

Mon 19/06/2023 16:14

[redacted]@gov.scot

To

[redacted]@gov.scot

Hi **[redacted]**

[redacted]

I revisited this paper quickly and made a few edits to bring it up to date with the discussions over the last couple of weeks. I'm not sure when/if you'll need this but wanted to make sure it was as tidy as possible before I head off on leave at the end of this week.

There is one outstanding issue with the methodology, which I'm waiting for a response from UKG on. Hopefully they can quickly agree to my proposed way forward. When we hear from them, I may want to add a small additional note in the section on sectoral strength.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From [redacted] @gov.scot

Sent: Monday, May 22, 2023 4:24 PM

To: **[redacted]@gov.scot**>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>

Subject: FW: SG paper

Hi **[redacted]**

See reduced version of place selection for UKG that we've just shared with them. You'll see we've taken out reference to the results of the methodology, which is the main difference, along with a couple of tweaks.

I'll pop in a very quick call for us tomorrow.

[redacted]

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]

Sent: 22 May 2023 16:21

To: [redacted]@levellingup.gov.uk>

Cc: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; [redacted]@gov.scot>

Subject: RE: SG paper

Hi [redacted]

Please see attached draft paper for discussion; it's blissfully short, and very clear so I'd imagine you'll have time to read through prior to call tomorrow.

Best,

[redacted]

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@levellingup.gov.uk>

Sent: 22 May 2023 09:24

To: [redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk [redacted]@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>

Subject: SG paper

Hi [redacted]

In our meeting last week [redacted] mentioned the paper would be shared with us on Friday. I don't think we've seen one yet. Can you let us know when we can expect it? Our meeting is scheduled for tomorrow and I'm not sure we will have enough time to review it ahead of that. We need to give our analysts sufficient time as well.

Thanks,

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From[redacted]@gov.scot>

Sent: 09 May 2023 18:33

Hi [redacted]

[redacted] discuss how we're thinking about the IZs, and nailing down the indicators.

You'd helpfully suggested I try and map out a kind of brute logic model, which I've had a go at. [redacted]

We also discussed that:

- We were overall comfortable with the UKG approach, though would translate the "levelling up need" indicators into equivalents in the SG Wellbeing space for Ministers and the required advice.
- [redacted] would explore how we might take account of inequality/economic disparity within a region, not just inequality between the different regions to get a more detailed picture of place and need.
- We were content with condition of proximity to academic institutions.
- We would consider further adjusting the restrictions as explored by [redacted] below.

Useful to take account of existing GFP sites (though [redacted], I know you might want to refine this a little e.g., majority regional location)

UKG were back in touch asking me to set up a call between OCEA and their analysts; I've noted we need a bit more time, but Ministers will be keen to get all this nailed down quite soon.

Do you think any further analysis might be ready by the end of this week? If so, we can re-group for further discussion, after which [redacted] and I will draft some advice to DFM and Mr Gray to ensure we've got Ministerial cover to take our analysis to UKG.

[redacted]

[redacted]

3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From[redacted]@gov.scot>

Sent: 18 April 2023 17:03

To: [redacted]@gov.scot>; [redacted]@gov.scot>

Cc: [redacted]@gov.scot>

Subject: Investment Zones - Scotland selection methodology results

Hi [redacted]

Shown in the table below are the overall scores assigned to REP areas when applying the UKG methodology (based on economic potential, innovation potential and levelling up need). I've also attached all working showing replications of formulas in the Scottish context (in case interested).

REP Area	Overall Score	If population restriction is applied	If productivity restriction is applied	If where Green Freeport sites are located restriction is applied
Glasgow	0.864	Glasgow	Glasgow	Glasgow
Edinburgh and South East	0.506	Edinburgh and South East	Edinburgh and South East	Edinburgh and South East
Tay Cities	0.444	Tay Cities	Tay Cities	Tay Cities
Forth Valley	0.436	Forth Valley	Forth Valley	Forth Valley
Ayrshire	0.419	Ayrshire	Ayrshire	Ayrshire
North East	0.342	North East	North East	North East
South of Scotland	0.258	South of Scotland	South of Scotland	South of Scotland
Highlands and Islands	N/A	Highlands and Islands	Highlands and Islands	Highlands and Islands

Key takeaways of analysis so far:

- The Highlands and Islands score is unavailable above as 'low (at SCQF level 4) or no qualifications' (an indicator under the levelling up need domain) data is unavailable for Orkney and Shetland. However, it might be possible in future to calculate an overall Stage 1 score for the Highlands and Islands if we use alternative data for this specific indicator, for example maybe NOMIS NVQ level data. I could look into whether this data is available. Importantly, including this new data could change the top 2 (recommended) areas for Stage 1 if restricting by productivity (but not by where Green Freeports sites are).
- Restricting based on where GPF sites are (but not by productivity) would probably recommend Glasgow and the North East I suspect. I suspect Stage 2 would discount Ayrshire due to it not having a suitable anchor institution(?). Restricting by productivity (but not by where GFP sites are) would probably recommend Glasgow and Tay Cities. However, as mentioned, an overall score has not been calculated for the Highlands and Islands yet. If we restrict by productivity (but not by where GFP sites are), ideally we could calculate and use a score for H&I to understand if it would be preferred over Tay Cities. However, of course, I'm making Stage 1 recommendations. For example, Highlands and Islands might score lower than Tay Cities for Stage 1, but the Stage 2 case might be sufficiently strong for Highlands and Islands to make the area preferred over Tay Cities overall for an IZ of course.

- **Forth Valley** would in fact be discounted where highlighted yellow above if average Scottish GVA per filled job (productivity) data was used rather than UK level data. If using UK level data, Glasgow and Tay Cities would remain the top 2.

[redacted]

Office of the Chief Economic Adviser (OCEA) | Scottish Government

 @ScotGovOCEA

From: [redacted]@gov.scot

Sent: 25 March 2023 11:41

To: [redacted]@gov.scot>; [redacted]@gov.scot>

cc: [redacted]@gov.scot>

Hi [redacted]

Following up on previous discussions we've had on Investment Zones, and given their inclusion in the Spring Budget, we'd like to seek your input into the place selection methodology for Scottish Investment Zones. I've attached a draft paper (still to be completed and some changes to be made) that sets out the background and progress to date.

UKG have gone for 8 IZs in England, leaving room for 1 or preferably 2 in Scotland. They've capped the scale of each IZ for tax reasons at 600 hectares. As you might remember, we're keen to spread that around each REP/region, excluding those that already have a Green Freeport, and so are looking to create smaller sites across REPs that don't have a Green Freeport.

