



Llywodraeth Cymru
Welsh Government

PUBLICATION

Strategic Forum for Regional Investment in Wales meeting, 17 January 2022: minutes

Minutes for the Strategic Forum for Regional Investment in Wales meeting, 17 January 2022.

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1. Welcome (11:30)

The Chair opened the meeting and thanked members for attending. He noted that the meeting will be attended by the Minister for Economy, Vaughan Gething MS, and informed members that there would be an opportunity for discussion and questions with the Minister following his update.

The meeting protocols were covered and the 9 November meeting minutes were cleared for publication on the Welsh Government website.

The Chair invited Cllr Rob Stewart (RS) to provide an update on behalf of local government.

2. Local Government update (11:35)

RS said that there had been a meeting of local government leaders with the Secretary of State for Levelling-Up, Housing and Communities, Michael Gove MP, on 9 December. During that meeting the Secretary of State indicated that there would be more information on the Shared Prosperity Fund (SPF) in late January with the Fund open on 1 April, the Levelling-Up White Paper would be published in the New Year and the second round of the Levelling-Up Fund (LUF) would commence in Spring.

RS said that the timescales for the funds are likely to be very tight and the learning from the first rounds was that this inhibited stronger and more strategic bids.

RS added that the WLGA are meeting with LGA counterparts to share information, but there no real detail has yet emerged. The WLGA is meeting WCVA shortly to discuss good practice around applications to UK funds.

In response to RS's update, members raised concerns about imminent closure of current EU-funded projects and the timetable of the SPF. The lack of follow-on funding is likely to result in the loss of significant infrastructure.

3. Minister for Economy (11:45)

The Chair thanked RS and welcomed the Minister for Economy, Vaughan Gething MS, to the meeting.

The Minister thanked members for their input and support on this issue. He said that while recent statements from the UK Government appeared more conciliatory, there is still no indication of financial commitments being met and little in the way of a detailed plan for the SPF.

The Minister said that the Welsh Government has significant concerns around the UK Government's use of the financial assistance powers in the Internal

Market Act, with the *Multiply* scheme, which will be funded from the SPF, another encroachment into devolved areas.

The Minister said that future funding gaps for sectors were likely based on the UK Government not fully replacing Wales' EU funding levels, and the inflexible approach currently being taken. He added that the current approach to the SPF was reminiscent of the early years of EU Structural Funds whereas a more strategic approach to investment has led to better economic outcomes for Wales.

The Minister stated that the Welsh Government was trying to be constructive with the UK Government on the role it should play in maximising these funds, citing the EU Commission framework the Welsh Government worked inside as part of Structural Funds programmes.

There has been progress on the issues of Freeports and Growth Deals and the Minister hoped that ultimately the same constructive and pragmatic approach would be taken on this issue. The Minister added that the Welsh Government is still committed to the work undertaken with partners such as the Framework for Regional Investment and the work with the OECD.

In response to the Minister's update, members made the following comments:

- The need for concerted pressure on UK Government for follow-on funding. They promised no cliff-edge, but that scenario is now imminent.
- UK Ministers have indicated that regional bids might be possible in certain areas such as skills and apprenticeships.
- Duplication of provision is already happening following the Community Renewal Fund (CRF) projects getting underway with CRF schemes clashing with existing regional and national projects.
- The third sector is starting to lose the partnerships created under EU funding programmes. Being cut off from funding puts current provision under threat.
- The loss of WEFO systems and payments-in-advance will result in good business ideas not being taken forward.
- The possibility of involving stakeholders in England to make common cause regarding the direction of the SPF.

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The Minister made the following concluding remarks:

- Regional bids to the SPF would be a welcome development, although local authorities are in an increasingly difficult position where they are single-handedly managing a range of competing interests for these funds and don't necessarily have the required level of administrative capacity.
- It's clear that the UK Government is making inconsistent statements regarding the role of the Welsh Government in public and private forums. Local government is in a good position to take forward dialogue with English stakeholders.
- The role of MPs with SPF bids is an unhelpful development that risks a level of politicisation. The UK Government should also clarify whether and how much funding will be available for areas like R&D and business support.
- There is a lot of agreement in Wales on regional priorities and this is the message we should be emphasising to UK Government.

