

Written Question to Leader of the Council

Report by Director, Education, Communities and Economy

1 Question to Leader of the Council

In terms of Standing Order 4.3(vii), the following written question to the Leader of the Council has been received.

Question from Councillor D. Alexander:-

“Ask the Leader what contingencies has the Council put in place to secure alternative vital funding that comes to Midlothian to support our industry, science, tourism and voluntary sector from the EU after Brexit? Also what contingency is being put in place to ensure the collaboration, sharing and free movement of students between the science sectors in Midlothian continues with those of the EU?”

2 Response by the Leader of the Council

In response, Councillor Milligan, Leader of the Council advises as follows:-

(a) The Council is working with and through the Convention of Scottish Local Authorities (COSLA), and has been pursuing clarity regarding future replacement funding for European funds currently available to Midlothian businesses and residents. COSLA President, Cllr Alison Evison met with the Scottish Government Minister, Mike Russell on 25 April 2018 and again on 31 May 2018. The Minister agreed that such meetings, taking place on a more regular basis with structured agendas, were valuable. It was agreed that COSLA officers would work in advance with civil servants to agree agenda items. COSLA have been establishing an Officer Group that will consider the preparedness for Brexit across local authorities and Government departments and agencies. Through the Environment and Economy Board, COSLA has been considering both the current European Structural Funds programme and its potential replacement. COSLA recently provided evidence at the Scottish Parliament's Economy, Jobs and Fair Work Committee on its European Structural Funds and Investment Funds Inquiry. It is now agreed, subject to the final overall exit agreement with the EU being ratified by both UK and EU that EU structural funds can continue to be spent up to 2020, with a final termination date of projects in 2022, based on N+2 principles having been established in the phase 1 negotiations.

COSLA has been seeking clarity on behalf of all Scottish Councils on the future of the EU Committee of the Regions – this body represents local authorities from across the EU – and has been the main avenue for local government to influence the systems and priorities of the structural, agricultural, environmental, transnational and research funds provided by EU through its various programmes. The UK Government's latest position is:

“The United Kingdom delegation to the Committee of the Regions currently makes an invaluable, important contribution to the decision-making process of the European Union on issues including transport, and economic, social and territorial cohesion... We do not consider it necessary to provide a statutory basis to a domestic replication of the existing consultative rights provided to local authorities through the mechanism of the Committee of the Regions. The Government will give local government a clear assurance about how it can expect to be consulted on certain matters which, following their repatriation from Europe, will now be handled at the United Kingdom level. These matters will be those which local government would have been consulted on through the mechanism of the Committee of the Regions. In this way, we could have a flexible, non-statutory mechanism that, in essence, replicates for local government the rights and responsibilities it had through the Committee of the Regions, but in a lighter-touch, non-bureaucratic way. The broad approach we are envisaging will involve perhaps twice a year high level meetings between ministers and representatives of the local government associations who will have opportunities to put to the meetings written opinions on new proposed .. legislation and policies. Government would respond to these opinions – our thinking would be that responses could take the form of papers to be laid before both Houses of Parliament together with the opinions on which government was commenting. Such arrangements .. would put initiative in ...and fully meet the wishes of the local government associations, which the government entirely shares, not to replicate any institutional structure of the Committee of the Regions, whilst ensuring opportunities .. for local government to respond to matters which are currently... handled at EU level and after Brexit would be... handled at the United Kingdom level. A further aim is that any new arrangement will allow a broad focus on the substantive issues and not cut across the principles of devolution”

Locally, Midlothian Council has been successful as partner with 5 other local Councils and the Scottish Government in achieving City Deal status. This mechanism will support capital and revenue expenditure in the city region with a focus on increasing productivity and inclusive economic growth.