UKG have published their place selection methodology (attached), that is pretty much exactly as noted in the slides we shared with you back in February, and looks at productivity potential, levelling up need and innovation (all weighted equally), which led to their chosen 8 IZs. They are willing to adjust this methodology for Scotland, to ensure the right fit. In order to respond to UKG, and get advice to Ministers on the approach for Scotland, I'd hoped you'd be able to look at the methodology, do some analysis and respond to these three questions:

1. If we only use UKG indicators as described in their methodology (with Scottish equivalents), what regions in Scotland would this identify as places for IZs? Please note that UKG have weighted their indicators equally. I've attached the levelling up priority levels for Scotland to hopefully make this a little easier, though note this is for individual local authorities rather than REPs.
2. If we added regional indicators related to innovation (e.g., anything of relevance in the Innovation Strategy, high number of start-ups, spin-out and lower number of scale-ups), productivity, SIMD and relevant Wellbeing Economy factors (your choice!) weighted equally, how would this impact the regional place selection?
3. Would adding these additional indicators help justify why more, smaller sites spread across Scotland is a beneficial approach?

Very grateful for your views, though please share more widely with other OCEA colleagues who may be able to contribute to this work, perhaps including those who've been working on the Innovation Strategy given the connection.

[redacted]

[redacted]

3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: Phillips R (Rachel)

Sent: 21 February 2023 13:27

To: **[redacted]**@gov.scot **[redacted]** @gov.scot>

cc: **[redacted]**@gov.scot>

Subject: RE: Investment Zone Discussion - Meeting 2

Hi **[redacted]**

[redacted]

I had the same thought about the focus on cities, though I suppose given context we could say that the criteria would be based on SCA definitions rather than the Centre for Cities. Our push for the regional scale would help ensure we could bring in larger towns, I think. Doesn't necessarily address the remote/rural side of things of course, but with the link to FE/HE institutions, I'm not sure if IZs could credibly be based in those areas anyway.

Your point on TTWA is well made, and again I think I'd refer to the functional economic areas loosely defined around REPs as a more suitable form for us.

Very grateful for the finer notes and points you've made on the metrics/indicators suggested by UKG, all of which will indeed be really helpful.

No doubt we're going to need some more time to think through the details of this. Some of that will depend on how many of these are proposed for Scotland (one mega-IZ, or several smaller ones?), and which regions have either existing innovation clusters, or developing ones, that would fit the bill. We've contacted colleagues working on the innovation strategy to see if they've got a steer on SG view on that.

I'll let you know how things go with UKG, and thanks again for your thoughts and guidance around this proposal.

[redacted]

Regional Economic Policy Unit | Scottish Government

3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: **[redacted]**@gov.scot>

Sent: 21 February 2023 13:10

To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot>

Subject: RE: Investment Zone Discussion - Meeting 2

Hi **[redacted]**

[redacted] have a had a quick look at this. There's a lot in here so I don't think we can fully respond to it all but a few key points from our perspective:

General points

- There won't be many areas that will make it through the second quantitative stage (Glasgow, Edinburgh, Aberdeen and Dundee are the only places in Scotland classed as cities by the Centre for Cities). So the qualitative stage would be looking at a limited set of options.
- How will this process take account of the recently announced Green Free Ports? And Glasgow's innovation hub status?
- We agree that identification makes more sense that competition (less burden on LAs/REPs). But also agree with your point that that makes it even more important that selected areas are able to make the IZ principles work within their context and strategy.
- Agree that place-based makes sense to benefit from agglomeration, though this has the obvious consequence that rural/remote areas will be ineligible.
- Agree that a combination of quant and qual assessment seems sensible but it will take time to work through the details.

Unit of analysis (or what type of geographies to look at)

- It is worth noting that TTWA boundaries cut across LAs and REPs. In Scotland, some TTWAs are bigger than Local Authorities, some are smaller. While they make sense to use from an economic analysis perspective, they're a difficult unit to use from an administrative or political perspective.
- In terms of the analysis side, as a team, we don't do much on a TTWA-basis so we'd need to bring in other analysts to assess data availability at that level.
I'm also not sure how reliable we would say the current TTWA boundaries are, given the changes to working/commuting patterns that have happened over the last few years.
- An alternative option might be using the "functional urban areas" classification, developed by the OECD. These group together LAs including main cities and nearby LAs which people commute from. This has the benefit of representing an economically relevant area, but using administrative boundaries. The metropolitan FUAs for Scotland look like this:

FUA name	Population in 2015	LAs included
Aberdeen	477 000	Aberdeen City Aberdeenshire
Dundee City	258 000	Dundee City Angus
Edinburgh	842 000	Edinburgh City East Lothian

		Midlothian West Lothian
Glasgow	1 786 000	Glasgow City East Dunbartonshire East Renfrewshire Inverclyde North Lanarkshire Renfrewshire South Lanarkshire West Dunbartonshire

- Using FUAs would immediately exclude more rural areas so that would imply swapping over the two stages of quant analysis that they used for England (i.e. not much point assessing the "levelling up need" of areas that are not in any of the FUAs).

Specific indicators

- It would be better to use data on qualifications from Table 4.1A [here](#) rather than APS NVQ data
- Should analysis use workforce median weekly pay data rather than residential data?
- It's incorrectly suggested on Slide 8 that LA level SIMD data is unavailable.
- SG's Green Freeports analysis used LA unemployment rates (along with median income, qualifications and SIMD/deprivation) as an indicator to identify areas in need of regeneration most, therefore should this indicator maybe be added to the table in Slide 8 to align?

Hope this is helpful. Happy to discuss, or follow up after your meeting.

[redacted]

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: **[redacted]**@gov.scot>

Sent: 20 February 2023 13:40

To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot>

Subject: FW: Investment Zone Discussion - Meeting 2

Hi **[redacted]**

Apologies for springing this on you, but it was only shared with us on Friday afternoon so very little opportunity to loop you in.

Attached is some early thinking provided by UKG on Investment Zones and associated quantitative and qualitative metrics and criteria for choosing where in the UK to create them. You'll see they've been designed with England in mind, and some questions posed as to how they might be altered for Scotland.

I've read it over and attached is my brain-dump intuitions about it, including where I've said I'll discuss with you!

Extremely high-level thoughts would be that given the policy context of IZs and our regional policy, I'd be keen to use REPs/regional scale and layer investment zones onto existing/planned activity e.g., in Deals (enhancing their impact with the various levers etc) rather than chucking yet another new thing at regional partners.

I'd be really grateful for your thoughts on what's being proposed, and with sincere apologies point out we're meant to be meeting with UKG on Weds 22 Feb to discuss.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: 17 February 2023 14:24

To: **[redacted]**@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@gov.scot>; **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot>;

[redacted]@gov.scot>

Cc: **[redacted]**@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>

Subject: Investment Zone Discussion - Meeting 2

[redacted]

Please find attached a slide deck ahead of our meeting on Wednesday next week. As you will see, the position for England has been set out alongside what we think will be useful discussion points for developing the Scottish approach together. To be reassured, the English information is provided for context and we are very much looking forward to a Scottish-specific discussion.

