From Rt Hon Norman Lamb MP, Chair

Rt Hon James Brokenshire MP
Secretary of State for Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

July 2019

Dear James,

Replacing income from EU Structural and Investment Funds
I am writing to you in relation to EU Structural and Investment Funds (ESIF). Concern has been raised with me privately about the way in which income from these funds will be replaced after the UK leaves the European Union.

At present ESIF is administered separately to Horizon Europe. However, in practice, substantial parts of ESIF are used widely by the research and innovation community in the UK to complement the Horizon Europe funding they receive. ESIF often plays a critical role at the interface between research and local economies. I understand that your department is developing a Shared Prosperity Fund that will replace at least some of the functions of ESIF after we leave the EU but there appears to be very little information about your new Fund in the public domain.

I would therefore be grateful if you could set out:
- What plans the Government has to replace UK income from ESIF when the UK leaves the European Union;
- How your department is working with BEIS and UKRI officials to co-ordinate work on future plans, in the event of a deal and in the event of 'no deal', to co-ordinate the replacement of Structural Funds; and
- How your department has engaged with the research and innovation community across the UK to incorporate their views into the development of your new funding arrangements.

I am copying this letter to Chris Skidmore MP, Minister of State for Universities, Science, Research and Innovation. I would be grateful if you could provide a response to this letter no later than Monday 9 September. I will be placing my letter and your response in the public domain when your response is received.

Rt Hon Norman Lamb MP
Chair
Dear Norman,

Thank you for your letter of 17 July to the Rt Hon James Brokenshire MP about the replacement of EU structural funds. I am replying as this matter falls within my ministerial responsibilities.

The Government is committed to levelling up our regions and enabling all places to benefit from economic growth. As you know, the Prime Minister, in his speech of 27 July, recommitted the Government to bringing forward plans on the UK Shared Prosperity Fund. The Fund will invest in the foundations of productivity as set out in our modern Industrial Strategy to support people to benefit from economic prosperity, especially in those parts of the UK whose economies are furthest behind. The Government will cut out bureaucracy and deliver a simpler fund, which will be easier for local areas to access.

The Government recognises the role EU structural funds play in supporting vital jobs and growth opportunities across the UK, including science, research and innovation. As you know, the Government has guaranteed that if we leave the EU without a deal, European and Structural Investment Funds will continue to be funded under the 2014-2020 programme period. This provides assurance and stability in funding to communities and organisations across the UK in all scenarios.

Working across Whitehall, over the past year we have continued to make progress on the design of the UK Shared Prosperity Fund. This has been aided by the conversations my officials have had with over 500 key stakeholders and interested parties, including universities and the business community, and through the 25 engagement events government officials have held across the UK. The Government will bring forward plans on the UK Shared Prosperity Fund and will consult widely on the design of the fund.

Thank you for writing in on this important matter.