



# Communities and Local Government Committee

House of Commons, London SW1P 3JA

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Rt Hon Greg Clark MP  
Secretary of State  
Department for Communities and Local Government  
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## Funding for refugees

I should be grateful if you could clarify an apparent discrepancy between what you told the Committee when you gave evidence to us on 15 September and the Home Secretary's answers to questions following her oral Statement to the House on 16 September.

At the beginning of our session you confirmed that Syrian refugees would be given at least a five-year period of stay in this country. We then had the following exchange:

**Q5 Chair:** The cost during that period, whether it be for education, doctors or housing, will be picked up by the Government, where local authorities have to bear it.

**Greg Clark:** It is the extra costs. Part of what we need to look at is what the extra costs are. As this Committee well knows, some of the revenue to local authorities comes with population, for example; it comes automatically. That is what we are doing, completely jointly in an open book way, with the Local Government Association and their constituent councils, to bring their expertise to bear on this.

This appears to me to suggest that the Government's help with the extra costs incurred by local authorities would run for at least the first five years.

I was therefore surprised to hear the Home Secretary tell the House the next day that central government funding, from the overseas development aid budget, was only guaranteed for the first year:

It is right that we cover the cost of refugees being received into the United Kingdom in the first year from available overseas development aid funding. That is open to us and

that is the decision we have taken. My right hon. Friend the Chancellor made it clear that he is considering the funding thereafter, but he must obviously do that in the context of the spending review that is taking place. [Hansard, 16 September 2015, col 1061]

When pressed, the Home Secretary repeated this line:

I will give the right hon. Lady the same reply that I gave to my hon. Friend the Member for Twickenham (Dr Mathias): we are clear that ODA funding will be available for the first year as the ruling on such funding is that it is available for 12 months. Thereafter, discussions will take place with the LGA, those involved in this issue, and with the Treasury, and the Chancellor has made clear that he will consider this matter carefully as part of the spending review. [Hansard, 16 September 2015, col 1062]

She also confirmed this to me, when I pointed out the potential drawbacks and asked her to reconsider:

**Mr Clive Betts (Sheffield South East) (Lab):** I am pleased that the Home Secretary and her colleagues are working closely with the Local Government Association, but I want to press her again on local council funding. Surely this is such an urgent and unique problem that the Government, in advance of the spending review, can make a commitment to cover the full costs that local councils incur—and not just for the first year—in delivering a national policy. I ask the right hon. Lady to reflect on the potential damage done to community relations by saying to people who welcome refugees into their communities, “Welcome them now, but you will pay the full cost in the future in cuts in your services for funding the refugees coming to your community.” That is a damaging position for the Government to get into. Will she please reflect on that urgently?

**Mrs May:** As I indicated earlier, the issue will be looked at. The Chancellor has made it clear that he will look at it alongside the spending review. [Hansard, 16 September 2015, col 1067].

My views on the funding to help local authorities receive refugees remain as I set them out on 16 September, and I would therefore be grateful if you could clarify what local authorities can expect to receive, and for how long.

A handwritten signature in black ink, appearing to be 'Clive Betts', written in a cursive style.

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