



Government response to the Housing, Communities and Local Government Select Committee report on Brexit and Local Government



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Presented to Parliament
by the Secretary of State for
Housing, Communities and Local Government
by Command of Her Majesty

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Introduction

The Government welcomes the Housing, Communities and Local Government Select Committee report that was published on 3 April 2019 following their inquiry into Brexit and Local Government. I would like to thank the Committee and all those that provided evidence for their work.

The Government has carefully considered the Committee's ten recommendations and I am pleased that in setting out its response Government has been able, in spirit and principle, to accept all the recommendations.

The Government remains focused on ensuring our smooth and orderly withdrawal from the European Union (EU) with a deal as soon as possible. We have now reached agreement with the EU on an extension until 31 October at the latest, with the option to leave earlier as soon as a deal has been ratified.

As a responsible Government, we have been preparing to minimise any disruption in the event of a no deal exit from the EU for over two years and would like to take this opportunity to thank local government and their partners for the significant amount of work they have done to improve local preparedness.

Supporting local government to plan, adapt and innovate in response to EU Exit is a priority for Government. I am pleased that the Committee has recognised the value of the work that my department has led across Whitehall to ensure that local government is fully engaged and consulted.

My department will make sure that as we leave the EU, local government, as leaders of the places we live and work, will get the support needed to continue to deliver our vital local public services and support its staff, residents and local businesses.

Engagement with local government

Recommendation One: *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.*

Government's Response: The Government accepts the Committee's recommendation to maintain existing mechanisms for communicating and engaging with local government during and immediately after the UK's withdrawal from the EU, and commits to ensuring appropriate mechanisms are in place throughout the implementation period and negotiations on a future relationship.

Establishing mechanisms that facilitate a two-way flow of information between central and local government has been a vital part of the work undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) to support local government to plan and prepare for a smooth and orderly withdrawal from, and future relationship with, the EU.

As we continue preparations to leave the EU and for the period following exit, MHCLG will ensure that close dialogue and information sharing is maintained with local government across the UK and that local government continues to have the opportunities to influence and engage with government departments in the policy development process that will shape the UK's future relationship with the EU.

MHCLG has established and will continue to maintain the following engagement and communication with local government:

- Regular EU Exit Local Government Delivery Board meetings chaired by the Secretary of State that brings together Ministers with senior local government leaders, including from the Local Government Association (LGA), County Councils Network (CCN), District Council's Network (DCN), London Councils, Core Cities and Key Cities. The Delivery Board meeting in March was also attended by the Convention of Scottish Local Authorities (COSLA), the Northern Ireland Local Government Association (NILGA) and the Welsh Local Government Association (WLGA). MHCLG will continue to maintain this engagement as appropriate with the representative bodies in Scotland, Wales and Northern Ireland;
- Regional communications systems in England - under the leadership of nine local authority Chief Executives - to facilitate a two-way flow of information;
- A regular bulletin to council leaders and Chief Executives in England providing the latest Brexit information from across Government; and
- A sector landing page on GOV.UK to bring together relevant information from across Whitehall relevant to the sector on Brexit.

Furthermore, MHCLG will continue, through its Resilience and Emergencies Division, to disseminate information and support Local Resilience Forums (LRFs) to develop and refine their local plans for a potential no deal scenario through regular engagement with MHCLG's resilience advisers and calls with LRF Chairs and secretariats.

MHCLG will also continue to liaise with the Scottish Government, Welsh Government and Northern Ireland Civil Service in the absence of an Executive to ensure that information it has disseminated to LRFs in England can also be disseminated to equivalent bodies in Scotland, Wales and Northern Ireland. MHCLG will continue to invite Devolved Administrations and local government participants in its calls with English LRFs.

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

Recommendation Two: *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.*

Government's Response: The Government accepts the Committee's recommendation to ensure that local government is equipped with the information, guidance and support it needs to continue to deliver vital local public services and advise staff, residents and local businesses in response to all EU Exit scenarios, including in a no deal.