Please just let myself or anyone in copy know if you have any questions. **[redacted]**

[redacted]



Cities & Local
Growth Unit

[redacted]

From: **[redacted]**@gov.scot Tue, 27 Jun 2023 12:15:47 +0000
To: **[redacted]**@gov.scot
Cc: **[redacted]**@gov.scot**[redacted]**@gov.scot**[redacted]**@gov.scot
Subject: RE: IZ methodology: final revisions
Attachments:Scotland IZ Methodology Note (270623).docx, SG suggested changes to Copy of Scotland Methodology - Adjustments.xlsx

Hi **[redacted]**

Attached all my suggested changes (tracked and including replies to comments) in the Word doc. Please see pages 2-5.

I've also attached suggested changes to the Excel file. None of them change scores/conclusions. I've highlighted orange all cells with changes in the following sheets: 'REPs-LAs mapping', 'GVA_total_input', 'Weightings_or', 'Output' and 'Knowledge_anchor_score_or'.

I'm content with all suggested amends to the Excel file that Emily listed below.

However, there's one important outstanding action – to reach an evidence led conclusion on whether Tay Cities should be credited with a [Catapult](#). This is important because if we decide to credit Tay Cities, Tay Cities would overtake North East in the final ranking of REPs for an IZ (its score would increase by 0.1 to 0.636, which would be greater than the North East's score of 0.583). I'm trying to figure out whether there was a good reason why **[redacted]** never credited Tay Cities considering UKG are suggesting that there is a catapult in Fife, and this is what the map shows (available in the 'Knowledge_anchors_details' sheet UKG added to the attached Excel file). **[redacted]** is going to help me explore this further today.

[redacted] credited the Edinburgh REP (and Glasgow and North East REPs) for having a Catapult, but not Tay Cities. I've looked at my notes and I believe

[redacted] previously said that there is a separate project list of Catapults and their locations, and I think this project list seems to suggest slightly different locations. I've not yet been able to find this project list and I'm wondering if **[redacted]** used it to not credit Tay Cities.

Considering next steps, I think that if you're content with the two attached documents then they can be sent to UKG for them to review. However, this should be caveated with the fact that we are yet to reach a decision on whether Tay Cities should be credited with a knowledge anchor, which could change final scores/conclusions.

Please let me know if I can do anything else by the end of today and I will endeavour to.

[redacted]

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From [redacted]@gov.scot>
Sent: Tuesday, June 27, 2023 10:04 AM
To: [redacted]@gov.scot>; [redacted]@gov.scot [redacted]@gov.scot>
Cc: [redacted]@gov.scot>
Subject: FW: IZ methodology: final revisions

Hi [redacted]

[redacted]

Could you please take a look at the attached docs that have been sent through by UKG colleagues with changes (and [redacted] comments below), and confirm whether we have any showstoppers with the suggested amends. They don't seem to make a substantive difference to the outcome, and we're minded to accept suggested changes from a policy perspective.

[redacted]

[redacted]Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@levellingup.gov.uk>
Sent: Tuesday, June 27, 2023 7:57 AM
To: [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>;
[redacted]@levellingup.gov.uk>; [redacted]@gov.scot [redacted]@gov.scot>
Cc [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk [redacted]@levellingup.gov.uk
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

Apologies – now attaching the spreadsheet in hard copy.

From: [redacted]
Sent: 27 June 2023 07:52
To: [redacted]@levellingup.gov.uk [redacted]@gov.scot; [redacted]@levellingup.gov.uk
[redacted]@gov.scot [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

And just to bring everything outstanding on the analytical side into one chain for convenience.

Here is a final version of the spreadsheet, with some minor alterations as previously flagged – **please can you confirm that you are content to take this as our shared final version.** This includes some minor alterations previously outlined to align the methodology note with the spreadsheet:

- Giving double the points to a REP with a catapult and a university, than to a REP with just one.
- Assigning the Fife catapult to Edinburgh & SE and not to Tay Cities. **Please can you share a justification of this for our records.**
- Used the version of the UKRI funding 2021-22 we shared on Friday (email attached) to determine who is scored for the Top 3 fund receivers.
- Added population threshold information into the spreadsheet
- Updated the 'outcomes' tab to reflect the final advice from the quantitative exercise.

In the methodology note – thanks for highlighting that Highlands and Islands shouldn't have been knocked out by the population threshold. Instead we have knocked them out given their lack of knowledge anchor, consistent with the data in your spreadsheet. **Please can you confirm you are content this is correct.**

In addition, please can you **share the quality assurance process** you undertook on the spreadsheet and any accompanying documentation, so that we can incorporate this into the final paper trail at our end.

[redacted]

From: [redacted]@levellingup.gov.uk>

Sent: 26 June 2023 17:35

To: [redacted]@gov.scot

Cc: [redacted]@gov.scot>; [redacted]@gov.scot [redacted]@gov.scot

[redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>

Subject: IZ methodology: final revisions

Hi **[redacted]**

Thanks for the chat last week where we squared off comments in the methodology.

Attached is a revised version, which removes the table and reference to decarbonisation, as discussed.

Our analyst have left some additional questions in the comments – please could you be able to come back to us on these by tomorrow 2pm? They are mostly clarification questions.

I also see **[redacted]** has emailed about QA'ing some of the other work, but not seen a response to this. I'll reply to that email thread so it's at the top of your inbox.

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From: **[redacted]**@gov.scot Mon, 26 Jun 2023 17:07:53 +0000
To: **[redacted]**@gov.scot **[redacted]**@gov.scot **[redacted]**@gov.scot
Subject:
RE: URGENT - REP populations and knowledge anchor data for IZ place selection
Attachments:
[redacted]- MINISTERIAL -
Scottish Investment Zones - Final Announcement Update and Next Steps - 23 June 2023_.docx

Hi **[redacted]**

[redacted] led on the knowledge anchor facet of the analysis, so I don't have the same level of knowledge. Nonetheless, I've been trying to make sense of **[redacted]** email and I've attached some comments on it.

Also, I noticed some very **minor** errors in the methodology part of the paper which was sent to Ministers last week. Please see my suggested changes on Pages 6 and 7 in the attached.

Happy to elaborate on any of this tomorrow.

Thanks

[redacted] Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: **[redacted]**@gov.scot>
Sent: Friday, June 23, 2023 12:43 PM
To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot **[redacted]**@gov.scot>
Subject: FW: URGENT - REP populations and knowledge anchor data for IZ place selection

Hi **[redacted]**

It would be great to get your input on this please. My intuition is to stick to what we've agreed; I'm not overly comfortable with making changes to scores at this late stage. However, I'd be grateful if you can take a look at what's being requested and talk me through it, as if it is the case that it makes no real difference, my comfort levels might revert to neutral.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@levellingup.gov.uk>

Sent: Friday, June 23, 2023 11:35 AM

To: [redacted]@gov.scot>; [redacted]@gov.scot>; [redacted]@gov.scot>;

[redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk [redacted]@levellingup.gov.uk

[redacted]@gov.scot>

Subject: RE: URGENT - REP populations and knowledge anchor data for IZ place selection

[redacted]

We have done this in parallel, but reach slightly different values (attached) – I think the difference is that we have used 2021/22 and you have used more years, but it would be good to confirm this. Tay Cities then get the additional credit over the North East. But this does not affect the scoring, as we require places to have either top 3 UKRI funding or TRAC A-C university, and both Tay Cities and North East already have the latter. But it would be good to ensure that we are describing the methodology correctly. **Are you content for us to use our 2021/22 ranking in the master copy of the spreadsheet?**

One additional point we noticed – there are a couple of differences in the methodology we describe and what we apply. Again these don't affect the REPs taken forward for additional consideration. But they do affect the scores REPs get, which is feeding into the advice.

