

CROSS PARTY GROUP ON INDUSTRIAL COMMUNITIES

NOTE OF THE MEETING HELD AT 12.30 ON WEDNESDAY 1 MARCH IN THE FUTURES GALLERY, PIERHEAD BUILDING, THE SENEDD, CARDIFF BAY

Present

Vikki Howells AM, Cynon Valley/CPG Chair; Hannah Blythyn AM, Delyn; Jeremy Miles AM, Neath; Cllr Graham Thomas, Rhondda Cynon Taf CBC; Cllr David White, Bridgend CBC; Peter Slater, ICA Wales/CPG Secretary; Debbie Pike, Rhondda Cynon Taf CBC; Ieuan Sherwood, Bridgend CBC; Fadhel Abdedalkarim; Sam Gould (Nathan Gill AMSS); Makayla Donigan (David Melding AMSS); Craig Lawton (Suzy Davies AMSS); Norman Gettings (Lynne Neagle AMSS); Alex Still (Hefin David AMSS); Rebecca Ackerman (Huw Irranca-Davies AMSS); Robin Lewis (Vikki Howells AMSS).

1. Welcome

Vikki Howells AM welcomed everyone to the meeting.

2. Apologies

David Rees AM; Cllr Jane Ward

3. Minutes of Last Meeting

Approved.

4. Post Brexit Regional Policy: Peter Slater, ICA

Peter Slater, Director, ICA Wales, opened his presentation with references to the role of EU regional policy over the past 30 years, emphasising how areas such as South Wales had, and continue, to be prime beneficiaries of the structural funds. He went on to describe the widening regional prosperity gap between Britain's older industrial areas and the South East of England and the need for an effective regional policy to be in place post-Brexit in order to address economic inequalities. In this respect, the impending departure from the EU was viewed as providing a unique opportunity to re-design and strengthen regional economic policy by capitalising on the renewed political interest in those communities being described as 'left behind.'

Turning to the future regional policy, he called for a new UK Regional development Fund of at least £1.5bn per annum which should reflect regional disparities and be based on a 'Barnett Formulae Plus' settlement, adding that devolution was an alternative to regional policy. Reference was also made to the fact that the 'assumed domestic spending in lieu of EU transfers', estimated at £13.9bn in 2020/21 would be subject to competing demands and the case would have to

be made for a continuation of regional aid. At the same time, there would be an opportunity to reshape regional policy interventions with more targeted and flexible support reflecting domestic policies and the role of local and regional partners in delivering programmes. Ways of addressing the shortcomings of the current State Aid rules were also outlined.

The presentation finished with a reminder that economic disparities have not gone away and are continuing to grow, and that this demanded explicit recognition by the Westminster Government. In this respect, the ICA was calling for the fundamental reform of UK regional policy in the wake of Brexit, which should be a cross-cutting theme impacting on all government departments and ministerial portfolios.

5. Discussion

Jeremy Miles AM noted the External Affairs and Additional Legislation Committee were launching an inquiry into the future of regional policy in Wales, and suggested members of the CPG may want to follow this.

The following points were raised by attendees during the discussion: no significant multiplier effect from previous use of EU funding; need to take advantage of London's role as a global centre (eg relocating public sector); role of the City Deal; UK Government declining to give Cornwall reassurances over maintenance of EU funding levels; continued receipt of EU funds as admission of failure; need to provide more support directly to manufacturing sector and rebalance economy; need to keep businesses at the table and deal with their concerns over bureaucracy/constraints on spending; need for sub-regional delivery; perceived dependency on state aid to attract inward investment; importance of transport links; and the need to develop sector agglomerations companies to spread wealth throughout former industrial areas. The point was strongly made that the shaping of a post Brexit regional policy offered the opportunity to address these concerns.

6. Next Meeting

23 May 2017 in the Futures Gallery. Dr Victoria Winckler of the Bevan Foundation would be speaking on 'Resilient Communities – Communities Next'.

Peter Slater