

Minister for Trade, Investment and Innovation  
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Luke Hall, MP  
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09 November 2020

Dear Luke,

## **UK SHARED PROSPERITY FUND (UKSPF) – ENGAGEMENT BETWEEN THE SCOTTISH AND UK GOVERNMENT**

Thank you for your letter of 3 November.

I am disappointed that you are not willing to meet with me regarding the development of the Shared Prosperity Fund and I would request that you reconsider your decision. The continued lack of meaningful engagement on this important policy is counterproductive and potentially detrimental to Scotland's needs and wishes.

Since its original announcement in 2018, the UK Government has kept Devolved Administrations at arm's length from the development of this Fund. The engagement programme that you refer to in your letter was supposed to be a precursor to a formal consultation: this consultation has not taken place. These events also happened almost 2 years ago and we are unclear as to how any of the information that was gathered at these has fed into the development of policy. I therefore think it is disingenuous to flag these as evidence of meaningful policy engagement with the DAs.

The European Structural and Investment Funds (ESIF) which the UKSPF is set to replace have played a vital role for many years in supporting Scotland's economic and social policy aims. As I have previously raised with you, the recent publication of the UK Internal Market Bill has raised serious concerns on how the effective delivery of the UKSPF in Scotland could be undermined. Not only does this Bill represent a removal of a significant section of devolved powers in Scotland, financial assistance directly provided by UK Ministers without consideration of the Scottish Government will not only undermine Scotland's wishes but ultimately complicate the delivery of the Fund.

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Centralisation of the Fund at a UK level could 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.

Additionally, as we begin to recover from the impact of the COVID-19 pandemic, it is more important than ever that the UK Government re-engages with the Scottish Government. Any replacement to ESIF will have an important role to play going forward in ensuring localised disparities across Scotland are tackled and inclusive growth is maintained.

The Scottish Government has been working in partnership with stakeholders and a Steering Group of experts to develop our position on how the fund should operate in Scotland. We expect this work not only to be reflected in the final UK arrangements but for our plans to be the model for how the fund operates in Scotland.

I would therefore request that a meeting between us takes place soon and certainly ahead of the UK Spending Review on 25 November.

Yours sincerely,



**IVAN MCKEE**

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