



Ministry of Housing,  
Communities &  
Local Government

**Jim McMahon OBE MP**

*Minister of State for Local Government and  
English Devolution*

2 Marsham Street  
London  
SW1P 4DF

Tony McArdle OBE  
Sharon Kemp OBE  
Margaret Lee OBE  
Nottingham Commissioners  
*By email*

12 December 2024

Dear Tony, Margaret and Sharon,

I am writing to thank you for your report of 22 August 2024, and for the dedication you have shown in supporting Nottingham City Council's recovery journey to date. We are publishing the report today, together with this response.

I am committed to resetting the relationship between local and regional government to establish partnerships built on mutual respect, genuine collaboration and meaningful engagement focus on recovery and reform. It is clear from your report that Nottingham is committed to this but faces significant challenges. Modernisation and transformation of the service and finance functions of the Council are key, as set out in the Council's improvement plan, and I hope to see progress achieved in these areas in your next report. I am encouraged to see that the Council leadership are aware of the scale of challenge that they are facing and are committed to continue to work with you to drive the improvement and achieve sustainability.

The government will play its part by repairing the foundations of the sector overall, with the settlement this month being the start of that programme. This will include an immediate funding injection worth over £4 billion and includes £600 million Recovery Grant, which will be distributed to places with greater need and demand for services (we have used deprivation as a proxy for this), and which are least able to fund their own services locally. It also includes a £680 million uplift to the Social Care Grant for adult and children's services, a new Children's Social Care Prevention Grant, worth £250 million, which will lay the groundwork for children's social care reform and an additional £44 million of new funding to pilot a Kinship Allowance and create hundreds of new foster placements. To fix the broken care market, the government is also bringing forward legislation to crack down on the profiteering from our most vulnerable children and plans include a financial oversight regime, enhanced Ofsted powers and powers to cap profits if excessive profit-making continues.

Moving forward we will hardwire stability and security into the system with multi-year settlements and fewer restrictive grants. This will allow councils to focus spending on

local priorities, and we will set out and measure progress on the key services and outcomes we expect local government to deliver.

These measures as a whole go hand in hand with the work to make every council fit, legal and decent with a rebuilt system of accountability and oversight. We will repair the early warning system, deal with the audit backlog, and focus on raising standards in local government will help support the overall resilience of the sector in the long term.

In Nottingham, the road to financial recovery must be met with the seriousness it deserves, and I am pleased to see a clear commitment to move to a new operating model. Because of the scale of the challenge in Nottingham it is self-evident that there will still be difficult decisions to come. It is essential that in making these decisions there is a clear strategy for the form the Council will take as its new operating model, and that prevention and reform of local public services is central to it.

I look forward to receiving your next report. I am content for you to provide this by 22 March 2025, rather than 22 February, to give time for the budget setting process to conclude. I would welcome your views on how the Council is progressing against its recovery and reform plans and your expectations for intervention exit, and any views you have on the scope and duration of the statutory intervention.

I want central government to be a supportive partner to local government, and Nottingham's strong relationships between the Commissioners, the Council and the Ministry is a good example of how we work in partnership to support a shared focus on recovery and reform.

Yours sincerely,

**JIM MCMAHON OBE MP**  
**Minister of State for Local Government and English Devolution**