The Government remains focused on ensuring a smooth and orderly withdrawal from the EU with a deal as soon as possible. The Government has reached agreement with the EU on an extension until 31 October at the latest, with the option to leave earlier as soon as a deal has been ratified. However, as a responsible Government, preparations to minimise any disruption in the event of a no deal exit have been ongoing for over two years.

Day one preparations for a no deal exit, based on the Cabinet Office's reasonable worst-case scenario planning assumptions, have been led locally by LRFs and supported by MHCLG's Resilience and Emergencies Division. Elsewhere in the UK the reasonable worst-case scenario planning assumptions have been shared with the Scottish Government, Welsh Government and Northern Ireland Civil Service respectively.

LRFs are multi-agency local partnerships that bring together senior representatives from all the emergency services and local government. They are responsible for developing local resilience plans, including to mitigate disruption resulting from the UK leaving the EU without a deal. Local authorities are a key strategic partner within the LRFs, and their leadership has been integral to the development of these local plans.

MHCLG, through its Resilience and Emergencies Division, are in regular dialogue with LRFs and provide an extensive package of support to LRFs. This includes funding of £1.89 million to increase capacity in local resilience planning and a network of resilience advisers who provide expert advice, training and workshops (which have been alongside the Border Delivery Group). Resilience advisers have also shared effective practice across LRFs.

The Resilience and Emergencies Division has and will continue to raise local issues and concerns with other government departments, to help develop mitigations.

To further support local preparedness Government published 106 technical notices between August and October 2018 and since then has published further guidance for local authorities across the UK on a wide range of priority areas such as adult social care, children's services, EU Settlement Scheme, data protection and regulatory services including environmental and trading standards. These can all be found on the dedicated local government EU Exit web landing page on GOV.UK at <https://www.gov.uk/guidance/local-government-brexite-preparedness>.

To explain the changes that local authorities in England would need to make, as set out in the technical notices and guidance, particularly in a no deal scenario, MHCLG brought together all the key government departments to participate in a series of events across England, which engaged 275 councils between December 2018 and March 2019. Relevant guidance has also been shared and was discussed with the Devolved Administrations in Scotland and Wales and the Northern Ireland Civil Service in the absence of an Executive in October 2018.

In light of the extension that has now been agreed, government departments will make sensible decisions about the timing and pace of ongoing preparations and remain fully committed to ensuring local government continues to receive the support and guidance needed to prepare for all EU Exit scenarios. The extension provides time to reflect with local government about any further support that might be needed ahead of leaving the EU.

Skills shortages

Recommendation Three: *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.*

Government's Response: The Government accepts the Committee's recommendation and will take steps to address workforce shortages; including through the EU Settlement Scheme, the Future Skills-Based Immigration System and the Industrial Strategy. This will ensure the availability of skills and people that are needed to deliver high quality public services and economic growth. The Government is paying specific attention to sectors reliant on significant numbers of EU nationals in its workforce, such as adult social care, construction and agriculture.

In terms of supporting EU nationals, the Government has been clear that they are our friends, family and neighbours and therefore hopes that all eligible EU nationals who have made their home in the UK will apply for the EU Settlement Scheme.

The Settlement Scheme was launched at the end of March 2019 alongside a national advertising campaign and is open until June 2021 in a deal scenario and December 2020 in a no deal scenario. The scheme applies to EU nationals in all parts of the UK. The scheme provides EU nationals with a straight forward way of securing their rights to continue to live and work in the UK after we leave the EU. The Home Office as lead department will continue to target communications and provide support such as promoting their employer toolkit which can be downloaded here: <https://www.gov.uk/government/publications/eu-settlement-scheme-employer-toolkit>.

In December 2018, EU nationals in adult social care were able to apply early to the Settlement Scheme. The social care sector in England, has received regular tailored communications encouraging employers to support their EU staff, including a recent joint letter from the Home Secretary and Secretary of State for Health.

