



OUTCOME REPORT

Brexit: Local Government
Preparedness and Post-Brexit
Implications for Regional and Rural
Economies

WLGA Delegation Visit
to Cornwall

31st Jan – 1st Feb 2019



CLILC • WLGA

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INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. Ever since the EU referendum in June 2016, the WLGA has been working closely with its colleagues in Local Government across the UK – to ensure that both the voice and interests of Local Government are heard loud and clear during the exit negotiations.
4. Close co-operation with other Local Government associations and representatives also provides an opportunity to share and learn from each other in preparedness for Brexit, and the resulting implications for policy, funding and legislation post-Brexit.
5. With still large uncertainty on the exact direction of travel in regards to Brexit, Local Authorities across the UK are still expected to plan for the implications of all scenarios (including the increasing threat of a No Deal) on their organisation, the services that they provide, and the communities they represent.
6. This visit was organised with Cornwall Council to exchange views and intelligence on Local Government Brexit preparedness; the UK Government's proposals for Fisheries, Agriculture and Rural Development; European relations post-Brexit; and current thinking on emerging proposals for regional development funding and policy (replacing EU funds).
7. The visit facilitated / enabled a number of discussions and identified areas of shared concern and common interest with a number of Welsh Local Authorities, with a strong interest in a reciprocal visit and areas of joint working to the future.
8. This report outlines a summary of the key findings of the visit – and identifies a number of recommendations/conclusions that the WLGA will offer to pursue with its Member Authorities in Wales.
9. *A list of participants is included in the Annexes.*

CONTEXT

Cornwall Council

10. Established in 2009 as a Unitary Authority for the county of Cornwall (not including the Isles of Scilly) following the 2009 changes to local government in England, it serves a population of over half a million people¹, with 86% of its population classified as rural².
11. The Council currently has 123 councillors, with the current draft proposals from the Local Government Boundary Commission for England suggesting a reduction to 87³.
12. Since the 2013 elections, it is run by an Independent-Liberal Democrat coalition.
13. The Council manages an annual budget of around £1bn, directly employing around 5,500 staff and welcoming over 5 million visitors annually - balanced with challenges from continued austerity cuts, a growing older population and a forecasted increase in service and regulatory demands⁴.

Cornwall's Economy

14. Cornwall's economy is very similar to many rural counties in Wales. A strong focus on tourism and the public sector - with an enterprise and employment demographic typified by a larger number of smaller businesses and high part-time employment.
15. Economic performance has been mixed. Whilst it has demonstrated recent growth in GVA, new business start-ups and comparatively low unemployment (JSA); it has however continuing challenges with low productivity figures, low household earnings, and a higher than average reliance on self-employment and seasonal & part-time employment ^{5,6}.
16. In GDP terms, the wider economy of Cornwall and the Isles of Scilly has historically qualified for the highest level of EU Structural Funds, with its relative GDP compared to the EU average remaining below 75%. The latest GDP figure for 2016 was 69%⁵. This is on a par with the level of funding that West Wales and the Valleys has qualified for since Objective 1 in the 2000s.
17. According to 2016 figures, the main sectors (by GVA) in the Cornish economy were: Real estate £1,730 million (18.2%); Wholesale, retail & motors £1,144 million, (12.1%); Health & social work £873 million, (9.2%); Construction £867 million, (9.1%); Manufacturing £778 million, (8.2%)⁵. With a total number of enterprises in the county standing at 23,795⁶, the majority of its 50 largest enterprises (employing 250+) are

based in urban areas – highlighting the importance of its micro/small business base in rural areas and supply chain for sectors such as food and drink².

18. From a skills perspective, Cornwall performs strongly on higher level skills (Level 4 and above) and has lower than average number of people without any qualifications at all⁵. However, Cornwall's population has grown over recent years, largely driven by immigration – which is dominated by people of middle to older working age. An emerging trend is in relation to young people with a steady increase in the number of young people aged 15 to 24 years moving into the area from 2001 to 2011. Also, a decrease in the number of young people aged 15-19 years leaving Cornwall over the same period. It shares similar challenges to Welsh Rural Authorities in terms of an ageing population².
19. During the visit, the following issues were highlighted:
- Population: ageing, and at a rate faster than the UK average. Median age of 46 (UK 40).
 - Productivity & GVA: improvements in recent years, but lagging behind UK average
 - House Prices: Affordability 7.5-10x average income
 - Construction: weak sector locally (down to skills availability and market gap) means limited procurement options and challenge for major projects

