



**Ministry of Housing,
Communities &
Local Government**

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

Thank you for your letter of 29 March, which was sent to my predecessor following oral evidence to the Select Committee on EU exit and local government. I am looking forward to working with the Committee on EU exit and other important issues.

I understand that EU exit will feel different for places across England, and note the particular views of some of our city leaders from the Committee's recent oral session. Local government leaders and city-region mayors all have a critical role in making EU exit a success for their businesses and communities.

Your letter raised four key areas of concern, which I will address in turn below.

1. Representation of local government in EU exit negotiations

~~As you know, my Department and the Department for Exiting the European Union have been~~
engaging local authorities and a large number of other interested parties to understand the impacts of EU exit and plan for a range of scenarios. March was a milestone in the negotiations, and given the pace and breadth of decision-making over the coming months, I understand the desire for local government to now put this engagement on a more formal footing. I will be speaking to colleagues in the Local Government Association to understand the most effective mechanism for doing so.

2. EU Funding and the UK Shared Prosperity Fund

The terms of the draft Withdrawal Agreement, agreed by the UK and the EU in March, mean that we will continue to participate in all EU programmes financed by the Multiannual Financial Framework (MFF) 2014-2020 until their closure.

For the European Regional Development Fund and European Territorial Co-operation Fund, this means that local areas will continue to receive the same level of funding during the Implementation Period as they would have if the UK was a member state, ensuring our

communities continue to benefit from the vital jobs and growth opportunities that our programmes support. The Government continues to plan for all scenarios and if there is not a deal with the EU, we have guaranteed that all projects signed before we leave in March 2019 will receive the level of funding agreed as long as they are good value for money and in line with domestic strategic priorities.

Looking ahead, we are committed to launching the UK Shared Prosperity Fund (UKSPF) after we leave the EU. As we set out in the Industrial Strategy, we will consult later in the year on the design and priorities of the UKSPF.

On the subject of funding, you raised the £3 billion announced at Autumn Budget for EU exit preparations. HM Treasury has allocated £1.5 billion of this so far and our continued work with local authorities will inform ongoing discussions about future allocations.

3. Skills gap and migration post-exit

UK citizens will still want to work and study in EU countries – just as EU citizens will want to do the same here, helping to shape and drive growth, innovation and enterprise. The Government's proposals for a new immigration system will be set out in due course.

The Government is committed to making the most of the opportunities EU exit brings, and through the Industrial Strategy, the Government is helping people develop the skills they need to do the high-paid, high-skilled jobs of the future. A significant element of this is taking forward ambitious national skills reforms such as the Apprenticeship Levy, the roll-out of T-levels and the establishment of the National Retraining Scheme, which will increase skill levels across the country over the long term.

In addition, as set out in the Industrial Strategy, the Government is committed to supporting the development of Local Industrial Strategies. These will identify local strengths and challenges and the long-term actions needed to boost productivity. These strategies will also establish new ways of working between national and local leaders in the public and private sectors, including with universities and colleges, and will help local places to take advantage of the opportunities EU exit brings.

4. Future oversight of legislation

Finally, I can confirm that we are having constructive discussions with the four UK local government associations about whether there could be non-statutory arrangements which would in effect replicate, domestically, the consultative rights and responsibilities that local government currently has through the Committee of the Regions.

During the Lords Committee stage on 19 March 2018, my colleague, MHCLG minister Lord Bourne told the House that the Government will “give local government a clear assurance about how it can expect to be consulted on certain matters which, following their repatriation from Europe, will now be handled at the United Kingdom level.” He also said: “My colleague in the Other Place, the Minister for Local Government, Rishi Sunak, will carry this forward with the local government associations’ representatives, and we will update the House on the progress made by the next stage of the Bill”.

Following this, on 16 April Cllr Kevin Bentley, Chair of the Brexit Task Group at the Local Government Association and representatives of the four UK local government associations met Rishi Sunak MP to progress this matter.

I look forward to further findings from your Committee, and please do keep me informed as it develops.

Yours ever,

A handwritten signature in black ink, appearing to read 'James Brokenshire', with a long, sweeping horizontal stroke extending to the right.

RT HON JAMES BROKENSHERE MP

