



Department for Levelling Up, Housing & Communities

Kenneth Gibson MSP
Convener, Finance and Public
Administration Committee

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

**Department for Levelling Up, Housing and
Communities**

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Email: Michael.Gove@communities.gov.uk

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Dear Kenneth,

Thank you for your letter of 30 March and for your continued work on these very important matters. Apologies for the delay in responding to you.

As you will be aware, on 13 April, my department published the prospectus for the £2.6 billion UK Shared Prosperity Fund (UKSPF). The fund is a central pillar of the UK Government's ambitious Levelling Up agenda, part of a suite of complementary funding, including the £4.8 billion Levelling Up Fund, the £150 million Community Ownership Fund, and the £200 million UK Community Renewal Fund that we announced last year. It represents a significant component of our support for places across the UK, delivering on each of the levelling up objectives to:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.

Throughout the development of the Fund, we have been in close correspondence with the devolved governments and local partners across the UK at all levels, meeting intensively to discuss the design and delivery of the Fund ahead of publication.

I have addressed each of the substantive points raised in your letter below.

- **Further details of when the Shared Prosperity Funds Prospectus will be published.**

We have since launched the full Prospectus which can be found on [GOV.UK](https://www.gov.uk).

- **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.**

Regarding the 'policy lab', the Levelling Up White Paper sets out the UK government's intention to work with the devolved governments and local leaders across the UK to find new ways to learn about 'what works' across a range of policy areas. We are considering the best way to bring together learning from across the UK.

The inaugural Interministerial Standing Committee (IMSC) met on 23 March. As outlined in the joint Review of Intergovernmental Relations (IGR), the IMSC brings together strategic considerations affecting many different portfolios and discusses cross-cutting international issues. It is led by the relevant ministers from across the four governments of the UK with responsibility for IGR. The last meeting, chaired by myself, discussed the ongoing situation in Ukraine and the domestic implications for the UK, approach to UK legislation and future ways of working, and the implications of the Levelling Up White Paper. Meetings will be every other month, facilitated by the IGR Secretariat, and with rotating chairing arrangements between the governments.

- **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.**

As announced in the Levelling Up White Paper, the government intends to put reporting upon the missions into statute when parliamentary time allows.

- **Confirmation that funding is not top sliced from Barnett consequentials and is additional to Barnett, as it was pre-Brexit.**

Finally, as UK-wide spending, the UKSPF does not attract Barnett funding for the devolved governments. The Barnett formula continues to apply as set out in the Statement of Funding Policy.

The government is providing an additional £8.7bn per year on average to the DAs over the Spending Review 2021 period through the Barnett formula, on top of their annual £66bn baseline. This is an additional £4.6 billion on average per year to the Scottish Government through the Barnett formula, on top of the Scottish Government’s £36.7 billion baseline.

I hope you find this response helpful.

With every good wish,

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