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Pete Wishart  
Chair  
Scottish Affairs Committee  
House of Commons  
London  
SW1A 0AA

24 March 2021

Dear Pete,

### **Scotland and the Shared Prosperity Fund – Inquiry**

I write to thank you for the opportunity to discuss Scotland and the Shared Prosperity Fund, a matter of vital importance to Scotland, with yourself and the Committee.

From my point of view, the timing of the meeting was unfortunate as it gave little time to digest either details of the funding post Budget, or individual responses to your inquiry which meant I was unsighted on the detail from specific respondents.

You will be aware that the Scottish Government published a paper last week setting out the adverse impact of the Internal Market Act and the constraints it places on Devolution. Part Five of that paper specifically addresses the Shared Prosperity Fund, though I shall summarise here, as it is worth reiterating the point. Despite undertaking an extensive consultation to determine how the people and businesses of Scotland wish to see Structural Funds replaced, Scottish Government has been entirely excluded from the development of all three Funds. The UK Government's intention is now clear – to bypass Scotland's Parliament entirely in their delivery. This is not acceptable given that these Funds relate largely to devolved functions. Not only is this in contravention of the devolution settlement but it will disrupt the productive relationships which the Scottish Government has forged with stakeholders over the course of many years, creating potential for confusion, duplication and unnecessary additional bureaucracy. Such a move must not be repeated with the Shared Prosperity Fund.

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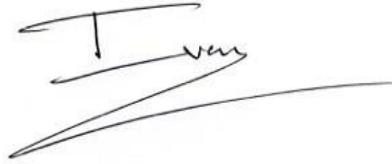
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Earlier this week Scottish Government officials spoke with both COSLA and SLAED representatives to consider how UK Government decisions impact on us and what our next steps will be. Today I issued a shared statement with both the Northern Irish and Welsh Finance Ministers expressing our concerns about the UK Government bypassing devolved governments and existing structures to allocate replacement EU funds.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ivan McKee', with a long horizontal flourish extending to the right.

**IVAN MCKEE**

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