



House of Commons
Housing, Communities and
Local Government Committee

Brexit and local government

Thirteenth Report of Session 2017–19

*Report, together with formal minutes
relating to the report*

*Ordered by the House of Commons
to be printed 1 April 2019*

Housing, Communities and Local Government Committee

The Housing, Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Ministry of Housing, Communities and Local Government.

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Summary

Local government is vital to the fabric of communities across the country, providing many of the fundamental services that people rely on every day. In addition, local authorities have an unparalleled understanding of their own local communities and economies. This is why it is so important that they are fully involved in and prepared for the UK leaving the EU. We believe that the period during and after the UK's withdrawal from the EU presents local authorities with substantial risks, as well as opportunities, and it is therefore imperative that councils are provided with adequate support from central government in terms of funding and guidance to address new burdens and responsibilities as they emerge. In the short term, the extension to Article 50 provides a further opportunity for the Government to ensure that all necessary measures are in place in order for local government to be fully prepared for the UK's withdrawal from the EU. In the longer term, there is also now a unique opportunity to re-evaluate the distribution of powers between central and local government and determine how greater devolution can be used to obtain the best possible outcomes for people and communities. It is also highly important that, from 2021 when the current EU funding cycle ends, the Government has put in place a clear funding structure to replace the EU funds which the most deprived areas of the UK have come to rely on.

This short report presents ten recommendations for action based on the evidence we have received throughout this inquiry. Five of these refer to priorities that local government representatives have raised with us regarding the immediate and short term impact of Brexit, which we would expect to see addressed before the UK leaves the EU. A further five recommendations refer to important areas to consider after withdrawal, including risks and opportunities that Brexit presents in the longer term which should not be neglected.

Our five priorities for urgent action

- (1) The Government must maintain its existing mechanisms for mutual engagement and information-sharing with local government during and immediately after the UK's withdrawal from the EU, including for the full period of transition and negotiations on a future relationship. Such mechanisms will be vital to a smooth transition at the local level, and will be even more important in a no-deal scenario.
- (2) The Government must ensure a comprehensive range of planning, guidance and support is put in place for local authorities in the event of no-deal Brexit, and that all local authorities are fully aware of the steps they would have to take in a no-deal situation.
- (3) The Government must take steps to address workforce shortages in the short term, ensuring EU nationals working in the UK are made aware of and encouraged to apply for settled status. MHCLG should monitor key sectors that local government stakeholders have highlighted as at risk of workforce shortages, particularly construction and social care, making representations

to the Home Office in favour of immigration schemes with sector-specific workforce shortages criteria, such as that being piloted for agricultural workers.

- (4) The Government must use the information-sharing networks it has put in place, such as the EU Exit Local Government Delivery Board and the network of nine local authority chief executives, to determine new burdens on local authorities resulting from the immediate aftermath of Brexit, including in the no-deal scenario, and ensure central government funding provision is provided to ensure all new burdens are funded in full.
- (5) The Ministry for Housing, Communities and Local Government must immediately step up its liaison with local authorities that bear responsibility for a major port, and where necessary make representations on their behalf to the Department for Transport and other relevant departments in order to address concerns about the immediate consequences of Brexit. Individual port-councils should not be expected to use their reserves to adequately prepare for the immediate impact of Brexit, and additional central government funding should be provided where necessary to ensure these areas do not carry an unfair burden without adequate support.

Our five key policy actions post-Brexit

- (1) The Government must urgently advance its plans for the establishment of the UK Shared Prosperity Fund, and publish the promised consultation on its design and administration within two weeks from 12 April. Funding levels for the new Fund, to be announced at the time of the Autumn 2019 Spending Review, must match or exceed the equivalent levels of EU funding which is currently provided to local government. This cannot be a one size fits all approach and must be allocated on the basis of local need, including taking account of what individual areas currently receive from EU structural funds as well as what they would have been entitled to in the next EU funding period if the UK had remained a member. The funding made available in the UK Shared Prosperity Fund must also be additional to the new funding already provided by the Stronger Towns Fund.
- (2) The Government should consider the effect of the loss of European Investment Bank loans at the regional and local level, and consult local representatives in ongoing discussions to determine how infrastructure projects may be appropriately funded in future, providing clarity on such arrangements as soon as possible.
- (3) The Government should urgently make clear its plans for the further devolution of powers to local authorities post-Brexit, and publish its proposed new Devolution Framework within one month of the UK's withdrawal from the EU. The Government should include in that framework its plans for devolution in the various areas stakeholders have identified to us as priorities post-Brexit. The most notable of these is skills, but also fiscal devolution; housing; transport and other infrastructure; digital connectivity; health and

wellbeing; trade and investment; and productivity. The Government should also assess the potential merits of bringing forward an English Devolution Bill, as proposed by the LGA, in its first Queen's Speech after the UK has left the EU.