ECONOMIC DEVELOPMENT IN CORNWALL

STRATEGY

Cornwall and Isles of Scilly Strategic Economic Plan (Vision 2030)

20. This strategy document has been produced by the Local Enterprise Partnership – covering the two Local Authority areas of Cornwall and the Isles of Scilly⁷.
21. It sets the overall vision and ambition for economic development along three themes:
- Helping our businesses flourish and achieve excellence;
 - making sure our people have the opportunity to improve their skills and enjoy inclusive growth;
 - supporting the heritage and natural beauty of our environment while increasing our connectivity, physically and digitally.
22. It sets the following targets:

- Increase GVA per job from 69% to at least 80% of England's average
- Enterprise expenditure per person employed to increase to 25% of England average
- Proportion of working age population with no qualifications will be less than 3%
- Proportion of workless households to be lower than England average
- Actively exporting firms to raise from 18% to at least 30%
- Increasing wages from 77% to at least 90% of England average

GOVERNANCE AND INSTITUTIONS

23. Similar to Welsh Local Authorities, Cornwall works with a range of partners to enable the objectives and priorities outlined in its economic strategy with some notable differences, however:

Cornwall Development Company⁸

24. Cornwall Council has established its own arms-length company to deliver its economic priorities:
- To provide services to business and inward investment
 - To undertake place shaping development and regeneration
 - To facilitate delivery of major and transformational projects
 - To develop the digital economy
 - To support the development of the rural economy
 - To support business growth and improvement in productivity
25. Cornwall Council has established a number of arms-length or joint-venture companies to deliver services both within and outside of the County on behalf of other authorities. Highways maintenance, civil engineering, environmental services, facilities management and social care through Cormac; managing over 10,000 social housing homes through Cornwall Housing; attracting inward investment, support to businesses and innovative new technology led developments through the Cornwall Development Company; and keeping Cornwall moving through Cornwall Airport at Newquay.
26. Further Information regarding these individual companies, and their parent Company Corserv can be found in their Annual Business plan⁹.

Cornwall & the Isles of Scilly (CIoS) Local Enterprise Partnership (LEP)¹⁰

27. LEPs are an England-only policy, established in 2011 to carry out some of the functions previously carried out through Regional Development Agencies (most functions have been centralised, LEPs do not have CPO powers or multi-annual budgets – resources are secured mostly through “bidding”). Led by the private sector, they are a voluntary partnership between the private and public sector tasked with determining local economic priorities and leading economic growth and job creation in their local area.
28. In Cornwall and Isles of Scilly’s case, the LEP contains the Council areas of Cornwall and the Isles of Scilly and collectively drives the economic strategy for the area (Vision 2030). The plan encompasses a culture strategy to inform planning and development decisions for Cornwall and the Isles of Scilly, alongside a Council investment programme worth some £1bn to contribute towards overall growth and employment.
29. CIOs LEP has a much stronger link to the Council than is the case in other LEPs – with the Service Director for Economic Growth at Cornwall Council (Glenn Caplin) also serving in a dual role as Chief Executive of the LEP¹¹.
30. The LEP operates in 4 ways:
 - **Influencing/Challenging:** an independent, business-led approach to represent the interest of CIOs in decision making at EU/UK and within CIOs.
 - **Informing:** business-led views on key statutory plans and policies and innovation in achieving economic growth (notably Local Plans and linked issues such as health and education).
 - **Investing:** from EU/UK Govt to enact the Strategic Economic Plan, prioritising alternative financing over grants and maximising public/private leverage.
 - **Partnership & Collaboration:** across all sectors – with a view to further joint working where appropriate.
31. The LEP recognises the role of the private sector and wider institutions and sectors in enacting economic growth – and thus has the ambition to maintain close dialogue with these partners, effectively providing a local economic leadership role for the region.
32. The LEP is administered via an unincorporated partnership, with the partnership consisting of Cornwall Council (CC), Council of the Isles of Scilly (CIOs) and the not-for-profit CIOs LEP Co – constituted of a board of private sector and individual representatives with LA Members having a seat on the Board to provide public sector input. They are all directors of the LEP Co.