The Migration Advisory Committee (MAC) has recognised and highlighted concerns about the social care workforce but is also clear that inward migration should not be the only solution. It highlighted the importance of ensuring that a role in social care becomes an attractive career option for the domestic workforce.

The Government acknowledges the need to promote adult social care as a career of choice and ensure the system can meet the demands of our growing and ageing population. The Department of Health and Social Care (DHSC) - ahead of publishing its upcoming Social Care Green Paper - has launched a national recruitment campaign across England to raise awareness of the variety of rewarding job opportunities in social care.

DHSC is the lead department for adult social care policy in England and will continue to monitor and analyse adult social care staffing levels across the country. DHSC is working across Government to ensure there will continue to be sufficient staff to deliver the high-quality services on which patients rely following the UK's exit from the EU. Social care is a devolved matter in Scotland, Wales and Northern Ireland.

Construction is another sector that has significant numbers of EU nationals in the workforce. Whilst the Government recognises the strong contribution that EU nationals make the Government is also committed to ensuring that the UK continues to invest in training the current and future workforce, and to increase the diversity of this within the UK.

Specific support to the construction industry includes the Department for Education's £24m Construction Skills Fund. This fund applies to England only, as skills policy is devolved in Scotland, Wales and Northern Ireland. For the whole of the UK there is the Construction Sector Deal, a partnership between Government and industry, which commits £170 million from the Industrial Strategy Challenge Fund to the Transforming Construction Programme. The Deal will promote construction apprenticeships across the UK, and a commitment has been made to deliver 25,000 construction apprenticeship starts by 2022 in England, providing the skills the industry needs.

These actions will be supported by the proposal, as set out in the Government's white paper published on 19 December 2018, to create a new UK Future Skills-Based Immigration System. This proposal builds upon the MAC's advice to not establish sector-based schemes, with the potential exception of agriculture. This new system will support a flexible labour market and encourage sectors and employers to compete on wages and work conditions to make their sector more attractive.

In terms of making representations to the Home Office, the Government will continue to engage with stakeholders, including local government, on workforce issues, particularly in relation to adult social care and construction and encourage these views to be shared with the Home Office as part of the 12-month extensive engagement period they have initiated. This Home Office engagement is taking place in locations across the whole of the UK.

The Government continues to consider the workforce pressures facing local government services, including as part of the proposals in the white paper and ahead of making decisions in 2020.

New burdens and funding

Recommendation Four: *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.*

Government Response: The Government agrees to the Committee's recommendation to make use of the EU Exit Local Government Delivery Board and the network of nine local authority Chief Executives as an important route in identifying and assessing new cost pressures faced by the sector. The Government is committed, through the established New Burdens Doctrine, to providing local government in England with the appropriate funding in full, should a new burden be identified and assessed. This is in addition to the £58 million funding the Government has already made available to support councils in England to prepare for Brexit.

As local government finance is devolved, this funding and the New Burden's Doctrine does not apply to Scotland, Wales or Northern Ireland, where decisions around local government finance are a matter for Devolved Administrations. However, Barnett consequentiality has been applied where new EU preparedness funding has been allocated in England. From 2017-18 until 2019-20, the Scottish Government has been allocated a total of £98.64 million in EU Exit funding consequentiality, the Welsh Government £56.19 million, and the Northern Ireland Executive £37.95 million.

In England, as the sponsor department for local government, MHCLG is leading an extensive and transparent programme of work with other government departments and the local government sector to identify and assess new burdens. Progress has been made in identifying new burdens relating to the additional costs to councils associated with applying to the EU Settlement Scheme on behalf of children for whom they have parental responsibility and for supporting the applications of those for whom they have shared parental responsibility. As a result of new burdens assessments, the Government is supporting local government in alternative ways including through providing training for the replacement to the TRACES system, working with Trading Standards to support enforcement of food labelling regulations and ensuring enough supply of authorised signatories for Export Health Certificates by designating it a cost recoverable function.