- We say that a REP gets a score of 2 if it has both a TRAC A-C / top 3 UKRI grant receiver and a catapult, or 1 point if it has either. But we have only been giving 1 point for a place that has at least one. This would boost Edinburgh, Glasgow and North East's scores relative to Tay Cities (unless Tay Cities gets credit for a catapult, see below). **Should we update the scores to reflect this?**
- One of the catapults falls in Fife. This has been credited to Edinburgh and the South East, but not to Tay Cities, despite the Fife sitting in both REPs. **Can you share some qualitative evidence so that we can justify this? Or should we credit both REPs for this Catapult?**

[redacted]

As an aside, we need to make some tweaks to the way the methodology is described, to reflect the way the methodology has been applied. **[redacted]**

[redacted]

From: [redacted]gov.scot>

Sent: 23 June 2023 11:01

To: [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>

Cc [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;

[redacted]gov.scot>; [redacted]@gov.scot [redacted]@gov.scot

Subject: RE: URGENT - REP populations and knowledge anchor data for IZ place selection

You don't often get email [redacted]. [Learn why this is important](#)

Hi [redacted]

I'm on leave today (but luckily happened to quickly log in). Hopefully this is what you're after.

Population

Data source: [Mid-2021 Population Estimates Scotland | National Records of Scotland \(nrsotland.gov.uk\)](https://nrsotland.gov.uk)

Total population of each REP (small to large)

REPs	Population
South of Scotland	264,810
Forth Valley Region	305,710
Ayrshires	368,690
Aberdeen City Region	490,120
Highlands and Islands	492,810
Tay Cities Region	792,380
Edinburgh and South East Scotland City Region	1,407,060
Glasgow City Region	1,849,070

Knowledge anchor

I think it's only the UKRI funding data that you could be missing (the other elements are simply scored by looking at the data sources and determining a yes/no for each REP as per the England methodology). I've put that into the attached spreadsheet.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: Friday, June 23, 2023 10:19 AM

To: **[redacted]**@gov.scot **[redacted]**@gov.scot>

Cc: **[redacted]**@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>

Subject: URGENT - REP populations and knowledge anchor data for IZ place selection

Importance: High

[redacted]

We are just undertaking our final spreadsheet checks on the place selection methodology, ahead of sending the final confirmation sub to our SoS.

Unfortunately we can't track down in your spreadsheet the data you have used for (i) REP populations, or (ii) to generate the knowledge anchor scores. Please can you share these with us as

soon **as possible this morning**. It would be useful to have (i) in particular as quickly as possible. Given these are key determinants of the final place selection, we need to make sure we have triple checked them on our side.

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

Diversity and Inclusion are incredibly important for us in the DLUHC Analyst Community. Please share feedback or experiences on using our [anonymous feedback form](#), to inform our approach to D&I, and support us to build a positive working environment for all analytical colleagues in the department.

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Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

From: **[redacted]**.

Sent: 17 May 2023 12:35

To: **[redacted]**.

Cc: **[redacted]**.

Subject: Investment zones

Attachments: IZs methodology note.pdf; IZ Quantitative selection - England, For ScotGov.docx;

202305_Overview of potential IZ approach.docx; Scotland IZs calculations.xlsx

Hi **[redacted]**.

As discussed, given the potential sensitivities around the selection of investment zone sites, it would be good to have your sign off on the approach we're proposing. You've been copied into some of the material already, but putting everything together here for ease of reference:

- UK methodology overview note (IZs methodology note)
- Detailed note on methodology for Phase 1 of UK process (IZ quantitative selection)
- Our proposed process for Scotland (202305_Overview...)
- Data and results for our proposed approach (Scotland IZs calculations)

As I mentioned, we are hoping to get the SIC codes UKG used for their assessment of sectoral strength, at which point we will re-run the analysis for that element.

Any comments or questions very welcome.

[redacted].

Wellbeing Economy and Regional Analysis Advisor

Office for the Chief Economic Advisor

[redacted].

From: [redacted]@gov.scot>
Sent: 18 May 2023 11:31
To: [redacted]@gov.scot>
cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: Investment zones

Thank you [redacted]. It's really helpful to see all the documents together and I've seen [redacted] email about the meeting with UKG.

The approach you have taken is clear and it's useful to set out where it has differed from the UKG approach and why. It's helpful that the methodology is robust and doesn't vary with weighting

I'm happy to sign off on this analytical approach. I have send it to [redacted], for awareness, but I don't think we need to wait for a response ahead of you putting advice to Ministers, [redacted] although I'd be grateful if [redacted] is copied in when you do that.

Thanks,

[redacted]

From: [redacted]@gov.scot>
Sent: 17 May 2023 12:35
To: [redacted]@gov.scot>
cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: Investment zones

Hi [redacted]

As discussed, given the potential sensitivities around the selection of investment zone sites, it would be good to have your sign off on the approach we're proposing. You've been copied into some of the material already, but putting everything together here for ease of reference:

- UK methodology overview note (IZs methodology note)
- Detailed note on methodology for Phase 1 of UK process (IZ quantitative selection)
- Our proposed process for Scotland (202305_Overview...)
- Data and results for our proposed approach (Scotland IZs calculations)

As I mentioned, we are hoping to get the SIC codes UKG used for their assessment of sectoral strength, at which point we will re-run the analysis for that element.

Any comments or questions very welcome.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: [redacted]@gov.scot
Sent: 22 March 2023 14:13
To: [redacted]@gov.scot>;
Subject: RE: Investment Zone Discussion - Meeting 2

Hi [redacted]

I've attached a draft paper sketching out where we're at with Scottish IZs and place selection methodology. It no doubt needs further work (I'm afraid I'm doing this off the edge of my desk this week), so grateful for your eye on it. It's obviously incomplete until we've gotten analysis from OCEA, but the bones of it are there I think.

I've also attached relevant docs to share with OCEA, along with a draft email of our ask of them. Again – please have a look and see if it reflects your view on what we need from them or if there's anything else we need to share/ask.

Hi both,

Following up on previous discussions we've had on Investment Zones, and given their inclusion in the Spring Budget, we'd like to seek your input into the place selection methodology for Scottish Investment Zones. UKG have gone for 8 IZs in England, leaving room for 1 or preferably 2 in Scotland. They've capped the scale of each IZ for tax reasons at 600 hectares. As you might remember, we're keen to spread that around each REP/region, excluding those that already have a Green Freeport, and so are looking to create up to 6 smaller sites.

