



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
*Secretary of State for Housing, Communities and
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Dear Clive,

Thank you for your letter of 27 June, following up on a number of specific points in relation to the Committee's on-going inquiry into Brexit and local government, which I have responded to in turn below.

1. EU funding

You asked for clarity on the "specific arrangements" in place to support the assessment of projects with regards to supporting domestic priorities and offering good value for money. A range of checks and data tracking allows the Ministry to robustly assess projects in terms of domestic priorities and value for money. These measures are outlined in the points below:

- Project call documents have been amended to explicitly seek linkages with local, sub-national and national policies or initiatives, enabling strategic alignment and ensuring that broader value for money of investments can be assessed more robustly.
- Additional text has been inserted into any calls launched after December 2016, highlighting the requirements of the two HMG guarantee conditions.
- The conditions of 'good value for money' and 'strategic fit' are prioritised within the project assessment and appraisal process. Appraisers must be satisfied that a project meets these two conditions before a project is approved.
- My department monitors the contribution of ERDF funding applications to local and national targets and strategic priorities. These are reviewed by the Growth Programme Board, which includes a range of central and local partners, tasked to monitor the delivery of programme results and achievement against targets at a national level.

Representatives from local authorities, Local Economic Partnerships (LEPs) and regional industry are part of European Structural and Investment Funds (ESI Funds) subcommittees for each area. These sub-committees advise on local investment strategies and have oversight of projects signed within the LEP area. In addition, my department secured agreement from the European Commission for Local ESI Funds sub-committees to provide advice on project value for money.

2. Departmental workstreams to implement Brexit

As you know, it is Government's view that to reveal a list of EU Exit workstreams would be sensitive because it reveals our negotiating and fall back positions. However, as set out in the Single Departmental Plan (May 2018) my Department is working on the implications of EU Exit on housing and local government sectors and will deliver a programme to manage the UK's exit from European funding programmes, in line with the UK's EU exit objectives and negotiation plan. The department is also working closely with local government and other stakeholders throughout the negotiations, to ensure the interests of every region are taken into account.

We are committed to finding an appropriate arrangement that allows effective parliamentary scrutiny whilst avoiding prejudicing the negotiations to leave the EU or our preparations for implementing the results. As the Government has repeatedly said, as decisions are made, information about these will come to Parliament in the usual way.

3. Representation of local government in Brexit negotiations

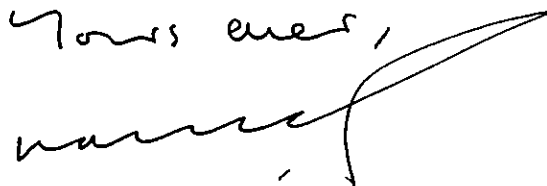
Finally, you have asked me for some further detail in relation to my proposal to establish a Ministerial EU Exit Local Government Board.

As you may be aware, this is something that I talked in detail to colleagues at the recent LGA conference; and I am pleased to report that local government leaders were supportive of the proposal. I also committed to providing your committee with further details on this when I attended on Monday 9 July. I am pleased to confirm the following details of the EU Exit Local Government Delivery Board:

- a. The Board has been established and held a positive and constructive inaugural meeting on Thursday 19 July;
- b. The Board agreed it's terms of reference and confirmed it will meet quarterly as a minimum, initially in Whitehall but meetings may be held around the country, depending on the agenda;
- c. The purpose of the Board was confirmed as providing an opportunity for national and local government leaders to regularly 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;
- d. The Board is chaired by the Ministry of Housing Communities and Local Government and supported by ministers from the Department for Exiting the European Union with a core membership of sector Leaders from the Local Government Association, County Councils Network, the London Councils group, District Councils Network and the Core and Key Cities Groupings.

My colleagues from across Government will continue to be invited to discuss their relevant policies with the sector on EU Exit delivery issues where necessary.

This is a significant positive step in our engagement with the sector.



RT HON JAMES BROKENSHIRE MP