

SLAED EXECUTIVE MEETING

MS Teams

Tuesday 14th January 2025

Attendance

Ishabel Bremner, Argyll & Bute Council (CHAIR)
Rory Young, Dundee City Council (VICE CHAIR)
Pamela Stevenson, Fife Council (VICE CHAIR)
Ruth Cooper, Renfrewshire Council
David Boyle, Glasgow City Region
Diane Milne, Dundee City Council
Andrew McKean, Renfrewshire Council
Kenny Lean, South Lanarkshire Council
Robert Nicol, COSLA
Hugh Lightbody, COSLA
Hannah Brown, Improvement Service
Miriam McKenna, Improvement Service
Lorna Pimlott, National Wealth Fund
Eddie McAvinchey, National Wealth Fund

Apologies

Lesley Walker, Angus Council
Calum Lindsay, COSLA

Action

1. Welcome and Introductions

IB welcomed members to the meeting and noted colleagues are joining from the National Wealth Fund to discuss how they can better link with SLAED and help Scottish cities to secure wealth and grow.

IB noted the paper previously circulate on behalf of the COSLA Housing SIG and confirmed SLAED comments on the recommendations have been submitted. IB will keep members updated on next steps.

2. Minute of Previous Meeting

Members agreed this was an accurate record of discussions at the previous meeting. HB will continue to engage with Harriet Purbrick to determine the best way for SLAED to engage with the Population Health Framework development. RC is happy to pick this up via the People Group.

HB

3. National Wealth Fund

Lorna Pimlott works on the public side of the fund and Eddie McAvinchey works on the private side, liaising closely with DGs at SG but would welcome more contact with councils. This was previously the UK Infrastructure Bank, but 'infrastructure' is no longer

in the title, enabling the organisation to invest in a broader range of sectors. More focus is now on green sectors and supporting transition to net zero. Investment will be aligned with industrial strategies and confirmation is awaited from UK Treasury on which sectors they want to support and invest in. Funding is being used to de-risk projects and encourage the private sector to invest where they may be wary. A total of £4bn of capital has been deployed to date. Independent and impartial advice can be given to councils at no charge, and the organisation can act as a critical friend, taking a key role in council investment pipelines. Often council projects are smaller scale and there may be opportunities to aggregate these. The fund also works with SNIB on transactions falling below the £25m threshold.

Members were interested in whether the fund can support town centre development, but it needs to be careful around commercial, cultural, health, education etc as these are not sectors currently supported. However, it can support developing infrastructure to support these e.g. roads, utilities, etc. It can't invest in housing but can support the retrofit of existing houses, public buildings, etc. Green freeports are in early stages of development but the fund has been engaging with councils around delivering enabling infrastructure. Whether the fund can provide funding depends on the scale of projects and scale needs to meet a certain level for the private side of the bank to get involved. Smaller projects are often better suited to SNIB. Each case stands on its own merit but if projects are strategically important the fund could get involved at an earlier stage.

Members agreed the Funding Group is the best forum for awareness raising and information sharing. It would be useful to know where councils can get match funding to support projects over multiple years. It was agreed that representatives in SLAED groups may not be the targets for the fund, but the structure can be used to push messages out to the right people. It would be helpful to have information to share with members, or a representative to attend a future Funding Group meeting. Lorna will share a brochure and supporting documents over the next few weeks. This could also form the basis of a themed meeting of the Business Group, or a discrete meeting specifically on this fund could be held for all councils to attend.

**Lorna
Pimlott
ALL**

Lorna noted that the fund has not yet been able to deploy any of the £4bn capital funding in Scotland, and it is important to ensure a fair share. This could be partially due to the issue of scale in Scotland, and several councils don't have a city in their area. It was agreed that a follow-up session will be organised later in the year.

4. People Group Update

RC gave an update and confirmed that all councils got their indicative funding allocations. Overall, more funding is available but new conditions prevent money from being moved between budgets. There has been no progress around councils' request for multi-annual funding, but SG have confirmed this is still on the table for consideration.

UKSPF will be cut by 40% for 2025/26, but capital allocations are higher, so the real cut is in revenue funding. There isn't much capital spend on people and skills, so this is a particular area of cuts for most councils, taking this to 50% in many areas.

There is still a question over when grant funding letters will be received, and these are needed within the next few weeks to allow councils to allocate funding to delivery partners in advance of the beginning of the financial year. The People Group is continuing to push for multi-annual funding. Full group meetings have been reduced to monthly, with thematic meetings taking place in between. Attendance at meetings continues to be high and the annual conference has been booked for May in partnership with SG.

5. Business Group Arrangements

HB gave an update and noted the following have volunteered for leadership roles:

- Paul Morris and Alison Davidson, Clackmannanshire Council (co-chair approach)
- Mags Watson, East Ayrshire Council (chair)
- Al Bryce, City of Edinburgh Council (vice chair)
- Lesley Walker, Angus Council (continuing vice chair)

Members agreed there is a need to reinvigorate the group and increase knowledge sharing and policy debate, with progress towards continuous improvement. PS will lead a session with prospective chairs and vice chairs to confirm arrangements and seek buy-in to a new approach for the group. HB will cancel the meeting scheduled for 16th January to allow time for Chairing arrangements to be confirmed and a replacement meeting will be set up with the prospective chairs and vice chairs to discuss priorities, leadership, etc. An update on chairing arrangements will be brought to the next Executive meeting.