UKG have published their place selection methodology (attached), that is pretty much exactly as noted in the slides we shared with you back in February, and looks at productivity potential, levelling up need and innovation (all weighted equally), which led to their chosen 8 IZs. They are willing to adjust this methodology for Scotland, to ensure the right fit. In order to respond to UKG, and get advice to Ministers on the approach for Scotland, I'd hoped you'd be able to look at the methodology, do some analysis and respond to these three questions:

- 1. If we only use UKG indicators as described in their methodology, what regions in Scotland would this identify as places for IZs? I've attached the levelling up priority levels for Scotland to hopefully make this a little easier, though note this is for individual local authorities rather than REPs.*
- 2. If we added regional indicators related to innovation (e.g., anything of relevance in the Innovation Strategy, high number of start-ups, spin-out and lower number of scale-ups), productivity, SIMD and relevant Wellbeing Economy factors (your choice!) weighted equally, how would this impact the regional place selection?*
- 3. Would adding these additional indicators help justify why more, smaller sites spread across Scotland is a beneficial approach?*

Very grateful for your views, though please share more widely with other OCEA colleagues who may be able to contribute to this work, perhaps including those who've been working on the Innovation Strategy given the connection.

[redacted]

3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]

Sent: 21 February 2023 13:27

To: **[redacted]**@gov.scot **[redacted]**@gov.scot>

Cc **[redacted]**@gov.scot>

Subject: RE: Investment Zone Discussion - Meeting 2

Hi **[redacted]**

This is immensely helpful, and I really appreciate you giving it a bit of time and headspace in such short available time.

[redacted]

I had the same thought about the focus on cities, though I suppose given context we could say that the criteria would be based on SCA definitions rather than the Centre for Cities. Our push for the regional scale would help ensure we could bring in larger towns, I think. Doesn't necessarily address the remote/rural side of things of course, but with the link to FE/HE institutions, I'm not sure if IZs could credibly be based in those areas anyway.

Your point on TTWA is well made, and again I think I'd refer to the functional economic areas loosely defined around REPs as a more suitable form for us.

Very grateful for the finer notes and points you've made on the metrics/indicators suggested by UKG, all of which will indeed be really helpful.

No doubt we're going to need some more time to think through the details of this. Some of that will depend on how many of these are proposed for Scotland (one mega-IZ, or several smaller ones?), and which regions have either existing innovation clusters, or developing ones, that would fit the bill. We've contacted colleagues working on the innovation strategy to see if they've got a steer on SG view on that.

I'll let you know how things go with UKG, and thanks again for your thoughts and guidance around this proposal.

[redacted] Regional Economic Policy Unit | Scottish Government

3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@gov.scot>

Sent: 21 February 2023 13:10

To: [redacted]@gov.scot [redacted]@gov.scot>

Subject: RE: Investment Zone Discussion - Meeting 2

Hi [redacted]

[redacted] and I have had a quick look at this. There's a lot in here so I don't think we can fully respond to it all but a few key points from our perspective:

General points

- There won't be many areas that will make it through the second quantitative stage (Glasgow, Edinburgh, Aberdeen and Dundee are the only places in Scotland classed as cities by the Centre for Cities). So the qualitative stage would be looking at a limited set of options.
- How will this process take account of the recently announced Green Free Ports? And Glasgow's innovation hub status?
- We agree that identification makes more sense than competition (less burden on LAs/REPs). But also agree with your point that that makes it even more important that selected areas are able to make the IZ principles work within their context and strategy.
- Agree that place-based makes sense to benefit from agglomeration, though this has the obvious consequence that rural/remote areas will be ineligible.
- Agree that a combination of quant and qual assessment seems sensible but it will take time to work through the details.

Unit of analysis (or what type of geographies to look at)

- It is worth noting that TTWA boundaries cut across LAs and REPs. In Scotland, some TTWAs are bigger than Local Authorities, some are smaller. While they make sense to use from an economic analysis perspective, they're a difficult unit to use from an administrative or political perspective.
- In terms of the analysis side, as a team, we don't do much on a TTWA-basis so we'd need to bring in other analysts to assess data availability at that level.
I'm also not sure how reliable we would say the current TTWA boundaries are, given the changes to working/commuting patterns that have happened over the last few years.
- An alternative option might be using the "functional urban areas" classification, developed by the OECD. These group together LAs including main cities and nearby LAs which people commute from. This has the benefit of representing an economically relevant area, but using administrative boundaries. The metropolitan FUAs for Scotland look like this:

FUA name	Population in 2015	LAs included
Aberdeen	477 000	Aberdeen City Aberdeenshire
Dundee City	258 000	Dundee City Angus
Edinburgh	842 000	Edinburgh City East Lothian Midlothian West Lothian
Glasgow	1 786 000	Glasgow City East Dunbartonshire East Renfrewshire Inverclyde North Lanarkshire Renfrewshire South Lanarkshire West Dunbartonshire

- Using FUAs would immediately exclude more rural areas so that would imply swapping over the two stages of quant analysis that they used for England (i.e. not much point assessing the “levelling up need” of areas that are not in any of the FUAs).

Specific indicators

- It would be better to use data on qualifications from Table 4.1A [here](#) rather than APS NVQ data
- Should analysis use workforce median weekly pay data rather than residential data?
- It’s incorrectly suggested on Slide 8 that LA level SIMD data is unavailable.
- SG’s Green Freeports analysis used LA unemployment rates (along with median income, qualifications and SIMD/deprivation) as an indicator to identify areas in need of regeneration most, therefore should this indicator maybe be added to the table in Slide 8 to align?

Hope this is helpful. Happy to discuss, or follow up after your meeting.

[redacted] Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: [redacted]@gov.scot>
Sent: 20 February 2023 13:40
To: [redacted]@gov.scot [redacted]@gov.scot>
Subject: FW: Investment Zone Discussion - Meeting 2

Hi [redacted]

Apologies for springing this on you, but it was only shared with us on Friday afternoon so very little opportunity to loop you in.

Attached is some early thinking provided by UKG on Investment Zones and associated quantitative and qualitative metrics and criteria for choosing where in the UK to create them. You'll see they've been designed with England in mind, and some questions posed as to how they might be altered for Scotland.

I've read it over and attached is my brain-dump intuitions about it, including where I've said I'll discuss with you!

Extremely high-level thoughts would be that given the policy context of IZs and our regional policy, I'd be keen to use REPs/regional scale and layer investment zones onto existing/planned activity e.g., in Deals (enhancing their impact with the various levers etc) rather than chucking yet another new thing at regional partners.

I'd be really grateful for your thoughts on what's being proposed, and with sincere apologies point out we're meant to be meeting with UKG on Weds 22 Feb to discuss.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@levellingup.gov.uk>
Sent: 17 February 2023 14:24
To: [redacted]@levellingup.gov.uk [redacted]@levellingup.gov.uk
[redacted]@gov.scot>; [redacted]@levellingup.gov.uk>; [redacted]@gov.scot
[redacted]@gov.scot>
Cc: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>
Subject: Investment Zone Discussion - Meeting 2

With huge apologies to Scottish Government colleagues, I just found that the email I had tried to send at close yesterday was in my outbox! I think I exited Outlook too soon after pressing send.

