

**Regional Investment for Wales Steering Group
Minutes of the meeting held on 10 October 2019**

MEETING OF THE REGIONAL INVESTMENT FOR WALES STEERING GROUP

Date: 10 October 2019
Time: 10:30 – 13:30
Venue: Glasdir Conference and Meeting Venue, Llanrwst, Conwy, LL26 0DF

1. Welcomes and Introduction

1. The Chair welcomed the members to the fourth meeting of the Regional Investment for Wales Steering Group. A special welcome was given to Rachel Garside-Jones in her new role as Deputy Director leading on the work of future regional policy and investment in Wales. A list of attendees is at Annex A.

2. Minutes of the Previous Meeting

2. The Chair asked if members had any comments on the minutes from the previous meeting held on 18 July 2019.
3. The Members agreed the minutes, which would subsequently be published on the Welsh Government's web pages.
4. The Chair also directed Members to the action log, which showed a number of actions as 'open'. In relation to these actions, the following updates were provided:
 - a) On the issue of five-case business and green book models, this work will be taken forward by the Implementation and Delivery Model sub group. An update will be provided to members at a future meeting when some conclusions have emerged.
 - b) Plans and ideas to facilitate engagement among citizens are being discussed by the sub groups and a group of volunteers. Plans to be considered in more detail at a future meeting.
 - c) Members expressed an interest in the work of the sub groups and the associated papers. It was agreed that the minutes of the sub groups would be circulated to the Steering Group accordingly.
5. The Chair also highlighted the updated document "Summary of comments by members to Welsh Government proposals and resulting actions". It was noted that this document was also being shared with the sub groups so that the views of the Steering Group are captured and reflected in their work.
6. Members were content with the summary document and did not propose any amendments or additions.

3. General update

7. The Chair invited Peter Ryland (PR) to update members on issues around Brexit and the proposed UK Shared Prosperity Fund (UKSPF), and any implications on the work of the Steering Group.
8. Peter noted that the current Structural Funds programmes would continue to be delivered until 2023, regardless of the Brexit outcome on 31 October 2019. Communication was ongoing so that employees of organisations benefiting from EU funding were kept up to date with key information, along with the message that it was 'business as usual'.
9. Members were also advised of a gap analysis being undertaken by the Wales Rural Network to ensure projects have the resources to deliver until 2023.
10. In relation to the UK Government's proposed Shared Prosperity Fund (UKSPF), Peter reported that there remains no clarity from UK Ministers or officials, but that officials will be following closely the Queen's speech on 14 October for any detail.
11. In the absence of clarity from the UK Government, Welsh Ministers continue to press our positions, including through, for example, the Joint Ministerial Committee on Europe which the Counsel General and Brexit Minister is attending in Scotland today.
12. In addition, although discussions on the UKSPF are somewhat constrained, officials are having discussions with UK Government colleagues to illustrate the development work underway, including the work of the Steering Group, the broad stakeholder support for WG positions, and the different context in Wales.
13. Welsh Government officials are also continuing discussions with other devolved administrations and have been informed that Scotland is seeking to launch a consultation on the future of replacement EU funds before the end of the year.
14. Comments from the Steering Group included:
 - a) As partners, all members have a role to play in reinforcing the Welsh Government's positions on replacement EU funding with UK counterparts. On this issue, the WLGA noted that they are working closely with local government representatives and raising issues around devolution, local level democracy and regionalisation;
 - b) It was important to prepare for all eventualities, including the potential of the UK remaining in the EU.

4. Presentation: Geographical implications analysis for Wales of EU Exit

15. The Chair welcomed Simon Brindle (SB), Director of Brexit Strategy to present a geographical implications analysis for Wales in an EU Exit. He explained that the

analysis links with the work of the Steering Group as it covers key areas and factors that the Steering Group may need to consider for ensuring successor arrangements channel investments in an effective way.