4. Research and Innovation (12:20)

The Chair thanked the Minister for his update and engagement with members. He then introduced a presentation on Research and Innovation to be led by:

- Baudewijn Morgan, Head of Horizon Europe Unit, WEFO
- Chris Hale, Head of the Welsh Government Office for Science
- Kellie Beirne, Chief Executive, Cardiff Capital Region City Deal

The presentation will be made available on the Welsh Government website as part of the meeting papers.

The following key points were made:

- UK Government language on R&I is beginning to reflect a broader scope and the funding landscape is becoming more competitive.
- Regional disparities will not be solved solely by the SPF. Funding for R&I is available in greater volumes and is critical to raising economic performance.
- The Nurse Report may result in Wales losing out based on the

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recommendation to increase funding to institutes.

- A collaborative process with UK Government is needed along with a spatially targeted fund for each region to tackle inequality and grow capacity.
- Wales has some unique R&D strengths to exploit which are more specific than areas which typically attract coverage.

5. Closing remarks (12:50)

No other business was raised. The Chair said that Ministers are currently considering an extension for the Forum given that matters remain unresolved regarding these funds.

The Chair thanked members for their attendance and noted that the next meeting would take place after the UK Government has published details on how the SPF will be managed and when it will be open for business. A diary marker will be sent out in due course.

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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Organisation	Name
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 West Wales Partnership	Cllr Rob Stewart, Leader, Swansea Council
South East Wales Partnership	Kellie Beirne, Chief Executive, Cardiff Capital Region City Deal
Growing Mid Wales Partnership	Ellen ap Gwynn, Leader, Ceredigion Council Rosemarie Harris, Leader, Powys Council
Natural Resources Wales	Alan Hunt, Senior Specialist Advisor
Third Sector (Social Enterprise)	Glenn Bowen, Director of Enterprise, Wales Co-operative Centre
WLGA	Tim Peppin, Director of Regeneration and Sustainable Development
Chambers of Commerce	Paul Slevin, President, South Wales Chamber of Commerce
Federation of Self Employed and Small Businesses Wales	Ashley Rogers, Director, Gill and Shaw
Grahame Guilford and Company Ltd	Grahame Guilford

Organisation	Name
Trade Unions	Sian Cartwright, Head of Learning Services, Wales TUC
Third Sector Partnership	Matthew Brown, Director of Operations, WCVA
Cardiff University	Kevin Morgan, Professor of Governance and Development, School of Geography and Planning
North Wales Partnership	Clr Dyfrig Siencyn, North Wales Economic Ambition Board
Higher Education Funding Council for Wales	Harriet Barnes, Director of Policy and Funding
Wales Rural Network	Eirlys Lloyd, Chair

Welsh Government Attendees

Name	Role and department
Peter Ryland	Chief Executive, WEFO
David Rosser	Chief Regional Officer (South) – Economy, Skills and Natural Resources
Alison Sandford	Head of Partnership Working, WEFO
Sheilah	Head of Research and Analysis, WEFO

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Name	Role and department
Seymour	
Mike Richards	Communications Manager, WEFO
Tom Mallam-Brown	Senior Policy Officer (Regional Policy), WEFO
Chris Hale	Head of Welsh Government Office for Science
Baudewijn Morgan	Head of Horizon Europe Unit, WEFO
Tracy Welland	Head of Connectivity,
Sioned Evans	Director, Business and Regions – Economy, Skills and Natural Resources
Geraint Green	Head of Programme Management (ESF and ETC), WEFO
Duncan Hamer	Chief Operating Officer, Business and Regions – Economy, Skills and Natural Resources
Michelle Holland	Regional Investment Support Officer, WEFO
Huw Morris	Group Director, Skills, Higher Education and Lifelong Learning

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