33. All direct Council activity is operated through the Local Government Act 2016 and Cornwall Council Constitution. The Leader of the Council, Portfolio Holder for Economy and Planning, Leader of the Opposition Group and Shadow Portfolio Holder for the Economy are all Directors of the LEP. The Cornwall Council Economic Growth and Development Overview and Scrutiny Committee acts of the arching oversight and scrutiny mechanism for both Council activity – and is also able to scrutinise the work of the LEP where appropriate.
34. Further information on the operating structure and governance can be found in its Assurance Framework¹² and its Business Plan¹³.
35. The CIOs LEP have been successful in bidding and delivering the following funding sources¹⁴:
- **£5.9m Growing Places Fund:** creating an evergreen fund targeting infrastructure. Levering in £39.5m to deliver 18,000m² of workspace, 44 homes and creating/safeguarding 870 jobs.
 - **£13m Regional Growth Fund:** revenue and capital support for 140 businesses. Levering in £51.8m to create/safeguard 5,200 jobs.
 - **Growth Hub and Skills Hub programme:** receiving £4m EU funding to support 2,160 enterprises.
 - **£78.23m Growth Deal:** through 3 tranches from the Local Growth Fund in England¹⁵.
 - **Greater local say in the delivery of €603.7m** through the European Regional Development Fund and European Social Fund (EU Structural Funds) – through an Intermediary Body (IB) function directly managed by Cornwall Council (more information below).

Cornwall Brussels Office¹⁶

36. Despite the outcome of the 2016 EU Referendum, Cornwall has maintained a strong and visible presence in Brussels – keeping abreast of key developments in the Brexit negotiations, influencing and lobbying on key policy and regulatory concerns; gathering intelligence on EU funding, as well as building a strong platform for maintaining and enhancing European networks and contacts beyond the UK's departure from the EU.
37. Maintaining a presence in Brussels is seen as essential by the Cornish Leadership. The WLGA delegation learnt that a wider group of UK Brussels based organisations has started to meet on a regular basis, building on the previous meetings of UK Brussels Offices (UKBO), involving organisations representing UK businesses and UK Higher Education Institutions, to consider the implications of becoming third country representative offices in Brussels post Brexit. We learned that a number of task groups

have been established under this new wider group to consider different aspects such as the legal requirements of being a third country representative organisation and accessing funding from future EU Research and Innovation Programmes. A specific group has also been established to plan Post Brexit Events, to include engagement with the new European Parliament and the new European Commission later this year.

38. It was also apparent that work by the current representations in Brussels were focused on maintaining and building relationships with key European partners and institutions. Regardless of the outcome of Brexit, this work was seen as essential by the Cornish Leadership in maintaining its outward-looking focus and its ambition to ensure the region is able to influence and engage in any debate it can.
39. Although the WLGA's partners in Wales House (Welsh Government and the Welsh Higher Education Brussels Office) are involved in the discussions of these new groups, the WLGA was not aware of the discussions. Since the visit to Cornwall, WLGA officers have held discussions with Welsh Government representatives in Brussels and have agreed that it would be useful to re-establish Wales House meetings, which WLGA officers can dial into, and to arrange bi-monthly meetings between the Welsh Government's European and International Relations Team and the WLGA to ensure continued engagement and exchange experiences of our respective involvement in key networks and institutions as the shape of Wales' future relations with Europe evolves.
40. The office is supported by the Council, the Local Enterprise Partnership, and Combined Universities in Cornwall.
41. The function of the Brussels office is contracted out via tender, with the current term ending on 31st March 2019. At the time of our visit, Cornwall Council were in the process of tendering for a further presence in Brussels up to 31st March 2021 – to cover the Brexit transition period (pending a Withdrawal Agreement deal is concluded) and support Cornish efforts to define their place in a future UK/EU relationship. The contract is split on a renewal basis of 12 months at a time – should circumstances arise that would no longer require the function.
42. There was a willingness to explore further avenues of collaboration, sharing of intelligence, and joint work on common lobbying positions such as access to future funds and networks.

43. To aid this, mapping of membership of relevant networks and contacts was suggested as a way of understanding who is represented where, if there are any gaps – and which avenues should be explored further.