16. The Steering Group made the following comments in relation to the analysis:

- a) In any analysis, it is important to not lose sight of the Brexit impact on the supply chain (and especially small companies). Exposure levels to the implications of Brexit will vary according to business size. Such research could be used at local levels to help inform discussion and the work of local governments with local companies;
- b) Gwynedd Council is currently undertaking work on the impact of Brexit on the Welsh Language, as a decline in Wales' agricultural sector, for example, could have negative implications for many small, rural Welsh speaking communities;
- c) Prior to the referendum, Ireland had undertaken some research on the impact of Brexit on the Irish economy, and it may be useful for research of this kind to be shared among nations;
- d) In any analysis, consideration also needs to be given to the impact on various socio economic groups, including gender and black minority ethnic communities;
- e) Important to focus on opportunities, not only the challenges. Estonia is a good example of how it has had to think innovatively and creatively as a result of losing certain markets to Russia;
- f) Important to consider the impact of tourism on the economy, and related employment;
- g) Opportunities of international student markets need to be considered and the work of universities.

17. SB responded with the following comments:

- a) Although not covered in this presentation, the supply chain is being mapped spatially to identify exposed areas. FSB Wales and CBI Wales are also looking into this and are liaising with Welsh Government. Members were also asked to signpost businesses and other stakeholders to guidance that is available on the Welsh Government website <https://gov.wales/preparing-wales>.
- b) The Welsh Government's Welsh Language Unit is looking at the potential impact of Brexit on the language, with particular attention to sectors that have the most Welsh speakers. However, it was noted that behaviour effects are very hard to understand and predict. SB will inform the Welsh Language Unit about the work being undertaken by Gwynedd Council.
- c) Welsh Government is working closely with Ireland on a range of issues, including those around Brexit, with a new Irish consulate established in Wales earlier this year. The Welsh Government also has a full-time representative

based in the British Embassy in Dublin.

- d) Analyses have been undertaken to address ethnic minorities.
18. It was noted that Chief Regional Officers are also undertaking work around supply chains and the impact on Welsh Language communities. They are also working closely with companies which are experiencing difficulties due to Brexit uncertainties. The evidence base is being used to help inform conversations locally.
19. In a Brexit environment, challenges on public services are likely to increase, with the potential loss of jobs. Discussion is underway with the Skills team to identify potential skill gaps, as well as opportunities for investment and innovation. Wales requires a model that can respond to the changing needs of the employment market.
20. The Chair noted the importance of data rich evidence being presented to help inform discussion of this Steering Group regardless of Brexit.

5. Discussion: Regional Economic Frameworks update

21. The Chair welcomed Gwenllian Roberts (GR), Chief Regional Officer (CRO) for North Wales, to give an update on plans for developing the Regional Economic Frameworks (REFs) as part of the regionalisation agenda of the Welsh Government's Economic Action Plan.
22. Key points made were:
- a) Work has been underway since the summer with Welsh Government colleagues to gather, analyse and align evidence in the regional economic development field. Additional areas such as procurement are also being addressed;
 - b) As with the National Framework for Regional Investment, the Well-Being of Future Generations Act will be core to the REFs work, as well as playing to our strengths (e.g. health and social care, research and innovation, low-carbon etc).
 - c) Engagement has been taking place, including with Local Government Chief Executives within regions, to help inform the development and delivery of the REFs;
 - d) CROs are also working with stakeholders on a number of issues such as the Local Government Bill and associated Corporate Joint Committees, the review of Business Wales, and considering how they could work in the area of regional economic development;
 - e) A Ministerial statement may be issued by the end of the year to report on the progress of the REFs;

- f) CROs welcomed any feedback on how they can work more closely with members of this Steering Group and the sectors they represent on the development of the REFs.

23. The Steering Group made the following comments:

- a) It is important for the work of the REFs to align with this Steering Group's work and that of the other work streams;
- b) Local government expressed concerns about the potential of REFs being launched with little stakeholder engagement;
- c) The REFS need to be flexible in order to respond to changing economic climates.