- (4) The Government must make clear its plans for the role of local government in the creation of post-Brexit domestic policy. We believe there must be a formal process by which local government can be consulted on policies or legislation that will directly affect it.
- (5) The Government must consult with local authorities as it transfers legislation from the EU back to the UK, taking into particular consideration the areas highlighted to the Committee as opportunities for improvement including public procurement, food hygiene, environmental health, trading standards and waste management. The Government must make use of the EU Exit Local Government Delivery Board to ensure close cooperation with local government on repatriated legislation. As part of consultations on the Spending Review 2019 it should also assess the financial impact of this transfer of legislation on local authorities.

1 Introduction

1. We are publishing this report now, five days after the originally intended date for the UK leaving the EU, because while the departure date has been extended, it is clear that many questions about the impact of Brexit on local government remain unresolved. We have heard that many local authorities would not have been fully prepared for leaving the EU on 29 March 2019. Given the critical role local government will play in ensuring “a smooth and orderly Exit which delivers an outcome that works for local communities across the country”, it is vital that the extension of Article 50 is used as an opportunity, for both local government and the Ministry of Housing, Communities and Local Government (MHCLG), to resolve outstanding issues and make further preparations.

2. When we announced our inquiry into Brexit and local government in October 2017, the intention was to keep a ‘watching brief’ on the potential impacts of Brexit on local government; as the inquiry has progressed, we have kept the Government abreast of questions and concerns and made recommendations in correspondence based on the evidence with which we have been presented. We would like to thank everyone who submitted written evidence to our inquiry or who provided oral evidence over the four sessions we held for drawing our attention to the key themes. As a consequence, MHCLG has taken various positive steps, and made commitments to further progress. For example, we were pleased to see the Department address concerns about Government engagement with local authorities by establishing the EU Exit Local Government Delivery Board.

3. The repercussions of the numerous legislative and policy decisions that have, and will, be made in the context of the UK’s withdrawal from the EU will be strongly felt at the local level. The direct impact of Brexit on the responsibilities and workload of local authorities must therefore be closely monitored during and after the withdrawal process. Witnesses repeatedly told us that many local authorities are already working at capacity, having had to adapt to significant cuts to their budgets over the last few years. They expressed concern at the continued uncertainty about many aspects of both the withdrawal process and post-exit domestic policy. If local authorities are to be expected to take on new burdens and responsibilities, it will be necessary for them to receive greater clarity, funds and support to continue successfully delivering services that people rely on every day.

4. The remainder of this short report, therefore, presents ten recommendations for action based on the evidence we have received throughout this inquiry. Five of these refer to priorities that local government representatives have raised with us regarding the immediate and short-term impact of Brexit, which we would expect to see addressed before the UK leaves the EU. A further five recommendations refer to important areas to consider after withdrawal, including risks and opportunities that Brexit presents in the longer term which should not be neglected.

2 Ten recommendations relating to local government

Our five priorities for urgent action

“... every single day local councils deliver the fabric of this country, and we will continue to do that, but we must do that with a clear plan.” - Councillor Kevin Bentley, Chair of the LGA’s Brexit Task and Finish Group

Engagement with local government

The Government must maintain its existing mechanisms for mutual engagement and information-sharing with local government during and immediately after the UK’s withdrawal from the EU, including for the full period of transition and negotiations on a future relationship. Such mechanisms will be vital to a smooth transition at the local level, and will be even more important in a no-deal scenario.

5. At our first two evidence sessions, held in December 2017 and March 2018 respectively, our witnesses highlighted concerns about the overall lack of engagement from the Government with local authorities, as well as the disparity in engagement between different areas.¹ We wrote to the Secretary of State for Housing, Communities and Local Government on both occasions, highlighting this point and recommending the formalisation of the structure for Government consultation of local authorities on Brexit-related issues that would impact them.²

6. The formation of the EU Exit Local Government Delivery Board by MHCLG in July 2018 was welcomed and appears to have gone a long way to addressing these concerns, offering a formal structure in which local government representatives have access to relevant Cabinet ministers, and can both communicate the risks they are foreseeing at a local level and receive information about the guidance and support which has been made available by the Government.³

