

European Scrutiny Committee

House of Commons, London, SW1A 0AA

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From: Sir William Cash MP

23 July 2020

Simon Clarke MP
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UK Shared Prosperity Fund and Proposals for Regulations on EU structural funds post-2020 (39801, 39807, 39808, 39811) (EU documents 9511/18, 9522/18, 9573/18, and 9536/18)

We have considered your letter of 3 June and taken note of your later letter dated 19 June to the Chairs of various other Select Committee.

We note that you remain unable to set out any details of the Shared Prosperity Fund, or even a timetable for doing so. From the perspective of this Committee, it makes it impossible for us to assess the advantages or disadvantages of seeking participation in relevant aspects of future EU structural funds, such as the European Territorial Cooperation goal, aside from PEACE PLUS.

In a recent Explanatory Memorandum¹ to us covering amended proposals for the future structural funds, the Minister for Climate Change and Corporate Responsibility (Lord Callanan) said:

Following a comprehensive value-for-money assessment of ongoing participation in EU programmes, HMG will not be pursuing participation in ETC, including ETC health programmes, in the MFF 2021-2027. As a structural fund, the new UKSPF will replace ESIF including ETC funding.

We do not take a position on the desirability or otherwise of participating in the ETC programmes (other than PEACE PLUS) and we recognise that proposals

¹ [http://europeanmemoranda.cabinetoffice.gov.uk/files/2020/06/EM_COM_\(20\)_450-451-452_June_2020_PDF.pdf](http://europeanmemoranda.cabinetoffice.gov.uk/files/2020/06/EM_COM_(20)_450-451-452_June_2020_PDF.pdf)

to achieve similar goals under the SPF may well be better value for money. It is incumbent on us as a scrutiny committee, however, to insist that the Government shares its analysis with us in order that Parliament is in a position to critically assess the Government's approach.

We therefore ask that the value for money assessment referred to be shared with us by 1 September in order that we are able to take forward our scrutiny of these matters. We would also welcome any further details that you are able to share at that stage concerning the SPF, as well as information on the progress of negotiations concerning the UK's participation in PEACE PLUS.

We are copying this letter to Clive Betts MP, Chair of the Housing, Communities and Local Government Committee and Mike Winter, Clerk of the Committee; Simon Hoare MP, Chair of the Northern Ireland Affairs Committee and Nicholas Beech, Clerk of the Committee; Rt Hon. Stephen Crabb MP, Chair of the Welsh Affairs Committee and Adam Evans, Clerk of the Committee; Pete Wishart MP, Chair of the Scottish Affairs Committee and Leoni Kurt, Clerk of the Committee; Rt Hon. Hilary Benn MP, Chair of the Future Relationship with the EU Committee and Gordon Clarke, Clerk of the Committee; the Earl of Kinnoull, Chair of the EU Select Committee in the House of Lords and Christopher Johnson, Clerk of the Committee; your Departmental EU Scrutiny team; and Les Saunders and Donald Harris in the Cabinet Office.

CHAIR



Ministry of Housing,
Communities &
Local Government

Sir William Cash MP
Chair, European Scrutiny Committee
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Our Ref:8574760

3 September 2020

Dear Sir Bill,

Further to our previous correspondence, I am writing in response to your letter regarding the UK Shared Prosperity Fund (UKSPF), which was received on 23 July 2020. I apologise for the slight delay in my response and welcome your continued engagement on this issue.

As I mentioned in my previous response, the Government has been working closely with interested parties across the UK whilst developing the UKSPF. The Spending Review will create a multi-year UKSPF which will support local economic recovery by driving economic growth and tackling deprivation. Final decisions on its design and allocation will be taken at this stage.

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) until closure in 2023, including the current set of ETC programmes. However, as you have mentioned, the UK will not be pursuing participation as a third country in ETC programmes in the MFF 2021-2027. Nonetheless, both the UK and EU have committed to participation in the future 2021-2027 Peace+ programme and both sides have reiterated this commitment during negotiating rounds. We have had constructive discussions on this topic to date which we look forward to continuing in future rounds.

You asked for a copy of the value-for-money assessment referenced by Lord Callanan. The assessment referred to relates to the Government's ongoing policy development and in line with normal practice we are unable to share that work with you.

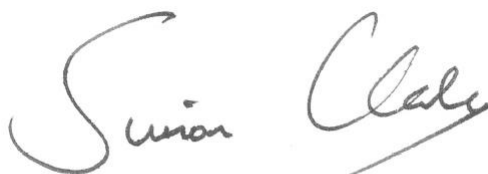
The Future Relationship with the EU document sets out the Government's position on the programmes where the UK is considering a relationship in line with standard non-EU Member State participation. The programmes that the UK is considering participation in are those that **could** represent a real benefit to British people and industry, **provided the UK can secure participation on acceptable terms** in the context of the principles set out in the UK's approach, in particular that it will be a third country relationship, based in precedents, and must respect our autonomy and sovereignty.

In the case of ETC, the Government is committed to levelling up opportunity and ensuring every region and nation benefits from growth. Leaving the European Union provides us with

a fresh opportunity to consider how best to deliver on that ambition, with the design of the UK Shared Prosperity Fund being driven by domestic priorities.

I am copying this letter to Clive Betts MP, Chair of the Housing, Communities and Local Government Committee; Simon Hoare MP, Chair of the Northern Ireland Affairs Committee; Rt Hon Stephen Crabb MP, Chair of the Welsh Affairs Committee; Pete Wishart MP, Chair of the Scottish Affairs Committee; Rt Hon. Hilary Benn MP, Chair of the Future Relationship with the EU Committee; the Earl of Kinnoull, Chair of the EU Select Committee in the House of Lords.

Yours ever,

A handwritten signature in black ink that reads "Simon Clarke". The signature is written in a cursive style with a large initial 'S'.

SIMON CLARKE MP