24. GR assured the Steering Group that the CROs were working with stakeholders on REF development, as well as being mindful to not duplicate provisions and engagement already in place. It was also accepted that development timelines between future regional investment and the REFs need to be closely aligned, and that officials in both teams were working to address this.

Action – RGJ to liaise with CROs to ensure development timelines between future regional investment and the REFs align

6. Discussion: Sub Group Key Issues and Forward Work Programme

25. To support the sub group paper circulated to Members, the Chair asked the Secretariat leads to provide an overview of the work of each of the four sub groups.

National Framework Group

26. Key points raised by the sub group in its meetings to date include:

- The need for a clearer understanding of the purpose of funding. Recommendation made by secretariat was a clearer focus on promoting green, inclusive growth adding value beyond existing Welsh Government budgets, which the Steering Group supported;
- Papers have been drafted on each of the four priority areas, setting out the case for interventions and proposed strategic objectives;
- There has been some confusion over the precise purpose of the funding and the level at which outcomes are being defined, resulting in the current paper setting out our proposed outcomes-based approach based on the Well-being of Future Generations Act which the Steering Group has already agreed;
- Additional consultation drafting groups of sub group volunteers will be established for each priority area to take forward the work further;

- The work will be developed with our stakeholders, taking account of our current evidence bases, the socio-economic analysis, OECD evidence and existing Welsh Government policy.

Delivery and Implementation Group

27. Key points raised by the sub group in its meetings to date include:

- There appear to be options in terms of what could be delivered at the national, regional, and local level, but issues need to be addressed in order to determine the most appropriate delivery models to drive the required outcomes;
- A grass roots approach should be undertaken so that people are engaged;
- It is important to look at lessons learnt from successful and unsuccessful projects;
- Future delivery models require flexibility in order to account for the diverse needs of each region / locality;
- A scoping exercise will be undertaken to establish the most suitable IT system. The system needs to be flexible and a cloud based approach could help facilitate this;
- The common investment rulebook is being considered, with the need for fewer rules and less complexity;
- Future assurance arrangements should be more proportionate and risk-based to help avoid duplication.

28. The Chair raised an issue around measures being used to synchronise feedback and the work of these two sub groups, particularly given the close interaction between policy and delivery.

29. Members were advised that while messages and progress were being shared across all of the sub groups, officials would explore additional ways to support this, including the prospect of arranging a joint sub group workshop to share views and ideas.

30. Comments from the Steering Group included:

- a) The importance of learning lessons from the past;
- b) The approach should not be a top down one involving adapting projects to fit national programmes and priorities, but one that drives regional factors and opportunities. On this note, it is important to define the relationship between how national and regional will work and give consideration to defining strategic objectives in regional terms;
- c) Outcomes that focus on medium- to long-term changes, and not just only GVA in this context, are required; Wellbeing also needs to be considered in this context;

- d) Recognition that sub group members are starting from different positions, but while there is a need to balance all interests, a consultation document needs to be prepared for launch early next year. However, the sub groups would benefit from further direction on certain positions to help take forward the development work;
- e) The Cardiff City Deal has a governance model that has clear roles and responsibilities, and this could be shared to help inform development work.

Actions:

Officials to explore additional measures to synchronise feedback and the work of the sub groups, including the potential of a joint workshop in future

Officials to share sub group minutes with the Steering Group

Cardiff City Deal governance model to be shared with the Steering Group (and sub groups)

Monitoring and Evaluation Group

31. Sub group discussions have focussed on:

- The strengths and weaknesses of the current monitoring and evaluation system. It was noted by the sub group that the current level of data capture is good but is under used;
- The need to develop a business model, with high level methodology;
- Distribution of responsibility at national, regional, local levels;
- The co-development of an overall structure which needs to be flexible;
- The need for adequate capacity with evaluation teams to provide support to projects including peer reviews and project buddies, so that delivery leads can concentrate on delivery;
- Alignment is needed with the Future Generations Act, with the view to look at wellbeing through a wider lens;
- Indicators need to cover a suite of outcomes;
- A need to keep beneficial surveys at a national level to ensure investments are best utilised;
- Need to engage with current generation through the use of smart applications, rather than via telephone surveys.