7. Other mechanisms for information sharing have also been put in place by MHCLG, such as an information-sharing network of nine local authority chief executives representing different regions across the country. The chief executives will engage with councils in their region to “share information on preparations to support an orderly exit”, while being “kept well-informed on national policy on EU exit that could have implications for local services, businesses and residents”.⁴ Local resilience forums are also being mobilised to prepare for Brexit within local areas, with local government liaising with policy and other emergency services to determine and address risks.⁵

1 See [BRX0013](#); [Q17](#); [Q45](#); [Q53](#)

2 Letters from Chair to Secretary of State of MHCLG: [18 December 2017](#); [29 March 2018](#)

3 [Q144](#)

4 Government press release: [MHCLG EU Exit local information sharing](#)

5 Government press release: [Councils in England to receive over £50 million to support Brexit preparations](#)

8. At our most recent evidence session, held on 25 March 2019, local government representatives emphasised that engagement with local government is an ongoing process, and that existing mechanisms needed to be maintained. In addition, they highlighted the need to ensure that this engagement persisted post-exit and into the future.⁶

Planning, guidance and support in the event of no-deal Brexit

The Government must ensure a comprehensive range of planning, guidance and support is put in place for local authorities in the event of no-deal Brexit, and that all local authorities are fully aware of the steps they would have to take in a no-deal situation.

9. Local government representatives expressed frustration at the ongoing debate and uncertainty surrounding the date of withdrawal, the nature of the withdrawal deal, and whether it will be a deal or no-deal Brexit. Written and oral evidence from a number of stakeholders including the LGA, Core Cities, and West Sussex County Council identified uncertainty as a key risk of Brexit to local government.⁷ At our final evidence session, held just four days before what had for a long time been understood to be the day the UK would withdraw from the EU, witnesses told us that local government was “as prepared as it could be”, but that the ongoing lack of clarity over whether there would or would not be a deal, and what the nature of a deal might be, was causing problems and hindering local authorities in their contingency planning and preparations for the future.⁸

10. Local government is adapting, with local resilience forums holding regular meetings to share information about how risks are evolving. Witnesses also cited the usefulness of the information-sharing network established by MHCLG.⁹ The Secretary of State told us that his Department were preparing for all contingencies, including the possibility of no-deal, citing contact with local government through these two networks as a key means of keeping local government informed as to how planning was progressing.¹⁰

11. However, local government representatives raised a number of issues they were still concerned about. The UK’s rapid withdrawal from EU legislation as well as computer and data systems, with nothing in place to replace them, was a concern for several. Councillors were also concerned about the extra burdens they might bear surrounding settlement status, with both EU nationals in the UK and UK nationals in the EU potentially turning to them for help.¹¹ Finally, they were concerned that continued uncertainty would exacerbate risks of civil unrest.¹²

12. The risks carried by councils in the event of a no-deal Brexit have been highlighted to us very strongly. The Government has a clear responsibility to ensure that all local authorities are well-equipped in such a scenario.

6 [Q144](#)

7 See West Sussex County Council ([BRX010](#)); [Q163](#)

8 [Q116](#)

9 [Q144](#)

10 [Q216](#)

11 [Q116](#)

12 [Q126](#)

Skills shortages

The Government must take steps to address workforce shortages in the short term, ensuring EU nationals working in the UK are made aware of and encouraged to apply for settled status. MHCLG should monitor key sectors that local government stakeholders have highlighted as at risk of workforce shortages, particularly construction and social care, making representations to the Home Office in favour of immigration schemes with sector-specific workforce shortages criteria, such as that being piloted for agricultural workers.

13. Councils have told us they are concerned about the impact of Brexit on workforce shortages in a number of key areas, chiefly social care, construction, tourism and hospitality, and agriculture.¹³ The Government has told us that the withdrawal agreement “provides EU nationals living in the UK certainty about their rights going forward,” and that “those living here before the UK’s withdrawal can continue to do so broadly as they do now”.¹⁴ However, data from the Office for National Statistics on immigration and employment suggest that the number of EU nationals arriving in the UK to work has dropped since the Brexit referendum.¹⁵

14. Our inquiry highlighted a number of mechanisms which could be used to address workforce shortages and the skills gap, some of which may take longer to show impact, such as skills training. In the short term, employers must make sure their EU workers are aware of the need to apply for settled status and encourage them to do so.

