

## Response ID ANON-JRY3-FY5J-6

Submitted to **COVID-19: Role of enterprise agencies, SNIB and other economic development partners**

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### About you

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I have read and understood how the personal data I provide will be used.

**2 How would you like your response to be published?**

I would like my response to be published in its entirety

**3 What is your name?**

**Name:**

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**5 Are you responding as an individual or on behalf of an organisation?**

Business or sector organisation

**Organisation :**

Scottish Property Federation

### Role of enterprise agencies, SNIB and other economic development partners (1/3)

**6 How nimble is Scotland's economic development system?**

**Please enter your response in the box provided.:**

Direct support for businesses thus far has been led by local authorities and central government, typically in the form of grants from local authorities (supported by central government) and tax relief (business rates. VAT deferral). The speed with which the UK and Scottish governments and local authorities responded to the shutdown of the economy and its immediate financial consequences was both unprecedented and impressive. These responses were not without their drawbacks and commercial property businesses are among those who have seen their income reduced in some cases to a small proportion (if at all) of former turnover and at the same time these businesses and investors have little or no assistance from the government to meet their financial and business liabilities.

The enterprise agencies are changing priorities but this is often a longer term and not easily undertaken affair as many agency commitments are by their nature long term. We believe the agencies will need greater resourcing if they are to play a greater role in the Scottish economy to support economic recovery.

**7 How are the economic development agencies consulting businesses to establish their needs during the crisis?**

**Please enter your response in the box provided.:**

We enjoy good relationships with the enterprise agencies as do a number of our members engaged in investment, property advice and development. The real estate industry is a catalyst for broader economic activities and in this guise, there has been a strong relationship with the enterprise agencies, although not necessarily a finance related relationship.

In this light, we are in discussions with the agencies with regard to seeking to align future investment capital from investors with government objectives and economic opportunities. This is a long term goal but one with good foundation in our industry, which is often focused on long term investment and economic benefits. The early indications from the green investment portfolio suggest that there remains strong interest in these kind of longer term projects.

**8 How are the economic development agencies working together to assist businesses and workers during the crisis?**

**Please enter your response in the box provided.:**

We believe that the key relationships and collaborations are between central government, the local authorities and the agencies. The impact of interventions will no doubt change over time but the immediate priority must be to secure as many jobs, and to sustain as many businesses, as possible in order to support economic recovery once the public health emergency allows greater social and business interaction.

### Role of enterprise agencies, SNIB and other economic development partners (2/3)

**9 How is the enterprise and skills agencies' response to COVID-19 supporting:**

**Please enter your response in the box provided.:**

**Please enter your response in the box provided.:**

**Please enter your response in the box provided.:**

**10 Do existing initiatives, such as innovation centres and city deals, need to be adapted in response to the economic crisis? If yes, what type of change is needed?**

**Please enter your response in the box provided.:**

Certain aspects of the growth and city deals have seen their importance enhanced, for example on broadband connectivity. Neither should we abandon the concept of innovation centres that for the most part were focused on future skills and economic interests, particularly in relation to the knowledge economy. For example, the emphasis upon life sciences or IT infrastructure. Indeed the Advisory Group on Economic Recovery report made significant recommendations on the need for data connectivity infrastructure and investment. City or Regional growth deals might be more adapted, or increased, to deliver these forms of infrastructure investment as a key platform for economic growth in Scotland.

Further and perhaps somewhat traditional investments in transport infrastructure will remain of key interest and important for economic recovery. The governments should also consider the potential uplift that can be achieved through supporting residential investments of all tenures. The demand for housing remains strong and there is a lack of supply in the residential markets. Residential investment in all tenures - social, affordable, owner and built-for-rent - is therefore an opportunity to support construction skills and broader economic activities while attaining housing need objectives.

**11 In light of the COVID-19 crisis, how should enterprise agencies prioritise their budgets?**

**Please enter your response in the box provided.:**

The agencies need the support to expand their engagement and investment with Scottish businesses. The agencies need to be able to provide a platform for sustainable economic growth that will repair the economic damage of Covid-19. There will be an increasingly important role for the agencies to play in facilitating investment collaboration between public and private sector partners. Although not specifically mentioned within this consultation, we feel the role and expertise of the Scottish Futures Trust can add significant experience and knowledge of how to get successful economic investment activity undertaken by both public and private sector actors, and the agencies/SNIB need to draw on this available expertise. A crucial aspect of SFT expertise is their ability to advise on the crucial delivery of infrastructure with major economic development projects.

**Role of enterprise agencies, SNIB and other economic development partners (3/3)**

**12 Are the economic development agencies still providing support on Brexit and preparing for a possible 'no deal'?**

**Please enter your response in the box provided.:**

Our assessment is that Brexit preparation became a lesser priority in recent months at all levels of government.

**13 How should the forthcoming Scottish National Investment Bank missions be framed to provide the support needed by businesses in the short-term whilst promoting longer-term targets (such as net-zero emissions of all greenhouse gases by 2045)?**

**Please enter your response in the box provided.:**

The importance of the role of the Scottish National Investment Bank is expected to be both more urgent and accelerated by the enormity of the economic consequences of Covid-19. The risk-averse nature of private sector funding and investment will be exacerbated by the Covid-19 crisis, and in this light the need for a publicly backed national investment bank becomes even greater.

The focus of SNIB should be directed at growth and especially in key sectors. This should include investment to support the move towards a carbon-neutral built environment.

**14 What should the criteria be for public sector investment in companies? How will that be scrutinised? How has this been managed previously? What lessons can be learned?**

**Please enter your response in the box provided.:**

Public sector investment should be focused on ensuring an appropriate return for the taxpayer and in line with agreed objectives, endorsed by the Parliament. We would say that there has often been a risk-averse approach to public sector investment in the private sector - this may need to change if we are to grow and protect jobs and skills.

**Any further comments**

**15 What lessons can be learned from the economic development response to COVID-19 in other countries?**

**Please enter your response in the box provided.:**

There appears to be a greater willingness for direct economic intervention by peer economies in Europe, supported by greater levels of funding and investment.

**16 Please share any further comments that you have on the role of enterprise agencies, SNIB and other economic development partners.**

**Please enter your response in the box provided. :**

We have previously expressed the view that the level of capital funding available to the Scottish National Investment bank, at £2bn over the next decade, is insufficient. We believe this is even more apparent in the circumstances of Covid-19 where much of the economy, and the revenue it generated, has been closed

off for most of 2020.

## **Evaluation**

### **17 Was this views submission tool easy to use?**

Difficult to use

#### **Why did you feel it was, or was not, easy to use?:**

The difficulty we have as a representative body is being able to send a copy of the questions to our members in order to gain feedback on the specific questions. If it was possible to export a word version of the questions this would be sufficient to help us to extend the engagement of the consultation tool to our stakeholder base.

### **18 Do you think this Call for Views submission tool provides a good way for you to get involved in the work of Parliament?**

Yes

#### **Please explain the reasons for your answer?:**

Notwithstanding the practical difficulty of using this approach to consultative documents with our membership networks, we do believe this is a better means of engagement than the traditional word document based approach.