

Cross-Party Group in the Scottish Parliament

Industrial Communities

Wednesday 20th May, 2015

5.15 pm

Committee Room 1 Scottish Parliament

Approved Minutes of Meeting

Introductory Remarks: The Convener welcomed everyone to the Meeting and introduced Keith Brown MSP, Cabinet Secretary, Infrastructure, Investment and Cities and Gordon MacLeod, Rail Standards and Sustainability Manager, Rail Policy, Transport Scotland.

In order to allow the Cabinet Secretary the opportunity to attend to other business the Convener proposed that Item 4 on the Agenda be considered first.

Agreed

Item 4 Presentation by Keith Brown MSP, Cabinet Secretary for Infrastructure, Investment and Cities.

In his introductory remarks the Cabinet Secretary confirmed that the Scottish Government recognised the important contributions that Industrial Communities make to the Scottish Economy and referred to some of the ways that the Scottish Government can help develop them including through the Transport Strategy, European Structural Funds and Procurement.

In relation to Transport he emphasised the importance of developing the right investment programmes in order to achieve improved connectivity throughout Scotland between cities and between cities and their hinterlands.

He firstly commented on rail transport and outlined the devolved powers available to the Scottish Government. Key actions were summarised such as investment in integrated transport solutions, new Rail Franchises, the development of programmes of rail electrification and rail infrastructure.

He then referred to the developing City Deals and the key transport infrastructure projects that were being identified to improve connectivity and to support economic development. He commented that each project would stimulate work opportunities and help reduce unemployment.

The importance of improving digital infrastructure was recognised and he outlined the level of Scottish Government investment in the development of ultrafast connectivity.

In relation to European Structural Funds in Scotland he gave an update on the development and implementation of the Programmes for 2014-2020 and commented on the opportunities they could offer to support the economic development of industrial communities.

He then referred to other objectives such as the importance of achieving inclusive growth not least to help address issues around Social Inclusion and Poverty. Reference was also made to the Low Carbon Infrastructure Transition Programme and the range of support mechanisms provided to support the development of substantive low carbon projects across Scotland.

He finally referred to Procurement and the Scottish Governments objective to streamline the process and to maximise opportunities where Procurement can help ensure that everyone is paid a living wage and where community benefits are maximised.

There then followed a wide ranging question and answer session which included, in summary:

Q How can the Scottish Government help address the significant funding issues developing around Community Transport projects?

A The Cabinet Secretary recognised the importance of Community Transport initiatives and outlined the Community Transport Vehicle Fund that made £1m available to procure new vehicles for the sector in 2013-14 and also the Green Bus Fund to help bridge the funding gap between standard and electric buses.

Q There are issues where some transport companies use the Ferry terminal at Holyhead rather than the terminal at Cairnryan, in part, because of the quality of road connectivity to and from Cairnryan. How can this be addressed?

A The Cabinet Secretary commented on the road improvements that had been implemented to date to improve connectivity to Cairnryan and acknowledged that more could be done. However the Scottish Government is trying to address years of under investment in infrastructure throughout Scotland and therefore this highlighted the importance of developing robust investment programmes and of recognising opportunities to realise “joined- up” infrastructure projects wherever possible.

Q Following comments in the presentation how vulnerable are the proposed City Deals regarding the commitment of the new Westminster Government?

A The new UK Government has only recently been formed and attitudes are as yet unclear. It is to be hoped that Westminster remains serious about supporting City Deals.

Q The ICA pamphlet "Tracks to Work" identifies opportunities for reopening railway stations to help support the regeneration of former industrial communities. Does the Scottish Government agree with this approach?

A The Scottish Government acknowledges the importance of such investment and £30 million has been set aside to support robust and well justified proposals for new stations and improvements plus an additional £30 million to encourage growth in rail freight.

Q Infrastructure investment to improve connectivity between cities and their hinterlands is welcomed but should they not be seen as presenting a two way opportunity to not only benefit the development of the cities but also the regeneration of the older industrial towns in the hinterland?

