



Ministry of Housing,
Communities &
Local Government

Alison McGovern MP

*Minister of State for Local Government and
Homelessness*

2 Marsham Street
London
SW1P 4DF

Our reference: PO2026/10470

Mike Greene
Chief Executive
Stockton-on-Tees Borough Council
Dunedin House
Columbia Drive
Thornaby
Stockton-on-Tees
TS17 6BJ

14 April 2026

Dear Mr Greene,

Thank you for your letter of 26 March to the Chancellor of the Exchequer, the Rt Hon Rachel Reeves MP, regarding the Council's motion on funding for adult social care. Your correspondence has been passed to the Ministry of Housing, Communities and Local Government, and I am replying as the Minister responsible for this policy area.

I appreciate how important this matter is and am grateful to you for taking the time to write. To ensure you receive a substantive and prompt response, I have instructed officials in the department to provide an update on your specific concerns, which is appended.

I hope the attached response suitably addresses your enquiry. If that is not the case, please don't hesitate to let me know.

Yours sincerely,

ALISON MCGOVERN MP

Minister of State for Local Government and Homelessness



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Dear Mr Greene,

Thank you for your letter of 26 March. I have been asked to reply.

The Government is building a National Care Service based on higher quality of care, greater choice and control, and better join up between services - backed by over £4.6 billion additional funding available for adult social care in 2028-29 compared to 2025-26. This includes £500 million for the first-ever Fair Pay Agreement - representing the most significant investment in improving adult social care staff pay and conditions to date.

The Prime Minister has tasked Baroness Casey to lead an independent commission to help shape the medium and long-term reforms needed to realise a National Care Service. It will report in two phases: the first in 2026, and the second by 2028. In the meantime, work is being undertaken to lay the core foundations.

Regarding local authority funding, the final Local Government Finance Settlement was published on 9 February, available here: <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2026-2027-to-2028-2029> and approved by the House of Commons on 11 February.

For Stockton-on-Tees, the Settlement makes available up to £280.2 million in Core Spending Power by 2028-29, an increase of 29.3% since 2024-25. Local government is being invested in. The final Settlement confirmed an increase in Core Spending Power of almost £1 billion in funding additional to the provisional Settlement. Overall, the Government will provide over £5.6 billion of new grant funding towards local government services over the next three years.

The Settlement is the most significant step yet to make English local government more sustainable. The previous government recognised the need for funding reform in their 'Fair

Funding Review'. The Government have delivered where they did not, making good on long overdue promises by introducing improvements for the first time since 2013.

The reforms will ensure that local government funding is allocated fairly, and that the places and services which need it most are supported. By 2028-29, the top 10% most deprived areas will receive 45% more funding per head than the least deprived.

The Government also has an important role as an equaliser for local government income, directing funding towards the places that are less able to meet their needs through locally raised income.

The Government is therefore applying a resource adjustment which accounts for the differing council tax raising ability between local authorities. A resource adjustment is being implemented which achieves the objective of "full equalisation". This makes funding available to better enable local authorities to provide a consistent level of service to their residents.

The Government does not force local authorities to increase their council tax. Local authorities decide the level of council tax they wish to set. This will reflect the service needs of each area having taken account of their other sources of income. The Government is clear that in doing so, they should put taxpayers first.

The Government is committed to ensuring the council tax system is fair for taxpayers and local authorities and will continue to keep taxes and all elements of the local government finance system under review.

Thank you for taking the time to write.

Yours sincerely,

ALEX BADRICK
Deputy Principal Private Secretary