



City Region Deals

Evidence to Scottish Parliament Local Government and Communities Committee

2 May 2017

1. About Transform Scotland

- 1.1. Transform Scotland is the national sustainable transport alliance, campaigning for a transport system which is environmentally sustainable, economically responsible and socially inclusive. We have around 60 member organisations across the private, public and third sectors. We are politically independent, evidence-based and strictly not-for-profit, with an elected board of directors drawn from business, local government and charities.
- 1.2. Transform Scotland welcomes the opportunity to submit these comments.

2. Introduction

- 2.1. The Committee invited 'views on whether City Region Deals will deliver local economic growth and major infrastructure projects in line with their original proposals', in particular:
 1. What is your understanding of the purpose of City Region Deals?
 2. Are City Region Deals on track to deliver local growth, innovation and infrastructure schemes which would not have otherwise been delivered?
 3. What is your understanding of the governance arrangements for City Region Deals, and how well are these arrangements working in practice?
 4. Are regions not covered by City Region Deals able to access equivalent funding and support for growth, innovation and infrastructure schemes?
 5. Are City Region Deals supporting a shift towards local decision-making on major investment projects?
 6. Have local residents and businesses been kept informed and involved in the development and activities of City Region Deals?
- 2.2. Our comments closely follow this format. As Transform Scotland is specifically concerned with transport, our comments primarily relate to those components of City Region Deals which concern transport initiatives.

3. The Committee's questions

1. What is your understanding of the purpose of City Region Deals?

There is no universal description of City/City Region Deals and how they are agreed, as each Deal is tailored to local circumstances. Nevertheless, the concept was originated by the Westminster Government to fund economic development, responsive to local priorities, in the major cities outside London. The Deals are agreements between the UK Government and local authorities giving them specific powers and freedoms to support economic growth, create jobs or invest in local projects. They entail some restructuring of municipal governance in participating cities, as the Government considers that existing structures often inhibit local economic development.

Although the Scottish Government established its 'Agenda for Cities' in 2011, the first 'City Deal' similar to the English model was the Glasgow City Deal agreed in 2014. In Scotland, the Deals focus on City-Regions rather than cities, and municipal governance has not been reformed in the participating areas. The Scottish Government considers that they offer the potential for new collaborative regional partnerships, focused on long-term strategic approaches in line with the Scottish Government's economic strategy. From the local authorities' perspective, they are a means to secure funding to progress local economic priorities.

2. Are City Region Deals on track to deliver local growth, innovation and infrastructure schemes which would not have otherwise been delivered?

The conclusion from the published literature is that it is too early to tell whether the English City Deals are on track to deliver local growth which would not have otherwise been delivered.¹ Given the timescales of local and national economic cycles this is hardly surprising. This is even truer of the Scottish City Region Deals, being at an earlier stage of development. Indeed, whilst the first 'Gateway Review' of the Glasgow City Region Deal (in 2019)² might reasonably assess whether some individual projects are on time, on budget and meeting specific targets, we doubt whether it is realistic to assess its wider, more strategic achievements until perhaps ten years after the Deal commenced.

Whilst the Deals anticipate that the central and local government funding will 'unlock' or lever in additional private sector investment (e.g. Glasgow £3.3bn, Inverness £1bn),³ no mechanism to achieve this is set out. Neither is it clear how these estimates have been calculated.

3. What is your understanding of the governance arrangements for City Region Deals, and how well are these arrangements working in practice?

The Glasgow City Deal is governed by a Joint Committee comprising the leaders of the eight councils involved. A number of officer groups, at different levels, oversee detailed progress. The Inverness Deal, involving only one Council area, appears to fit within existing local authority structures. The Aberdeen City Region Deal involves three local partners, and appears to have a more complex governance structure, like that in Glasgow.⁴ As Joint Committees and Boards have been a feature of government in Scotland for many years, in principle this should cause no difficulty. Whether that is the best arrangement for keeping local residents and businesses informed and involved may be another matter.

4. Are regions not covered by City Region Deals able to access equivalent funding and support for growth, innovation and infrastructure schemes?

Areas not covered by City Region Deals have not, to date, secured equivalent funding and support for growth, innovation and infrastructure. However, growth deal bids have been prepared (e.g. Ayrshire) and it appears that the Governments are willing to listen to their representations. Conversely, Fife appears to be able to participate in two planned City Region Deals (Edinburgh and Tayside).

