that, because I know you have done a lot of good work in the past.

**Chair:** We will follow up. The Committee's intention is the same as the Government's: to make sure that, when eviction proceedings come before the courts, the courts have the discretion to ensure that landlords have properly followed through the pre-action protocol and have had proper discussions with their tenants about payment options.

It was good to hear you talk about the anti-social behaviour problems. We have all had elderly people shielded, who have had the neighbour from hell next door making life a misery during the last few months. We want to give local authorities and housing associations the backing to take appropriately quick action on those cases as well.

Finally, I am sure it is no surprise that Bob Blackman wants to explore the issue of rough sleeping.



Q257 **Bob Blackman:** Secretary of State, everyone is extremely grateful for your prompt action in obtaining the funds from the Treasury to enable all the rough sleepers who were identified to be put in temporary accommodation. I am sure you would want to pay tribute to local authorities, voluntary organisations and charities, which have done such wonderful work in ensuring that no one was forced to sleep rough during the lockdown.

Can I ask a couple of questions around this position? First, the estimate is that 50% of the 15,000 people who were literally taken off the streets, who were rough sleeping, have no recourse to public funds. As we ease the lockdown and people get out of the position, you have extended the funding, which is excellent. However, there is a concern about what happens to people with no recourse to public funds, as local authorities wish then to house them. They do not have a job—particularly during the pandemic that has been a problem—and they do not have access to benefits. Local authorities will understandably be asking, “How are we to fund providing either a permanent home or further temporary accommodation for those forced to sleep rough?”

**Robert Jenrick:** First, can I reiterate your remarks and give my thanks to councils and charities for the work they have done? It is one of the few but very clear silver linings in the dark cloud of Covid. The ONS statistics that we saw published the other day, where it had explored in detail, as far as one can, how many excess deaths of rough sleepers could be ascribed to the pandemic, suggested that, because the numbers were quite low, hundreds, if not thousands, of people’s lives had been protected as a result of that good work.

The big task now, as you say, is not to rest on our laurels. We have achieved that outcome but we now have to take advantage of the fact that we know where most rough sleepers are. We know who they are and councils have been looking after them very well for several weeks. We need to use that as a once-in-a-generation opportunity to reduce the number of people sleeping rough on the streets.

The £105 million of funding that we have had from the Treasury was extremely welcome. We have had discussions throughout this hearing about robust conversations that we have had with the Treasury. This was one where I was pleasantly surprised. They were absolutely on our side and definitely wanted to support us, and the Chancellor was very clear that this was a social ill that we had to tackle, and so provided a very significant sum of money. Over a five-year period, as a country, we will now be spending close to £1 billion on tackling rough sleeping, both in revenue terms but also through the capital spend that we are going to do on new move-on accommodation.

As you say, there are a number of individuals who are not UK nationals. They are not all individuals who have no recourse to public funds. A significant cohort are in fact EEA nationals, which is a slightly different position. There we have been able to agree across Government to extend



the suspension of the derogation to enable local authorities to spend money on these individuals and ensure their protection. You may recall that we began this process previously, before the pandemic, in a small number of locations—those cities, predominantly, where there was a very high level of EEA nationals sleeping rough, like London. We have now managed to agree across Government that that is extended to the whole of England. That means that cohort of individuals will be able to be supported.

For the group who are non-EEA nationals, there is a challenge there. The Government's position, as has been longstanding, is that we do not intend to reopen the question of no recourse to public funds. That question is beyond the remit of MHCLG. It is a whole-Government decision, led by the Home Office, and I know there have been a number of discussions by other committees on that. Local councils have nonetheless used their existing conventional power to provide support where there is a risk to life to individuals. Where that may have been used once for very limited support, perhaps for a single night in rudimentary accommodation, it has now clearly been used with a degree of discretion, to provide individuals with more sustained support than that. I think that is right, because we all want to see those individuals protected during the pandemic, just as a matter of basic humanity and compassion.

