

Housing, Communities and Local Government Committee

House of Commons, London SW1A 0AA

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The Rt Hon James Brokenshire MP
Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities and Local Government

5 September 2018

Dear James,

Brexit and local government

Thank you for your letter of 23 July, which clarified a number of our queries regarding the arrangements for assessing whether EU projects support domestic priorities and the representation of local government in the Brexit negotiations. Further to our third evidence session pursuant to the inquiry on 23 July which focused on how Brexit will affect rural and semi-rural local authorities, additional questions and concerns have come to light, to which I would welcome a swift response.

First, we seek clarification on whether MHCLG is a beneficiary of the £3 billion Brexit fund, which was announced by the Chancellor in the Autumn Budget 2017 to help with Brexit contingency planning and transition, and whether local government can expect to receive any of this funding. We understood from your letter of 8 May that MHCLG were discussing future allocations with local authorities. It was therefore surprising to hear in response to question [85](#) during our evidence session on 23 July that the witnesses understood that MHCLG did not bid for any of the £3 billion fund. Given the important role local authorities will play in ensuring a "smooth and orderly Exit", it is essential that they are sufficiently resourced. I draw your attention to concerns raised in our December session that local authorities are facing an "enormous capacity challenge" in preparing for Brexit (question [41](#)).

Secondly, in my previous letter, dated 27 June, I highlighted a number of comments from witnesses at our December and March evidence sessions, as well as comments made to the Public Administration and Constitutional Affairs Committee, about the devolution of powers due to be repatriated to the UK from the EU and English devolution more widely. Following our session on 23 July, I would particularly like to bring to your attention further calls to devolve skills funding (questions [94-97](#)); I would be grateful if you could indicate whether the Government intends to devolve skills funding post-Brexit.

Thirdly, given our concerns about the consistency and depth of the Department's engagement with local authorities, the steps that you have taken to put your engagement with local government on a formal footing with the creation of the EU Exit Local Government Delivery Board are welcome. Nonetheless, we remain vigilant to concerns about the representation of all tiers of local government and the geographical spread of engagement in the Brexit negotiations,

particularly as the National Association of Local Councils told us that parish and town councils “feel quite isolated” (question [73](#)). Therefore, please could you provide details of how local authorities may contribute to the Board’s work. Furthermore, I would appreciate it if you could communicate its terms of reference, the number of meetings held to date, its immediate priorities and whether there are any other members other the Ministers and core membership identified in your letter of 23 July.

Finally, we reiterate our concerns that, despite Brexit being less than a year away, local authorities are still facing significant uncertainty, particularly regarding the replacement of EU funding streams. We call on you to launch your consultation on the UK Shared Prosperity Fund as a matter of urgency.

A handwritten signature in black ink, appearing to read 'Clive Betts', written in a cursive style.

Clive Betts MP
Chair, Communities and Local Government Committee