5. Are City Region Deals supporting a shift towards local decision-making on major investment projects?

Just as it is too early to tell whether the Deals are on track to deliver local growth, it is too early to assess whether they are supporting a shift towards local decision-making on major projects. Only in Glasgow and Aberdeen are they sufficiently advanced even to begin to consider their impact. The Glasgow City Region Deal's £1.13 billion Infrastructure Fund is a significantly greater resource than local decision-makers usually have access to, even in the larger cities. At least one planned project, the Glasgow Airport Rail Link, is of a scale that, in recent years, has been the Scottish Government's preserve. It might be argued, however, that this merely restores the status quo ante of the 1990s; when, for example, city bypasses or reopening railway lines would be local authority projects.

However, while GARL may be fundable through the City Deal, implementation requires the active support and participation of the Scottish Government and Network Rail because of its interfaces with the existing railway. It is not entirely in the gift of local decision-makers.

6. Have local residents and businesses been kept informed and involved in the development and activities of City Region Deals?

We do not consider that local residents and businesses have been fully informed and involved in the development of City Region Deals. It appears that they are shrouded in a degree of secrecy on the basis of being sensitive, or confidential, at least until they are agreed. Indeed, even after agreement, some of the transport projects are vague and non-specific.

For example, the Aberdeen Deal includes £200 million to improve journey times and increase capacity on key links between Aberdeen and the Central Belt.⁵ It is not clear what this means in practice, though there are indications that this includes strategic transport appraisals. The question then arises of how recommendations made by these appraisals will be delivered.

Meanwhile, the Glasgow Deal will “improve public transport over the next 10-20 years”. It will address the “weaknesses in the area’s transport”⁶. Its website cites construction of the Cathkin Relief Road as the first completed transport project.

4. Transform Scotland’s particular focus

- 4.1. Whilst Transform Scotland would wish to see investment in sustainable transport in the cities, the lack of transparency around the City Deals processes leaves us unconvinced they are good for sustainable transport. In particular, there is no clear analysis of their impact in terms of climate change or equalities.
- 4.2. The Deals should provide significant opportunities to investment in sustainable transport. However, without a commitment to include sustainable transport or for to have proper regard to national objectives for carbon emissions reduction, there are no mechanisms to ensure that sustainable infrastructure is prioritised.
- 4.3. We recommend:
 - The Scottish Government’s forthcoming Transport Bill should require that Local Authorities adopt and monitor up to date Local Transport Strategies, and the Government should require that access to City Deal and similar funding be conditional on this requirement being met.
 - Local Authorities involved in City Deals should publish in a form easily accessible to the public all expenditure intended in them.
 - The Scottish Government should review City Deals to establish whether they contribute to the transport components of the Scottish Government’s National Performance Framework.
 - Local Authorities involved in City Deals should publish the climate change emission implications of the intended investments. The Scottish Government should consider this as part of its Climate Change Plan.
 - The Scottish Government should consider within the forthcoming Transport Bill could provide new revenue-raising powers to Local Authorities to raise funds locally.
 - The Scottish Government should review regional transport and land use planning in its National Transport Strategy Review. At minimum, we favour redrawing boundaries where necessary to provide geographical consistency between Regional Transport Partnerships and Strategic Development Planning Authority areas.

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- ¹ City Deals Overview Briefing paper, Audit Scotland, May 2016
 - ² Glasgow and Clyde Valley City Deal signed agreement, 2014
 - ³ SPICe briefing. March 2017. www.highland.gov.uk/cityregiondeal
 - ⁴ Aberdeen City Region Deal signed agreement, 2016
 - ⁵ Exploring the growing importance of City Deals to Scotland , <http://us3.campaign-archive2.com/?u=00e86e4f795b3722410373cd1&id=dd502caaa6&e=526b9f438b>
 - ⁶ Report to Strathclyde Partnership for Transport, 19 August 2014

Transform Scotland is the national sustainable transport alliance, campaigning for a more sustainable and socially-just transport system. Our membership includes bus, rail and shipping operators; local authorities; national environment and conservation groups; consultancies; and local transport campaigns. Transform Scotland Limited is a registered Scottish charity (SC041516).

Transform Scotland
5 Rose Street, Edinburgh, EH2 2PR
t: 0131 243 2690

e: [<info@transformscotland.org.uk>](mailto:info@transformscotland.org.uk)
w: [<www.transformscotland.org.uk>](http://www.transformscotland.org.uk)