



Department for  
Communities and  
Local Government



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20 December 2016

## **EDINBURGH & SOUTH EAST SCOTLAND CITY REGION DEAL**

We were glad to see all six of the partnering authorities represented in Melville Crescent at the meeting on the 7<sup>th</sup> December. Following on from that, this joint letter sets out what is required to help make progress towards a possible Heads of Terms announcement in 2017. It sets out our key questions on your proposals and our key expectations around how the process should be managed to allow your proposals to move forward at pace. You will know from the joint Ministerial letter of 29 November, that Ministers are expecting to see robust and evidenced proposals that take account of the present fiscal environment.

The emerging UKG Industrial Strategy and Scotland's Economic Strategy will/already set out long term plans for economic growth and inclusion. The Edinburgh City Region Deal should both seek to tackle the challenges faced by the city-region, and also demonstrate how proposals are aligned to the priorities in these strategy documents.

Proposals need to be build up in an iterative fashion. Key questions we should seek to answer (in detail) as quickly as possible are:

### Strategic questions

- How do project proposals fit into your wider narrative around your growth ambitions for the city-region – i.e. what barrier(s) and/or opportunities do they address.
- How do projects – when brought together – form a coherent programme; what is the sequencing.
- What is your proposed governance approach; how does this maximise regional coherence and draw in the wider public sector alongside the private sector.

### Project questions

- What issue/opportunity is a project seeking to address? Essentially what is the economic case for the project?
- What is the project “buying” specifically?
- What are the expected benefits – quantified if possible?
- What is the funding ask of UKG/SG? And over what timescale?
- What is the match funding – sources and quanta?
- What is the additionality?

There are a number of other questions that will flow from these. But getting clarity on these will move us forward with your proposals

On the policy freedoms, we need to understand how these relate to the delivery of outcomes within the City Deal as well as how they relate to the detailed proposals (ie do they provide a route to funding).

We welcome the increased engagement this month and are grateful that the workshops have begun to respond to the issues and questions raised previously. As agreed, we are using the workshops to explore the questions raised in Andrew Kerr's letter of 6 December. We will consider the outcomes from all the workshops and will provide you with joint feedback in January.

Nevertheless, the timescale is very ambitious and will require significant work over the coming weeks. Both UKG and SG are committed to working at pace. Alongside workshops, we will keep the pace up by: getting information in advance of workshop sessions, regular project management co-ordination between UKG, SG and Edinburgh City-Region, semi-regular senior official meetings.

We remain committed to working with you towards an announcement in Spring 2017 and with that in mind, we'd suggest it would be helpful to agree the following:

- Workshops - papers to issue sufficiently in advance to allow effective discussion
- Weekly project management meetings between Alasdair Macleod, Neil MacLennan, Tom Tyler and Alison Muckersie
- Monthly (or as required) senior official meetings between Oonagh Gil, Morag Watt, Alyson King and Mike Wiltshire with Kenny Nairn (Treasury) and Derek Glover (SG Finance) attending when required; next meeting to be set for 26 January.
- All proposals, papers and official communications should be sent to the following: Oonagh Gil, Morag Watt, Alasdair Macleod (SG), Alyson King, Neil MacLennan, Mike Wiltshire, Tom Tyler, Kenny Nairn (UKG)
- All to ensure that issues and questions are responded to in a timely fashion

Yours sincerely,



Mike Wiltshire

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Oonagh Gil

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