

Cross-Party Group in the Scottish Parliament on Industrial Communities – Minute of Meeting held on Wednesday 11th November 2020

In attendance – Colin Beattie MSP (Chair), John Mason MSP, Cllr. Russell Imrie, Cllr. Peter Henderson, Peter Slater, Ian McCrory, Annie Watt, Bob Young, Prof. Steve Fothergill, Dr. Joan Dixon, Prof. John Bachtler, Malcolm Leitch, Ian McCrory, Roddy MacDonald.

Apologies – Alex Rowley MSP, Cllr. Altany Craik, Cllr. Alex Gallagher, Linda Aird.

Annual General Meeting and Appointment of Office Bearers

Minute of the AGM held on the 20th June 2019 proposed by John Mason MSP and seconded by Colin Beattie MSP. Proposal that the status quo should apply, as undernoted, for Office Bearers proposed by Colin Beattie MSP and seconded by John Mason MSP.

- Convener – Colin Beattie MSP
- Deputy Convener – Alex Rowley MSP
- Secretary – Roddy MacDonald

Minutes of the Previous Meeting

The minutes were proposed by Cllr. Russell Imrie and seconded by John Mason MSP with no matters arising.

Privacy Notice

The Convener outlined the Privacy Notice for all in attendance.

State Aid Rules beyond December 2020 – Professor Steve Fothergill

Professor Steve Fothergill led the discussion making the following points;

- Future State Aid rules are deeply tangled up with negotiations over post-Brexit trading arrangements. In brief, the EU would prefer alignment with its rules in order to maintain a level playing field whereas the UK Government wants to set its own rules.
- In the first instance the UK Government wants to operate within World Trade Organisation (WTO) rules, which are not particularly restrictive and difficult to enforce, but has indicated that it will consult on adding to the rules. As of this date the negotiations with the EU have not been resolved.
- There are dangers for Alliance areas in a State Aid regime based solely on WTO rules, which would in effect scrap the Assisted Area map that has over many years given priority to supporting investment in less prosperous parts of the country. Representatives at the Alliance National Meeting held in October 2020 expressed concern about this potential development and it was agreed that representations should be made to UK Government Ministers.

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- Correspondence has duly been exchanged between the National Chair, Cllr. Keith Cunliffe and the UK BEIS Minister Paul Scully MP.
- The Minister's letter contains significant new information. Specifically, the present UK Assisted Area map is being rolled over at least until the end of 2021. The motivation here appears to be to facilitate continuing use of EU funds – which can be committed up to the end of December 2020 for use up to the end of 2023. However, with the Assisted Area map remaining in place this presumably would also continue to allow other forms of regional investment aid, such as Regional Selective Assistance in Scotland – though confirmation on this point is needed.

Wider discussion then took place with contributions from colleagues including Professor John Bachtler – “How do we define State Aid...are there any positives emerging?” and Malcolm Leitch – “Let's focus on the economics...Assisted Area map needs to mean something”.

The State of Former Scottish Coalfields 2020 – Summary Report - Pauline Douglas, Head of Operations, Scotland

Pauline Douglas led a discussion on this document and the impact of COVID 19 and made the following points;

- The CRT has funded 75 Covid Response projects through small grants to assist communities via an 'Adapt and Thrive' Programme. This has ranged from hand sanitisers for Centes to working with young people to promote healthy lifestyle activities through football. Additionally, work is being carried out in partnership with the Scottish Government to promote 'Scotland Loves Local'.
- With respect to the report – the Social Value Lab has recently published the full report which shows that while there has been progress in many former coalfield areas, significant challenges remain. More neighbourhoods have slipped into the list of 20% most deprived Scottish communities, with a worsening picture across education, employment income and health.
- Former coalfield communities still have fewer economic opportunities than other parts of Scotland and are characterised by above average rates of unemployment, child poverty and poor health.
- Significant and concentrated deprivation still exists in Fife, South Lanarkshire, East Ayrshire, North Lanarkshire and Clackmannanshire.
- The report also highlights the extent of the variation within and between coalfield areas. Some areas are progressing relatively well, while some communities in other areas are experiencing different issues and challenges. Support and intervention should, therefore, be tailored for different coalfield communities in line with the challenges and opportunities in specific areas.
- Since the CRT was established progress with communities has been made. However, what is clear is that the work of the CRT remains vital for the continuing rejuvenation of former mining areas across Scotland.

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Economic Reconstruction in Wales: Challenges and Priorities – Peter Slater, ICA Director Wales

Peter Slater presented a comprehensive overview of the current position in Wales with the following headlines;

- Economic Context – Many parts of Wales are already in relatively poor economic shape following the 2008 financial crash prior to the pandemic. Many communities are ill-equipped to deal with the external shock of such magnitude. Nature of the labour market means that working from home is not an option, and young people have been particularly hard hit owing to concentration in high-risk sectors with low paid insecure jobs. The claimant rate for young people has doubled, while in the wider economy Air Bus is losing one third of its workforce and Tata is seeking a £500m package of Government support.
- Reassessing Economic Priorities – Widely argued that we need to recalibrate the economy to provide the basis for sustained growth and to make communities more resilient to external shocks – more of which are inevitable in the context of globalisation.
- Emerging Themes – Needs to be considered against the background of the Well Being of Future Generations Act which places a well-being and sustainable development duty on decision making by public bodies – a new imperative given the widening intergenerational divide brought about by the pandemic.
- Main Policy Themes – Emphasis on a place-based approach with the foundation economy at its heart – aimed at making communities more resilient to external shocks.
- Transition to high value manufacturing and the digital economy – South Wales in particular has above average levels of employment in manufacturing and the Welsh Government has recently launched a consultation on how it can transition and grow into a high value sector.
- Digital Economy – Wales 4.0 will deliver its Digital Transformation Plan in accordance with the Brown Review – includes new skills framework, industrial clusters and industrial transformation road maps, as well as a national conversation on the future of work and the economy.
- Procurement – Using procurement to foster innovation and fair work commitment - £6.3bn annual spend of Welsh Public Sector – step up efforts to deliver manufacturing jobs and stimulate new approaches by SMEs – and deliver fair work commitments on securing ethical employment.
- Transitioning to the Green Economy – Welsh Government’s long-term ambition is to see 30% of workers working from home or near to home – linked to the Transforming Towns Agenda and post Covid experience.
- Closing remarks – Welsh Government do not control all the ‘economic levers’ and much will depend on whether the levelling-up agenda permeates all levels of the Westminster Government.

Date of Next Meeting

The next meeting is scheduled for Wednesday 20th January 2021 from 5.30pm via Microsoft Teams. The Convener, Colin Beattie MSP, thanked all for their attendance and contributions to the meeting.