MHCLG will continue to share progress with the local government sector in an open and transparent way through the EU Exit Local Government Delivery Board, the network of nine local authority chief executives and our other engagement channels.

Local authorities with ports

Recommendation Five: *The Ministry of 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.*

Government Response: The Government agrees with the principle of the Committee's recommendation that local authorities should not be adversely impacted, as a direct result of EU Exit, if they bear responsibility for a major port, and that it is important to engage with those authorities.

More broadly MHCLG will continue to provide opportunities for English local authorities and LRFs views to be shared directly with government departments, such as the Department for Transport (DfT) and the Border Delivery Group, including through the EU Exit Local Government Delivery Board and the network of nine local authority Chief Executives. The potential impacts on ports in Scotland, Wales and Northern Ireland straddle both devolved and reserved responsibilities. Therefore, the UK Government has and will continue to work with the devolved administrations and the Northern Ireland Civil Service in the absence of an Executive, to ensure that ports not in England are prepared including the relevant local authorities.

Government has recognised that some ports are likely to be more affected by EU Exit than others, particularly in a no deal scenario, and as such may place additional

financial pressures on specific local authorities. In response, MHCLG has provided additional financial support of £3.14 million to support 19 councils which is part of a £58 million package of additional funding to support local authorities' capacity to plan for EU Exit; and in relation to the ports funding, to accommodate changes that may be necessary around ports of entry. This is not new burdens funding for changes in port functions, which remains the responsibility of the sponsor departments. In Scotland, Wales and Northern Ireland, the Barnett consequential has been applied to EU Exit funding for the Devolved Administrations to make their own preparations.

The Committee will want to note that the DfT, who are the lead department responsible for managing transport disruption in England, has written to LRFs that have a strategic international gateway, providing details of a designated DfT point of contact with whom those LRFs can discuss issues relating to contingency planning. This letter also shared DfT's assessment that protracted traffic disruption was not anticipated in port areas, apart from those in Kent. This was because the volume of accompanied freight – which is most at risk of disruption – is significantly smaller at ports outside of Kent and was expected to be so even after accounting for additional port traffic expected at ports where additional capacity had been arranged.

UK Shared Prosperity Fund

Recommendation Six: *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.*

Government Response: The Government agrees with the recommendation in principle to consult and recognises the importance of providing stakeholders with an opportunity to contribute their views on the UK Shared Prosperity Fund. As such, the Government will consult widely on the Fund and final decisions are due to be made following the Spending Review.

Once the UK has left the EU, the Government will create the Fund, which will be a simplified and integrated programme of investment to tackle inequality between communities by raising productivity. Accessing EU Structural Funds involves a complicated process and EU regulations have stopped places co-ordinating investments across the foundations of productivity. Additionally, EU Structural Funds are funded by UK taxpayers' money as the UK is a net contributor to the EU budget.

Therefore, the Fund will afford a fresh opportunity to spend money according to our own priorities rather than those set by the EU. The fund will invest in the foundations of productivity as set out in our Modern Industrial Strategy to support people to benefit from economic prosperity, especially in those parts of the UK whose economies are furthest behind.

Simplified administration for the Fund will ensure that investments are targeted effectively to align with the challenges faced by places across the UK and supported by strong evidence about what works at the local level. We know that places across the UK possess their own strengths, opportunities and challenges, and this should be reflected in our approach to investment. The Fund will be allocated to those places with the greatest need and will operate across our four nations.

The Government recognises that local places need assurance and clarity about future local growth funding, including the proposed Fund. The Government therefore confirms to the Committee the financial guarantee it has given in respect of European Structural Fund projects agreed before the UK leaves the EU which provides organisations across the UK with certainty of payments up to 2023 and safeguards vital jobs and local economic growth.

The Committee will appreciate that the details of the Fund's operation and priorities are due to be announced following the Spending Review which will take place later in the year.

