Background to Deal

- ‘Devolution already done’ – to Scottish Government
- SG onward devolution to cities a complex picture
- The Glasgow deal, 2014 – a mixed legacy
- Projects not programmes, money not powers (in a time of austerity)
- UKG and SG competencies concurrently clear and blurred
- History of suspicion at working at the city regional level, and with changing labour and housing markets.
- Strong national and local institutions, almost complete absence of regional strategy and capability
- Strongly engaged HEI (with deep pockets)
Who is in this Deal?

UK Government

The Scottish Government

East Lothian Council

EDINBURGH Council

Fife Council

Midlothian Council

Edinburgh Napier University

HERIOT-WATT University

Queens Margaret University

THE UNIVERSITY OF EDINBURGH

BORDERS College

Edinburgh College

Fife College

Newcastle Cross College

SRUC

West Lothian Council

EAST LOTHIAN Council

MIDLOTHIAN Council

SCOTTISH BORDERS Council

WEST LOTHIAN Council

EDINBURGH

FIFE

EAST LOTHIAN

WEST LOTHIAN

SCOTTISH BORDERS
Our Journey

2015
1. Identify potential projects
   - Establish partnerships
   - Agree long list of projects
   - Draft case for Governments

2015-2017
2. Negotiation
   - Present cases to Governments
   - Negotiate
   - Agree package of projects

July 17
3. Heads of Terms
   - Heads of Terms Signing: 20 July 2017, Edinburgh

July 17-May 18
4. Agree Detail
   - Establish Governance structure
   - Agree financials
   - Agree implementation plan
   - Submit business cases
   - Agree inclusive growth narrative

August 18-2033
5. Implementation and Delivery
   - Detail on projects communicated
   - Signing event
   - Business engagement
   - Delivery
The Case for the Deal

Innovation
Skills
Transport
Culture
Housing

City Region Deal

Improving **prosperity** in the region

Addressing **inclusion** challenges through inclusive growth opportunities
What’s in the Deal?

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Skills</th>
<th>Transport</th>
<th>Culture</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>£350m</td>
<td>£25m</td>
<td>£140m</td>
<td>£20m</td>
<td>£65m</td>
</tr>
</tbody>
</table>

From Govt:

- £350m for DDI, food and drink innovation and industrial estate improvements
- £25m for an Integrated Regional Employability and Skills programme.
- £140m for improvements at A720 (Sheriffhall) and West Edinburgh
- £20m for new concert hall in Edinburgh city centre
- £65m plus powers to kick start significant housebuilding focused in seven strategic sites

+ partner contributions = >£1.3 bn
+ private sector leverage
Governance Structure
<table>
<thead>
<tr>
<th>Committee / Board</th>
<th>Chair</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Enterprise Council</td>
<td>Leeann Dempster</td>
<td>Hibernian FC</td>
</tr>
<tr>
<td></td>
<td>Claire Pattullo (Vice Chair)</td>
<td>Edinburgh Social Enterprise Network</td>
</tr>
<tr>
<td>DDI Delivery Board</td>
<td>Hugh Edmiston</td>
<td>University of Edinburgh</td>
</tr>
<tr>
<td>Integrated Regional Employability and Skills (IRES) Board</td>
<td>Angela Leitch</td>
<td>East Lothian Council</td>
</tr>
<tr>
<td>Transport Appraisal Board</td>
<td>Grace Vickers</td>
<td>Midlothian Council</td>
</tr>
<tr>
<td>Regional Housing Board</td>
<td>Andrew Kerr</td>
<td>The City of Edinburgh Council</td>
</tr>
</tbody>
</table>
Regional Enterprise Council Membership

**Businesses**
Robert Carr – Anderson Strathern
Leeann Dempster – Hibernian Football Club (Chair)
Steven Drost – CodeBase
Gavin Hamilton – Taylor Wimpey
Stephen Ingledew – FinTech Scotland
Nile Istephan- Eildon Housing Association
Rob Mason – Forth Ports
Polly Purvis – Scotland IS
David Thomson – Food and Drink Federation Scotland

