

Industrial Communities Cross Party Group

Minutes of the Industrial Communities Cross Party Group Meeting Held on Wednesday 13th October 2021

1. Present

Vikki Howells MS, Cynon Valley; Sam Rowlands MS, North Wales; Luke Fletcher MS, South Wales West; Joel James MS, South Wales Central; Robin Lewis, Office of Vikki Howells MS; Cllr David White, Bridgend CBC & ICA Wales Chair; Cllr Jayne Brencher, Rhondda Cynon Taf CBC; Cllr Dai Davies, Blaenau Gwent CBC; Cllr Gareth Jones, Rhondda Cynon Taf CBC; Cllr Graham Thomas, Rhondda Cynon Taf CBC; Cllr Anthony Hunt, Torfaen CBC; Cllr John Hill, Blaenau Gwent CBC; Cllr Stuart Baldwin, Bridgend CBC; Ellie Fry, Blaenau Gwent CBC; Rob Wellington, Torfaen CBC; Paul Hudson, Caerphilly CBC; Alexander Still, Office of Hefin David MS; Lisa Williams; Beth Walters; Zahra Yasmin, Office of Luke Fletcher MS; Sion Trewyn, Office of Llyr Gruffydd MS; Peter Slater, ICA Wales; Joan Dixon, ICA National Secretariat; Stephen Fothergill, ICA National Secretariat.

2. Apologies

Apologies were received from: Rhys ab Owen MS; Sioned Williams MS; Huw Irranca Davies MS; Cllr Geraint Thomas, Merthyr Tydfil CBC.

3. Welcome

Vikki Howells MS, Chair, welcomed everyone to the first meeting of the CPG following the opening of the sixth session of the Senedd.

4. Minutes of the Meeting held on the 14th July 2021

The minutes of the AGM held on the 14th July 2021 were approved as a true record.

5. Matters Arising

Item 8: Items for Future Discussion.

Cllr Graham Thomas asked for an update on the outcome of the discussions between the Chair and Secretary regarding future topics for consideration by the CPGF, arising from which it was reported that the Levelling Up White Paper and related UKSPF proposals were the current priorities.

6. Levelling Up: Priorities for the Spending Review and the White Paper

The Chair welcomed Professor Stephen Fothergill, Industrial Communities Alliance, to the meeting.

Professor Fothergill opened his presentation with a reference as to how the UK Government was stepping into the gap left by the EU, and how under the Internal Market Act the Government has the power to intervene in regional development in England, Scotland, Wales and Northern Ireland. As a result, the provisions of the impending White Paper on Levelling Up were of special significance.

Turning to the ICA's priorities for the forthcoming Spending Review and White Paper, Professor Fothergill identified ten priorities against which the government's proposals should be judged:

- No return to austerity given that growth increases revenue, reduces spending on out-of-work benefits and reduces the deficit.
- New funding for Levelling Up, which goes beyond existing commitments.
- A UK Shared Prosperity Fund that's fit for purpose and based on: needs-based formula; multiannual financial allocations; sub-regional targeting and decision-making; and the promise to match EU funding.
- A budget line for business support with the new Subsidy Control regime based on an Assisted Areas Map, wider coverage and higher aid intensities.
- A fairer distribution of R&D spending to counter the fact that Oxford, Cambridge & London account for almost half of public R&D spending.
- More investment in infrastructure to redress regional imbalances and finance bigger projects.
- Gap funding for land and property development to stimulate investment in areas with low land values and rents.
- More funding for local authorities to address crisis in funding of essential local services.
- Devolution to local leaders to promote democratic accountability, sensitivity to local needs and independent actions and initiative.
- A long-term commitment to levelling up that recognises the deep-seated problems of less prosperous areas, which cannot be addressed with simple solutions.

Peter Slater, ICA Wales Director, went on to address issues relating to the need to respect the devolution settlement in order to avoid duplication and fragmentation arising from the possible centralisation of decision making in Westminster, adding that it was important to ensure that the levelling up agenda aligned with and complemented spending plans in Cardiff Bay. He also stressed the long history of partnership working in Wales and the importance of the Welsh Government having a role in the governance structure for delivering the levelling up agenda in the spirit of the *Dunlop Review of 'UK Government Union Capability'*.

Finally, he referred to the fact that the MCHLG and its newly created 'levelling up' successor, has little experience of working with the devolved administrations and that it was important to take full advantage of the capacity and expertise that already existed in Wales.

There followed a wide-ranging discussion on the issues raised by the presentation, and at the suggestion of Cllr Anthony Hunt it was agreed to circulate the ICA's more detailed briefing on the ten priorities. The necessity to prioritise investment in skills development and initiatives such as '*academies of excellence*' was raised by Cllr Graham Thomas in the context of state aids, arising from which it was confirmed that the new Subsidy Control regime and UKSPF should facilitate such support. The theme of using the Subsidy Control provisions to address the decarbonisation of the steel industry was introduced by Cllr David White, whilst Cllr Jayne Brencher emphasised the need to capitalise on the R&D potential of Welsh Universities. Finally, Sam Rowlands MS enquired as to how the Government was responding to the ICA's representations, arising from which it was reported that officials had been generally receptive to the assisted areas map suggestion whilst there had also been some early indications that there may be some movement towards a formula-based UKSPF. Concerns remained, however, over the possible marginalisation of the devolved administrations in the decision making process.

7. Future Topics for the CPG

It was suggested that future topics for discussion, apart from the follow-up to the Levelling UP White Paper, could include the green economy and decarbonisation of the Port Talbot Steelworks.

8. Closing Remarks

The Chair thanked everyone for attending the meeting and for their contributions to the discussion, adding that the next meeting would take place after Christmas.

Peter Slater
Secretary, Industrial Communities Cross Party Group

18th October 2021