International and Cross Border Group

- The sub group has looked at strategic considerations, such as how best to support the four priority areas and also link in with the Welsh Government's International Strategy;
- It is believed that international and cross border working can accelerate and enhance activity in all four priority areas and should be part of the 'DNA' of any programme, not just an add on;
- Building cross border/international relationships is essential but it is also recognised that it takes time and investment;
- There is also arguably a need for a change of culture in Welsh organisations;
- The sub group is keen on a 'bottom up', opportunity-led approach to implementation but recognises the need for strategic direction as well;
- There are plans to examine best practice from other regions and countries, including presentations from overseas experts. The sub group is also looking at important EU programmes such as European Territorial Cooperation (ETC), Horizon, Erasmus, etc;
- Challenges include: ensuring the case for specific funding is made; identifying ways of measuring progress and achievement; implementation issues such as out-of-area spend and IT access.

32. The Steering Group made the following comments:

- a) Many opportunities for cross border working exist and we should consider how to support both sides of the border;
- b) The relationship building nature of this work is very important, together with the recognition that cross border working delivers value over time;
- c) Greater capacity and capability is needed within organisations in order to progress the many cross-border working opportunities;
- d) Need to draw on our relationship with other regions/countries to maintain/develop future relationships e.g. Flanders;
- e) A strategic or evidence based approach may be needed to balance the range of opportunities, their relevance to regions / organisations, potential outcomes, etc;
- f) Structural Funds regulations for investments tended to restrict cross border and international working; important that those restrictions are avoided in successor arrangements

7. Discussion: Consultation Document Preparations
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33. The Chair welcomed Anton Orzel (AO) to provide an update on the preparations being made to launch a consultation document early next year. The following key points were made:

- Timescales between the preparation and the need to agree the consultation document and the delivery of successor arrangements from January 2021 were very tight, requiring the need to move at pace.
- Welcome Steering Group views on the consultation format and any best practice / examples of citizen engagement which could help inform the consultation approach.
- Volunteers from the sub groups would be meeting over the coming weeks to start drafting particular sections of the consultation document.
- Feedback from the National Framework and Implementation sub groups indicated a preference for a more firm proposal-based approach due to time limitations and the inability to undertake a second consultation.

34. The Steering Group made the following comments:

- A consultation outline or prototype would be useful for members to consider at its next meeting;
- A proposal based consultation is needed given time restrictions;
- The sequencing of engagement is important, taking into account the development of Regional Economic Frameworks and other areas of work, namely the Local Government Bill and the National Development Framework; i.e. what drives what and how do they fit together in the context of regional economic development;
- Ensure all socio-economic areas / communities are engaged.

35. The Steering Group agreed to a proposal-based consultation.

Action:

Consultation / Engagement proposals to be considered at the next meeting of the Steering Group

8. Discussion: OECD Project Update

36. The Chair introduced Sheilah Seymour to give an update on the OECD project and emerging themes.
37. Attendees were informed that the OECD will be returning to Wales w/c 25 November and as part of that work programme a Seminar will be held on 27 November (in Cardiff) to report on feedback received so far and gain more feedback. Invitations will be issued to the Steering Group and some sub group members, as well as other stakeholders, as soon as possible.
38. During their visit, the OECD will also be undertaking a case study of the Mid and South region, which will focus on the ways the region can work together as well as the capacity of the region to do so, the opportunities and benefits of regional working and governance structures.
39. Officials continue to work with the OECD as they develop their thinking, so this can inform the consultation which is being prepared.

9. Future Meetings

40. It was noted that officials were working on a more detailed project plan that would ensure future meetings of the Steering Group coincide with key work programme developments and milestones.
41. Members agreed that a Steering Group meeting in the second week of December would be beneficial so that members could consider a consultation outline / prototype. A proposed meeting date will be circulated to members.