HB

HB

6. Subsidy Control Consultation

There is high attendance at Funding Group meetings, but engagement is limited, and it would be useful to know what people get out of these. DM noted the survey has been circulated three times with only seven responses received, despite subsidy control issues impacting on all councils. The key question is whether new SLAED subsidy control schemes should be developed, or if the existing schemes should be extended or closed. Some SLAED schemes have never been used and it is easier for councils to develop their own approaches than it used to be, so it is possible that input from SLAED is not needed.

All councils have been notified of the reduction in their UKSPF allocations and, in most cases, the capital element is too high and not flexible, so cannot be converted to revenue. The UKG budget suggested UKSPF money could be given to SG to administer going forward and there are concerns that this might replicate how structural funds were managed previously. Members agreed this should be a priority for SLAED and COSLA as councils could be looking at a huge diminishment in funding if UKSPF money was used to fund national projects rather than for local communities. SG should be encouraged to engage SLAED as a sounding board for any potential changes.

There are also concerns around funding going through REPs, as opportunities to develop areas of joint focus between councils are limited. Local needs and challenges are very different, even within regional areas and councils need individual programmes and clarity on resource allocations.

Regeneration funding for 2025/26 will be £62m, including £12m of revenue funding and members queried what this would be used for. It is hoped that place-based funding will be allocated this year, but this would only leave £24m for projects with a deadline of March 2026 for spend. It was agreed that multi-year funding is required. National Lottery representatives are attending the next Funding Group meeting with a view to enhancing local engagement and it will be useful to discuss how the fund can use SLAED more around policy, engagement etc.

Members agreed it is difficult to know how to lobby at UKG level and there are lots of new MPs without knowledge and experience of economic development in Scotland. It would be useful to share information in terms of funding and how it's allocated, themes, etc. The main point of contact is through Scotland Office contacts, and these have been asked to use SLAED as a source of information and experience. This is an opportune time to approach UKG again as they design what will follow the transitional year of funding.

RN noted he is not close to this work, but COSLA colleagues have met with UKG via the Scotland Office. The content of these discussions has not evolved significantly but RN will ask for an update internally. Members agreed it would be useful for SLAED to have a discussion with COSLA colleagues on this topic.

RN

Rural areas face their own unique set of challenges and SRUC is currently undertaking a review of rural funding. This needs to be finalised in advance of allocations being made but there is no knowledge of when this will be.

7. AGM Arrangements

IB gave an update on discussions with HB and MM in December and confirmed an invite was sent to Mairi Spowage at Fraser of Allander Institute to speak at the AGM in March. HB noted there has not yet been a response and this will be followed up next week. Key themes that SLAED would like to get Mairi's perspective on include public sector impacts of the SG and UKG budgets, impacts of funding and how this relates to what councils deliver in terms of business support, skills, employability etc. Members were encouraged to put forward any additional ideas for focus for the AGM.

HB

ALL

PS noted it would be useful to consider how to enhance usage of the SLAED Indicators Framework, thinking about how this is cascaded and analysed to improve delivery. It would be useful to consider trends and insights and use it to better understand the scale of economic development activity. As Economic Development is not a statutory service there is a need to use the indicators to provide evidence for funding needs. The indicators therefore need to adequately reflect delivery, and this is not always the case. Members agreed that priorities such as managing grant schemes are very time consuming but aren't necessarily covered within the report. DB agreed the Additional Funding indicator has traditionally been challenging and any ways of evolving the indicators to be more practical would be welcomed and the Performance Group is happy to consider how to implement changes. It was agreed that the Executive would consider this in advance of the AGM with a potential slot on that agenda.

ALL/HB

HB noted that SLAED membership fees have never been raised from the original rate despite rising inflation. Current levels of income and spend are similar, therefore any increase in spend would result in a deficit annually. The Performance Group is keen to look at developing a new dashboard for the indicators, but this would be an additional cost. Given the levels of reserves currently, this would not be an immediate concern but would become an issue over time. Members agreed that it is not an ideal time to ask councils for more money, but HB will bring a budget update to the next meeting to enable a fuller discussion around potentially raising fees.

HB

8. AOB

IB noted that Argyll & Bute Council is looking for an idea of which councils are planning to introduce a Visitor Levy. Misinformation has been circulating in terms of councils' decisions on this, but the majority are still in the decision-making stage and seeking advice. Several councils are also interested in a Cruise Ship Levy. RY noted that Dundee City Council is working at the Tay Cities level with a consultant looking at viability. IB noted that Argyll & Bute Council has only approved going out to formal consultation and has not actually confirmed they will introduce the levy. DB confirmed that the Glasgow City Region team is looking at this for Glasgow City Council and methodology seems to vary across councils. He queried whether SG has a consistent approach. It was agreed this will be discussed further at the next meeting.

HB

Actions

#	Action	Lead
1.	Confirm how SLAED can engage in Population Health Framework development	Hannah Brown
2.	Share National Wealth Fund brochure / information	Lorna Pimlott
3.	Consider how SLAED can further engage with National Wealth Fund	All
4.	Cancel Business Group meeting on 16 th January and arrange session with prospective Chairs	Hannah Brown
5.	Include Business Group Chairing update on next Exec agenda	Hannah Brown
6.	Ask COSLA colleagues for update on engagement with UKG	Robert Nicol
7.	Follow up with Mairi Spowage re invitation to speak at AGM	Hannah Brown
8.	Put forward additional ideas for focus for the AGM	All
9.	Include updates to Indicators Framework on next Exec agenda	Hannah Brown
10.	Bring budget update to next Exec meeting to enable discussion on raising fees	Hannah Brown
11.	Include Visitor Levy discussion on next Exec agenda	Hannah Brown