Cornwall Council – Economic Growth Service

44. The Cornwall Council approach to economic growth is led by the Economic Growth and Development Directorate, bringing together Planning, Transport, Housing and Economic Growth functions to deliver a large part of the Cornwall Council Business Plan 2018-2022. Directorate activity is framed by the Cornwall and Isles of Scilly Strategic Economic Plan (Vision 2030) and Cornwall Local Plan and is delivered through a variety of internal and external strategies such as Connecting Cornwall, Cornwall Housing Strategy, and the Culture White Paper.
45. The Cornwall Local Plan highlights an imperative to better align and deliver place-based economic development in order to achieve their overarching growth ambition.
46. To achieve this, the Council has ~49 staff funded through a mix of LEP, Council and external funding.
47. The Council has 3 teams located under the Service Director for Economic Growth (also Chief Executive of the LEP):
- **LEP Governance and Operations:** LEAD ON BUSINESS: Innovation and creativity / Productivity-led Growth / Global Presence (Board & Governance; Engagement & Comms).
 - **Investment and Growth:** LEAD ON PLACE: Vibrant Communities (Programme management of Growth Deal and EZ investments -reporting to LEP Board; supports central reporting and risk/assurance issues).
 - **Economy, Skills & Culture:** LEAD ON PEOPLE: Inclusive Growth/Building Great Careers (Employment and skills lead – supporting E&S Board and business; Wider skills and culture development to support inclusive growth; Economic development policy & research; Lead on UKSPF)
48. This work is financed through the Council's Economic Growth Service budget as follows¹³:

| | Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 |
|--|-------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Cornwall Council Economic Growth Service (revenue, including culture and heritage) | 4,125,000 | 4,074,000 | 3,774,000 | 3,074,000 |
| Cornwall & Isles of Scilly LEP (Revenue) | 1,559,000 | 1,079,000 | 912,840 | 650,000 |
| Ringfenced Revenue | 1,296,031 | 1,418,172 | 1,599,740 | 1,891,350 |
| Total LEP Budget | 2,855,031 | 2,497,172 | 2,512,580 | 2,541,350 |
| Consolidated Revenue budget Position | 6,980,031 | 6,571,172 | 6,286,580 | 5,615,350 |
| Capital Programme | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| | £m | £m | £m | £m |
| Culture & Eco Dev Capital Programme Board | 31.905 | 11.262 | 2.381 | - |
| LEP | 10.674 | 9.773 | 11.718 | |
| Total | 42.579 | 21.035 | 14.099 | - |

The headline four year budget shows a decreasing LEP Revenue budget, reflecting the allocation and use of funds towards the projected availability only of core funding in 2021 / 22. At the outset of this business plan however core funding is only confirmed of 2019/20. The LEP Capital funds reflect the receipt and use of Local Growth Fund monies.

49. The WLGA delegation visit learned of Cornwall Council's strong and positive approach to stimulating and enacting economic growth – taking an organisation-wide view of its role as a place leader.
50. Key notable examples of this are:
- **Housing:** in 2018 the Council invested £170m to directly build 1,000 new homes for private market rental with 35% for affordable rent or shared ownership, 15% sold on the private market and 50% available for private market rental. The Council set up a new company to buy, let and manage the properties – with a view that income generated from private sales & rentals would subsidise the affordable homes so there would be no cost to the Council over the life of the business plan¹⁷. The Council recently borrowed further funding to boost the Council's Investment Programme¹⁸.
 - **South Crofty Tin Mine, Poole:** the Full Council agreed to invest £1m in a share offering by Strongbow Exploration to assess the viability of re-opening the Tin Mine after it originally closed in 1998.¹⁹

KEY LEVERS

Devolution Deal

51. In addition to Growth Deal funding, in 2015 the UK Government agreed a Devolution Deal between Government, Cornwall Council and Cornwall and Isles of Scilly Local Enterprise Partnership to devolve a range of powers and responsibilities to Cornwall²⁰.
52. The *fiscally neutral* deal enabled the following:
- Powers transferred to Cornwall Council for franchising bus services by 2018 (being the 1st rural unitary authority to do so).
 - Powers for the LEP to re-shape further education training and learning provision for adults, with implementation of new arrangements from 2017.
 - Shaping and identification of apprenticeship opportunities.
 - LEP to have ability to integrate local and national business support services.
 - Invite proposals for a low carbon enterprise zone linked to geothermal energy.
 - Increased Government/Cornwall Council co-operation on addressing energy network constraints within the region (CIoS), and better utilising local knowledge to tackle energy efficiency in homes.
 - Business planning for integration of health and social care services.
 - Improve efficiencies in the public estate as part of the One Public Estate initiative.
 - Invite local partners to create a Cornish Heritage Environment Forum.
 - Intermediate Body status for two European Union structural funds (European Regional Development Fund and European Social Fund), with responsibility to select projects from April 2016 :-

