

ESIF Replacement Steering Group - Meeting 11
15:30-16:30 Monday 7 December 2020
Microsoft Teams

MINUTES

Attendees

Professor David Bell (Chair)	University of Stirling
Malcolm Leitch	Scottish Local Authorities Economic Development (SLEAD)
Robin Clarke	Highlands and Islands Enterprise (HIE)
Douglas Colquhoun	Scottish Enterprise (SE)
Councillor Dr Steven Heddle	Convention of Scottish Local Authorities (COSLA)
Anna Fowlie	Scottish Council for Voluntary Organisations (SCVO)
David Rennie	South of Scotland Enterprise
Cornilius Chikwama (on behalf of Gary Gillespie)	Scottish Government
Julie Ann Bilotti (on behalf of Dominic Munro)	Scottish Government
Hilary Pearce	Scottish Government
Karen McAvenue	Scottish Government
Fiona Loynd	Scottish Government
Sean Jamieson	Scottish Government
Hannah Reid	Scottish Government

Observers

Muriel MacKenzie (on behalf of Amanda Fox)	Rural, Scottish Government
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Apologies

Professor John Bachtler (Co-Chair)	European Policies Research Centre, University of Strathclyde
Amanda Fox	Scottish Government
Dominic Munro	Scottish Government
Mary McAllan	Scottish Government
Gary Gillespie	Scottish Government

1. Welcomes and Introductions

1.1 David Bell welcomed members to the eleventh meeting of the Steering Group for the Replacement to the European Social Investment Funds (ESIF) in Scotland. Professor Bell then outlined the agenda before thanking all those involved for their work in developing the recently published Scottish Position regarding the UK Shared Prosperity Fund (UKSPF).

2. UK Government Spending Review

2.1 David Bell began by providing members with an overview of the recent UK Spending Review, noting that this year's budget was unlike any held previously, covering only one year with no mention of Brexit or taxation. David noted that the document outlined important developments in the creation of the UKSPF and the work of the Steering Group more widely. Despite little substantive detail being outlined the Fund's allocation on a UK-wide Framework was being justified by citing the recent UK Internal Market Bill which was currently being debated in the House of Lords. Apparent on community and regional development David noted were coupled with a lack of a clear timeline on the further development of the UKSPF. With the document only making clear that development would take place over the next 12 months ahead of the Spending Review for 2021 and the establishment of a £220 million transitional fund to bridge the current EU Structural Funds and the UKSPF ahead of its release in April 2022.

2.2 The Group raised concern of the lack of clarity provided within the UK Spending Review suggesting that greater insight into the transitional funding to bridge EU Structural Funds and the UKSPF in 2021 must be fully understood. Malcolm cautioned that the proposed rollout of the UKSPF until April 2022 may lead to a hiatus of funding and we must ensure that communities don't lose out because of this.

2.3 Hilary Pearce noted that engagement between Scottish Government and the Scotland Office had taken place since the announcement however remained unfruitful in providing any further details or clarity. Hilary commented that the transition fund outlined in the UK Spending Review be outlined in greater detail in Spring 2021 with the publication of a prospectus. Despite this lack of clarity Hilary did note that the Scotland Office had committed to further engagement with the Scottish Government regarding both the transition fund and the UKSPF.

2.4 The Group raised some initial questions regarding the short term impact and the significance of the Spending Review upon rural development and regional policy more widely. As well as concern that the delivery of part of the UKSPF through DWP would mean that it would lose focus as a Fund based upon additionality.

2.5 Cornilius Chikwama noted that some revisions to the Green Book were taking place to allow greater weighting to projects for areas of low economic activity.

3. Reception of the Scottish Position

3.1 David thanked members for their contributions before turning to the next agenda item.

3.2 The Group noted that the initial reaction of the publication of Scotland's Position from wider stakeholders has been overwhelmingly positive.

3.3 Members noted that COSLA had discussed the publication extensively including an update provided by Mr. McKee at the last Environment and Economy Board on Wednesday 4 December 2020. The outlined role of the Local Authorities was welcomed by members with a tweet being released to that affect however unfortunately due to time constraints no formal response has been released.