**Public Sector**
Steve Dunlop – Scottish Enterprise
Angela Leitch – ESESCR Deal IRES Board
Damien Yeates – Skills Development Scotland

**Higher/Further Education Sector**
Prof Gillian Hogg – Heriot-Watt University

**Third Sector**
Ewan Aitken – Cyrenians
Claire Pattullo- Edinburgh Social Enterprise Network (Vice Chair)

**Project Management Office**
( observers and secretariat)

*There are strong links with the five Chambers of Commerce that operate in the region.*
Accountable Body

• Financial agreement between the UK Government, the Scottish Government, and the City of Edinburgh Council as **Accountable Body**

• Regional Partners include - East Lothian Council, Fife Council, Midlothian Council, Scottish Borders Council, West Lothian Council, Heriot-Watt University, Queen Margaret University, and the University of Edinburgh

• To implement and manage the financial procedures of the Deal through coordination and management of the funding process including financial reporting; profiling and drawdown and actuals management

• monitoring income and expenditure performance against project delivery profiles, reporting to the Joint Committee, Executive Board and Governments

• For 2018-19, £41.3million was draw down from Governments
• UK Government’s and the Scottish Government’s financial contribution will be up to a maximum of £300 million for each

• The majority is capital funding although there is some revenue funding for the Employability & Skills programme

• Regional Partner contributions will be up to a maximum of £730 million

<table>
<thead>
<tr>
<th>Project</th>
<th>SG (£m)</th>
<th>UKG (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Drink Innovation Campus</td>
<td>1.42</td>
<td>28.58</td>
</tr>
<tr>
<td>Data Driven Innovation – Bayes Centre</td>
<td>2.24</td>
<td>30.31</td>
</tr>
<tr>
<td>Data Driven Innovation – National Robotarium</td>
<td>1.43</td>
<td>21.04</td>
</tr>
<tr>
<td>Data Driven Innovation – Edinburgh Futures Institute</td>
<td>2.24</td>
<td>55.68</td>
</tr>
<tr>
<td>Data Driven Innovation – Usher Institute</td>
<td>0.73</td>
<td>48.46</td>
</tr>
<tr>
<td>Data Driven Innovation - World Class Data Infrastructure</td>
<td>0.67</td>
<td>78.93</td>
</tr>
<tr>
<td>Data Driven Innovation – Easter Bush</td>
<td>1.27</td>
<td>16.10</td>
</tr>
<tr>
<td>Easter Bush Link Road</td>
<td></td>
<td>10.90</td>
</tr>
<tr>
<td>Business Innovation – Fife</td>
<td>35.00</td>
<td></td>
</tr>
<tr>
<td>Business Innovation – Scottish Borders</td>
<td>15.00</td>
<td></td>
</tr>
<tr>
<td>IMPACT Concert Hall</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Integrated Regional Employability &amp; Skills Programme</td>
<td>25.00</td>
<td></td>
</tr>
<tr>
<td>Sheriffhall Roundabout Upgrade*</td>
<td>120.00</td>
<td></td>
</tr>
<tr>
<td>West Edinburgh Public Transport Infrastructure</td>
<td>20.00</td>
<td></td>
</tr>
<tr>
<td>New Housing Partnership**</td>
<td>15.00</td>
<td></td>
</tr>
<tr>
<td>Housing Infrastructure**</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>300.00</td>
<td>300.00</td>
</tr>
</tbody>
</table>
Integrated Regional Employability and Skills

**PROJECT: Integrated Knowledge Systems**
- Shared Client Management System
- Talent bank
- Data Visualisation and Insight Tools

**PROJECT: Labour Market Analysis and Evaluation**
- Virtual Team
- Bespoke Research

**PROJECT: Integrated Employer Engagement**
- Integrated Employer Offer
- Recruitment and Skills Hubs
- Community Benefits from Procurement

