



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
Fry Building
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18 June 2019

Dear James,

Brexit and local government: the Government's response to the Committee's Report

Thank you for your Department's recent response to the Committee's Report into Brexit and local government.

While we are pleased that you have accepted all of our recommendations 'in spirit', as you noted in your response's introduction, we remain concerned about the lack of clarity in many areas, especially with regards to post-EU funding.

In our inquiry, we found that the loss of various sources of EU structural funding was a serious risk for local government. Experts and sector representatives told us that it had been critical at the local level, and that by now, they would already have been preparing bids for the 2021-2027 funding period for the EU funding sources that the UK Shared Prosperity Fund (SPF) is intended to replace. We believe that a crucial element of our recommendation was that these plans must be 'urgently advanced'. In your Department's response, although the Government agreed with our recommendation 'in principle', it said that it would not announce details of the Fund's operation and priorities until after the Spending Review.

Liz Truss, chief secretary to the Treasury, stated on Tuesday 11 June in evidence to the Lords Economic Affairs Committee that the Government was almost certain to postpone this autumn's Spending Review. We are concerned this will further delay important details about the SPF that local government requires to make effective plans beyond 2020. This follows repeated delays to the promised consultation on the UK SPF, which is still not forthcoming.

Our evidence was clear that the plans for the establishment of the SPF must happen as soon as possible. We asked for the publication of the promised consultation design and administration within two weeks from 12 April, which was two months ago.

We hope that you will reconsider how urgent this issue is for local governments and not allow any further delays to either the consultation or the creation of the Fund. We also expect that, if this

and the other outstanding issues become clearer closer to the date of UK withdrawal from the EU, you will update us accordingly.

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

Clive Betts MP
Chair, Housing, Communities and Local Government Committee