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Mr Jake Berry MP
Minister for the Northern Powerhouse & Local Growth
Ministry of Housing, Communities & Local Government

Sent by email:
psjakeberry@communities.gov.uk

Our ref:
5 February 2019

Dear Mr Berry

I want to raise with you my concerns regarding the uncertainty facing the future funding arrangements of the third sector following the UK's exit from the EU.

EU funding benefits Scotland's third sector significantly, with many organisations receiving vital funding to support a range of projects. As a result of the UK Government's chosen route for exiting the EU, the UK will no longer have access to millions of pounds of structural funding. Many within the third sector in Scotland have told us that the loss of these funds, without consultation and without a clear replacement in sight, is causing serious concern and they are anxious about their ability to support those who most need it within our society. This will be common across the rest of the UK, and I am sure you will have heard similar concerns.

The Scottish Government has listened to the sector on these matters, and I want to seek your assurance that their concerns will be addressed within the scope of the proposed Shared Prosperity Fund.

We have long been clear that there must be no detriment to the Scottish Budget as a result of the UK's exit from the EU, and that all lost EU funding must be replaced in full by the UK Government. It is imperative that Ministers work with all of the devolved administrations to agree future funding arrangements that make sense for all parts of the UK. The Scottish Government is determined to defend its hard-won fiscal responsibility and maintain the benefits that EU funding has provided to many sectors, through economic, social and environmental programmes across Scotland.

In particular I note the commitments made by the UK Government, including to the UK Parliament, to consult on the Shared Prosperity Fund by the end of 2018. It is remarkable that this has not yet been forthcoming and that there has not been an update on this to the

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devolved administrations or any stakeholders across the UK. This is causing further uncertainty for the many organisations who rely upon structural funds for their existence. Nonetheless I am continuing to engage with the sector and would welcome an urgent update on these matters from your perspective. For the avoidance of doubt, both the sector and the Scottish Government are seeking more than a restatement of the UK Government's long-standing commitment to consult. We are absolutely clear that we expect the value of the funds to remain at least the same and that we retain the ability to design and operate them in line with the best interests of Scotland.

Given their interests in these matters I am copying this letter to the Cabinet Secretary for Finance, Economy and Fair Work, Derek Mackay, the Cabinet Secretary for Government Business and Constitutional Relations, Michael Russell, the Secretary of State for Scotland, David Mundell, the Welsh Government Counsel General and Brexit Minister, Jeremy Miles AM, and the Head of the Northern Ireland Civil Service, David Sterling.



AILEEN CAMPBELL

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