Please find attached a slide deck ahead of our meeting on Wednesday next week. As you will see, the position for England has been set out alongside what we think will be useful discussion points for developing the Scottish approach together. To be reassured, the English information is provided for context and we are very much looking forward to a Scottish-specific discussion.

Please just let myself or anyone in copy know if you have any questions. I believe **[redacted]** has been in touch separately on the room booking and so we will look forward to seeing many of you in person in Glasgow on Wednesday.

[redacted]



Cities & Local
Growth Unit

[redacted]

Cities and Local Growth Unit: a partnership between the Department for Business, Energy and Industrial Strategy and the Department for Levelling Up, Housing and Communities.

www.gov.uk/beis | www.gov.uk/dluhc | Twitter: [@beisgovuk](https://twitter.com/beisgovuk) | [@luhc](https://twitter.com/luhc)

From: [redacted]@gov.scot>
Sent: Wednesday, July 19, 2023 10:20 AM
To: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>
cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: IZ methodology: final revisions

Hi [redacted]

I'm the senior economist in the team, working with [redacted]. Apologies that it has taken us a while to get back to you on this request. I've been on leave for the past two weeks.

As we have previously confirmed, quality assurance was carried out throughout the investment zones analytical work according to robust and diligent Scottish Government processes, and in line with Aqua Book principles. This quality assurance was undertaken commensurate with the nature of the policy and analytical work and focused on analyst testing and review within the team, together with close working with policy stakeholders.

I can confirm for your records that senior analytical sign off was received on analytical work and that records of senior sign off and quality assurance will be kept within the appropriate Scottish Government record management systems.

I trust this will be sufficient confirmation for you but please let me know if you have further questions.

[redacted]

From: [redacted]@gov.scot>
Sent: Wednesday, July 5, 2023 12:41 PM
To: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>
cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: IZ methodology: final revisions

Hi [redacted]

I think this should be possible next week.

Thanks

[redacted]

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: **[redacted]**@levellingup.gov.uk>

Sent: Tuesday, July 4, 2023 10:24 AM

To: **[redacted]**@gov.scot **[redacted]**@levellingup.gov.uk>

cc: **[redacted]**@gov.scot>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk **[redacted]**@gov.scot>; **[redacted]**@gov.scot>

Subject: RE: IZ methodology: final revisions

Thanks **[redacted]**. **[redacted]** is out of office today and I am holding the fort. Do you know when senior analyst colleagues will be back in the office?

Thanks,

[redacted]

From: **[redacted]**@gov.scot>

Sent: 04 July 2023 10:05

To: **[redacted]**@levellingup.gov.uk>

cc: **[redacted]**@gov.scot>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk **[redacted]**@gov.scot **[redacted]**@levellingup.gov.uk>;

[redacted]@gov.scot>

Subject: RE: IZ methodology: final revisions

Hi **[redacted]**

Apologies, but confirmation of these details will be provided when senior analyst colleagues return to the office.

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: **[redacted]**@levellingup.gov.uk>

Sent: Monday, July 3, 2023 5:14 PM

To: **[redacted]**@gov.scot>

cc: **[redacted]**@gov.scot>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@gov.scot>;

[redacted]@levellingup.gov.uk>

Subject: RE: IZ methodology: final revisions

Hi **[redacted]**

I hope you had a nice weekend! This is just a nudge to send over these sign-off documents when you have a moment.

Thanks

[redacted]

From: [redacted]

Sent: 30 June 2023 13:31

To: [redacted]@gov.scot

cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>; Khadija Khan <

[redacted]@levellingup.gov.uk>; [redacted]@gov.scot

Subject: RE: IZ methodology: final revisions

Thanks **[redacted]**

Monday is absolutely fine. We don't have any specific file type requirements – so just send us things in the format that is easiest.

Thanks, and enjoy your weekend!

[redacted]

From: [redacted]@gov.scot>

Sent: 30 June 2023 13:29

To: [redacted]@levellingup.gov.uk>

cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk [redacted]@gov.scot

Subject: RE: IZ methodology: final revisions

Hi **[redacted]**

Yes, great that announcements have been made – well done everyone!

Unfortunately I don't think I'll be able to send over these details today due to other commitments. Is Monday okay, and can you please indicate how you'd like this to be sent e.g. the file type(s)?

Thanks and have a good weekend,

[redacted]

| Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government

 @ScotGovOCEA

From: [redacted]@levellingup.gov.uk>
Sent: Friday, June 30, 2023 12:26 PM
To: [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>
Subject: RE: IZ methodology: final revisions

Thanks [redacted]– really appreciate your thoroughness on this.

[redacted]

We've been asked at our end to request a copy of your QA log and confirmation of senior analytical signoff, so that we can also save that for our records. Please can you send this over.

Thanks

[redacted]

From: [redacted]@gov.scot>
Sent: 29 June 2023 09:46
To: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>
Cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@beis.gov.uk [redacted]@gov.scot;
[redacted]@gov.scot; [redacted]@levellingup.gov.uk [redacted]@levellingup.gov.uk>;
[redacted]@gov.scot [redacted]@gov.scot
Subject: RE: IZ methodology: final revisions

Hi [redacted]

Thanks for your work on this.

[redacted], I'm content with the version of the methodology note that you sent, although I think one last edit should be made. Can you please change the text "% employees receiving above the Real Living Wage" to "% employees receiving the Real Living Wage or above" on Page 3 for exactness?

[redacted], you're correct that the only non-formatting change I made to the excel file was to the UKRI funding score. Assuming you support this change considering it was made based on figures you sent? Please let me know if any issues. It might also be worth me mentioning (although I assume you have already seen) that I changed the weighting for the sector strength domain in the 'Weightings_or' sheet to 1 for "REP has an LA in top 3 in terms of employment share nationally in one of the 4 priority sectors, or has evidence of an offshore wind cluster" because I believe this provides a better explanation of how scores for this domain were actually calculated, instead of 0.5 for "REP has an LA in top 3 in terms of employment share nationally in

one of the 4 priority sectors" and 0.5 for "REP has evidence of an offshore wind cluster", as REPs were not penalised for having one and not the other. Again, please let me know if you're not content with this change. As previously mentioned, none of my edits to the excel file changed any final REP scores.

On quality assurance, QA has been carried out according to robust and diligent SG processes and in line with Aqua Book principles. The QA was undertaken commensurate with the nature of the policy and analytical work and focused on analyst testing and review within the team, together with close working with policy stakeholders.

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: **[redacted]**@levellingup.gov.uk>

Sent: Wednesday, June 28, 2023 3:49 PM

To: **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot

[redacted]@gov.scot>

cc: **[redacted]**@gov.scot>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@beis.gov.uk>

Subject: Re: IZ methodology: final revisions

Hi **[redacted]**

Attaching the clean version of the methodology. Are we content to proceed with this as the basis for a potential future publication to justify our announcement?

