

Cross-Party Group in the Scottish Parliament on Industrial Communities – Minute of Meeting held on Wednesday 30th January, 2019

In attendance – Colin Beattie MSP (Chair), John Mason MSP, Cllr. Altany Craik, Cllr. Russell Imrie, Cllr. Margot Russell, Prof. Steve Fothergill, Bob Young, Malcolm Leitch, Andrew Ralston, Ian McCrory, Roddy MacDonald.

Apologies – Cllr. Peter Henderson, Cllr. Stephen Curran, Sandra Brown, Cllr. Tony Buchanan, Prof. John Bachtler.

Minutes of the Previous Meeting dated the 21st November 2018

The minutes were proposed by Cllr. Altany Craik and seconded by John Mason MSP, with no matters arising.

Meeting with Derek Mackay MSP, Cabinet Secretary for Finance, Economy and Fair Work on Thursday 15th November 2018 – Short Note of Meeting

Roddy MacDonald spoke to his report on the engagement with the Cabinet Secretary on the 'Key Principles of Allocation of the proposed UK Shared Prosperity Fund'. The engagement was very positive in terms of tone, the quality of the discussion and the time allocated to the meeting. The Cabinet Secretary responded positively to the 'Key Principles' as follows;

- Key Principle Number One – The requirement for a clear objective on the purpose and use of the Fund- embracing a place-based, inclusive growth approach as a key driver of the design and implementation of the Fund in Scotland was endorsed by the Cabinet Secretary.
- Key Principle Number Two – The level and duration of the Fund in Scotland – support was given by the Cabinet Secretary to ensuring a requirement for *'the protection of the quantum with no fiscal detriment and autonomy in the operation of the new Fund'*
- Key Principle Number Three – The requirement for flexibility to meet the diverse needs of Scotland – support was given by the Cabinet Secretary to a more targeted approach which fits more closely with the priorities of Scotland and its diverse economies and communities. He specifically underlined the requirement for *'minimal bureaucracy and maximum outcomes'*.
- Key Principle Number Four – The adoption of an evidenced based model – the Cabinet Secretary agreed with the Alliance Scotland view that the operational delivery of the new Fund within Scotland should be a matter for the Scottish and not the UK Government. He emphasised that *'we still have a manufacturing future'* and that for young people in particular a key outcome must be *'purposeful, meaningful employment.'*
- Key Principle Number Five – The need for Local Authorities and key stakeholders to be at the heart of the governance model – support was given by the Cabinet Secretary to a commitment to engage with key stakeholders with a focus on clear outcomes for our communities.

- Finally, the Cabinet Secretary summed up his view on what Alliance Scotland can do to best assist in optimising the impact of the new Fund – *‘help us find the consensus.’*

Letter from Derek Mackay MSP, Cabinet Secretary for Finance, Economy and Fair Work to Colin Beattie MSP dated the 19th December 2018.

The Convener Colin Beattie MSP led discussion on the main points of the correspondence. In particular reference was made to the following comments from the Cabinet Secretary with respect to the report published by the All-Party Group on Post-Brexit Funding for Nations, Regions and Local Areas;

- “It was pleasing that more than twenty of the eighty submissions came from Scottish stakeholders.
- The work of the report and the observations and recommendations will be useful in the development of our proposals for the replacement of the programmes.
- At this stage it is unclear what the timetable for discussion of these proposals will be. Ivan McKee, Minister for Trade, Innovation and Investment, has portfolio responsibility for the European Structural Funds programmes, and either of us would be happy to meet with you when further details are received”.

Following discussion on the contents of the letter it was proposed that the Cross-Party Group should keep under consideration inviting Ivan McKee MSP to a future meeting.

Report of an initial inquiry into the UK Shared Prosperity Fund, November 2018, from the All-Party Westminster Parliamentary Group on the Post-Brexit Funding for Nations, Regions and Local Areas – Presentation by Professor Steve Fothergill

Professor Steve Fothergill provided colleagues with background to the Inquiry. He focused on the following aspects of the Report;

- Background – The All-Party Group was established in June 2018. Its chair is Stephen Kinnock MP (Labour) and its vice-chairs are Bill Grant MP (Conservative), Chris Stephens MP (Scottish National Party), Jo Platt MP (Labour) and Anna McMorrin MP (Labour). At its inaugural meeting the Group initiated an Inquiry to assess the views of stakeholders in the parts of the UK that currently benefit substantially from European Union funding. The aim was to produce a report that could be fed into Government at an early stage to try to influence the UK Government’s proposals.
- Process and the Call for Evidence – The ‘Call for Evidence’ asked 18 specific questions and the feedback from the list of organisations making written submissions provided a good evidence base for the Inquiry.
- Recommendations – These related to the following areas. The overall budget – recommending that the annual budget for the UK Shared Prosperity Fund is no less, in real terms, than the EU and the UK funding streams it replaces; The Allocation across the Country – recommending that the UK Government adopts a pragmatic approach and rolls forward the four nations’s existing shares of EU funding into the UK Shared Prosperity Fund; The Activities to be supported – recommending that narrowing of the differences in prosperity across the UK and flexibility, as required, be key objectives of the new Fund; and finally, The

Management – recommending a respect for the devolution settlement and that the UK Government should consequently transfer responsibility for the detailed design and delivery of the relevant parts of the UK Shared prosperity Fund to the devolved administrations and their partners, urging in addition the engagement of local authorities in the process.

- Where are we going? The Secretariat at a GB level is currently engaging with key Civil Servants in Westminster. It was noted that *'mood music is positive.'* Additionally, the letter from Derek McKay MSP, noted above, and correspondence from the First Minister of Wales was also positive. The next meeting of the All-Party Group intends to invite the UK Minister for Communities and Local Government to its meeting. Finally, he advised of a future Welsh event which would *'include the Labour Party Family of AMs, MPs and Councillors to ensure that they are all singing from the same hymn sheet with respect to this issue. Especially so as we await the Consultation process on the UK Shared Prosperity Fund.'*

Colin Beattie MSP, thanked Steve for his detailed presentation. A wide ranging discussion took place on a Scotland perspective and how to best engage with UK, Scotland and Council representatives. Following this the Convener committed to engaging with Derek Mackay MSP to *'gain a steer from the Scottish Government'* and following this to engage with the SNP Westminster Group via Chris Stephens MP and the other Parties at Holyrood. Councillors Altany Craik and Russell Imrie committed to considering how best to engage COSLA. Once the UK Shared Prosperity Fund Consultation process is announced consideration would be given to a potential Scottish Event.

Action – Colin Beattie MSP, Councillors Altany Craik & Russell Imrie

Core Agenda Item to be considered by the Cross-Party Group in early 2019 – The European Structural Funds

With the support of the Convener and all present it was agreed that the Cross-Party Group would maintain its focus on 'European Funding Issues' in early 2019.

AOCB

There were no issues arising.

Date of the Next Meeting

The next meeting will be held on Wednesday 27th March, 2019 from 5.30pm at T.G. 20/21.