The Government recognises the significant interest that has been expressed in the design of the Fund and will ensure all institutions are equipped with the information they need in enough time to prepare. MHCLG have undertaken 26 stakeholder engagement events across the whole of the UK, in both rural and urban areas, providing an opportunity to listen to a range of views that has helped inform policy development.

The Government has now reached agreement with the EU on an extension until 31 October at the latest, with the option to leave earlier as soon as a deal has been ratified. We believe that leaving with a deal is the best outcome and remain focused on ensuring our smooth and orderly withdrawal from the EU. It is right, however, that we also continue to prepare for all scenarios. Therefore, the Government continues to review our approach to consulting on the Fund accordingly.

The Government can also confirm that the £1.6 billion Stronger Towns Fund announced in March this year will support towns that have not shared in the proceeds of growth in the same way as our cities and the more prosperous parts of England. As stated by the Secretary of State in the House, we intend the design of the Stronger Towns Fund to be separate from the UK Shared Prosperity Fund. The Government will ensure towns across Wales, Scotland and Northern Ireland will benefit from the new funding.

European Investment Bank funding

Recommendation Seven: *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 appropriately be funded in future, providing clarity on such arrangements as soon as possible.*

Government Response: The Government agrees with the Committee's recommendation that there should be ongoing discussions with the local government sector about how infrastructure projects may appropriately be funded in future, taking account of losing access to loans through the European Investment Bank (EIB).

When the UK leaves the EU, the UK will no longer be a member of the EIB. However, the Government has made it clear, as set out in the Political Declaration, that it intends, as part of the wider negotiation on the future relationship with the EU, to explore options for a future relationship with the EIB Group.

Whilst the Government's priority is to leave the EU in a smooth and orderly way with a deal, the Committee will want to note that in the event of a no deal, future access to EIB Group financing would depend on third country lending agreements being put in place and implemented in the future.

Any organisation that has received financing for a UK project from the EIB Group should be aware that the Group's operating rights for such projects are preserved through section 4 of the European Union (Withdrawal) Act 2018. Therefore, existing UK project contracts should be protected, and organisations do not need to take any action.

The Government is committed to ensuring that in England, good viable local authority infrastructure projects that are underpinned by robust business planning can raise the required finance. At the Spring Statement, the Government launched an Infrastructure Finance Review, responses to which will be received until the closing date on 5 June 2019 and be concluded alongside the Spending Review later in the year. This review applies to England only as local government finance is devolved in Scotland, Wales and Northern Ireland.

There are already a range of mechanisms available to support local authority infrastructure financing. The Committee will want to note that whilst this includes the EIB, local authorities do not borrow significantly through this route. The Public Works Loans Board, a UK statutory body through which most local authority borrowing is sourced, offers long-term and stable lending to local authorities, including via a new discounted Local Infrastructure Rate specifically for high value for money infrastructure projects.

Other mechanisms include the UK Guarantees Scheme and the Digital Infrastructure Investment Fund.

Devolution of powers to local government

Recommendation Eight: *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.*

Government Response: The Government accepts the Committee's recommendation, with the caveat that it will set out its approach to devolution in England and provide clarity to areas as soon as practicable.

Since 2015 the Government has made considerable progress on devolution in England, strengthening local leadership and institutions and devolving powers and funding. It has devolved significant powers to seven mayoral combined authorities – Cambridgeshire & Peterborough, Greater Manchester, Liverpool City Region, North of Tyne, Tees Valley, the West Midlands, the West of England – and is providing investment funds totalling nearly £5.5 billion over 30 years.

Devolution of powers to local authorities in Scotland, Wales and Northern Ireland is a matter for the Devolved Administrations to consider.

In England, the UK Government currently sees as a priority the full implementation of the Sheffield City Region devolution deal and has made clear that it is ready to consider a different localist approach to devolution across Yorkshire, if that is the local wish.