Our focus now is on ensuring that the local authorities across the country prepare really good-quality, robust plans as to how they can support this cohort of individuals. I believe they have the money. I do not think that this is now a question of finance. It is now a question of the councils getting the right plans, supported by my Department, and us ensuring that they are successfully rolled out across the country.

**Q258 Bob Blackman:** Certain local authorities have done a brilliant job. Others have done so reluctantly. As we emerge from the lockdown, there is considerable pressure building up for emergency legislation to make sure that we do not face a postcode lottery in the provisions for people who are either rough sleeping or faced with homelessness. As you will appreciate, when I pushed through the Homelessness Reduction Act, "no safe place to stay" had to be dropped from that in order for it to gain support across the House. Given that we are now in this position, would you look at emergency legislation to require local authorities to carry out the duties that the best authorities in the country are already doing?

**Robert Jenrick:** I am always happy to look at suggestions, particularly from you, Bob, with all your experience in this field. There are variations between councils; that is clear. Some councils have performed absolutely astonishing jobs in this crisis. We have seen whole cities where at one stage there were no rough sleepers, or as low as one or two in some places.

The role of my Department going forward is going to be to robustly assure the plans; then finance them and make sure we are giving the



councils the funding that they need to deliver those plans, which is our commitment; then monitor the performance of those councils with KPIs and potentially some public reporting, creating a sense of accountability, so that those that are doing well get rightly praised and those that need to learn from best practice can see it and be held to account for it. That is what the team that we have in the Department is going to be doing. We have rough sleeping advisers who are in conversation—daily in some cases, certainly every few days—with every local authority in the country, particularly those where the largest number of rough sleepers are. We will want to make sure that is as robust a process as possible.

The second challenge we have, in addition to that, is procuring the accommodation we desperately need. We have procured £433 million from the Treasury to bring forward 6,000 units and ensure that they have the wraparound care they need, akin to Housing First, using that as the model and the benchmark for the work. That is now going to be out for bids from councils and housing associations, so we can get that additional accommodation as quickly as possible. There is a significant challenge there, as you know: that there is not today enough capacity in the market to ensure that each of those 15,000 individuals gets moved into the kind of accommodation we would want. Our challenge as a country is to bring that forward as quickly as possible, and to ensure that, in the interim, individuals are cared for and housed appropriately.

**Q259 Bob Blackman:** The other consideration is that, while we did a brilliant job at the beginning, there have still been more rough sleepers emerging during the lockdown. We have a very large number of people who are now threatened with homelessness; they are either in the private rented sector or they have become homeless because they have lost their jobs or livelihoods. Therefore, that is another pressure that will add to that 15,000. Where we can give any support towards ensuring that suitable accommodation is provided, no doubt we will be coming forward with other suggestions to help. If we can end on the positive note that you are receptive to the need for legislation, that would be quite a positive note on which to end our discussions today.

**Robert Jenrick:** On that note, can I just say thank you? You can see on this question that we, as a Department, have tried to do absolutely everything to rise to the challenge. We do not underestimate the scale of the next challenge of ensuring that as few of these individuals as possible go back to the streets. As you say, if sadly we are going into a period of high unemployment—potentially record levels of unemployment—the flow of individuals is equally going to be something where we all need to work together to ensure that they are helped off the streets as quickly as possible. I would value any suggestions on how we can take that forward.

**Chair:** That is right. The livelihoods and the next bit will be even more challenging, in some ways, than the great efforts that have been made to get rough sleepers into accommodation very rapidly at the start of this crisis.



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Secretary of State and Minister, thank you very much indeed for coming, giving evidence to us today and answering our somewhat probing questions on some of the issues. That is our job, of course, as a Select Committee. I am sure will be inviting you back again after the Summer Recess, because, as you have explained, the situation with local government finance, in particular, and all the issues with the private rented and rough sleeping are ongoing issues that will develop. We will certainly want to explore them further with you and, as I said before, probably add to the arsenal for your ongoing battle with the Treasury in the spending review, to make sure that local government and its services get the funding and the support they need. Thank you both very much indeed for attending today.