The Council continues to seek, and be successful in achieving, Regeneration Capital Grant Fund (RCGF) support in the Scottish Government's competitive bidding scheme. In the past two rounds achieving successful funding for the 'Track to Train' project in Newtongrange 'supporting people who have been involved in the criminal justice system; and Rosewell Community Development Trust, as part funders of a community hub project for Rosewell. The Council has also been successful in achieving Townscape Heritage Investment Fund (THIF) and Community Assets Regeneration Scheme (CARS) projects in Dalkeith, Gorebridge and now in Penicuik where a final outcome is awaited. These projects have offered vocational training and employability support whilst undertaking capital works in refurbishing the local heritage buildings.

Partnership with the third sector through Community planning has been a long-standing successful approach to attracting resources to Midlothian, adding significant value to the resources available directly to the Council. In 2017 there were 228 registered charities operating in Midlothian, and a further 572 community organisations that are not registered as charitable run by volunteers. Collectively the charitable sector had a total income of £36m in 2017, and Council investment in third sector partners has recently been estimated to provide a return of £8.50 for every £1 of Council grant aid provided.

The use of national scale contractors to deliver employability programmes (in the past operated alongside ESF programmes) piloted by the UK Department for Work and Pensions has been adopted by the Scottish Government. One effect of this has been to limit the ability of Councils and regional / local voluntary bodies to make use of this form of funding except by seeking to sub contract local delivery within these large contracts. Midlothian has been successful in the past in achieving this kind of sub-contracting arrangement and will continue to seek to do this where appropriate to do so.

(b) Free movement of citizens is one of the four freedoms set out in the EU treaties. Following agreement between the UK and EU at the Council of Europe in March, the Home Office has been working up the details of a Settlement Scheme for EU nationals and their families to remain in the UK post-Brexit. COSLA has been in early discussions with the Home Office, particularly around vulnerable individuals. The details of the Scheme are still being worked up and COSLA will have the opportunity to comment formally when a consultation paper is launched in the summer. Running in parallel, COSLA has been working with Scottish Government on events around the country for EU nationals, seeking to lessen anxiety amongst EU citizens currently living in Scotland and communicate the benefits they have brought to our culture, economy and society

c) Science research is a significant contributor to Midlothian economic development, and the Midlothian Science Zone has experienced significant expansion led by the University of Edinburgh's capital investment in relocating the Royal (Dick) school of veterinary medicine , the redevelopment of the Roslin Institute and the opening of small and large animal hospitals at the Bush estate . The Council works closely with both Universities (Edinburgh and Scotland's Rural University College –SRUC) located at Bush and with other research organisations such as Moredun Research and Pentland Science Park. The UK Government has recognised the significance of continuing EU partnership working and the negotiation team published a "Framework for the UK---EU partnership Science, research and innovation" in May 2018. This states:

"The United Kingdom wants to build a new, deep and special partnership with the European Union. It should be a partnership that protects our shared interests and values, ensuring we act together for our mutual benefit. With an approach that delivers for the whole United Kingdom and our wider family of overseas territories, as well as for the EU. This partnership should have two core parts:

- *An economic partnership, that goes beyond any existing Free Trade Agreement covering more sectors and with deeper cooperation*
- *And a security partnership, maintaining and strengthening our ability to meet the ever evolving threats we both face.*

These will sit alongside cross---cutting areas such as data protection. The UK's position paper on the ninth EU Framework Programme (FP9) Set out the importance of a continued focus on excellence, openness to the world and delivering demonstrable benefits. As an associate country we would look to agree an appropriate level of influence on the shape of the programme. This should be greater than current non---EU precedents, recognizing the quality and breadth of the UK's contribution.

As part of any association to Horizon Europe, the UK will want to continue to host and support European Research Infrastructures. The UK strongly supports the key principles that underpin EU science and innovation, of scientific excellence, openness to the world and European added value.”

The UK Government is therefore seeking a Science and Innovation Pact, including agreeing to work within the jurisdiction of the Court of Justice of the European Union where this is required to sustain cooperation.

Midlothian Council and the relevant community planning partners will continue to press for the fullest possible cooperation in this sector.

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