

Meg Hillier MP
Chair of the Committee of Public Accounts
House of Commons
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[By email]

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22 June 2021

Dear Ms. Hillier

LOCAL GOVERNMENT FINANCE

I am writing in response to recommendation 7 of the Committee's Fourth report of Session 2021-22 "Covid 19: Local government finance":

"HM Treasury, working with the Department and other departments as necessary, should explore ways that the government can give local authorities more financial certainty as they develop their 2022-23 spending plans and write to us with conclusions by June 2021."

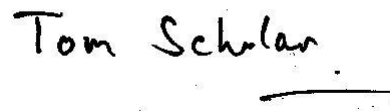
HM Treasury will continue to work closely with the Ministry of Housing, Communities and Local Government (MHCLG) and other relevant departments on funding for local authorities, as well as engage directly with local authorities.

The government recognises the critical role that local authorities have played in responding to Covid-19 and the impacts of the pandemic on local authority finances. The government has provided an unprecedented package of financial support to enable local authorities to manage these impacts.

HM Treasury, MHCLG and other departments will continue to monitor the pressures that local authorities are facing as a result of the pandemic and recognise the importance of giving local authorities clarity on future resources to support effective financial planning.

The government intends to confirm the overall funding settlement for local government in 2022-23 at the Spending Review later this year. The review will deliver on the government's priorities, with further details to be set out in due course.

Following the Spending Review, MHCLG will provide further details of the proposed allocation of resources to each local authority through the provisional Local Government Finance Settlement (LGFS). The LGFS will be timed to ensure that all local authorities are able to confirm their budgets for 2022-23 ahead of the start of the financial year.

A handwritten signature in black ink that reads "Tom Scholar". The signature is written in a cursive style and is positioned above a short horizontal line.

Tom Scholar