A The regeneration of older industrial communities should be part of the City Deal process with improved connectivity not only improving access to jobs in cities but also in contributing to the attraction of older industrial communities for new investment and job opportunities.

Q There are many older industrial communities that continue to face new and severe economic difficulties such as through the decline of opencast mining or closure of other major employers. Some of these communities may not be immediately recognised as being part of City hinterlands but their regeneration is nevertheless dependant on investment including in infrastructure and other opportunities such as improved time tabling of rail services. Does the Scottish Government recognise that the regeneration of these communities may have to be supported outwith City Deals?

A The circumstances faced by some communities, such as those mentioned, are recognised and there are some mechanisms available to support their regeneration. Further suggestions as to how they might be supported are welcomed and the Cabinet Secretary confirmed that he would welcome proposals from the Cross-Party Group and Industrial Communities Alliance.

The Convener then thanked the Cabinet Secretary for his presentation and for answering the range of questions put to him from the members. He also confirmed the CPG/ICA looked forward to future meetings with the Cabinet Secretary.

The Cabinet Secretary and Gordon MacLeod then left the meeting.

Agenda Item 1 Attendance and Apologies:

Present:	Colin Beattie MSP	Convener
	John Mason MSP	
	Adam Ingram MSP	
	Cllr Jim Dempster	Dumfries and Galloway Council
	Cllr John Syme	Dumfries and Galloway Council
	Cllr William Menzies	East Ayrshire Council
	Karl Doroszenko	East Ayrshire Council
	Cllr Bob Young	Fife Council
	Cllr Tom Adams	Fife Council
	Ian McCrory	Fife Council
	Malcolm Leitch	Glasgow City Council
	Cllr Derek Rosie	Midlothian Council
	Cllr Joe Wallace	Midlothian Council
	Linda Aird	North Ayrshire Council
	Ian Smith	Coalfields Communities Federation
	Steve Fothergill	Industrial Communities Alliance
	David Hewet	Industrial Communities Alliance
In Attendance:	Keith Brown MSP	
	Gordon MacLeod	Transport Scotland
Apologies:	Elaine Murray MSP	
	Pauline Douglas	Coalfields Regeneration Trust
	Cllr Bobby McDill	East Ayrshire Council
	Jackie Hill	Inverclyde Council
	Aileen Scobie	Midlothian Council
	Bobby McGill	National Union of Mineworkers
	Cllr Marie Burns	North Ayrshire Council
	Cllr Irene Oldfather	North Ayrshire Council
	Cllr Heather McVey	North Lanarkshire Council
	David Greer	North Lanarkshire Council
	John MacMillan	South Ayrshire Council

Item 3 Previous Minutes Submitted for Approval, as a correct record, the Minutes of the Meeting of the Cross-Party Group on Industrial Communities held on 28th January, 2015.

The Minutes were unanimously approved as a correct record.

Item 5 Meeting with the Cabinet Secretary 18th February, 2015

(a) Submitted for information and discussion the Note of the Meeting between Keith Brown, Cabinet Secretary for Infrastructure, Investment and Cities and representatives of the CPG/ICA that was held on 18th February, 2015.

In the discussion that followed the members welcomed the very positive dialogue that had been established and in particular the opportunity to put forward, for discussion, proposals to assist the economic recovery of older industrial areas in Scotland.

The Secretary of the Cross-Party Group reported that the Cabinet Secretary had indicated that he would welcome further meetings with representatives of the CPG/ICA but that no firm dates had as yet been set.

Noted

(b) Received a verbal report from the ICA National Secretariat on progress with the preparation of a suggested “Shopping List” of priority projects as requested by the Cabinet Secretary.

The ICA Director Scotland firstly referred to the Note of the Meeting with the Cabinet Secretary discussed under Agenda Item 5(a). At that meeting the Cabinet Secretary had indicated that the Scottish Government accepted the broad principles set out in the *Ten Point Plan* and had asked the Cross-Party Group and the ICA to put forward more specific proposals for consideration.