European Funding – Intermediary Body Status

53. Like West Wales and the Valleys, Cornwall and the Isles of Scilly has been in receipt of the highest level of support from the EU Structural Funds – owing to its comparative underperformance in GDP.
54. With the Devolution Deal, Cornwall Council has had Intermediary Body (IB) status for managing these EU Funds – meaning local control over how the funding is spent and tailored locally to meet local needs and priorities.
55. In practice, this means that the IB team sits within the Finance Department of Cornwall Council, consisting of two officers (one ERDF and one ESF) – working on behalf of the ITI Board.
56. Cornwall has the greatest level of delegation after the Greater London Authority. Which allows Cornwall's IB status to co-ordinate the timing of calls for funding, rather than responding to national calls.

57. It is managed by an Integrated Territorial Investment (ITI) Board – and provides implementation advice to the Managing Authority²¹.
58. The WLGA visit learnt that the ability of ITI Board to co-ordinate calls and align funding to an agreed strategy meant a greater level of local control and influence over how the funding was spent. The Managing Authority (UK Government) still performed final approvals and gateway assessments on project bids. This was largely seen as a halfway house between the management and delivery structures of Objective 1 and what Welsh Local Authorities currently operate in with the Welsh Government.

HIGHLIGHTED PROJECTS

59. During the visit, we had the opportunity to visit and learn more about a few key initiatives that played a key role in the economic growth strategy of the County.
- Hayle Marine Hub²²
 - Krowji – Creative Kernow hub²³
 - County Archives/Record Office – Kresen Kernow²⁴

BREXIT

Brexit Preparedness – Cornwall Council

60. Following the 2016 EU Referendum, Cornwall Council has undertaken a significant amount of work locally to prepare and position the County for Brexit²⁵.
- 2 Brexit Summits: bringing together a range of public, private and voluntary & community sector representatives to discuss the risks and opportunities of Brexit on CIOs.
 - Established the CIOs Futures Group in July 2016 – consisting of key sector leaders to develop CIOs' response to Brexit. In January 2017, published the Catalyst for Change²⁶ report, which considers the implications, risk and opportunities.
 - Hosted the first LGA/DCLG roundtable on the implications of Brexit for the South-West in January 2017.
 - Hosted the House of Commons Select Committee for Exiting the EU in February 2017 to take evidence for its inquiry on the UK's negotiating objectives for EU exit. The Committee took evidence on 'Cornwall Economy and Future' and 'Agriculture, Environment and Rural Communities.'

- Work to understand some of the motivations behind the factors contributing to the 56.5% vote for Brexit by University of Exeter²⁷.
- Roundtable with the Rt Hon Sajid Javid MP and Steve Baker MP in September 2017 - presented with a summary of Cornwall Council's draft future devolution proposition, designed to bring positive outcomes for Cornwall's economy and society after Brexit²⁸ (which now forms part of a comprehensive set of asks within the "New Frontiers" publications).
- The Council's Chief Executive, Kate Kenally, is a Member of the MHCLG Brexit Advisory Board.
- Work led internally by the Chief Executive and the Corporate Strategy Team. Brexit, but work has a wider focus on devolution.

61. Specifically, on a No Deal scenario the Council has undertaken further intensive work to:

- Summarise and simplify No Deal guidance to be disseminated internally with services, and externally with business and Local Resilience Forums.
- Prioritise work internally in CEO/Policy Team as positioning Cornwall to the future, rather than treat Brexit as a problem to "resolve". Further devolution aspects central to work, but also looking positively at growth prospects from legislative and policy levers. E.g. new UK frameworks, not just looking at environmental protection, but how enable growth.
- Work with Local Resilience Forums via a Brexit Planning Group. Emergency planning and resilience assessments being undertaken.
- Conduct service impact assessments on the short/medium & long terms risks. Looking at both operational and strategic impacts – resulted in 2 new additional risks on the Corporate Risk register.
- Specific workshop with LRF Business Continuity Group.
- UK Government's EU Settlement Scheme – the Leader of the Council has written an open letter to all EU citizens in Cornwall²⁹.