3.4 Likewise, members agreed that the proposals were well received and suggested the wide engagement of stakeholders in its development possibly meant that they did not feel the need to comment further on its publication.

3.5 The Group noted that third sector overall felt very involved in the development of the Scottish Position with it being very collaborative in nature. However concern has been regarding the centralisation of the UKSPF by the UK Government and continued lack of clarity going forward.

3.6 Members suggested that it was difficult for development of the Scottish Shared Prosperity Fund to continue in the midst of a lack of clarity regarding the UKSPF from the UK Government.

3.7 It was agreed that it is unclear how UK Government development may impact upon the work of the Group before thanking members for their comments.

4. Next Steps and the future role of the Steering Group

4.1 Karen McAvenue provided the Group with an overview of projected dates for UK Government policy planning beginning with the development of the transitional fund with a prospectus published being published in January 2021 to the development and rollout of the UKSPF in April 2022.

4.2 Karen noted that the Scottish Government will continue to stress to the UK Government that we require full engagement in the development of the replacement programmes and that Scotland's share of the funding must be fully devolved.

4.3 Karen suggested that in response to this schedule, the Scottish Government will continue development of their plans for a Scottish Shared Prosperity Fund which will include:

- Further development of governance structures
- Development of allocation tool;
- Approach for National Programmes;
- Development of Horizontal Themes.

4.4 In light of this continued development, Karen proposed that the ESIF Replacement Steering Group retain an oversight and supporting role going forward with membership to be increased. She also proposed that the current Steering Group would be best placed to provide a Scottish perspective on the UK Government's proposed Representative stakeholder Group , should this be required.

4.5 David Bell thanked Karen for her presentation and agreed that expanding the membership of the Group would be beneficial.

4.6 The Group however did raise concern that this development may be ignored by the UK Government as part of their policy planning. Likewise, raising doubt over how inclusive the UK Government's Representative Stakeholder Group will be in regards to Scotland.

4.7 Members agreed that the ESIF Steering Group should remain in place for at least the short to medium term and would offer an outlet for ideas and concepts to be discussed. Being in favour for refreshing the Group membership.

4.8 Group members did raise additional concerns being raised that any further development by the Scottish Government may not be included in UK Government planning however suggested failure to do so would make policy development more difficult at a later date.

4.9 It was highlighted that the development of Scottish policy planning will be dictated by the development of the UKSPF by the UK Government. Likewise the Group suggested that the Steering Group may wish to take up a more active role in engaging with UK Government to ensure Scotland's voice is heard.

4.10 Members suggested it went engagement from the Steering Group would ensure that the Scottish Position is including in further UKSPF development with the hope that the UK Government would be open to constructive contributions.

4.11 Karen McAvenue and Hilary Pearce noted that a deep-dive was being scheduled between Scottish Government and MHCLG officials to discuss the Scottish Position, suggesting that hopefully further clarity would be provided during this session and that Steering Group engagement be considered after this. It was suggested that the next meeting of the Steering Group take place in January to consider which further steps should be taken.

4.12 David Bell thanked members for their comments and suggested it would be helpful to fully understand what engagement MHCLG is planning with other Devolved Administrations such as the Welsh Government who have also published their plans for the replacement funding.

ACTION: Scottish Government officials to set a date to carry out a deep-dive with MHCLG on the Scottish Position and report back to wider Steering Group.

ACTION: Future Funding Secretariat to schedule the next Steering Group meeting for mid-late January.

ACTION: Scottish Government Officials to engage with Welsh Officials to understand what engagement is planned with themselves and MHCLG.

5. Any other Business

5.1 David Bell thanked members for their contributions before inviting members to raise any additional business items.

5.2 Hilary Pearce wished to personally thank all members for their diligent work in developing the Scottish Position and hoped that this Group could continue to provide support as the next stage of development begins.

5.3 With no further comments, David Bell thanked for all attending and wished members a good break over the festive period.

Future Funding Secretariat

9 December 2020

Action Log

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3. Scottish Government Officials to engage with Welsh Officials to understand what engagement is planned with themselves and MHCLG.