Finally, grateful for your confirmation on what you did to QA this work and whether you have been consistent with the Aquabook - as per **[redacted]** email below.

Best,

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: 27 June 2023 18:13

To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot < **[redacted]**@gov.scot>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot

[redacted]@gov.scot **[redacted]**@gov.scot>
Cc: **[redacted]**@gov.scot **[redacted]**@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

Thanks both – the changes all look sensible to me. Hopefully we are nearly there on this work!

[redacted] to check on the orange boxes. The only non-formatting change I could spot is the UKRI funding score, where you have allocated the point for being in the Top 3 to NE rather than Tay Cities. Is this correct?

One final point to make explicit – as this is a Scottish Government spreadsheet, we have completed some basic checks to this work, but not the full quality assurance process we would have undertaken on our own analysis. We are looking to you to have completed the formal QA on this work, in line with the guidance set out in the [Aqua Book](#), which I know SG also follow **[redacted]** has recently been involved in the refresh of this).

Enjoy your evenings!

[redacted]

From: **[redacted]**@gov.scot <**[redacted]**@gov.scot>
Sent: 27 June 2023 17:38
To: **[redacted]**@gov.scot; **[redacted]**@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk **[redacted]**@levellingup.gov.uk **[redacted]**@gov.scot>
Cc: **[redacted]**@gov.scot **[redacted]**@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

Thanks **[redacted]**

[redacted], can you also please change the text “% employees receiving above the Real Living Wage” to “% employees receiving the Real Living Wage or above” on Page 3 in the Word doc?

Thanks

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government

 @ScotGovOCEA

From: **[redacted]**@gov.scot>
Sent: Tuesday, June 27, 2023 5:21 PM

To: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk [redacted]@gov.scot>; [redacted]@gov.scot>
Cc: [redacted]@gov.scot [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

Hi [redacted]

Responding to both your emails here rather than in separate chains, and attach both the methodology background and the note for completeness.

We are content with changes as suggested, and have responded to comments in the note. There are suggested changes to the Excel file. None of them change scores/conclusions. Adam has helpfully highlighted orange all cells with changes in the following sheets: 'REPs-LAs mapping', 'GVA_total_input', 'Weightings_or', 'Output' and 'Knowledge_anchor_score_or'.

Hopefully all clear, but as ever, happy to discuss.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU
[redacted]

From: [redacted]@levellingup.gov.uk>
Sent: Tuesday, June 27, 2023 7:57 AM
To: [redacted]@levellingup.gov.uk [redacted]@gov.scot>;
[redacted]@levellingup.gov.uk>; [redacted]@gov.scot>; [redacted]@gov.scot>
cc: [redacted]@gov.scot>; [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

Apologies – now attaching the spreadsheet in hard copy.

From: [redacted]
Sent: 27 June 2023 07:52
To: [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>;
[redacted]@levellingup.gov.uk>; [redacted]s@gov.scot [redacted]@gov.scot>
cc: [redacted]@gov.scot [redacted]@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;
[redacted]@beis.gov.uk>
Subject: RE: IZ methodology: final revisions

And just to bring everything outstanding on the analytical side into one chain for convenience.

Here is a final version of the spreadsheet, with some minor alterations as previously flagged – **please can you confirm that you are content to take this as our shared final version.** This includes some minor alterations previously outlined to align the methodology note with the spreadsheet:

- Giving double the points to a REP with a catapult and a university, than to a REP with just one.
- Assigning the Fife catapult to Edinburgh & SE and not to Tay Cities. **Please can you share a justification of this for our records.**
- Used the version of the UKRI funding 2021-22 we shared on Friday (email attached) to determine who is scored for the Top 3 fund receivers.
- Added population threshold information into the spreadsheet
- Updated the 'outcomes' tab to reflect the final advice from the quantitative exercise.

In the methodology note – thanks for highlighting that Highlands and Islands shouldn't have been knocked out by the population threshold. Instead we have knocked them out given their lack of knowledge anchor, consistent with the data in your spreadsheet. **Please can you confirm you are content this is correct.**

In addition, please can you **share the quality assurance process** you undertook on the spreadsheet and any accompanying documentation, so that we can incorporate this into the final paper trail at our end.

Very happy to run through any of this today if helpful. I am out of the office until lunch, **[redacted]** will also be able to answer any quick questions this morning if needed.

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: 26 June 2023 17:35

To: **[redacted]**@gov.scot

Cc: **[redacted]**@gov.scot>; **[redacted]**@gov.scot **[redacted]**@gov.scot>;

[redacted]@levellingup.gov.uk **[redacted]**@levellingup.gov.uk

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>

Subject: IZ methodology: final revisions

Hi **[redacted]**

Thanks for the chat last week where we squared off comments in the methodology.

Attached is a revised version, which removes the table and reference to decarbonisation, as discussed.

Our analyst have left some additional questions in the comments – please could you be able to come back to us on these by tomorrow 2pm? They are mostly clarification questions.

I also see **[redacted]** has emailed about QA'ing some of the other work, but not seen a response to this. I'll reply to that email thread so it's at the top of your inbox.

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

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From: [redacted]@gov.scot
Wed, 21 Jun 2023 16:52:46 +0000
To: [redacted]@gov.scot [redacted]@gov.scot [redacted]@gov.scot
Subject: RE: Methodology Note
Attachments:
Scotland IZ Methodology Note (210623) (002)_PLG.docx

[redacted]

I've added in a few more pernickety points here.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: [redacted]@gov.scot>
Sent: Wednesday, June 21, 2023 5:39 PM
To: [redacted]@gov.scot>; [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: Methodology Note

Hi all,

[redacted] and I have started going through this more. Some bigger problems than others, but I've attached my thoughts and amendments thus far. [redacted] but will look at an alternative presentation on narrowing the top 5 early tomorrow morning. Thought it'd be useful to share what I have in the interim.

[redacted]

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@gov.scot>
Sent: Wednesday, June 21, 2023 5:36 PM
To: [redacted]@gov.scot>; [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: Methodology Note

PS

In case useful – here's some further info on the population data:

Data source: [Mid-2021 Population Estimates Scotland | National Records of Scotland \(nrsotland.gov.uk\)](https://nrsotland.gov.uk)

Total population of each REP (small to large)

REPs	Population
South of Scotland	264,810
Forth Valley Region	305,710
Ayrshires	368,690
Aberdeen City Region	490,120
Highlands and Islands	492,810
Tay Cities Region	792,380
Edinburgh and South East Scotland City Region	1,407,060
Glasgow City Region	1,849,070

Therefore South of Scotland and Forth Valley are the two REPs with the lowest populations. I wouldn't be surprised if Highlands and Islands had the lowest population density, and it certainly has some small local authorities within it, but in terms of absolute numbers it's actually fourth biggest.

