

**Meeting of Cross-Party Group on Industrial Communities in the Scottish Parliament
Wednesday 30 May 2013 at 5.15pm, Room TG20/21 , Scottish Parliament**

Attending Councillors	Attending Officers		Attending MSPs
Anne Galbraith Bob Young	John Beveridge Anne Houston Malcolm Leitch Ian McCrory Andy Lee	Kat Feldsinger Lorraine Cairns Steve Fothergill Ian Smith	Neil Bibby Mark Griffin John Mason

Apologies	
Linda Aird	Councillor J McMillan
Councillor Marie Burns	Elaine Murray MSP
Carole Coull	Councillor Irene Oldfather
Pauline Douglas	Councillor D Reid
Adam Ingram MSP	Councillor Bob Young
Helen Eadie MSP	Robert McGill
Councillor Andrew Wood	Elaine Murray MSP
Councillor Gill Dykes	Councillor Alex Bennet
John Gray	Kenny Lean
Councillor John Dempsey	Councillor William Menzies

1. Attendance and Apologies

John Mason welcomed members to the meeting and confirmed that he would replace Helen Eadie in the chair for this meeting due to Helen being out of the country.

Anne Houston read out apologies (above).

Minutes of the previous meeting were approved by Neil Bibby MSP and seconded by Mark Griffin MSP.

2. The Impact of Welfare Reforms in Scotland - Presentation by Steve Fothergill, Sheffield Hallam University

Steve Fothergill gave a presentation on the Impact of Welfare Reform in Scotland which had been commissioned by the Scottish Parliament Welfare Reform Committee. He reported that reforms would be taking £19 billion out of the UK collectively and £1.6 billion a year out of the Scottish Economy which equated to £148 per head. He concluded that Scotland was not suffering any worse than other areas in the UK, however that worst impact by far would be felt in Scotland's most disadvantaged areas. Members were most concerned to note the scale of the impact of the reforms in Scotland's industrial communities and recognised that the full impact would not be felt for a few years. Subsequent impact on a variety of support services including CAB, Mental Health etc were also noted.

One of the major issues highlighted was the fact that a number of reforms were being implemented simultaneously with some reforms hitting households and others individuals. The reform which would have greatest impact was identified as the reforms to Incapacity Benefit which now means that after one year Employment Support Allowance is means tested and can come to an end. Up to 144,000 individuals would be affected by this. In addition, because some reforms will affect individuals simultaneously, the overall effect could be a reduction of income up to £7k a year for some people.

Steve highlighted the disparity of the position across Local Authorities with Glasgow being hit the hardest with an average decrease in income of £650 per working age adult per year which equates to a reduction of £270m per year. In Shetland the figures are £270 and £4m per year respectively. Scotland will be hardest hit by reforms in Incapacity Benefit, Disability Living Allowance and Housing Benefit.

In the discussion that followed it was agreed that £7k was a substantial reduction in income for individuals and it was also highlighted that this loss of income would have a knock on effect on local businesses in these communities. The Improvement Service have already been asked to try and quantify this issue.

In terms of housing, there appears to be anecdotal evidence that up to one quarter of tenants are falling behind in rent payments. The issue of Universal Credit was also raised as one that would cause problems in the future and would be difficult to implement effectively. Similarly, the bedroom tax would be difficult to implement although this was not causing as many problems in Scotland as some other areas. It was also suggested that the bedroom tax could be fought on a Human Rights issue and that Professor Alan Miller is researching this possibility.

It was recognised that some of the ICA Communities e.g. East Ayrshire would be hardest hit by the Impact of the Reforms. The question of UK Government Impact Assessment into the reforms was asked. Professor Fothergill confirmed that the UK Government had looked into this but no conclusions have been drawn as yet.

Other issues that were raised by members included the need to revisit Local Authority funding settlements which remained imbalanced given the huge variance in need across Scotland's local authorities. Mental Health was also an issue that was acknowledged as having potential for serious impact.

3. Presentation on Draft Operational Programmes 2014-2020 - Kat Feldsinger, Scottish Government European Structural Funds Division

Kat began her presentation to the group by explaining the principles behind the European Commission's cohesion policy with regard to supporting areas of deprivation across Europe. She

then demonstrated the Scottish context by showing maps which highlighted that many of Scotland's worst off areas have not changed over the last eighty years. Therefore, she posed the question - what needs to be done to make a difference to these areas using the Structural Funds at our disposal? She identified balancing need and opportunity as a key issue which required focus in the next round of Structural Funds which would involve Local Authorities in a process to identify these areas. This time round Scotland have been fortunate to only receive a 5% reduction in allocation of funds which was significantly less than expected.

Kat identified three challenges which would be key planks of the Future Programme;

Labour Market Participation
Social Exclusion and Unemployment
Environmentally friendly and Resource Efficient Economy

She also identified that the Scottish Government had included Delivery Partners in the this Programme who could; handle audit requirements, provide match funding and delegate delivery arrangements as appropriate.

In the following discussion the following issues were raised;

Ongoing basic literacy issues in Industrial Communities were highlighted and it was hoped that the Programme could address these. Kat confirmed that support would be addressed from the very early barriers to employment such as literacy through an Employability pipeline that also addressed the issues of those wishing to progress within employment. She also acknowledged that a key issue would be to provide effective vocational training. The Scottish Government are very keen to see projects from all five stages of the Employability pipeline.

Transport and accessibility issues were also raised and Kat recognised that there was no assumption that large areas like South West Scotland, for example, would be seen as one area. She was very clear that the Programme would need to look at more localised priorities like transport issues.

The issue of bureaucracy affecting the participation of smaller community groups was raised. Kat confirmed that this was the reason for using larger delivery agents to support.

The figure of 40,000 potential jobs in renewables was questioned and it was confirmed that these figures were contained in the Scottish Governments renewables plan.

The synergy of the Programme with opportunities like surface mining was raised. In particular, how can the renewables priority be tied in with the broader energy industry within Scotland.

Finally, it was acknowledged that South West Scotland had been identified as an area to receive an additional resource of £52m to support Youth Employment over the next seven years . Kat confirmed that the picture was not yet clear about how this resource could be best utilised in the context of the 2014-202 Programme.

Finally, the significant role of the Scottish Government in arguing for a 5% decrease in the overall Uk settlement was praised by the Committee

4. Report on Meeting with Angela Constance, Minister for Youth Employment

Anne reported on a small CPG group meeting with Angela Constance MSP, Minister for Youth Employment. The Minister welcomed the opportunity to meet informally with members of the CPG. Community Jobs Scotland was discussed and members of the CPG were interested to know whether the Minister felt that there was potential to broaden the scope of CJS to include the public and private sector. The Minister was very clear that the Scottish Government wished to provide dedicated support to the third sector and was therefore reluctant to broaden the scope. An increase to the age limit of 24 for support was also raised by the group, however the Minister was again clear that there continued to be significant challenges with this age group and that the Scottish Government wished to prioritise early intervention. Finally, the Youth Employment Scheme (Employer Recruitment Incentive) was discussed. The Minister recognised that the Programme had under performed against anticipated targets since it was launched and was keen that ICA members engage fully with the Programme. She encouraged ICA members to consider coming up with proposals which would ensure Scotland's industrial communities were making as much use as possible of the scheme. However, in the following discussion it was identified that in fact Scotland's industrial Communities were maximising their access to the YES and that it would be unlikely that there would be scope to increase this.

5. Date of Next Meeting

John Mason thanked the presenters for their informative presentations and members for their attendance. He confirmed that the next meeting of the CPG would take place on Wednesday 30th October, 2013.