15. The Government’s white paper on migration, published in December 2018, outlined a skill-based migration policy, which would prioritise migration of skilled and highly-skilled individuals.¹⁶ The Migration Advisory Committee recommended that an additional threshold for minimum salary be set at £30,000 per year,¹⁷ although the Government stated in its white paper that this was still under discussion. Witnesses in our inquiry, as well as other stakeholders, have expressed concern about how these thresholds might impact the workforce in sectors such as social care and construction,¹⁸ potentially compromising local authorities’ ability to deliver necessary services and meet homebuilding targets. Concerns have also been raised about workers in the agricultural sector, and the Government has responded by opening a pilot sectoral labour scheme, allowing unskilled or low-skilled workers to apply for temporary visas in order to work in agriculture.¹⁹

New burdens and funding

The Government must use the information-sharing networks it has put in place, such as the EU Exit Local Government Delivery Board and the network of nine local authority chief executives, to determine new burdens on local authorities resulting from the immediate aftermath of

13 See [BRX0003](#); [BRX0027](#); [Q139](#); [Q142](#)

14 Letter from Secretary of State for MHCLG to Chair, 15 January 2018

15 Office for National Statistics: [Migration Statistics Quarterly Report: February 2019](#); [UK and non-UK people in the labour market: February 2019](#)

16 HM Government: [The UK’s future skills-based immigration system](#), December 2018

17 Migration Advisory Committee: [EEA migration in the UK: Final report](#), September 2018

18 [Q139](#); [Q142](#)

19 Government press release: [Season workers pilot opens](#)

Brexit, including in the no-deal scenario, and ensure central government funding provision is provided to ensure all new burdens are funded in full.

16. At the beginning of our inquiry, no announcements had been made concerning what funding would be made available to support local authorities in preparing for and dealing with the immediate impacts of Brexit. In January 2019, the Government announced that £56.5 million will be made available to local government over two years to cover additional expenditure resulting from Brexit.²⁰ The LGA has told us that this funding will be helpful to local government, and in many areas will be put towards training needs as staff are trained to use new computer systems which will replace ones previously managed centrally by the EU. Certain new burdens may also require recruitment of additional staff, including assisting EU nationals living in the UK, and regulatory services pertaining to food standards, food hygiene, environmental health and trading standards.²¹

17. Local government has adapted to substantial cuts to budget and staffing in recent years, and our witnesses told us that many are already working at capacity, and that further responsibilities will need to be allotted proportional funding.²² While the £56.5 million funding allocation is welcomed by local authorities, they are concerned that it will not be enough to cover the new responsibilities they will have to take on, particularly given, as the Government itself has stated, some of the repercussions of Brexit are difficult to predict.²³ The Government has stated that additional funding may be allocated to local authorities depending on the duties they eventually have to take on.²⁴

Local authorities with ports

The Ministry for Housing, Communities and Local Government must immediately step up its liaison with local authorities that bear responsibility for a major port, and where necessary make representations on their behalf to the Department for Transport and other relevant departments in order to address concerns about the immediate consequences of Brexit. Individual port-councils should not be expected to use their reserves to adequately prepare for the immediate impact of Brexit, and additional central government funding should be provided where necessary to ensure these areas do not carry an unfair burden without adequate support.

18. It is recognised that local authorities that bear responsibility for a major port will be at the sharp end of dealing with the immediate consequences of Brexit. In light of this, MHCLG has allotted £3.14 million to nineteen local authorities with ports to “increase their resources to work through the immediate impacts from Brexit in their local areas such as ensuring their port’s resilience and potential impacts of greater traffic to surrounding communities”.²⁵ The Government stated that the allocations “have been

20 Government press release: [Councils in England to receive over £50 million to support Brexit preparations](#)

21 [Q124](#)

22 [Q116](#)

23 [Q124](#)

24 Government press release: [Councils in England to receive over £50 million to support Brexit preparations](#)

25 Government press release: [Local authorities with major ports to receive funding boost to help with Brexit preparations](#)

based on a number of factors including the amount of EU goods each port area receives into the country and its wider importance to the UK's global trade network". The funding will be allotted per port in a given area.

19. We have heard from witnesses that this funding, which amounts to £136,362 per port, is inadequate reimbursement for the measures that local authorities have implemented. Evidence from Portsmouth City Council stated that they have drawn £4 million from their own reserves in order to address traffic disruption issues they foresee as a direct result of Brexit.²⁶ The council also notes their local resilience forum has raised serious concerns about the extent of the impact in the particular case of a no-deal Brexit, and that these concerns were shared by other ports. The council leader stated that he had raised the issue with the Department for Transport on several occasions, to no avail.²⁷ The LGA agreed that local authorities with ports were taking on an unfair burden, and stated that they have lobbied on behalf of ports, saying the additional funding made available to ports was inadequate.²⁸

Our five key policy actions post-Brexit

"... my priority would be to use this as a platform to genuinely put power in the control of people and places in the country." - Councillor Sue Murphy, Core Cities

UK Shared Prosperity Fund

The Government must urgently advance its plans for the establishment of the UK Shared Prosperity Fund, and publish the promised consultation on its design and administration within two weeks from 12 April. Funding levels for the new Fund, to be announced at the time of the Autumn 2019 Spending Review, must match or exceed the equivalent levels of EU funding which is currently provided to local government. This cannot be a one size fits all approach and must be allocated on the basis of local need, including taking account of what individual areas currently receive from EU structural funds as well as what they would have been entitled to in the next EU funding period if the UK had remained a member. The funding made available in the UK Shared Prosperity Fund must also be additional to the new funding already provided by the Stronger Towns Fund.