62. The Council has also undertaken a number of primary research across a number of areas:

- Brexit's impact on local government³⁰
- Brexit and devolution³¹
- Post-Brexit migration policy³²
- Post-Brexit funding³³
- Post-Brexit agricultural and environmental policy³⁴
- Post-Brexit fisheries policy³⁵
- Cornwall and the Isles of Scilly – Trade Profile³⁶
- Cornwall and the Isles of Scilly – economic and social impact of European Economic Area (EEA) workers³⁷

New Frontiers

63. This is essentially Cornwall's post-Brexit "plan", and is a series of asks from Government, structures in three sections:

- **Post-Brexit Frameworks**
 - Economic Growth to 2030
 - Agri-food and Fisheries
 - Employment and Skills
 - Migration and inclusive workforce growth
 - Regulations
- **Developing our distinctive strengths as a rural Industrial Strategy Pilot**
 - Spaceport
 - Creative industries and digital technologies
 - Clean growth and environmental management
 - Relocation of public bodies
- **Devolved Powers and Funding**
 - Housing & Planning
 - Integrated public transport
 - Fiscal Freedoms
 - Stewardship of natural capital
 - Health & Social Care
 - Cornish culture and heritage
 - Blue light collaboration

64. Links to each section are all available on the Cornwall Council's Brexit page:
<https://www.cornwall.gov.uk/council-and-democracy/brexit/>

POST-BREXIT

Agriculture

65. Cornwall Council has outlined its strong concerns for the Agri-Food industry in various responses to Government consultations³⁸.
66. The Council has long supported investment in the agri-food sector through various EU funding streams, investing in the processing capability locally (example cited pre Objective One only 50% of the milk produced in the County was processed in the County whereas today after significant investments in added value processing Cornwall now has the capacity to process all the milk produced in the County).
67. Concerns however with some management and governance of the current EU funds that felt to have limited complementary investments (e.g. funding available for capital support in a farming business, but ERDF support to help business use the new equipment would be ineligible – and in the ability to align revenue streams with capital funding). Also noted high dropout rates in LEADER due to high levels of bureaucracy. Lot of shared points around the overly-centralised approaches to the management and administration of EU funds – strong support for local management of funding similar to Objective 1.
68. Issue also noted on quantifying & evidencing rural support. Examples cited on evaluations on projects happening before any tangible results realised. Only now seeing the benefits of investments from Objective 1. Development funding in some businesses only come to fruition years down the line.
69. Similar concerns to Wales highlighted in relation to no clarity on future funding for rural development or LEADER activity.

Fisheries

70. Cornwall Council has been very active in engaging with fisheries stakeholders locally through the CIOs LEP, through various organisations such as the Inshore Fisheries and Conservation Authorities – linking up with an all-England network, ensuring a strong voice in Westminster. As one of the biggest fishing regions in the UK, they've taken a strong interest and position in influencing post-brexite policy³⁹.
71. No Deal is a very real concern to the industry. Concern if legislation to ensure continuation of export catch certificates, environmental health etc will be in place in

time. Closer we get to 29th March, concern grows that there won't be enough time to get legislation through the Commons.

72. Concern that 4 Devolved Nations may take different approaches to policy and enforcement, effectively creating differences within the internal UK market. Although, 4 DAs joint statement will hopefully agree a common footing.
73. Industry becoming increasingly aware of implications outlined in No Deal technical notices. However, fundamental issues (if there will be tariffs or non-tariff barriers) remain, and thus making it impossible for the industry to adequately plan for no deal. SEAFISH have a tool on their website to assess implications of tariffs – but this is largely academic if non-tariff barriers (export certification, ferry slot availability etc) will be present.
74. No real clarity on where funding will come from to support industry. No real clarity where development funding through current EMFF will come from, if it will feature in UKSPF or not.

