

Housing, Communities and Local Government Committee

House of Commons, London SW1A 0AA

Tel 020 7219 4972 Email hclgcom@parliament.uk Website www.parliament.uk

Jeremy Pocklington
Ministry for Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

16 March 2020

Dear Jeremy,

2019-20 Supplementary Estimates

Following publication of the Ministry's Supplementary Estimates for 2019-20, the Committee has considered the expenditure plans they contain. Please provide a response to the Committee to the following questions:

Communities Resource Spend

- Is the additional £13.7 million requested for Resilience & Emergencies enough to provide sufficient support following the recent flooding?
- Your Ministry is releasing 46% of the money for the Voluntary Right to Buy pilots (£90.1 million) because there has been slower than expected take-up on the scheme. What impact has this slow take-up had on the viability of the scheme? Has your department reprofiled the expenditure for future years based on these results?

Communities Capital Spend

- Your Ministry is releasing an "unallocated provision" back to Treasury for £1,067 million in response to "market conditions". Please provide additional detail on what this £1.1 billion was requested for, what projects this relates to, and where the money may be needed in the future. The Committee also want clarification on whether this capital underspend relates to Ministry sites or whether it affects those used by the public.
- Within the Housing & Planning market diversification & guarantees, your Ministry is releasing £40.5 million (33%) of the budget, relating to the Community Housing Fund. The release is attributed to the lead-in times needed to get the housebuilding schemes where they can apply for funding. What is causing this delay? Could it have been foreseen? What impact are these delays having on housebuilding schemes, and how are ensuring your Ministry will not miss its capital expenditure targets in future years?

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](#)¹ in the future.

Given the timings of recent events, I am also taking this opportunity to ask you some questions in relations to the 2018-19 Annual Report and Accounts. Please also provide a response to the Committee to the following questions:

- Your Ministry reported that it had commenced a review into local authorities' relative needs and resources in advance of the 2020-21 Local Government Finance Settlement. Given that the 2020-21 finance year starts in a couple of weeks, can you provide us with an update on where this consultation has got to, and its key findings so far.
- How is Northamptonshire County Council progressing on its path to financial sustainability, and when do you expect the intervention to conclude?
- Your Ministry reported that it was refreshing the Northern Powerhouse Strategy in 2019. When is the revised document expected to publish, and are you able to share the key findings/amendments?
- The Governance Statement reports that steps were being taken to improve the membership of the Homes England Board, create a new mission, and new objectives. How far along in that process is Homes England, and is your Ministry satisfied with progress so far? When do you expect this work to conclude?
- In July 2018, the Government announced it was extending the UK's guarantee of EU funded projects including the Multiannual Financial Framework making payments until 2023, and payment of awards where a UK organisation successfully bid to the European Commission. These were deemed unquantifiable contingent liabilities at the time of reporting. Please provide an update on these liabilities.
- What was the financial impact of the error in the 2019-20 Non Domestic Business Rates returns, affecting Business Rates Pilot authorities? What changes have been made within your Ministry to ensure all guidance is updated when an error is found in future to avoid a similar issue in future years?

The Committee would be grateful for a response by 31 March 2020.



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

¹ <https://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/reports-and-publications/guidance-on-producing-estimates-memoranda/>