It was reported that the ICA National Secretariat, in response to the request, had since prepared an initial paper which had been the subject of detailed discussion at an ICA Officer Working Group meeting held on 16th April, 2015. This initial paper identified a number of suggested actions which although presented in more detail than those outlined in the *Ten Point Plan* avoided being too project specific.

He confirmed that as a result of this discussion a revised paper had been prepared which would be considered at the ICA Scotland meeting to be held on 27th May, 2015. It was proposed that the finalised paper would then be subject to discussion with the Convener of the Cross-Party Group and that thereafter arrangements would be made to present and discuss the proposals with the Cabinet Secretary.

Noted and Approved the Actions taken and proposed.

Item 6 Presentation from the ICA National Director on the Research Paper prepared by the ICA entitled “Whose Recovery? How the upturn in economic growth is leaving older industrial Britain behind.” which identifies geographical variances in the rate of the Economic Recovery within the UK.

Steve Fothergill firstly reported that the Research Paper had been distributed widely to all members of the ICA and Cross-Party Group, to relevant MSPs and MPs, to Local Authorities, to other relevant organisations and to the Press/Media.

He confirmed that the Report had been very well received and had already attracted wide coverage in the National Press and Media. He reported that it was also proposed that the Report would be the subject of an Event in Westminster on 9th June, 2015.

He reported that, whilst the published report covered the whole of the UK comparing the performance of older industrial areas with GB and with London and the South East across a wide range of economic indicators, further detailed research had now been undertaken which allowed his presentation to include an additional degree of focus on the economic performance of the older industrial areas in Scotland.

In the comprehensive power-point presentation that followed the research findings were graphically displayed with specific reference to the performance of the older industrial areas of Scotland as appropriate.

In summary, in relation to the economic recovery of the older industrial areas in Scotland, the conclusions drawn from the research indicated:-

- Far slower job growth than in London and the South East
- Slower job growth than the GB and Scottish averages
- Fewer public sector job losses (to date) than in England
- More part-time working and self-employment
- Earnings still well behind the most prosperous parts of Britain
- One-in-seven still on out-of-work benefits

A very wide ranging question and answer followed during which the members welcomed both the published report and the additional focus in the presentation on the performance of the older industrial areas in Scotland not least as, for the first time, it provided hard evidence as to what had for long been anecdotally recognised as being the poorer economic performance of those areas.

Additional observations and comments included:

- The evidence confirmed that most private sector jobs were being created in London and the South East
- Further significant losses on public sector jobs in older industrial areas had still to be reflected in published statistics

- Devolution of powers from Westminster to support City Deals may provide some opportunities to assist with the regeneration of older industrial areas but there was concern that devolution of powers should not also mean devolution of responsibility.
- There needs to be realism as to the extent of the geographic area of influence that might be exerted by City Deals.
- Improved connectivity between cities and older industrial areas might help regeneration of older industrial areas if the process was assisted through dedicated support such as Enterprise Agencies.
- It is important that the criteria used in preparing and assessing bids for funding for projects are not skewed solely towards supporting city led projects but reflect the circumstances of older industrial areas
- .There was a unanimous view that the Report and the additional research findings should be widely circulated and debated.

It was agreed:

(a) To remit to the Secretary of the Cross-Party Group to circulate a copy of the presentation to the members,

(b) To remit to the Secretary of the Cross-Party Group and the ICA Secretariat to

(i) consider the range of mechanisms that might be used by the Cross-Party Group to publicise the research findings in Scotland including, correspondence to Scottish Ministers, a Members Debate and further wide circulation of the Research Findings supported by an associated Press Release, and

(ii) thereafter discuss recommendations with the Convener of the Cross-Party Group, and

(c) To remit to the Secretary of the Cross-Party Group to keep members apprised of the development of the proposals.

Item 7 Cross-Party Group Updates Received Updates from the Secretary of the Cross-Party Group on progress on Actions that were agreed at the CPG Meeting of 28th January, 2015

(a) Identification of priorities for Future Presentations to the CPG.

