



The Scottish Parliament
Pàrlamaid na h-Alba

Finance and Public Administration Committee

Rt Hon Michael Gove MP
Secretary of State for Levelling Up,
Housing and Communities and
Minister for Intergovernmental
Relations

By email

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Dear Secretary of State

Thank you for giving evidence, in person, to the Finance and Public Administration Committee on 24 February in relation to replacing EU Structural Funds in Scotland. As I said at the time, the Committee has a key role in examining the public finances in Scotland, as well as the overall context within which spending decisions are being taken. As such, the UK Government's plans in relation to the Shared Prosperity Fund and how the Levelling Up Funds are operating in Scotland, as well as their impact on the Scottish Government's spending plans will be key elements of our financial scrutiny going forward.

We welcome your commitment at the meeting to "sharing as much data as possible" about how the UK Government operates this funding, to enable "to scrutinise effectively whether the resource being allocated is fair, predictable and being spent effectively". In the interests of supporting this effective scrutiny and having a clear overall picture of public spending in Scotland, the Committee will therefore look to explore a more formal reporting role for the Scottish Parliament in relation to these Funds, including through the forthcoming legislation.

Further to your evidence, the Committee agreed to write to you seeking the following additional information:

- further details of when the Shared Prosperity Funds Prospectus will be published,
- the timescales for establishment of both a Policy Lab and an Intergovernmental Committee, their respective roles and responsibilities, and what engagement the UK Government has had with the Scottish Government on their development,
- further information on the content and timing of the “legislation to underpin in statute the changes fundamental to levelling up”, and how this might impact on Scotland, and
- confirmation that funding is not top-sliced from Barnett consequential and is additional to Barnett, as it was pre-Brexit.

In your evidence, you also suggested that you are “completely open ... to Audit Scotland having a formal role in looking at how effectively funds are spent in Scotland”. We note that the Scottish Parliament’s Public Audit Committee has written to you and the Scottish government to explore how a formal audit and accountability role in relation to these funds in Scotland might work. Given our shared interest, we are working closely with that Committee on this issue.

Finally, we will be in touch to invite you to appear before the Committee once again later in the year, once the Shared Prosperity Fund is in operation, to discuss developments.

Thank you again for your continued engagement on this matter.

Yours sincerely

Kenneth Gibson MSP
Convener
Finance and Public Administration Committee