



Department for Levelling Up, Housing & Communities

Richard Leonard MSP
Convener, Public Audit Committee

Rt Hon Michael Gove MP
*Secretary of State for Levelling Up, Housing and
Communities*
Minister for Intergovernmental Relations

**Department for Levelling Up, Housing and
Communities**

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6 May 2022

Dear Richard,

Thank you for your letter of 29 March regarding the replacement of EU funds and future audit and accountability arrangements and apologies for the delay in responding to you.

In relation to your question regarding the Levelling Up Fund and accountability regimes, as well as replacement funds, the assurance regimes created for all Levelling Up funds operating in Scotland, Wales and Northern Ireland will be compliant with their respective laws. Whereas the GIAA is the relevant Audit Authority in England, we recognise the Auditor General's equivalent role in terms of the third line of defence in Scotland and will incorporate this into our processes accordingly.

The UK Government launched the UK Shared Prosperity Fund (UKSPF) on 13 April 2022 and the Prospectus and supporting documents are available on [GOV.UK](https://www.gov.uk). The Fund is a central pillar of the UK Government's ambitious Levelling Up agenda and a significant component of its support for places across the UK, providing £2.6 billion of new funding for local investment by March 2025 and delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.

All areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. As the Monitoring, Evaluation and Benefit Realisation work evolves we will work with Scottish Government and the Convention of Scottish Local Authorities where appropriate. We are yet to formally establish the specific roles of each party; however, this will be addressed in the technical note to be published in Summer 2022.

Throughout the development of the Fund, we have been in close correspondence with the Scottish Government and the Convention of Scottish Local Authorities. We have engaged with Scottish Government at all levels, meeting intensively to discuss the design and delivery of the Fund ahead of publication, with Ministerial meetings between Minister O'Brien and Scottish Government Ministers: Minister Lochead and Minister Stewart, Permanent Secretary level meetings and official level meetings.

In Scotland, local government is being given responsibility for developing an investment plan and for delivery of the Fund thereafter. This recognises that pride in place and increasing life

chances can be best achieved by delivery close to local people and businesses by authorities that understand each place's unique local context and identity, and with established governance.

Robust and balanced local partnerships listed in the prospectus will be a core component of how the fund will be administered locally. Local leaders will be tasked to work with a diverse range of local stakeholders to achieve fund outcomes in their areas.

Thank you again for your letter. I hope you find this response helpful.

With every good wish,

**Rt Hon Michael Gove MP
Secretary of State for Levelling Up, Housing and Communities
and Minister for Intergovernmental Relations**