



**Sarah Owen MP and Rachel Hopkins MP**  
Members of Parliament for Luton

Rt Hon Robert Jenrick MP  
Secretary of State for Housing, Communities and Local Government  
Ministry for Housing, Communities and Local Government  
By email [psrobertjenrick@communities.gov.uk](mailto:psrobertjenrick@communities.gov.uk)

4<sup>th</sup> June 2020

Dear Robert

**Luton Borough Council**

We are writing to you regarding the unprecedented situation that Luton Borough Council finds itself in as a result of the ongoing covid-19 pandemic.

While the unprecedented measures taken to tackle the coronavirus and stop the spread of the disease have been absolutely right and necessary, the local economy of Luton has been hit particularly hard by lockdown, with household names like easyJet and Vauxhall, which provide thousands of jobs in the town, running into difficulty. A recent Centre for Cities report identified Luton as the second-most local economy vulnerable to coronavirus, due to the size of the aviation sector and motor industry in the area. The fundamental role that London Luton Airport plays in the town's economy has left many workers, organisations in the wider supply chain and Luton Borough Council facing a difficult and uncertain future as passenger numbers have collapsed.

Luton Council is currently in the process of drawing up plans for cuts of £22 million to services in order to avoid bankruptcy, following the 98% reduction in passenger numbers at the airport. As the majority shareholder in London Luton Airport, the council would usually receive a £20 million annual dividend which has been used to partially offset the £130 million cut by central government over the last ten years, supporting local services, as well as a further c£9 million in donations to support the town's charity and voluntary sector. The government's covid-19 emergency funding for local government will only provide the council with a fifth of the money lost due to the covid-19. The council has already asked government for £50 million in emergency revenue support to address the budget shortfall caused by COVID-19.

In March, you stated that the Government "would stand behind councils and give them the funding they need". Statements in relation to the funding have described it as being to support Covid-19 related expenditure, rather than lost income or commercial revenue. Nevertheless, you recently implied at a Housing, Communities and Local Government Select Committee session, in response to Rachel Hopkins MP's question on this issue, that Luton Council's financial situation is an "exceptional situation" due to "strategic investments". The LGA and CIPFA have both stated that lost income from commercial revenue streams must be considered within government's covid-19 support packages.

Luton Council receives the second highest amount of commercial revenue in the country and the local economy is particularly vulnerable to coronavirus-related problems. We believe that this situation demands that government responds positively to the council's requests for emergency support in order to avoid the impossible choice between bankruptcy or even more deep, damaging cuts to the services that our constituents rely on such as social care, education support, homelessness provision, waste and recycling and highway maintenance.



Without this support, the council expects that it will have to implement an emergency budget which would include £22 million in cuts to essential services.

While cuts to any of these services will mean further sacrifice, after the last few weeks of this crisis, we are particularly worried about the impact on frontline care for looked after children and young people, the elderly and most vulnerable in the town. Luton Council had budgeted £250 million in 2020/21 for everyday services, including social care. Every week during this pandemic, people have been on doorsteps and at windows applauding the social care staff who look after our loved ones. The government must not let them down.

In the most difficult of circumstances, we urge you to accept the council's request for emergency support because allowing this crisis to unfold in Luton would be catastrophic for social care, disastrous for those who lose support as providers are forced out of business, and would once again fail the very people putting their lives on the line to get us through this crisis.

Please keep your promise to stand behind councils and choose to protect the services that people in Luton so desperately need.

We look forward to your response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sarah Owen'.

**Sarah Owen MP**  
Member of Parliament for Luton North

A handwritten signature in black ink, appearing to read 'Rachel Hopkins'.

**Rachel Hopkins MP**  
Member of Parliament for Luton South