



Llywodraeth Cymru
Welsh Government

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Strategic Forum for Regional Investment in Wales meeting, 14 July 2021: minutes

Minutes for the Strategic Forum for Regional Investment in Wales meeting, 14 July 2021

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1. Welcome (11:00)

The Chair welcomed members to the Forum noting it will provide a platform to coordinate views and positions from stakeholders in response to developments taking place with the Shared Prosperity Fund (SPF) and Levelling-Up Fund (LUF).

The Chair added that formal letters of invitation to the Forum have now gone out and asked Members to respond by the end of July.

The Chair covered webinar protocols and noted that there would be an opportunity for questions and discussion with the Minister for Economy following his update at 11:30.

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2. Welsh Government update (11:10)

The Chair invited Peter Ryland (PR) to provide a brief update on recent developments.

PR said there had been no indication from the UK Government about the progress of bids made to the SPF pilot (the Community Renewal Fund [CRF]) and the LUF. It was expected that the outcomes would be released on 22 July, but this has now been pushed back. The nature of the process required bids to be rushed due to extremely tight application and spending deadlines.

PR stated that it still wasn't clear on the role of the Welsh Government with the funds. The Welsh Government has been told it will be consulted on the process, but the process has not yet been developed. PR added that the situation is the same with the other Devolved Governments and Scottish Ministers have raised similar issues.

PR said an Inter-Ministerial Group within the UK Government's Ministry of Housing, Communities and Local Government was in the process of being set up where the SPF and LUF could be raised. The draft Terms of Reference of this IMG is favourable in the sense of having a rotating Ministerial chair among the devolved governments, joint agreement of agenda items and the co-production of papers. A date for the first meeting is yet to be scheduled, but the Welsh Government is looking forward to seeing how this IMG unfolds. The UK Government is also holding a roundtable discussion on 15 July to explain their policy aims and efforts within Wales.

PR added that Welsh Cabinet remains committed to the Framework for Regional Investment to bring coherence to regional economic development in Wales and always envisaged it would have a function beyond replacement EU funds. Work is ongoing with the OECD to further develop ideas in this space.

3. Local government update (11:20)

The Chair invited Tim Peppin (TP) of the WLGA to provide an update on how local government has engaged with the CRF and the LUF so far.

TP said that the WLGA is collating information on how local government has engaged with the funds. On the CRF he made the following points:

- All local authorities had made bids following a local process, and there had been a range of bids from different groups and sectors.
- Number of bids per local authority ranged from 4 to over 30.
- By local government's own admission, bid quality is generally inconsistent and poor due to difficult deadlines and capacity issues.
- The £20,000 capacity funding from UK Government for each local authority on the CRF Priority List has not yet been received.
- Many bids have focused on training, skills, enterprise support, green and digital projects.
- There is good joint working taking place between some local authorities, but an absence of regional coordination.
- Some local authorities have invited other sectors to participate in bid assessing processes.
- Some organisations outside of Wales are following the money and bidding to multiple local authorities.

On the LUF, TP made the following points:

- Around half of local authorities in Wales have submitted bids.
- The local authorities that have bid have generally put in a small number linked to Parliamentary constituencies, with this arrangement adding some extra complexity to the process.
- Many of the bids are based on town centre regeneration and are not what local authorities would ordinarily prioritise.
- The process is complex and many local authorities have capacity issues in engaging with the Fund.
- From WLGA discussions with UK Government, there is speculation that the LUF will replace the European Regional Development Fund, with SPF

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replacing the European Social Fund.

- The WLGA is participating in a mapping exercise with Welsh Government on the alignment of bids submitted with the Framework for Regional Investment in Wales and regional priorities.
- Important that regional and national projects can be supported to avoid the danger of a 'patchwork quilt' of provision emerging. WLGA will work with Welsh Government and partners in this area.

Following updates from PR and TP, Matthew Brown (MB) provided an update on the voluntary sector experience of engaging with the UK funds to date. He made the following points:

- The sector is very frustrated with the UK Government's disjointed approach to the funds. Partnership and collaboration opportunities are becoming subsequently difficult.
- Another of the UK Government's fund, the Community Ownership Fund, has been delayed from an end-June launch.
- Third sector bodies are working with counterparts across the UK to maintain consistency and improve potential for engagement in both the design and delivery of the funds.

4. Draft terms of reference (11:25)

The Chair introduced the draft Terms of Reference for the Forum, explaining its primary purpose was as a platform to collaborate and share positions regarding future investment opportunities.

Members supported comments made that the Forum provided a good platform to consider broader opportunities and levers within the regional environment, including research and innovation funding, the UK Infrastructure Bank and bonds.

The Chair thanked Members for their comments and noted that Ministers have requested that, given the fluid nature of developments, the need for the Forum is reviewed as the situation evolves by the end of the year. The Chair asked if

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Members could email any comments on the draft Terms of Reference to the Welsh Government.

5. Minister for Economy, Vaughan Gething MS

The Chair introduced the Minister and thanked him for attending the meeting.

The Minister made the following key points:

- The UK Government approach is disappointing to date. It involves less say over less money for Wales, unnecessary competition between local authorities, and will see a number of areas in Wales disadvantaged due to the prioritisation criteria being used.
- More bureaucracy is being created and a danger of the funding resulting in small and unconnected investments. The bids being made in CRF and LUF bear this out.
- Very important that competition for funding between Welsh local authorities is avoided and a more collaborative approach is enabled.
- Current UK Government approach risks key pan-Wales services like Business Wales, the Development Bank and Apprenticeship programme.
- Hoping for some reflection from UK Government on these issues, so that a more pragmatic view can be taken to the levelling-up agenda.
- The Welsh Government is continuing to work with the OECD to bring greater coherence to regional economic development, and despite the changing funding landscape is still committed to the Framework for Regional Investment as the model for funding in Wales.

