

Cross-Party Group in the Scottish Parliament on Industrial Communities – Minute of Meeting held on Wednesday 29th January 2020

In attendance – Colin Beattie MSP (Chair), John Mason MSP, Tom Mason MSP, Cllr. Altany Craik, Cllr. Russell Imrie, Cllr. Margot Russell, Daniel Moran (Office of Alex Rowley MSP), Dr. Joan Dixon, Malcolm Leitch, Ian McCrory, Roddy MacDonald.

Apologies – Alex Rowley MSP, Andy Wightman MSP, Angus MacDonald MSP, Tom Arthur MSP, Cllr. Tony Buchanan, Cllr. William Crawford, Cllr. Iain McLaren, Cllr. Mohrag Fischer, Cllr. Jim Dempster, Cllr. Peter Henderson, Professor Steve Fothergill, Professor John Bachtler, Bob Young, Pauline Douglas.

Minutes of the Previous Meeting and Matters Arising

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

Privacy Notice

The Convener outlined the Privacy Notice for all in attendance.

The Scottish Government Consultation on the Replacement of European Structural Funds in Scotland Post EU-Exit – Draft Response from the Alliance in Scotland.

Roddy MacDonald spoke to the Alliance Draft Report on the Inquiry. The following points were noted;

Objectives of the Funding

- The quantum requires to be protected in Scotland and should be no less, in real terms than the funding streams that it replaces.
- The new fund needs to be operational from the 1st January 2021 to ensure that there is no hiatus in support for our Communities.
- There is a need for multi-annual allocations of the longest practical duration, ideally 7 years.
- The new fund requires to address the challenges with a ‘bottom up’ approach and a recognition that a ‘one size fits all’ model does not meet the needs of our diverse communities.
- This consultation process should not be ‘the only opportunity’ to engage but as a base line to learn, listen and deliver. Real solutions, on the ground, will take time and a long- term commitment.

Alignment with Scottish Policy and Other Funding Streams

- The new funds must be clearly aligned with the Scottish Government’s Economic Strategy (2015).
- Our communities must be authentically engaged within the spirit and objectives of the Community Empowerment Scotland Act (2015).

Page 2

- A clear focus should be on ‘additionality’ and our local authorities should not be asked to ‘do more for the same money’.
- Allocation of the funds should be based on the ‘evidence of need’ and not on a national challenge fund model with success predicated on the ‘best bid writers!’

Alignment with UK and EU Policy

- While the priorities of the fund should be driven by policies developed within Scotland, the UK and EU policy dimensions should not be ignored – learning from best practice and ‘what works’ in the rest of the UK and EU would improve the quality of the future Programmes in Scotland.

Evaluation and Monitoring Progress

- In establishing the new fund there is an opportunity to introduce greater simplicity and effectiveness while maintaining transparency and accountability.
- Success should be measured in terms of outcomes and not validating inputs. The key test should be what differences do the new funds make in narrowing socio-economic disparities within Scotland.

Governance Structures of Future Funding – Allocation and Programme Duration

- The new funding regime should respect both the spirit and the letter of the ‘Devolution Settlement’.
- The Scottish Government should co-design any future governance model in partnership with Councils, Regional Partnerships and Community Stakeholders across Scotland.
- This devolved and inclusive approach should be reflected in naming the fund the ‘UKSPF Scotland’.
- Councils should be resourced adequately to deliver the future Programmes which will be critical to the prosperity and regeneration of our communities in Scotland.

It was agreed, following a discussion of the issues, that a letter be sent to the Cabinet Secretary co-signed by Convener Colin Beattie MSP and Cllr. Altany Craik, Alliance Scotland Chair, with a copy of the approved submission to the Scottish Government Consultation. **Action – Roddy MacDonald.**

Stronger Towns Fund – Where sits Scotland? Update from the Scotland Director

Roddy MacDonald led a discussion on the current situation in relation to the Stronger Towns Fund in Scotland. It was agreed that clarification would be sought from the Cabinet Secretary as part of the letter being drafted on the ‘Replacement of EU Funds’ as outlined in the agenda item above. **Action - Roddy MacDonald.**

N.B. Correspondence to the Cabinet Secretary as outlined above

On the 30th January, 2020 a joint letter from Colin Beattie MSP and Cllr. Altany Craik was sent to Cabinet Secretary Derek McKay MSP outlining the Alliance Scotland response to the ‘Consultation on

Page 3

the Replacement for European Structural Funds Post EU-Exit in Scotland' and regarding the position of the 'much anticipated Stronger Towns Fund'.

