

21st MEETING - NATIONAL ECONOMIC FORUM: 19 NOVEMBER 2018

MAKING A DIFFERENCE: INNOVATION AND INCLUSION

DISCUSSION PAPER

Discussion Paper: Regional Economic Partnerships - Driving Economic Growth

Host: Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity

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Inclusive growth is central to Scotland's Economic Strategy. Within Scotland, economic and social outcomes vary across regions, local authorities and places. Ensuring that all areas and people can prosper is fundamentally important for Scotland's overall performance and to build the country and society we wish to see. The Scottish Government believes that prospects for inclusive growth will be improved if local authorities work with each other and their regional partners, including the private sector, to maximise the potential of regional assets - of both people and place.

As such, the Scottish Government is committed to new Regional Economic Partnerships (REPs) representing every community in Scotland. This is set out in phase 2 of the Enterprise and Skills Review published in June 2017. REPs are collaborations between local authorities, the private sector, education and skills providers economic agencies and the third sector. We are working with multiple partners (incl. COSLA, SLAED, SFT, enterprise agencies) to facilitate this.

Key Features of REPs

Whilst REPs are intended to be self-assembled and there is no intention to prescribe their form or ambition, the Scottish Government sees the following features (as set out in the Enterprise and Skills Review) as crucial to their success:

- **Leadership** - strong leadership across the public, private and third sector which fosters a culture of genuine trust and deep collaboration, develops a vision for the region, drives action and rallies support.
- **Strategy** - a clear and compelling economic vision co-produced and owned by the partners which clearly articulates their respective roles and contribution.
- **Understanding** - A deep understanding of the assets, challenges and constraints of the regional economy; A plan for the regional partnership derived from this and a measurement framework which allows progress to be tracked.
- **Purpose** - a commitment to add value to the activity already undertaken by the Scottish Government and partners within the region to achieve greater benefit for the regional economy by aligning partnership assets and investment.

Based on experience and international comparison, the Review stated that these attributes are better able to stimulate growth by:

- Identifying synergies and common priorities across the region for co-ordinated and focused action designed to deliver growth.

- Embracing private sector leadership, expertise and networks to amplify growth opportunities and co-design the support necessary to unlock the full potential of the area, its businesses and people.
- Strengthening connections between schools, colleges, businesses and the enterprise and skills development system.
- Decluttering the landscape for service users, improving integration and awareness of the full suite of support available, including private and third sector provision.
- Increasing the potential to maximise economic benefit from all regional assets and developing clusters of strength.
- Helping align activity such as strategic spatial planning of development and infrastructure planning.

Ensuring that active and engaged private sector partners help lead, shape and deliver the priorities of existing or future Partnership is key to their success. The Scottish Government will expect private sector representation on regional partnerships, in most circumstances and certainly where government investment is sought.

City and Growth Deals

Growth Deals act as enablers to unlock a region's economic assets in order to fully realise their potential, drive economic growth and maximise impact. They reflect the particular circumstances, assets and challenges in each location and ensure each region has the ability to shape the strategy and approach best suited to their area. Thus far, the Scottish Government has committed over £1 billion of investment through City Region Deals and we are working towards deals covering all of Scotland. Regional Partnerships are evolving from the bodies delivering the deals. Some are more developed, and more ambitious, than others.

Progress

- Glasgow City Region Cabinet, comprising of 8 local authorities and partners, recently held their first Regional Economic Partnership meeting.
- The three Ayrshire Local Authorities are developing a shared regional economic strategy and will work with our enterprise and skills agencies, as well as the private sector, education and third sectors, to form a REP.
- Stirling and Clackmannanshire's Local Authorities have agreed to establish and refine Regional Partnership governance, with roles for Scottish Government enterprise and skills agencies, education and skills providers, the third sector, and private sector and business leadership.
- The Tay Cities Partnership has developed a nascent Regional Partnership in anticipation of a City Region Deal. This Partnership has been led by private sector partners, who have engaged with our economic agencies and the constituent Local Authorities.
- The Inverness and Highland City Region Deal is supported by the Highland Economic Forum which is a partnership of public and private organisations chaired by the Highland Council and this has an action plan for economic development in the Highlands.
- Aberdeen City, Aberdeenshire Council and Opportunity North East, with key economic partners, developed a regional economic strategy for the north east of Scotland.

Scottish Centre for Regional Inclusive Growth (SCRIG):

Driving inclusive growth across Scotland's cities, regions and rural areas requires an understanding of the unique opportunities and challenges in Scotland's places and communities. To support this work, the creation of "Scotland's Centre for Regional Inclusive Growth" was announced by the Cabinet Secretary for Economy, Jobs and Fair Work on 14 November 2017. The announcement was in line with an earlier commitment to establish a 'data hub', made in The Phase 2 report on 'Regional Partnerships', arising from the Enterprise and Skills Review. The Centre's website launched on 30 July 2018 (www.inclusivegrowth.scot).

Points to consider in advance of discussion

1. What do REPs mean for you and your organisation?
2. What role does your organisation envisage having within REPs?
3. How do we ensure that REPs are delivering inclusive growth?
4. What economic challenges are best addressed at a regional level?
5. Should there be representation within REPs from other sectors?
6. How can REPs meet the needs of young people in Scotland?
7. How can REPs meet the needs of businesses and communities in the area?
8. What sorts of skills and expertise does the REP need to succeed?
9. How should the impact of REPs be monitored and evaluated?
10. What could REPs do to support innovation in your area?
11. Could SCRIG be developed to support the business sector?