

Cross-Party Group in the Scottish Parliament on Industrial Communities

Tuesday 18th April 2023 at 6.00pm in Committee Room 4 at the Scottish Parliament

Present

MSPs

Alex Rowley MSP, John Mason MSP.

Invited Guests – None.

Non-MSP Group Members

Cllr. Altany Craik, Cllr. Tom Adams, Cllr. Russell Imrie, Cllr. Debbi McCall, Ian McCrory, Pauline Grandison, Keith Robson, and Roddy MacDonald.

Apologies

Colin Beattie MSP, Cllr. Peter Henderson, Cllr. Martin Dowey, Cllr. Paul Kelly, Bob Young, Stuart Hodge, Malcolm Leitch, Professor John Bachtler and Professor Steve Fothergill.

Agenda item 1

Deputy Convener Alex Rowley MSP welcomed all present to the meeting.

Agenda item 2

Privacy Notice – Cross-Party Group on Industrial Communities.

This was noted by all present.

Agenda item 3

Minutes of the previous meeting approved with an update on the correspondence exchanged with Lisa Nandy MP regarding an online engagement with the Cross-Party Group. The invitation has been declined at this time due to diary pressures.

Agenda item 4

Future of the UK Shared Prosperity Fund – Recommendations from the Alliance.

The following issues were raised.

- The present funding only runs up to the end of March 2025. As a result, attention now needs to turn to what comes next.
- The Policy Advisory Group met on-line on the 9th February 2023. The recommendations outlined below reflects the outcome of the discussions.
- Recommendation 1 – the case for a separate UKSPF which would honour the political commitment to replace EU funding; aligns with the aim of regional and economic development; and would be allocate by formula.
- Recommendation 2 – the case for reform. Why? Local and regional economic development needs to be reaffirmed as the aim; Tranche 1 is driven by out-of-date statistics; the duration of funding is too short; funding should not be pre-emptively allocated to specific initiatives; and the Devolved Administrations should be fully involved in setting the strategic priorities and in the allocation and management of UKSPF funding.
- Recommendation 3 – the case for a minimum guarantee. Under this mechanism all parts of the country would be guaranteed to receive not less from the UKSPF funding rolled into the Levelling Up pot than they would have received if the UKSPF had continued to operate as a separate funding stream.
- It was agreed that a joint letter from Colin Beattie MSP and Cllr. Altany Craik outlining the key arguments and recommendations, with an invitation to attend a future meeting, should be sent to Neil Gray MSP and Cabinet Secretary for Wellbeing Economy, Fair Work and Energy. *This was duly sent on the 25th April 2023 and a copy is appended.*

Agenda item 5

The new Investment Zones – An Alliance assessment of their likely impact.

The following key issues were outlined.

- The UK Government intends to establish 12 Investment Zones – 8 in England and 4 across Scotland, Wales and Northern Ireland.

- Each zone is expected to focus on growing clusters aligned with one or more of five specific sectors. These are – Green Industries; Digital technologies; Life sciences; Creative industries; and Advanced manufacturing.
- There are at least four shortcomings in this new proposal and are set out below.
- 1. Timescale. The short timescale of the new Investment Zones – just 5 years for the financial interventions – looks too short to allow delivery on all but the readiest to go sites.
- 2. Financial. The financial incentives are not generous, especially to the sought after high-tech end users.
- 3. It is difficult to see the Zones straying beyond the big cities.
- 4. There is too much wishful thinking about the development of high-tech clusters. Clusters of successful businesses, in any sector, take a long time to become established and grow. To expect to do this in five years – the lifespan of the new Investment Zones – is probably unreasonable.
- Three steps would strengthen the proposals.
 - 1. Extend the duration of the financial incentives from five to ten years.
 - 2. Lift the cap on financial support available to each Zone.
 - 3. Widen the list of target sectors to encourage growth and securing a good volume of development.
- Finally, the Investment Zone concept is not fundamentally flawed. However, for the moment, at least until the present initiative is revamped, expectations need to be kept in check.

Agenda item 6

AOCB

No other issues were raised by those present.

Agenda item 7

Date of the next meeting agreed as the 20th June 2023 which will also be the AGM.

Alex Rowley MSP thanked all for their attendance and contributions this evening.

