

Rt Hon Sir Robert Buckland KBE KC MP  
Secretary of State for Wales

10 October 2022

Dear Secretary of State

### Finance Committee report: Post-EU funding arrangements

Thank you for your letter of 14 July, which provided additional information to assist with our inquiry into Post-EU funding arrangements. The Committee would also like to note its gratitude to the previous Secretary of State for Wales, Simon Hart MP, and the Parliamentary Under-Secretary of State for Wales David TC Davies MP for giving evidence on 30 June. I am pleased to inform you that we have published our [report](#).

Since leaving the EU, the Finance Committee has followed the progress of replacing EU funding in Wales, with a keen interest. As you know, Wales was the largest recipient of EU funding relative to its population of the UK nations and our inquiry was an initial deep-dive into that replacement funding and the level of funding due to be received in Wales.

We believe it will be for the Welsh and UK governments to work together in partnership to ensure that the money that flows to Wales is spent on delivering the right outcomes for Wales. As such, whilst we appreciate that UK Ministers are not directly accountable to the Senedd, our report makes several recommendations to the UK Government and we sincerely hope that you will provide a response to these recommendations to inform the Senedd's consideration of these new funding arrangements.

In particular, I would like to draw your attention to the following recommendations:



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*Recommendation 1. The Committee recommends that, for future funds, the UK Government gives further consideration:*

- to the time and resources required by local authorities to prepare bids;*
- similar funding should be provided on the basis of need; and*
- avoid a situation where time pressures influence the types of projects put forward.*

*Recommendation 2. The Committee urges the UK Government to ensure the mechanisms around the Shared Prosperity Fund facilitate meaningful discussions with the Welsh and other devolved governments, in order to maximise the investment in Wales.*

*Recommendation 4. The Committee recommends that further information is provided by the Welsh and UK governments regarding the deprivation element of the distribution formula and how this was agreed.*

*Recommendation 5. The Committee recommends that increased engagement takes place between the UK Government, Welsh Government and local authorities to clarify how the Multiply programme will operate in Wales.*

*Recommendation 6. Given that education is a devolved area, the Committee is disappointed with the method of allocating funding through the Multiply programme and recommends that the UK Government provides flexibility to spend the funds from the Multiply programme in other areas.*

*Recommendation 8. The Committee recommends that the UK Government provides further information on the team being established in Wales to operate the Funds, including the resources and staff to be deployed by the UK Government in Wales.*

*Recommendation 9. The Committee recommends that the UK Government provides further information on the role and responsibilities of the UK-wide ministerial forum that will support delivery of the Fund, as well as any other relevant engagement and responsibilities of the Welsh Government.*

*Recommendation 12. The Committee recommends that the UK Government increases flexibility to move Shared Prosperity Funds between financial years and between projects, similar to that offered through EU Structural Funds programmes. The Committee further calls for increased flexibility on how underspends will be treated.*

*Recommendation 13. The Committee recommends that the UK Government provides clarity on its long term plans for replacement EU funding and the status of the Shared Prosperity Fund beyond 2025. If it is to be replaced by a successor fund, the Committee recommends that relevant engagement needs to be taking place with stakeholders immediately.*

*Recommendation 14. The Committee recommends that any successor to the current Shared Prosperity Fund:*



- *takes a longer term approach and is closer to the length of EU structural funding programmes than the current Shared Prosperity Fund;*
- *and is aimed at creating growth and increasing GVA in Wales.*

*Recommendation 15. The Committee recommends that an independent body assesses both the Welsh and UK government's claims around the levels of future funding and how this compares to previous EU funding.*

*Recommendation 20. The Committee recommends that the Welsh and UK governments publish the detail of the amount and profile of legacy funding that Wales is due to receive from the European Social Fund and the European Regional Development Fund.*

The Committee would be extremely grateful for a formal response to the recommendations above by 21 November 2022. The Committee is due to hold a plenary debate on 14 December 2022.

Given that the Funds under consideration fall within the remit of the Department for Levelling Up, Housing and Communities, I have copied this letter to your colleague, the Rt Hon Simon Clarke MP.

We found the session with your predecessor as Secretary of State for Wales and the Parliamentary Under-Secretary particularly enlightening and hope that yourself and Mr Clarke will welcome any future engagement with the Finance Committee and the Senedd.

Yours sincerely



Peredur Owen Griffiths MS  
Chair of the Finance Committee

Cc - The Rt Hon Simon Clarke MP, Secretary of State for Levelling Up, Housing and Communities



Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

