



Ministry of Housing,
Communities &
Local Government

Rt Hon Steve Reed OBE MP

*Secretary of State for Housing, Communities
and Local Government*

2 Marsham Street
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To: Council leaders in England

Cc: council chief executives

12 September 2025

Dear Leader,

I am writing to you as the new Secretary of State for Housing, Communities and Local Government. I am delighted to be appointed to this role and to drive the Government's agenda of housebuilding as well as supporting and empowering local communities and local government.

I want firstly to recognise and thank you for the vital work you do in our democracy, representing your communities and delivering services that make a real difference to people's lives. Having been a councillor and council leader myself, I know first hand the importance of local democracy and ensuring that decisions are made to benefit the communities we serve.

This Government was elected last year on a clear mandate to deliver sustainable public services, devolve power and responsibility to local areas and build a country where everyone has access to a safe, secure and affordable home. I am determined to deliver on that vision.

I understand that the vital work you do requires stable and fair funding to support you to deliver critical local services. Earlier this year, we announced the £69 billion financial Settlement for 2025-26 – a 6.8% cash terms increase, with £600 million being directed through a one-off Recovery Grant. As part of the Spending Review, we announced £5 billion of new funding for local services. From 2026-27, we want to fundamentally improve the way we fund local authorities through the first multi-year Settlement in 10 years. I also look forward to enacting the Fair Funding Review 2.0, to ensure places are finally funded based on need. We will publish further detail at the provisional Settlement later this year.

Having delivered preventative reform as a council leader, I know the impact that public service reform can have in creating more effective public services that save taxpayers' money. I am really excited about the work we are doing in this space, including our partnerships with places on the Test, Learn and Grow programme and exploring more flexible funding options. We are currently developing new pilots so councils and mayors can pool budgets and do joined-up services, learning the lessons of programmes like Total Place – the last Labour government's pioneering reform programme.

The English Devolution White Paper set out our plans to support local government reorganisation swiftly and effectively. We are committed to creating strong, sustainable unitary councils that represent their communities, deliver vital public services, and improve outcomes for residents.

Delivering the largest single package of devolution in our history is central to our mission - kickstarting economic growth by putting power in the hands of local people who know their areas best. The English Devolution and Community Empowerment Bill, which had its second reading last week, will give us the means

to do this. I am enormously grateful to the former Minister of State for Local Government and English Devolution, Jim McMahon, for his work to introduce this bill to Parliament. It will create a system of 'devolution by default' and put the strengthened framework of devolved powers into primary legislation, giving mayors the levers to drive growth improve transport and create jobs. Through the Devolution Priority Programme, subject to constituent councils providing formal consent to the necessary legislation, by early 2026, we will have increased the coverage of devolution in England to 77% – or just over 44 million people.

Equally important is our mission to restore public trust in local institutions. I take my responsibility for stewardship of local government and ensuring authorities meet the highest standards of leadership and governance incredibly seriously. The English Devolution and Community Empowerment Bill proposes reforms to strengthen audit, enhance oversight, and ensure councils can better serve their communities, alongside reforms to the standards regime.

I am committed to pulling every lever to get Britain building. A vital part of our Plan for Change is the commitment to deliver 1.5 million safe and decent homes in England over the course of this Parliament. We have taken action to reform the planning system, updating the National Planning Policy Framework to prioritise brownfield land for development, restore and increase housing targets, and modernise Green Belt policy to meet the needs of our economy and local communities. We recognise the critical role that local plans play in enabling housing delivery. That is why I will continue to drive forward universal coverage of local plans as a priority. Our new plan-making system will make it faster and easier for local authorities to put plans in place.

We have already taken decisive action to unlock the homes and infrastructure our communities need. This includes the largest investment in social and affordable housing in a generation, a new National Housing Bank backed with £16 billion of financial capacity and the creation of the New Homes Accelerator. I will continue to work in partnership with councils, housing associations, developers and the wider sector to deliver the housing we need.

I remain committed to building on the work of the former Deputy Prime Minister, Angela Rayner, to reinvigorate council housebuilding. The Government has taken significant steps to increase the capacity and capability of councils to support them to once again deliver at scale notably reforming the Right to Buy, launching a new Council Housebuilding Skills and Capacity Programme and confirming a rent settlement of CPI+1% for ten years from 2026-27. I ask that you now come forward with the ambitious plans for new and innovative social and affordable housing schemes that communities need.

I am delighted to be joined by Matthew Pennycook, Alison McGovern, Miatta Fahnbulleh, Samantha Dixon, and Baroness Sharon Taylor in my ministerial team. We look forward to working with all leaders, across all parties, to deliver on these ambitions and strengthen local democracy across England.

Yours sincerely,



RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government