



Ministry of Housing,
Communities &
Local Government

Clive Betts MP
Chair
Housing, Communities and Local Government
Committee
House of Commons
London
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The Rt Hon James Brokenshire MP
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Dear Clive,

Thank you for your letter of 5 September, following up on specific questions from the Committee in relation to EU Exit and local government. I have responded to your queries below.

Firstly, you raised the £3 billion EU Exit fund, which the Chancellor announced at the Autumn Budget last year, and I am keen to clarify this issue. Although MHCLG did not bid for the first half of this fund, which was for 2018-2019, we did secure additional flexibility to retain income to deliver across the Department's agenda, including EU Exit.

The remaining funds for 2019-2020, £1.5 billion, are still to be allocated. We are preparing a departmental bid, informed by our engagement with local government and wider work across the department. I have written to other departments that work with local government to ask them to ensure EU Exit impacts on local government are properly assessed and included in their bids. The Spending Review, in 2019, will also provide an opportunity to look at funding for local government in the round.

Secondly, you asked me to indicate whether the Government intends to devolve skills funding post-EU Exit. We are taking significant steps to give places more control over skills policy and funding, including through devolution of the Adult Education Budget and the introduction of locally-led Skills Advisory Panels and Local Industrial Strategies. Although there is no existing plan to devolve skills funding further post-EU Exit, we have committed to launch the UK Shared Prosperity Fund following the UK's exit from the European Union. The new fund will succeed EU Structural Funds, and tackle inequalities between communities across our four nations.

Thirdly, you have requested details regarding the EU Exit Local Government Delivery Board. I am happy to provide this information and I can confirm that two meetings have been held to date, one on 19 July and the other on 10 September. The meetings were productive, and provided an opportunity for ministers and local government sector representatives to share

updates and views on the latest developments. Council leaders were able to stress the need for joined-up engagement across Whitehall to ensure that the issues and opportunities facing communities up and down the country are properly captured and considered by Government. Terms of reference have been agreed, which state that the purpose of the Board is to:

- discuss and address issues and opportunities arising from EU Exit that impact on local government; and to
- oversee the required preparation and transition delivery, taking into account relevant policies and services provided by local government.

The membership of the group remains as set out in my previous letter, with the addition of London Councils. The immediate priorities for the Board are to ensure that local government sector representatives are sufficiently informed of Government's no deal preparations, and to update the sector on the EU Exit planning of other departments.

My Department will also continue to work to engage with councils outside the formal structure of the Delivery Board. As an example we have been holding teleconferences with representative bodies before the publication of the Government's no-deal technical notices, and are sharing information about the notices with the Local Government Association for dissemination to chief executives and leaders. The teleconference included a representative of the National Association for Local Councils.

Finally, you called on Government to launch its consultation on the UK Shared Prosperity Fund. I made a Written Ministerial Statement on 24 July reaffirming the Government's commitment to create the UK Shared Prosperity Fund. We intend to consult widely on its design later this year, as announced in the Industrial Strategy.

We understand local authorities and places around the UK require certainty of funding after EU Exit. The draft Withdrawal Agreement guarantees the UK will continue to take part in the 2014-2020 EU programmes until they end. In a no deal scenario, HM Treasury has extended this guarantee for the full EU 2014-2020 programme period and allocation. This provides certainty and clarity in the event of a no-deal and allows for a smooth transition to a domestic replacement.



RT HON JAMES BROKESHIRE MP