



Housing, Communities and Local Government Committee

House of Commons, London SW1A 0AA

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Jeremy Pocklington
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30 June 2020

Dear Jeremy,

Main Estimates – Follow up

Following publication of the Ministry's Main Estimates for 2020-21, the Committee has considered the expenditure plans they contain. We would be grateful if you could respond to the questions below.

Normally we'd ask for a response within two weeks. However, given the upcoming Estimates Day Debate it would be greatly appreciated if you could make every endeavour to respond with as much information as possible by close of play on Monday 6 July to ensure your response has been received before the expected Local Government finance debate on Tuesday 7 July.

Covid-19

- An additional £10.8 billion has been made available within Local Government's 'Other Grants and Payments' to help compensate local authorities for Business Rate Reliefs, alongside a further £0.96 billion for those forgoing their Revenue Support Grant Allocations. Is all of this extra funding purely to compensate local authorities for funding streams that would otherwise disappear or be severely diminished?
- If this additional £10.8 billion only provides compensation for lost Business Rates income, please provide details of how Local Authorities are being compensated by Central Government for other lost revenue due to Covid-19, such as Council Tax, Sale Fees and Charges, and Commercial Income?
- It has also been announced that additional funding has also been made available to MHCLG as part of the government's response to Covid-19. This additional funding included £3.2 billion additional funding¹, and up-front payment of £3.4 billion of grants. How much of this additional funding been included within the Main Estimates? How was this level of additional funding arrived at and what is it intended to support?
- MHCLG has an unallocated capital provision of £1.76 billion in 2020-21, which is stated as being designed to allow MHCLG to respond flexibly to Covid-19. The

¹ <https://www.gov.uk/government/news/government-confirms-allocations-of-1-6-billion-funding-boost-for-councils>

associated peak appears to have passed, and lockdown is starting to ease. Is MHCLG now able to provide greater insight into what this money will be used for?

- It has been reported that a number of Local Authorities have had to make use of commercial borrowing facilities as a result of Covid-19². How many local authorities have had to make use of this kind of facility, and are you able to quantify the cost of the associated interest costs?
- For Local Authorities who have an outstanding loan with the Public Works Loan Board, have they continued to generate sufficient income to repay their respective loans without having to seek additional borrowing or without adversely affecting other services?
- In May 2020, cross-party talks were expected to commence in relation to how to fix Adult Social Care, and to avoid the Local Government Association's estimated £6.5 billion funding gap expected by 2025³. These talks have been delayed as a result of Covid-19. When will the revised timetable for these talks be made available?
- The timetable for the Fair Funding review has been delayed for the second year running, this time due to the pressures on Local Government caused by Covid-19. When will you be able to share with us the revised timetable?
- As part of the Covid-19 measures, councils were given £3.2m in March to provide emergency shelter for homeless people as part of the "Everyone In" scheme. It is understood that funding for this specific campaign has ended, as the Government has given councils an additional £3.2bn to deal with the financial pressures being experienced⁴. Can you provide this Committee with analysis of outcome for the estimates 5,400 people who were provided with temporary accommodation since specific funding for the Everyone In scheme has ended?
- Additional funding is being made available in 2020-21 of £16.6 million to keep safe accommodation services open for the victims of domestic abuse and their children in the Main Estimates. A further £76 million was pledged by the Government in early May to support vulnerable people during lockdown. How many additional places will this funding provide, and for how long will those places be provided for? Can you provide a breakdown, by local authority, of where these places are being provided?

Other

- MHCLG has requested £929.9m for 2020-21 to progress remediation works to remove and replace unsafe non-Aluminium Composite Material cladding systems. Based on current progress, how long will it take for all of the affected building to be made safe?
- MHCLG is aiming to have supported the building of 500,000 homes by the end of 2020, with a target of building a further net additional 300,000 by the mid-2020s. Are these targets still on track following the closure of building sites during lockdown? How many homes do you now anticipate will be built in 2020? What impact is this likely to have on the overall plan and timetable?

² <https://www.local.gov.uk/parliament/briefings-and-responses/hm-treasury-public-works-loans-board-future-lending-terms>

³ <https://www.local.gov.uk/local-services-face-almost-ps65-billion-funding-gap-2025-new-lga-analysis>

⁴ <https://www.bbc.co.uk/news/uk-england-52637283>

- As part of the EU, the UK received structural funding of about £2.1 billion per year. The Government has pledged to set-up a Shared Prosperity Fund to 'reduce inequalities between communities'⁵. Is MHCLG the led department in setting up this fund? When are payments from this fund expected to start being made?

The Committee has noted the steps your department has taken to comply with the new guidance issued by the House of Commons Scrutiny Unit, following the Procedure Committee's Estimates inquiry in 2017. We are pleased at the progress you have made to date in adopting these changes and encourage you to maintain dialogue with the Scrutiny Unit and ensure that you continue to apply the requirements set out on the Scrutiny Unit's [webpage](#)⁶ in the future.

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

⁵ <https://commonslibrary.parliament.uk/research-briefings/cbp-8527/>

⁶ <https://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/reports-and-publications/guidance-on-producing-estimates-memoranda/>