20. Throughout this inquiry, it has emerged that the loss of various sources of EU structural funding presents a serious risk for local economies and local government, but also presents an opportunity to re-evaluate the administration and distribution of funding to local authorities, and consider how those funds can be designed to yield the best outcomes for people and communities.²⁹

26 [Q117](#)

27 [Q119](#)

28 [Q163](#)

29 See [Q3](#); [Q58](#); [Q79](#)

21. We heard from experts and sector representatives that EU funding has been critical at the local level, and allows local authorities to deliver projects and provide services which would otherwise be beyond their capacity. We heard a number of positive qualities attributed to EU funding: that it was collaborative, place- and project-based, and ran on a long funding cycle.³⁰ We have also heard that, relative to EU funds, a UK-based fund could be more streamlined, less bureaucratic and offer more local control over how funding was spent.

22. The Government announced its plans for the creation of the UK Shared Prosperity Fund (SPF) in its 2017 General Election manifesto, a step which was broadly welcomed.³¹ The Government promised a “simpler fund, which is easier to access for local areas”. The Industrial Strategy announced the Government’s commitment to consult on the detailed design of the fund in 2018.³² However, there have been repeated delays to the Government’s promised consultation on the UK SPF and it is regrettable that it is still yet to be forthcoming.

23. The UK would continue to take part in the 2014–20 European Structural and Investment Funds (ESIF) programmes until their conclusion under the draft Withdrawal Agreement. In the event of a no-deal Brexit, the Government has committed to guaranteeing funding allocated to UK organisations for the full EU 2014–2020 programme period and allocation (i.e. projects which are successfully bid for before December 2020). This extends a commitment made in October 2016 to guarantee funding for ESIF projects agreed by the day before the UK leaves the EU in March 2019.³³

24. This guarantee was very much welcomed by local government representatives. However, we heard from local authorities that, by now, they would have already been preparing bids for the 2021–2027 funding period for the EU funding sources that the UK SPF is meant to replace.³⁴ It is clear that local authorities need the fund to now be urgently progressed in order to effectively plan the projects and services they will be able to deliver in the period after 2020. Witnesses also told us that the fund would need to meet or exceed levels currently provided by ESIF programmes.³⁵ The Secretary of State for MHCLG told us that announcing the amount of funding that will be made available in the UK SPF is contingent upon the Treasury’s allotment of funds, and therefore no announcement will be made in terms of quantity of funding until the spending review in Autumn 2019. He also told us that this fund would be additional to other sources of funding for local areas, including the Stronger Towns Fund, and that the methodology underpinning it would be different.³⁶

25. Throughout this inquiry we have heard a range of opinions on what the fund should look like. We intend to revisit the issue upon the publication of the consultation.

30 [Q3](#)

31 The Conservative and Unionist Party Manifesto 2017: [Forward, together](#)

32 Government policy paper: [Industrial Strategy: building a Britain fit for the future](#)

33 Written statement from the Secretary of State for MHCLG - [HCWS927](#)

34 Welsh Local Government Association: [Urgent clarity needed on post-Brexit regional funding](#); [Q129](#)

35 [Q130](#)

36 Government press release: [£1.6 billion Stronger Towns Fund launched](#); [Qq179–80](#)

European Investment Bank funding

The Government should consider the effect of the loss of European Investment Bank loans at the regional and local level, and consult local representatives in ongoing discussions to determine how infrastructure projects may be appropriately funded in future, providing clarity on such arrangements as soon as possible.