***Action – Secretariat to share project plan with the Steering Group
Secretariat to circulate proposed December date***

10. Any other business

42. The Chair opened the meeting to any other business. No AOB issues were raised.
43. The Chair thanked members for their contributions and closed the meeting.

LIST OF ATTENDEES

Chair: Huw Irranca-Davies AM

Organisation	Name and role
Higher education Funding Council for Wales	Alyson Thomas, Director of Policy and Funding
Universities Wales	Amanda Wilkinson, Director
Wales Rural Network	Eirlys Lloyd, Community Partnerships/Food Centre Wales Manager, Ceredigion County Council
Grahame Guilford (independent)	Owner, Grahame Guilford and Company Ltd
Equality and Human Rights Commission	Hannah Wharf, Head of External Affairs
North Wales partnership	Cllr Dyfrig Siencyn, North Wales Economic Ambition Board
Natural Resources Wales	Ruth Jenkins (on behalf of Ceri Davies, Executive Director of Evidence, Policy and Permitting)
Confederation of British Industry (CBI) Wales	Nick Speed, British Telecom
Federation of Small Businesses (FSB) Wales	Ashley Rogers, Director, Gill and Shaw (morning only)
Third Sector Partnership Council	Janine Downing, WCVA (on behalf of Judith Stone, Assistant Director for Sector Development)
Welsh Local Government Association (WLGA)	Tim Peppin, Director of Regeneration and Sustainable Development
South East Wales Partnership	Nicola Somerville, Cardiff Capital Region City Deal (on behalf of Kelly Beirne, Director)
Wales Co-operative Centre	Glenn Bowen, Programme Director
Trade Union	Nisreen Mansour, Policy Officer, Wales TUC

Welsh Government attendees

Name	Role and Department
Peter Ryland	Director, WEFO
Simon Brindle	Director, Brexit
Rachel Garside-Jones	Deputy Director, Regional Investment, WEFO
Gwenllian Roberts	Chief Regional Officer for North Wales, Business and Regions, ESNR
Alison Sandford	Head of Partnership Working, Regional Investment, WEFO
Tracey Welland	Head of Strategic Implementation, Regional Investment, WEFO
Sheilah Seymour	Head of Research and Analysis, Regional Investment, WEFO
Anton Orzel	Head of Regional Investment Policy, WEFO
Geraint Green	Head of Programme Management, WEFO
Baudewjin Morgan	Head of Horizon 2020, WEFO
Claire Rundle	Engagement, Regional Investment, WEFO
David Roberts	Research, Regional Investment, WEFO

Apologies received

Organisation	Name and Role
Colegau Cymru	Iestyn Davies, Chief Executive
Professor Kevin Morgan (independent)	Professor Kevin Morgan, Governance and Development, Cardiff University
Trade Union	Martin Mansfield, General Secretary, Wales TUC
Wales Co-operative Centre	Derek Walker, Chief Executive, Wales Co-operative Centre
Future Generations Commissioner	Professor Rachel Ashworth, Dean and Head of Cardiff Business School, Cardiff University
Future Generations Commissioner	Paul Maliphant
South West Wales Partnership	Cllr Rob Stewart (SW – Swansea) Cllr David Simpson (SW – Pembrokeshire) Cllr Emlyn Dole (SW – Carmarthenshire)
Third Sector Partnership Council	Judith Stone, Assistant Director for Sector Development, WCVA

Third Sector Partnership Council	Phil Fiander, Deputy Chief Executive, WCVA
Growing Mid Wales Partnership	Cllr Ellen ap Gwynn, Leader Ceredigion Council
Growing Mid Wales Partnership	Cllr Rosemary Harris, Leader Powys Council
Further Education Sector	Lisa Thomas, Head of College, Merthyr Tydfil
South East Wales Partnership	Kelly Beirne, Director, Cardiff Capital Region City Deal
Welsh Government	Marcella Maxwell, Deputy Director, Economic Strategy, ESNR