

European Scrutiny Committee

House of Commons London SW1A 0AA

Tel (020) 7219 3292 Email escom@parliament.uk Website www.parliament.uk/escom

From: Sir William Cash MP

21 May 2020

Rt Hon Steve Barclay MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

UK participation in EU funding programmes from 2021

You will be aware that the European Scrutiny Committee wrote to you on 26 March 2020, asking for a number of clarifications from you – in consultation with other relevant Departments – about the scope and terms of any British participation in EU funding programmes, like the “Horizon Europe” Framework Programme for Research, from 2021 onwards as part of the new EU-UK relationship.

In particular, we asked you to:

- set out the Government’s reasoning for the selection of the four EU programmes identified in its formal negotiating objectives of 27 February 2020 as those where it wants to obtain continued UK involvement, and why pursuit of British participation in other EU schemes had been dropped;
- clarify the Government’s position on the EU’s proposals for the calculation of the UK’s financial contribution to the EU programmes in which it chooses to participate, including the new “correction mechanism” that would require the UK to pay more into the EU budget if it became a net beneficiary of EU funds; and
- explain if the Government could accept the EU’s demands for a continued, if limited, jurisdiction for the Court of Justice of the EU and the European Commission’s anti-fraud body OLAF in relation to the spending and management of European funds, despite its explicit

insistence that there should not be "any jurisdiction for the CJEU over the UK's laws [and] any supranational control" under future UK-EU agreements.

Although the question of UK participation in "Union programmes" has featured in every negotiations round with the EU to date, and Michel Barnier has noted there was "convergence" with the UK on this particular matter, you have so far failed to reply to our questions or even provide a reason why the requested information has not been provided nearly two months later. This is particularly disappointing in light of the fact that the clarifications we sought related either to the reasons underpinning a Government policy decision (the selection of EU programmes in which the UK wishes to continue participating) or related to demands the Government must have known the EU would make in return for such involvement (a financial contribution and a limited role for certain EU institutions, including the CJEU).

You will appreciate that the Government's apparent inability to facilitate parliamentary scrutiny on this matter, a relatively non-controversial element of the UK's new relationship with the EU, is deeply worrying. We ask you to provide the information asked for in our initial letter of 26 March urgently, including an update on the extent to which the UK and EU have 'converged' on an agreement on the conditions for UK participation. We also request that you explain why the provision of the requested clarifications has been subject to such delay. If your response is unsatisfactory, or delayed further, it is likely you will be asked to give evidence about this matter in person.

I am copying this letter to the Rt Hon Hilary Benn MP, Chair of the Committee on the Future Relationship with the EU and Gordon Clarke, Clerk of that Committee; to Darren Jones MP, Chair of the Business, Energy and Industrial Strategy Committee and Rebecca Davies, Clerk of that Committee; to the Rt Hon Greg Clark MP, Chair of the Science and Technology Committee, and Danielle Nash, Clerk of that Committee; to Lord Kinnoull and Christopher Johnson in the Lords; to Les Saunders at the Cabinet Office; and to Maitreya Thakur and James Chandler at your Department.

CHAIR