26. The European Investment Bank (EIB) provides loans to member states, which can be invested in infrastructure development projects. Previously, EIB loans contributed to large-scale infrastructure projects in the UK, including the Channel Tunnel and the Heathrow Express. The Withdrawal Agreement makes provision for the UK to leave the EIB, with its €3.5 billion of paid-in capital being returned in twelve annual instalments beginning at the end of 2019.³⁷

27. Our witnesses confirmed the importance of EIB loans to local government, and its value as a source of low-cost and secure loans.³⁸ The Secretary of State for MHCLG told us that the creation of a domestic fund that would fulfil this role remained an open question, and that further details would be announced as part of the spending review.³⁹

Devolution of powers to local government

The Government should urgently make clear its plans for the further devolution of powers to local authorities post-Brexit, and publish its proposed new Devolution Framework within one month of the UK's withdrawal from the EU. The Government should include in that framework its plans for devolution in the various areas stakeholders have identified to us as priorities post-Brexit. The most notable of these is skills, but also fiscal devolution; housing; transport and other infrastructure; digital connectivity; health and wellbeing; trade and investment; and productivity. The Government should also assess the potential merits of bringing forward an English Devolution Bill, as proposed by the LGA, in its first Queen's Speech after the UK has left the EU.

28. Shortly after the EU referendum, in July 2016, the then-Secretary of State for Communities and Local Government, Greg Clark, said that:

When we are transferring powers from the EU to Britain I think it is essential that Whitehall is not the default destination for them. For years we have been urging subsidiarity—the principle that power is held as close to the people as possible—on the European Union. We now must apply it at home and ask first whether powers and funds can be transferred to local government.⁴⁰

Throughout this inquiry, the importance of devolution of powers to local government has been given sustained emphasis. The opportunities presented by Brexit, both in terms of powers being returned to the UK and a broader context of setting new policy agendas, have

37 House of Common Library Briefing Paper: [The UK's EU Withdrawal Agreement](#)

38 [Q138](#)

39 [Q176](#)

40 Greg Clark's speech to the LGA conference, [July 2016](#)

been raised repeatedly in the evidence.⁴¹ We have also heard about the particular issue of devolution of power over funding and designing skills training, which local authorities claim will enable them to better align skills in the local workforce with local need, an issue which may become particularly pressing if the UK experiences a loss of EU nationals from the workforce.⁴² While we heard from MHCLG that this was not a first order of priority given the very pressing demands of the withdrawal process, the LGA and other sector representatives have repeatedly asked for the issue not to get lost.

29. In December 2018, the LGA recommended the publication of an English Devolution Bill post-Brexit.⁴³ We heard from the Secretary of State that devolution was an important matter for MHCLG, but that much could be done without the need for legislation. The Secretary of State referred to his recent visit to Cornwall, which agreed a devolution deal in 2015, and commented on the significant progress that had been made on devolution there.⁴⁴ MHCLG has committed to publishing a new devolution framework; this was promised by end of 2018 but, much like the consultation on the Shared Prosperity Fund, has been repeatedly delayed.⁴⁵

30. Witnesses raised a number of areas where they would like to see greater devolution throughout this inquiry, including but not limited to the seven areas raised by the LGA: skills, housing, digital connectivity, health and wellbeing, transport, trade and investment, and productivity.⁴⁶ We have in the past stated our intention to revisit the issue of devolution following our predecessor Committee's comprehensive inquiry on this issue in 2016; the publication of the devolution framework should present us with an opportunity to do so in the post-Brexit landscape.⁴⁷

A local government voice in domestic policy post-Brexit

The Government must make clear its plans for the role of local government in the creation of post-Brexit domestic policy. We believe there must be a formal process by which local government can be consulted on policies or legislation that will directly affect it.

31. Within the EU, local authorities are represented within the Committee of the Regions, a body which gives voice to local government across the EU in the design of EU policy. The Secretary of State for MHCLG has raised the possibility of replicating the body domestically in a non-statutory way, which would “complement the wide-ranging domestic processes and procedures the Government already has for consulting local government when developing new policies or legislation which will impact them”.⁴⁸

41 See [Q94](#); [Q102](#)

42 [Q60](#)

43 LGA Briefing: [Democratic accountability and devolution in England](#)

44 [Q208](#)

45 House of Commons Hansard, 30 October 2018: [Local Authority Budget Reductions, Column 892](#)

46 LGA: [The future of non-metropolitan England: Moving the conversation on](#)

47 Housing, Communities and Local Government Committee: [The Government's Cities and Local Government Devolution Bill inquiry](#)

48 Secretary of State for MHCLG to Chair, [15 January 2018](#)

32. Many local government representatives welcomed this suggestion, although some witnesses felt such a body would be redundant given the existence of domestic bodies, including the LGA, which already fulfilled that role. However, all local government representatives felt it was important they have a say in national policy, and be involved as co-creators of policy as well as implementers.