**PILLAR 1: Regional Leadership and Improvement Capacity**
Integrated Regional Employability and Skills Board

**PILLAR 2: Understanding Need and Opportunity**

**PILLAR 3: Building Strong Employer and Citizen Relationships**

**PILLAR 4: Targeted Skills Development**

**PILLAR 5: Active Opportunity Matching**

**PROJECT: Workforce Mobility**
- Concessionary Travel

**PROJECT: Targeted Skills Gateways**
- DDI Career Pipeline (Data Driven Innovation)
- DEC Career Pipeline (Design, Engineer, and Construct)

**PROJECT: Intensive Family Support**
- Intensive Family Support Service
Two key strategic aims

A step change in innovation and inclusive growth in the housing & construction sectors

A step change in the supply of new homes across the South East of Scotland

 Regional Housing Programme Overview

Supported by a regional housing programme

£10bn investment
7,800 permanent jobs
40,000 homes accelerated

- 7 major strategic housing sites
- Construction innovation, SME growth, skills & jobs
- Expanded affordable housing programme
- Maximising the public sector estate
- Housing companies - MMR & low cost MR
- Housing infrastructure funding & delivery

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## Inclusion Challenges

### Slow Growth
- Slow productivity growth in recent years
- Regional disparities in job and outputs growth
- Forecast growth concentrated in Edinburgh

### Regional disparity in job density
- Wide variations in job density
- 0.55 in East Lothian, 1.02 in Edinburgh
- Strong cross region commuting flows

### Housing, transport and connectivity
- High House price to earnings ratios
- Rapid growth in cost of private rented accommodation
- Satisfaction with public transport varies widely

### Skills inequality and polarisation
- High skilled jobs – varies from 55% in Edinburgh to 38% in Scot Borders
- Projections – fastest growth in high skilled jobs, increased ‘hollowing’ of labour market

### Gender and age inequalities
- Gender pay gap – men earn 14% > women on average
- Female participation rate – lower than male
- Female employment rate – very low in Fife

### Low income and low pay
- 22% of children live in low income households
- Very wide local inequalities
  - 9 wards with poverty rates >30%
  - 11 wards with poverty rate <15%
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  - 9 wards with poverty rates >30%
  - 11 wards with poverty rate <15%
The Deal is focused on delivering accelerated inclusive growth, driven by construction activity in the short term, and sustained over the medium and long term by ongoing investment across the City Region Deal Programme. The DDI programme of investment is viewed as a key driver in helping to deliver a step change in regional economic activity.

Interventions to unlock current physical barriers to growth, including housing and transport connectivity. Investment over the medium to long term. Focus to be on improving accessibility to employment opportunities.

As a result of an agreed approach to City Region Deal procurement, Community Benefit clauses will be used to target inclusive employment practices and other opportunities. A consistent approach will be taken to applying the principles laid out in the Scottish Government’s Business Pledge. Benefits to be felt in short, medium and long term.

A programme of targeted skills interventions to widen access, address skills shortages and gaps, and deliver improvements to boost the flow of individuals from disadvantaged groups into good career opportunities. Impact will be felt over the short, medium and long term.

Recognising the potential presented by a significant investment in Data Driven Innovation, opportunities to drive out challenge-based social benefit across the region will be explored. Activities likely over medium and long term.
Progress Since Deal Signing

• Governance established:
  o Joint Committee formed and Regional Enterprise Council appointed.
  o Thematic Boards established and meeting regularly (DDI, Skills, Transport, Housing).

• Business cases developed:
  o 8 business cases and 7 project propositions already approved.

• Monitoring and evaluation framework (inc. inclusive growth measures) being co-produced with Governments. First Annual Conversation in September 2019.

• Moving now towards regional economic and spatial strategy to drive mainstream and future additional spending programme priorities.
Lessons from Different Places…..

• ‘Greater’ Tyne and Wear – lack of coherence of shared policy agenda, *fractured leadership*, weak governance;

• Greater Manchester – years of collaboration, strong governance & *institutional capability*, slow to evolve policy agenda;

• Edinburgh and South East Scotland – *strong economic performance*, historically weak collaboration, fractured policy domains.