On the 27th February 2020 a reply to the letter was received from Ivan McKee MSP, Minister for Trade, Investment and Innovation. His reply noted that – *'On the UK Shared Prosperity Fund, the UK Government has yet to provide further details on the quantum or focus for this, but the Scottish Government maintains an expectation that the five 'red lines'* which I set out last year will be honoured...on the Stronger Towns Fund...Scottish Ministers have pressed the UK Government for details on the share of this funding that will flow to the Scottish Government but, to date there has been no detail from HM Treasury. In Scotland we advocate a co-ordinated, integrated place approach to investment and resource expenditure in cities, towns and neighborhoods across the country influenced and shaped by the people who live, work and enjoy being there. This is a central feature of the Town Centre First Principle which we jointly agreed with COSLA and local government to ensure planning and investment supports the regeneration, sustainability and vitality of towns and town centres. This approach has been supported by – The Town Centre Action Plan...the £50 million capital Town Centre Fund for 2019/20...the Regeneration Capital Fund...and Tools, Information and Services via Scotland's Town Partnership which contribute to the vibrancy and vitality of our towns.'*

- The five Scottish Government 'red lines' referred to in the correspondence are –
- Scotland should not lose out financially compared with the current level of funding that it receives from the EU.
- The Devolution Settlement must be respected and the UK Government must make no attempt to take back powers that the Scottish Government has rightfully executed to date.
- The Scottish Government must be an equal partner in the development of the UKSPF.
- The current level of flexibility should not be reduced.
- The replacement scheme should be operational in time to be implemented in early 2021, so that our stakeholders do not suffer difficulties as a result of funding gaps.

Next Steps for the Coalfield Areas – Presentation from Dr. Joan Dixon of the GB Secretariat

Dr. Joan Dixon firstly provided an extensive overview of the issues which were raised as part of the document 'The State of the Coalfields 2019' from the Centre for Regional Economic and Social Research, Sheffield Hallam University commissioned by the Coalfields Regeneration Trust. The following key points were made;

- The former coalfields of England, Scotland and Wales have a combined population of 5.7 million. Its' population is older than average, and in most places growing more slowly than the population of Britain as a whole.
- Health problems are widespread with more than a third of residents aged 16 plus reporting health problems lasting more than 12 months. Indeed, one-in-twelve of the entire population of the coalfields claim Disability Living Allowance or Personal Independence Payment.
- The coalfields have only 55 employee jobs per 100 residents of working age, compared to a national average of 73 per 100. There is a higher dependence on manufacturing.

Page 4

- To raise the employment rate in the coalfields to the national average would require 80,000 additional residents to be in work. To raise the employment rate to the level in South East England would require 170,000 additional residents in work. There is substantial net commuting out of the coalfields – an estimated 370,000.
- Median hourly earnings in the coalfields are 8-10 per cent below the national average.
- Just over half of all employed residents in the coalfields are in manual jobs – more than the national average – and the proportion of residents with degree level qualifications is well below average.
- The ‘real level of unemployment’ in the coalfields is far higher than the official figures – an estimated 7.5% in 2017.
- By 2021, the welfare reforms implemented since 2010 are expected to result in an average loss in the coalfields of £680 a year per adult of working age – a total of £2.4 bn a year.
- Overall assessment – the coalfields continue to lag badly behind national averages and behind other parts of the country. This is evident in the weaknesses of the local economy, the extent of economic and social disadvantage, and the incidence of ill health.
- Finally, a note was made of the booklet ‘Ten priorities for the Former Coalfields’. The key issues have been identified as – A replacement for EU funding; Support of industry; Higher quality jobs; Investment in education, skills and health; Growth beyond the big cities; Investment in local connectivity; Local authorities with the ability to deliver; Support for community infrastructure; Re-balance spending on culture, arts and sport; and a Better deal on miner’s pension fund surpluses.

The Convener thanked Dr. Joan Dixon for her contribution to the Cross-Party Group and it was agreed that issues relating to the ‘coalfields areas’ would remain under active consideration by the Group. **Action – Roddy MacDonald.**

Any Other Business

It was agreed that future agenda items would continue to reflect our priorities. This would include keeping a ‘weather eye’ on the Brexit situation and ‘Replacement Funds’; issues of note such as State Aid; Geo-Thermal initiatives; Erasmus and consequences for learners/skills development. The Convener thanked all for being in attendance.

Date of Next Meeting

The next meeting is scheduled for Wednesday 25th March 2020 – TG21 from 5.30pm. *Due to the pandemic this meeting never took place. Our next meeting has been duly scheduled for Wednesday 11th November 2020 via Microsoft Teams and will also be the AGM.*