Repatriation of legislation

The Government must consult with local authorities as it transfers legislation from the EU back to the UK, taking into particular consideration the areas highlighted to the Committee as opportunities for improvement including public procurement, food hygiene, environmental health, trading standards and waste management. The Government must make use of the EU Exit Local Government Delivery Board to ensure close cooperation with local government on repatriated legislation. As part of consultations on the Spending Review 2019 it should also assess the financial impact of this transfer of legislation on local authorities.

33. After the UK leaves the European Union, there may be scope for the UK to disapply some of the regulations that were required as a condition of its membership, although it remains difficult at this stage to be specific about which legislation might be changed after the UK leaves the EU and when this could take place.

34. However, the LGA has said that there are “areas of European legislation that might be amended following their UK repatriation to provide local leaders with greater ability to tailor national regulations for the benefit of their communities and businesses”.⁴⁹ The LGA has highlighted several EU laws which “need to be changed, kept or better adapted to local need”, noting areas where they would like to see change, including public procurement, food hygiene and waste management. Some of these themes recurred throughout the inquiry, particularly issues surrounding procurement. The LGA also highlights areas where councils wanted legislation to be maintained, such as robust air quality legislation, with UK targets on clean air needing to be “at least as ambitious as those in the EU”.⁵⁰

49 LGA to Chair, [21 September 2018](#)

50 LGA: [Brexit: Moving the conversation on](#), September 2018

3 Conclusion

35. Local government is vital to the fabric of communities across the country, providing many of the fundamental services that people rely on every day. In addition, local authorities have an unparalleled understanding of their own local communities and economies. This is why it is so important that they are fully involved in and prepared for the UK leaving the EU. We believe that the period during and after the UK's withdrawal from the EU presents local authorities with substantial risks, as well as opportunities, and it is therefore imperative that councils are provided with adequate support from central government in terms of funding and guidance to address new burdens and responsibilities as they emerge. In the short term, the extension to Article 50 provides a further opportunity for the Government to ensure that all necessary measures are in place in order for local government to be fully prepared for the UK's withdrawal from the EU. In the longer term, there is also now a unique opportunity to re-evaluate the distribution of powers between central and local government and determine how greater devolution can be used to obtain the best possible outcomes for people and communities.

Formal minutes

Monday 1 April 2019

Members present:

Mr Clive Betts, in the Chair

Bob Blackman

Mr Mark Prisk

Mr Tanmanjeet Singh Dhesi

Matt Western

Andrew Lewer

Draft Report (*Brexit and local government*) proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 35 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Thirteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Tuesday 23 April at 3.45 p.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 6 December 2017

Professor Amelia Hadfield, Director, Centre for European Studies, Canterbury Christ Church University; **Professor Laurence Ferry**, Durham University; **Rob Whiteman**, Chief Executive, Chartered Institute of Public Finance and Accountancy, and **Professor Tony Travers**, Director, Institute of Public Affairs, London School of Economics

[Q1–23](#)

Councillor Kevin Bentley, Brexit Task and Finish Group, Local Government Association; **Jessie Hamshar**, Service Director (Strategy and Engagement), Cornwall Council and **Helen Dickinson**, Assistant Chief Executive, Newcastle City Council

[Q24–51](#)

Monday 19 March 2018

Mayor Ben Houchen, Tees Valley Combined Authority; **Mayor Andy Burnham**, Greater Manchester Combined Authority; **Len Duvall AM**, Chair, EU Exit Working Group, London Assembly and **James Palmer**, Mayor, Cambridgeshire and Peterborough Combined Authority

[Q52–71](#)

Monday 23 July 2018

Councillor Paul Carter, Leader, Kent County Council; **Councillor Mark Crane**, Board Member, District Councils Network; **Councillor Keith Stevens**, Vice-Chair, National Association of Local Councils and **Councillor Ian Stewart**, Deputy Leader, Cumbria County Council

[Q72–114](#)

Monday 25 March 2019

Councillor Kevin Bentley, Brexit Task and Finish Group, Local Government Association; **Councillor Gerald Vernon-Jackson**, Leader of the Council, Portsmouth City Council and **Councillor Sue Murphy**, Core Cities

[Q115–163](#)

Rt Hon James Brokenshire MP, Secretary of State, Ministry of Housing, Communities and Local Government and **Simon Ridley**, Director General of Decentralisation and Growth, Ministry of Housing, Communities and Local Government

[Q164–218](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

BRX numbers are generated by the evidence processing system and so may not be complete.