In response to the Minister's remarks, the following points were made by Members:

- Potential impact on third sector provision of community employability and regeneration programmes. There needs to be fair access to funding for all groups, as the UK Government's Department for Work and Pensions (DWP) does not provide such support, focusing instead on mainstream employment provision.

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- The need for practical ways, led by Welsh Government, to ensure Wales does well. For example, match funding being available for the third sector in Wales to maximise opportunities through the Community Ownership Fund.
- A co-ordinating function would help with consistent provision of strategic projects
- A lack of capacity currently exists in local government to fully maximise and administer the UK funds.
- The message that funds have been “devolved to local government” is a fallacy as local government has had no role in designing or producing the funds. Local government is more of an administrator for the UK Government.
- Concern that the UK Government’s competitive arrangements will undermine the culture of local authorities collaborating on regional economic development. It is going to be increasingly difficult to create coherence in a system that has been designed to be divisive.
- Need to be alert to changes in UK research funding, where access could help gap-fill other areas.
- Growth Deals accept the principle of regional working. Important to maintain the Forum to work together and attempt to influence the design of long-term SPF on a more regional and strategic basis, and to ensure that Wales does not lose out from funding.
- Query on the role of Corporate Joint Committees (CJCs) in prioritising and collaborating on investment proposals in the future.

The Minister thanked stakeholders for their comments and noted that a lot of what was being said by Members reflected Welsh Ministers’ concerns on the UK funds. He also made the following closing remarks:

- The Welsh Government is reviewing its employability plan in response to a changing picture regarding provision from the DWP. The DWP does not support the most vulnerable or harder-to-reach individuals so there will be gaps emerging.
- The UK Government has little experience of devolution in this particular space. Keen to have pragmatic conversations, but the situation with the SPF is very confrontational and frustrating, with no clarity from the UK Government.
- UK Government ‘Plan for Wales’ was designed without any discussion with

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Welsh Government. It's important that the benefits of a joined-up approach are reiterated, so that the best outcomes for Wales are achieved.

- Concern that Wales will lose out from research funding, in light of patchwork provision; also other gaps in funding to be felt by other sectors.
- Level of CJC involvement will be determined by structures and whether regional working is encouraged or not. Important that criteria positively incentivises regional collaboration. The regional approach in Wales has been the result of hard work commitment over a number of years, and is at the risk of being splintered by the UK Government's approach to these funds.

7. Any other business and closing remarks

No other business was raised by Members.

The next meeting is likely to take place in September. Future meetings to be arranged to coincide with key developments, including the announcement of successful bids, the publication of the long-term SPF etc. A diary marker will be sent to Members when the next meeting date is confirmed.

Annex A: list of attendees

Chair

Huw Irranca-Davies MS

Members

Organisation	Name
CBI Wales	Nick Speed, Public Affairs Director, BT

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Universities Wales	Amanda Wilkinson, Director
Colleges Wales	Lisa Thomas, Head of The College Merthyr Tydfil
Development Bank of Wales	Rob Hunter, Head of Strategy
South East Wales Partnership	Kellie Beirne, Chief Executive, Cardiff Capital Region City Deal
Growing Mid Wales Partnership	Ellen ap Gwynn, Leader, Ceredigion Council Carwyn Jones-Evans, Growth and Major Developments Manager, Ceredigion County Council
Third Sector (Social Enterprise)	Derek Walker, Chief Executive, Wales Co-operative Centre
Wales Rural Network	Eirlys Lloyd, Community Partnerships/Food Centre Wales Manager, Ceredigion Council
WLGA	Tim Peppin, Director of Regeneration and Sustainable Development
Chambers of Commerce	Molly Baker, Research & Marketing Executive
Federation of Self Employed and Small Businesses Wales	Llyr ap Gareth, Head of Policy
Grahame Guilford and Company Ltd	Grahame Guilford
Third Sector Partnership	Matthew Brown, Director of Operations, WCVA

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Organisation	Name
Cardiff University	Kevin Morgan, Professor of Governance and Development, School of Geography and Planning
North Wales Partnership	Cllr Dyfrig Siencyn, North Wales Economic Ambition Board Alwen Williams, Programme Director, North Wales Economic Ambition Board
Higher Education Funding Council for Wales	David Blaney, Chief Executive

Welsh Government attendees

Name	Role and department
Peter Ryland	Chief Executive, WEFO
Sioned Evans	Director – Business and Regions, Economy, Skills and Natural Resources
David Rosser	Chief Regional Officer – South, Economy, Skills and Natural Resources
Huw Morris	Group Director – SHELL, Economy, Skills and Natural Resources
Gwenllian Roberts	Chief Regional Officer – North, Economy, Skills and Natural Resources
Duncan	Deputy Director – Business, Economy, Skills and Natural Resources

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Name	Role and department
Hamer	
Alex Bevan	Special Adviser
Ann Watkin	Head of Strategic Alignment, Operations and Planning – Economy, Skills and Natural Resources
Alison Sandford	Head of Partnership Working, WEFO
Anton Orzel	Head of Regional Investment Policy, WEFO
Sheilah Seymour	Head of Research and Analysis, WEFO
Mike Richards	Communications Manager, WEFO
Geraint Green	Head of Programme Management (ESF and ETC), WEFO
Tracy Welland	Head of Strategic Implementation, WEFO

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