

Cllr Tim Dwelly
Cabinet Member for Economic Regeneration and Investment
Cornwall Council

Dear Tim

23-March-2026

Thankyou for your detailed response of 27 January. This was helpful in many ways and gave us much to reflect upon. Having discussed it among ourselves we just wanted to pick up on certain points you made, some of which are comments but also a couple of suggestions we hope are helpful.

For ease of reference we refer to paragraphs in your letter in bold black text, while our comments are in plain text. We end our letter with one key suggested action and while this is ambitious we believe it is worth exploring.

Para 2 refers to “strong progress setting an investment direction through the Good Growth Plan and the underlying Good Growth Principles... demonstrating Cornwall’s valuable and unique contribution to the UK Government's national priorities including the UK Industrial Strategy.”

We wholeheartedly support the Good Growth Principles which cement green and social value factors into investment thinking. However we are concerned that its principles could be compromised by the national mandate for growth at any cost.

[The Treasury-commissioned Dasgupta Review](#) on the Economics of Biodiversity (HM Treasury, 2021) concluded that economic success cannot be assessed independently of natural capital depletion, warning that growth which erodes biodiversity ultimately undermines future prosperity. This is echoed with increased urgency by the Government’s recent [Nature Security Assessment](#) which identifies biodiversity loss and ecosystem degradation as systemic risks to national security, economic resilience, and social stability.

Cornwall is being forced to absorb a 63% increase in housing targets from Westminster which will incur a significant ecological and carbon footprint. Set aside the question to what extent this will meet local housing needs, this makes the principle of "sustainable communities" incredibly difficult to maintain when the sheer volume of building threatens the "Nature Recovery" goal.

Para 3 refers to the Good Growth Plan and the Cornwall and Isles of Scilly Economic Forum

We acknowledge the good work of CloS Economic Forum but feel it lacks sufficient democratic input. We would like to propose trade union representation on the board as a counterbalance to over-representation by the private sector.

Para 4 “We recognise your concerns about foreign ownership/shareholdings in UK and Cornish firms, however many inward investors and their companies strongly collaborate with both the public (councils, universities, colleges, government)...”.

It is worth pointing out that while Cornish Lithium is headquartered in Cornwall, significant funding comes from outside the UK. [The \\$67m \(£53.6m\) of investment](#) secured in 2023 was led by the National Wealth Fund (formerly UK Infrastructure Bank) in partnership with Energy & Minerals Group (EMG), a US private investment firm. Each is putting in £24 million.

In addition TechMet, Cornish Lithium’s largest shareholder, is investing a further £5.6 million bringing its total investment in the business to £30m. [TechMet](#) is a Dublin-based company (Ireland is one of the top ten global tax havens)

We have also been in touch with the National Wealth Fund who have reminded us that tax avoidance is legal. But this ignores how tax avoidance undermines the capacity of public services to deliver a healthy educated workforce on which the private sector relies. It also acts as a form of "upward redistribution" that disproportionately benefits the wealthy and makes the UK one of the [most unequal developed countries](#) in the world with high income and wealth disparities and extreme regional divides (Cornwall vs London being one example). High levels of inequality are now a [major driver of social malaise](#), fueling a decline in social cohesion, trust, and mental well-being.

Para 5 “Ultimately, the investment needed in the Cornish economy cannot just be met via investment from Cornwall.... █ We do however believe that viewing investment from outside Cornwall as a negative is unhelpful, as it vastly limits possible sources of business investment.

We appreciate the limited options available to Cornwall for large scale investment. However this issue goes to the very heart of an economic model that relies heavily on private sector investment, particularly from abroad. While the initial investment is an inflow, the subsequent outflow of dividends and profits goes back to corporate head offices or offshore accounts indefinitely. If these outflows exceed new inflows, it creates a drain on the UK’s wealth and Cornwall in particular.

There is also the democratic deficit: when ownership and decision-making authority lie outside the region, local democratic influence over long-term economic strategy is inevitably reduced. This raises legitimate questions about governance, accountability, and community benefit. This is especially true today when trade is

being weaponised for geopolitical purposes and we note with concern [the recent US interest](#) in having an equity stake in the South Crofty mine.

We urge you to consult with those involved, including our MPs and the government, as to the wisdom of accepting such an offer. The [US Administration's interest](#) in the South Crofty site is underlining its value, and has prompted calls for a Cornish Sovereign Wealth Fund which we wholeheartedly support.

We further note Cornish Metals, the owners of South Crofty have also been a major recipient of public money through the Shared Prosperity fund. This includes a [£4.19million investment](#) that covers the [acquisition of 4.5 acres of land from Cornwall Council at South Crofty](#).

How does this advance Cornwall's control over its own natural resources? We realise the constraints imposed by the government in administering the Shared Prosperity Fund but this seems like a backward step.

The initiative for a Sovereign Wealth Fund is becoming increasingly urgent for ensuring our natural and material wealth is not sold off and exploited for short term benefit, leaving Cornwall's people and natural environment impoverished in the long run.

Finally your reference to "limited sources of investment" ignores the elephant in the room. For too long we have all bought into the mythology of 'scarce government money' and our over-reliance on private sector funding and FDI in particular. That claim is increasingly contested from a number of quarters. The UK government is the [monopoly issuer of its own currency](#)¹. It spends in pounds sterling, taxes in pounds sterling, and issues debt in pounds sterling. This means that the real constraints on public investment are not the availability of money itself, but inflationary pressures, productive capacity, labour availability, and ecological limits.

This is a truth largely ignored by politicians because it raises inconvenient questions about the justification for budget cuts to local authorities and public services. We might also add that Government investment into Cornwall would be more sympathetic to seeing a social and environmental Return on Investment. In all, we urgently need an open, informed public conversation about government finances and the benefits of public investment.

We would like to end with one suggestion: We know that the Shared Prosperity Fund is coming to an end with potentially serious consequences for Cornwall's economy.

¹ A [laypersons guide can be found here](#). It was edited and amended with the informal help of one of the authors of the main document.

https://frapacioli.substack.com/p/the-self-financing-state?utm_medium=ios&triedRedirect=true

Separately, we also know that the National Wealth Fund has invested something like £85 million in direct equity investments to major mining projects in Cornwall which gives the NWF both a share of future income and a say in boardroom decisions.

Might Cornwall Council and our MPs advocate with the government to transfer a share of those and future equity investments to Cornwall's Evergreen Fund or equivalent fund? And could such a fund include strengthened democratic oversight of the kind suggested in the Community Wealth Fund?

This would give Cornwall and Cornish communities a direct ownership stake in its own land and resources as well as a future source of income that can be recycled back into the local economy. The worst they can say is 'No'.

Kind regards

Andrew Yates, Chair, Cornwall Independent Poverty Forum
Gavin Barker, Trustee, Cornwall Independent Poverty Forum

Rob Rooney, President, Cornwall Trades Union Council