- 1 Bristol City Council ([BRX0021](#))
- 2 Centre for European Studies, Canterbury Christ Church University ([BRX0013](#))
- 3 Chief Economic Development Officers Society (CEDOS) ([BRX0035](#))
- 4 CIEH Port Health SIG ([BRX0017](#))
- 5 City of London Corporation ([BRX0040](#))
- 6 Convention of Scottish Local Authorities (COSLA) ([BRX0015](#))
- 7 Core Cities ([BRX0039](#))
- 8 Cornwall Council ([BRX0032](#))
- 9 Cumbria County Council ([BRX0041](#))
- 10 Department for Communities and Local Government ([BRX0022](#))
- 11 Devon County Council ([BRX0033](#))
- 12 District Councils' Network ([BRX0029](#))
- 13 Dorset County Council ([BRX0008](#))
- 14 East of England European Partnership ([BRX0018](#))
- 15 East of Scotland European Consortium (ESEC) ([BRX0025](#))
- 16 East Sussex County Council ([BRX0038](#))
- 17 Ferry, Professor Laurence ([BRX0006](#))
- 18 Grant Thornton UK LLP ([BRX0031](#))
- 19 Greater Manchester Combined Authority ([BRX0030](#))
- 20 Hampshire Association of Local Council ([BRX0036](#))
- 21 Huggins, Dr Christopher ([BRX0037](#))
- 22 Industrial Communities Alliance ([BRX0004](#))
- 23 Kent County Council ([BRX0007](#))
- 24 Local Government Association ([BRX0003](#))
- 25 London Councils ([BRX0011](#))
- 26 Mitchell, CBE Keith R ([BRX0016](#))
- 27 NALC ([BRX0027](#))
- 28 Newcastle City Council ([BRX0028](#))
- 29 Norfolk County Council ([BRX0034](#))
- 30 Northern Housing Consortium ([BRX0026](#))
- 31 Plymouth City Council ([BRX0024](#))
- 32 Portsmouth City Council ([BRX0042](#))
- 33 Sevenoaks District Council ([BRX0005](#))

- 34 Staffordshire County Council ([BRX0019](#))
- 35 Suffolk Coastal Port Health Authority ([BRX0002](#))
- 36 UNISON ([BRX0014](#))
- 37 Wandsworth Council ([BRX0012](#))
- 38 West Sussex County Council ([BRX0010](#))
- 39 Willett, Dr Joanie ([BRX0001](#))
- 40 Winckworth Sherwood LLP ([BRX0020](#))

Published correspondence

The following correspondence relates to the report and can be viewed on the [inquiry publications page](#) of the Committee's website.

1. [Letter from Chair to Secretary of State, dated 18 December 2017](#)
2. [Letter from Secretary of State to Chair, dated 15 January 2018](#)
3. [Letter from Chair of the EU Exit Working Group to Chair, dated 27 March 2018](#)
4. [Letter from Chair to Secretary of State, dated 29 March 2018](#)
5. [Letter from Secretary of State to Chair, dated 8 May 2018](#)
6. [Letter from Chair to Secretary of State to Chair, dated 21 May 2018](#)
7. [Letter from Secretary of State to Chair, dated 14 June 2018](#)
8. [Letter from Chair to Secretary of State to Chair, dated 27 June 2018](#)
9. [Letter from Secretary of State to Chair, dated 23 July 2018](#)
10. [Letter from Chair to Councillor Kevin Bentley, dated 23 August 2018](#)
11. [Letter from Chair to Secretary of State to Chair, dated 5 September 2018](#)
12. [Letter from Local Government Authority to Chair, dated 18 September 2018](#)
13. [Letter from Secretary of State to Chair, dated 3 October 2018](#)
14. [Letter from Secretary of State to Chair, dated 21 January 2019](#)
15. [Letter from Minister for Local Government to Chair, dated 18 February 2019](#)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Effectiveness of local authority overview and scrutiny committees	HC 369 (Cm 9569)
Second Report	Housing for older people	HC 370 (Cm 9692)
Third Report	Pre-legislative scrutiny of the draft Tenant Fees Bill version	HC 583 (Cm 9610)
Fourth Report	Private rented sector	HC 440 (Cm 9639)
Fifth Report	Business rates retention	HC 552 (Cm 9686)
Sixth Report	Pre-legislative scrutiny of the draft Non-Domestic Rating (Property in Common Occupation) Bill	HC 583 (Cm 9633)
Seventh Report	Long-term funding of adult social care: First Joint Report of the Hleath and Social Care and Housing, Communities and Local Government Committees	HC 768
Eighth Report	Planning guidance on fracking	HC 767
Ninth Report	Independent review of building regulations and fire safety: next steps	HC 555 (Cm 9706)
Tenth Report	Land Value Capture	HC 766 (Cm 9734)
Eleventh Report	High streets and town centres in 2030	HC 1010
Twelfth Report	Leasehold Reform	HC 1468