It would not be right to commit to a deadline of a month after EU Exit for publishing a document addressing where responsibility for exercising various powers might most appropriately sit but the Government remains committed to setting out its approach to future devolution in England. We aim to be able to provide local areas with this clarity on how best to take forward their devolution and local growth ambitions as soon as practicable.

As to priority matters to be included in its plans for future devolution, the Government notes the suggestions that various stakeholders have made to the Committee and intends to take decisions on this in the context of its discussions and consultations with stakeholders about devolution. These decisions will also be informed by the experience of devolution deals that have already been put in place, and which provide for 36% of England's population (including London) to have a directly elected city-region mayor with new powers to stimulate job creation, improve skills, build homes and make it easier to travel.

Finally, the Government considers that the Cities and Local Government Devolution Act 2016 is effective enabling legislation for devolving significant powers in England. The Government, therefore, is not persuaded that a further English Devolution Bill is necessary to ensure real devolution to all parts of England but will assess the need for any further legislation as part of its discussions and consultations around future devolution.

A local government voice in domestic policy post-Brexit

Recommendation Nine: *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.*

Government Response: The Government accepts the Committee's recommendation and will make use of appropriate mechanisms and processes to consult local government on relevant domestic policies and legislation following the UK's exit from the EU.

As the Government explained to Parliament during the passage of the then European Union (Withdrawal) Bill, it intends to proceed as follows as regards consulting local government on policies or legislation that will directly affect it.

In due course, the Government envisages making a statement in Parliament which would give local government a clear assurance as to how it will be consulted on those matters which are currently handled at EU level and consulted on through the mechanism of the Committee of the Regions but following our exit from the EU will be repatriated from the EU to the UK.

The Government does not intend to legislate for this – it considers that having a statutory basis for such consultation is unnecessary and risks involving unduly rigid bureaucracy, which many find so unattractive in some of the current European structures.

Any such new consultative arrangements will need to complement the wide range of domestic processes and procedures the Government already has for consulting local government. These processes include the EU Exit Local Government Delivery Board through which local government is consulted on matters affecting it arising from implementing the UK's withdrawal from the EU.

The Government has had constructive discussions on proposals for new consultative arrangements with the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Association and the Welsh

Local Government Association. The Government plans to have further discussions before finalising how to proceed with any new arrangements.

Repatriation of legislation

Recommendation Ten: *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.*

Government Response: The Government agrees with the principle of the Committee's recommendation and the need to engage with local authorities appropriately regarding the transfer of legislation from the EU back to the UK; where this would have a direct impact on their responsibilities.

Whilst the extent of the scope to make future changes to the UK's legislation will depend on further developments in the Brexit process and the Future Economic Partnership negotiations between the UK and the EU, the EU Exit Local Government Delivery Board will be a valuable engagement mechanism to consult local government on proposed opportunities for improvement.

The Government will consider the areas highlighted by the Committee and as such, the Cabinet Office will use opportunities offered by our future relationship with the EU to carefully consider the longer-term options for policy changes to public procurement. In areas such as food and environmental policy where local authorities have delivery or enforcement responsibilities, DEFRA will similarly consult the EU Exit Local Government Delivery Board before making policy changes for which it has legislative competence.

Conclusion

The Government is grateful for the Committee's report and is pleased to be able to accept its recommendations. MHCLG will continue to work across Government to ensure local government is equipped with the advice, guidance and support to help them be as prepared as possible to plan, adapt and innovate in response to the UK's exit from the EU.

In light of the extension that has now been agreed between the UK and the EU, departments will make sensible decisions about the timing and pace at which some of this work is progressing, but we will continue to prepare for all EU Exit scenarios.

MHCLG has established a number of mechanisms that facilitate two-way communication with the local government sector, which have been of mutual benefit and MHCLG will be pleased to continue to consult with local authorities across the whole of the UK, ensuring their voice is represented in the creation of domestic policy after we leave the European Union

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