



Department for Levelling Up,
Housing & Communities

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The Scottish Parliament
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Rt Hon Michael Gove MP

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Thank you for your letter of 5 October 2022 to my predecessor regarding the replacement of EU Structural Funds in Scotland and for the Committee's continued interest in this area.

I am also grateful to you drawing attention to the Committee's report on the National Performance Framework: Ambitions into Action. With respect to paragraph 155, the Committee is right to reflect that the fiscal and financial arrangements for Scotland have evolved considerably since 2007, not least the extensive tax powers and responsibilities devolved to the Scottish Government.

As the report notes, jointly funded projects like City Deals and upcoming Green Freeports have also changed this dynamic, as have the newly established funds such as the Community Ownership Fund that the UK Government is delivering directly throughout the UK. In delivering those programmes, our priority is to deliver effective investment to maximise benefits for people, businesses and communities in Scotland and indeed across the whole of the UK.

We have made clear our commitment to work with the grain of the devolved administrations activity where appropriate, as recently demonstrated by our close joint working to deliver the Homes for Ukraine scheme and our offer to the Scottish Government to contribute their views on the development of the UK Shared Prosperity Fund. The UK Government also instructed applicants to the Levelling Up Fund in Scotland to demonstrate how their bids aligned with, or complemented, wider public service investments made available by the Scottish Government.

Continuing this dialogue in an open and collaborative manner is essential to making devolution work in the best way possible, ensuring the UK Government can take account of how its activity interacts with policy and funding set by the Scottish Government and legislated for by the Scottish Parliament.

Finally, in relation to your invitation to appear before the Committee to give evidence, I am unable to appear this year, however, I would be open to appearing at a convenient point in 2023.

Thank you again for writing.

With every good wish,

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