Future Regional Development Funding / UK Shared Prosperity Fund

75. A number of discussions were held on the key principles and shared concerns around future funding models that would replace EU funding that both Cornwall and Wales have benefitted from.
76. The discussion was undertaken at a time where the widely-expected UK Policy Consultation on a new UK Shared Prosperity Fund had been delayed.
77. Shared view that it is more than replacing EU funding, but rather a re-drawing of regional policy within the UK, now that EU Cohesion Policy would no longer apply.
78. The CIOs position on this has been outlined on a number of occasions, with the most recent response being the APPG Inquiry seeing CIOs outlining some similar principles to that of Welsh LAs⁴⁰:
 - A single capital/revenue pot
 - Allocated budget
 - Multi-Annual
 - Local control and flexibility
 - Focus on outcomes rather than outputs
 - Inclusive Growth ("not about what you do, but about how you design what you do").

79. Reference to recent analysis by the CPMR, suggesting that the UK would be eligible for €13bn in regional funding post 2020 IF the UK remained within the EU⁴¹. Cornwall and West Wales & the Valleys would continue to qualify for the highest level of aid under the “less developed region” status – alongside 3 new English regions for the first time (South Yorkshire, Tees Valley & Durham, Lincolnshire). East Wales would also qualify for higher levels of funding as a “transition region”. This conversation raised issues of how a common lobbying position could be developed with other comparative areas across the UK – and raised the issue of the scale of the challenge for a future UK regional policy.
80. It was also common agreement that any future regional policy should be a rules-based system similar to which current EU funding is based upon – which respects the need to rebalance weaker regional economies.

CONCLUSIONS

Recommendations

The breadth and nature of the discussions during the delegation visit were of great benefit to the WLGA and offer a number of opportunities for further learning and exchange of good practice between Cornwall Council and ourselves and, via us, for our local authorities.

In particular, the following actions and next steps are recommended for our continued engagement and dialogue on common challenges and opportunities:

1. Lobbying for similar levels of funding Post Brexit as we would have received if the UK remained in the EU.
2. Learn from Cornwall Council’s Economic Development model as we develop new models of delivering Economic Development as part of both the Welsh Government’s Economic Action Plan’s Regional Economic Development approach and the wider Welsh Government Regional Investment after Brexit approach.
3. Utilise Cornwall Council’s involvement in key UK and European networks, such as the LEP and IB Networks, and the CPMR, as we develop our positions and ensure that Welsh Local Authorities and our 4 Economic Development Regions maximise all the opportunities from future UK and European funding programmes and initiatives.
4. Identify joint opportunities for raising the profile of key challenges and opportunities facing our Rural Local Authority areas, such as inviting representatives from Cornwall Council to a future meeting of the WLGA’s Rural Forum and consider joint lobbying of

key UK Ministers regarding the need for adequate replacement funding for rural development activities post Brexit.

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ANNEX 1

| WLGA Delegates | | |
|--------------------------|---|---|
| Cllr Emlyn Dole | Carmarthenshire County Council | Leader & WLGA Spokesperson for Employability & Skills |
| Council Officers: | | |
| Gwyn Evans | Pembrokeshire County Council | European Manager |
| WLGA Officers: | | |
| Lowri Gwilym | Team Manager: Europe & Regeneration | |
| Carwyn Jones-Evans | Policy Officer: Economic Development & Regeneration | |

| Cornwall Council Delegates | |
|-----------------------------------|--|
| Cllr Adam Paynter | Leader |
| Cllr Julian German | Deputy Leader |
| Cllr Bob Egerton | Portfolio Holder |
| | Cons Group Leader |
| Cornwall Council Officers: | |
| Kate Kenally | Chief Executive |
| Glenn Caplin | Chief Executive of Cornwall and IoS LEP and Service Director for Economic Growth |
| Emily Kent | Head of Economy, Skills & Culture |
| David Rodda | Economic Growth Manager |
| Katie Cavell | Cornwall Brussels Office |
| Phil Woods | ERDF IB Lead |
| Katie Dalsgaard | Economic Growth Officer |
| Steve Horscroft | Economic Growth Officer |
| Other Officers: | |
| Matt Hudson | Operations Director, Hayle Marine Hub |
| Sam Davis | Chief Officer, Cornwall IFCA |
| Ross Williams | Chief Executive, Krowji & Creative Kernow |
| Jack Morrison | FEAST |

REFERENCES / READING LIST

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