



Ministry of Housing,
Communities &
Local Government

To Chairs of Housing, Communities and Local
Government Committee,
Northern Ireland Affairs Committee,
Scottish Affairs Committee,
Welsh Affairs Committee,
House of Commons
SW1A 0AA

Simon Clarke MP

*Minister for Regional Growth and Local
Government*

**Ministry of Housing, Communities and Local
Government**

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Dear Clive, Simon, Pete and Stephen,

Thank you for your jointly signed letter of 5 June requesting information on the UK Shared Prosperity Fund (UKSPF).

The Government recognises the importance of reassuring local areas on the future of local growth funding and of providing clarity on the UKSPF. In your letter, you ask what the timetable is for bringing forward proposals and launching the UK Shared Prosperity Fund. Now we have left the European Union, we will create a UKSPF which binds together the whole of the United Kingdom, tackling inequality and deprivation in each of our four nations. Decisions on the fund will need to be made through a cross-Government Spending Review and we will set out further plans for the fund later this year.

It is important to note that under the terms of the European Union (Withdrawal Agreement) Act 2020, the UK continues to participate in EU annual budgets under the current Multiannual Financial Framework (2014-2020 MFF). As a result, England and the devolved administrations continue to have access to EU Structural and Investment Funds and spending through these programmes will continue throughout 2021.

Your letter also asks about the principles upon which the fund will be allocated. Final decisions on the allocation of the fund will need to be made after a cross-Government Spending Review. However, as stated in the 2019 Conservative Manifesto, the UKSPF will, at a minimum, match the size of EU structural funds in each nation.

The Government is committed to strengthening our Union, levelling up every part of the UK and devolving power to people and places. The UKSPF will operate across England, Scotland, Wales and Northern Ireland to ensure that every part of the United Kingdom can prosper. We also want to ensure that the UK Government and its institutions are working effectively to realise the benefits of four nations working together as one United Kingdom. UK Government officials have met with their counterparts in the devolved administrations on multiple occasions to discuss the fund. Final decisions on the administration of the UKSPF will also need to be made following a cross-Government Spending Review.

As highlighted in your letter, Covid-19 represents a significant challenge for governments across the world, and the unprecedented response of the UK Government to deal with the crisis has of course had an impact on resourcing within the Civil Service. Officials from across several government departments support the work on the UKSPF and we continue to make good progress across Government priorities, including future funding arrangements.

Stakeholder views from across the UK have helped inform progress on policy design. Officials have held 26 engagement events in total, including 25 across the UK and one in Gibraltar. These were attended by over five hundred representatives from a breadth of sectors and designed to aid the development of the fund. Over the coming weeks, the Government will be assessing the impacts of Covid-19 and the changing needs of local and regional economies. We have a real opportunity through the UKSPF to design a fund that is driven by domestic priorities and supports areas across the UK to recover from the impacts of Covid-19. Government officials have been working closely with interested parties and will continue to do so as we develop the fund.

Thank you once again for your letter.

Yours ever,

A handwritten signature in black ink that reads "Simon Clarke". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

SIMON CLARKE MP