



HM Treasury

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Dear Meg

EU Exit – consolidated Departmental expenditure for 2020-21

At the recent hearing on Whitehall's preparations for EU Exit, the committee requested further information on the consolidated expenditure for EU Exit for this financial period (2020-21).

In total, HMT has made available £3.6bn of additional funding to support EU Exit preparations and delivery in this financial year. This includes allocations made at the Spending Review 2019 as well as more recent allocations such as the additional £705m border funding, which is supporting HMRC and others' delivery of new border arrangements.

Of this £3.6bn, Departments have reported spending over £1bn between April and September 2020. This excludes Barnett-based spending by the devolved administrations as this isn't ringfenced, so they don't report spending on this separately to the Treasury.

The spend-to-date is lower than might be expected halfway through the year, however some of this was requested and made available to Departments after the beginning of the year (the border funding was announced in July, and there have been further in-year claims which will be settled through the supplementary estimates process). Departments are reporting that they expect to spend £3bn of the £3.6bn allocated in 2020-21, and I can write to the committee following the supplementary estimates process to confirm if any changes have been made to final EU Exit allocations for this financial year.

The Treasury will continue to monitor this spend closely, including continuing to collect and collate the spend-to-date and forecast outturn each month against these ringfenced budgets. Departments will be expected to report on their final EU Exit expenditure in their 2020-21 Annual Report and Accounts, after which I can write again to the committee to summarise the full-year spending. HMT will shortly review our guidance to departments on the reporting of EU Exit and Covid-19 within the Annual Reports and Accounts. As mentioned in the hearing, we will write to the committee to seek your views on our proposals for this in advance of guidance being issued to Departments.

I would be very happy to share further details either at a future PAC hearing or in a briefing session.

Yours sincerely,

Catherine Little