The Secretary confirmed that a Paper identifying possible topics had been circulated to all members inviting them to indicate their preferred priorities and to suggest additional topics. A reminder had also been sent.

The responses received indicated that the preferred priorities for the next meeting were presentations on:

(i) *European Funding.* An update on the delivery of the 2014-2020 ERDF and ESF Programmes in traditional industrial communities, **or**

(ii) *Scottish Enterprise.* A presentation on what SE is doing to support the economic recovery of our older industrial communities in particular in delivering Regional Selective Assistance.

It was agreed that a presentation on either topic would be welcomed and to remit to the Convener and the Secretary of the Cross-Party Group to discuss and finalise arrangements.

(b) (i) Letter sent to Camelot and (ii) reply received.

The Convener introduced the Item commenting that the response received had been much as expected in that it confirmed that Camelot was unwilling to release information that it felt was commercially sensitive. Some information had been provided regarding the development of support for the submission of applications from “cold spots”. Reference was also made to a Report by Oxford Economics that indicated the proportion of National Lottery Grants that supported projects in least well off local authority areas in the UK. However there was no information regarding what proportion of National Lottery Funds were initially sourced from those areas as this would have allowed a better understanding as to whether or not poor areas were in reality disproportionately funding projects elsewhere.

In the discussion that followed the Members expressed some frustration regarding the response received and also indicated that it appeared that the Report by Oxford Economics did not appear to be in the public domain.

It was thereafter agreed:

(i) To remit to the Convener, after consultation with the ICA National Secretariat, to write a further letter to Camelot seeking:

- ***Further information on the sourcing and distribution of National Lottery Funds in the former industrial areas in Scotland***
- ***A copy of the Report by Oxford Economics referred to in the correspondence***
- ***Information on how the Lottery worked with the many organisations that support community groups in older industrial areas in Scotland to develop funding applications.***

Item 8 Industrial Communities Alliance Updates Received Updates from the representative of the Industrial Communities Alliance on ICA Actions of relevance to the Cross-Party Group as follows:

(a) Longannet Power Station - The preparation and distribution of a letter from the Chair of ICA Scotland to Fergus Ewing MSP, Minister for Business, Energy and Tourism expressing concerns on the potential impacts of the proposed closure of Longannet power station in April, 2016.

The ICA representatives informed the members of the wide circulation of the letter and the responses received.

It was reported that Mr Ewing had responded confirming his agreement with the points made in the letter and inviting the ICA to meet with members of the Energy Markets team to discuss the matter. It was confirmed that a Meeting had been arranged for 28th May, 2015.

It was also reported that the Convener of the Scottish Parliament's Economy, Energy and Tourism Committee had written to invite the ICA to submit written evidence to the Committee's ongoing Enquiry on Security of Supply. It was confirmed that evidence had been submitted.

After discussion the members agreed to:

(i) Welcome the initiative taken by the ICA in writing and circulating the letter expressing concerns over the proposed closure of Longannet and also the responses received,

(ii) Approve the actions subsequently taken, and

(iii) Remit to the Secretary of the Cross-Party Group to arrange for copies of the response received from the Minister for Business, Energy and Tourism to be circulated to the members for information.

(b) Cities Conference - The outcomes of the Conference "Growth beyond the Cities" that was organised by the ICA and was held in Durham on 19th March, 2015.

Steve Fothergill confirmed that the Conference had been very successful and that a number of follow up actions were being developed. In particular he reported that (i) A report "Can there be growth beyond cities?" was in preparation and (ii) That an Event in Westminster was proposed to be held on Wednesday 15th July, 2015 on the Theme "Growth beyond the big Cities"

Noted

Item 9 Any Other Business

There was no other business

Item 10 Date of next Meeting The next meeting of the Cross-Party Group will be held in Committee Room 3 in the Scottish Parliament on Wednesday, 28th October, 2015.

DAH