It's perhaps also worth noting that using their methodology (i.e. using presence of a knowledge anchor as a threshold rather than a weighted factor), Highlands & Islands will be excluded anyway.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: [redacted]

Sent: Wednesday, June 21, 2023 2:01 PM

To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot **[redacted]**@gov.scot>

Subject: RE: Methodology Note

Hi both

I've had a quick look, ahead of going into a long meeting. Two things that jumped out at me:

1. The description of "presence of a knowledge anchor" as a threshold (therefore ruling out Ayrshire), whereas we have included it as one of the weighted factors. This hasn't previously been discussed, so I'm not sure why they've done that or whether it has further implications.
2. They've removed SoS and H&I on the basis of population but my numbers, it's SoS and Forth Valley that have the smallest populations.

I can come back to it after my meeting.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: **[redacted]**@gov.scot>

Sent: Wednesday, June 21, 2023 1:45 PM

To: **[redacted]**@levellingup.gov.uk **[redacted]**@gov.scot **[redacted]**@gov.scot>;

[redacted]@gov.scot>

Cc: **[redacted]**@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk

[redacted]@levellingup.gov.uk>

Subject: RE: Methodology Note

Thank you very much – we will review and revert within your timescale.

On products, one thing missing from your list, and which **[redacted]** and I discussed briefly on Monday, is an **exchange** of letters between your Secretary of State and our Ministers (which can be quite short) immediately after they speak, to confirm the basis on which the two governments are agreeing. We can publish them, or not: but we think they are an important element, and not quite the same as a “post-decision letter to SG”.

[redacted]

[redacted]

But first we’ll come back on your note.

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: Wednesday, June 21, 2023 1:03 PM

To: **[redacted]**@gov.scot **[redacted]**@gov.scot **[redacted]**@gov.scot>;

[redacted]@gov.scot>

Cc: **[redacted]**@levellingup.gov.uk **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>

Subject: Methodology Note

Hi all,

With thanks to colleagues copied, please see attached our methodology note to inform Ministerial decision making, for your review. Free to iterate directly but **grateful if you could do this in tracked changes**. Would you be able to provide comments by **3pm tomorrow?** Appreciate that is a tight turn around so please let me know if this will be a challenge. We have a short window to put this to our SoS.

Very happy to have a call first if you have any immediate concerns or questions. I appreciate this is the first time you've seen the information presented like this. We are keen to present the evidence in a transparent and complete way, starting from a long list, and narrowing this down using the considerations we last discussed.

One process point - please also note we have shared a first draft with our legal colleagues who have asked for the section on REPs to be strengthened so **we are asking for your help in doing this**. We will then seek final legal cover once we have a revised draft you are content with.

[redacted]

Many thanks,

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From: [redacted]@gov.scot

Sent: Wed, 7 Jun 2023 09:10:12 +0000

To: [redacted]@gov.scot [redacted]@gov.scot [redacted]@gov.scot

Cc: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;

Subject: RE: Outstanding analysis actions

Attachments:

202306_Scotland IZs selection using UKG methodology_v3.xlsx, Offshore wind analysis.xlsx, Offshore wind analysis_proposed approach.docx

Hi [redacted]

Apologies for the delay – tidying up took longer than anticipated.

Please see attached an Excel file which shows our method for identifying places in Scotland which are most suitable to benefit from an Investment Zone in the Scottish policy context. A policy and delivery divergence is appropriate and justified by the distinct approaches taken within devolved competencies, reflects the particular Scottish economic ecosystem, and is in line with Ministerial agreements to explore a bespoke arrangement in Scotland.

You might find it helpful to refer to the 'Data sources' sheet for information on specific data sources and similarities and differences between the SG and UKG approaches. In addition to the overarching principle highlighted above, the rationale behind adapting specific aspects of your approach has also been provided in this sheet. Other than that, we have endeavoured to follow the layout of your spreadsheet so hopefully it's reasonably straightforward to follow.

There are some points we wanted to particularly bring to your attention:

- Any thoughts on the method we used to identify offshore wind clusters (set out in the additional attachments)? Happy to tweak this to align more closely with your approach.
- Do you have a comprehensive list of Catapults and their locations? The map and project lists provided on the Catapults website seem to suggest slightly different locations.
- Data for two 'Wellbeing Economy need' indicators are unavailable for a few local authorities so we decided to assign Scottish averages to these LAs for these indicators while we explore alternative options with specialists on our side.
- We excluded 'GVA per hour' in our suite of indicators for the 'Wellbeing Economy need' domain since this indicator is not included in our Scottish Wellbeing Economy Monitor. However, worth noting that including/excluding this indicator had no impact on final rankings.

- We've used slightly more recent Healthy Life Expectancy data. I also had a query about whether it makes sense to average across three overlapping time periods – any comments on that would be welcome.

Please treat the attached draft document as confidential and do not share more widely.

We would be happy to discuss our approach further once you have had time to digest. [redacted]. [redacted] is available though, so if [redacted] would like to discuss any of the data sources, formulae used etc, then that should be possible.

[redacted]

Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]

From: [redacted]@gov.scot>

Sent: 06 June 2023 15:25

To: [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>; [redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>

Subject: RE: Outstanding analysis actions

Hi [redacted]

We're finalising the analysis today, and will be able to send over tomorrow.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@levellingup.gov.uk>

Sent: 06 June 2023 09:12

To: [redacted]@gov.scot>; [redacted]@gov.scot>; [redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>

Subject: Outstanding analysis actions

Hi [redacted]

Last week you agreed to send us the detail behind your methodology (and hopefully place list) on Monday. Please could you send this through today? We need to brief our Ministers by the end of the week, and I'd like to get to a point where we can come to agreement on the approach before then.

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From: **[redacted]**@gov.scot>
Sent: Wed, 12 Apr 2023 09:02:17 +0000
To: **[redacted]**@gov.scot>**[redacted]**@gov.scot>
Cc **[redacted]**@gov.scot>
Subject:
FW: Investment Zones - selection criteria
Attachments:
IZ Quantitative selection - England, For ScotGov.docx, IZ Quantitative Selection - England, For Scot Gov.xls

Hi **[redacted]**,

With thanks to **[redacted]** for chasing up with UKG, who hadn't shared this information previously, please see attached additional analysis and methodology background.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU
[redacted]

From: **[redacted]**@levellingup.gov.uk>
Sent: 12 April 2023 09:42
To: **[redacted]**@gov.scot>
Cc: **[redacted]**@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;
[redacted]@gov.scot>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>;
[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;
[redacted]@beis.gov.uk>; **[redacted]**@levellingup.gov.uk>
Subject: RE: Investment Zones - selection criteria

Hi **[redacted]**

As **[redacted]** trailed, here is more information on the quantitative analysis we used to identify those places in England most suitable to benefit from an Investment Zone:

- Recipe document explaining how we produced the quantitative analysis, including links to all of the data needed
- Excel spreadsheet showing our implemented methodology – NB: we have had to change the file format to make this sufficiently small to email, and so please feel free to reach out if you find any formulas have broken in this process.
- Please also refer to the public [Methodology note](#) for more information on the rationale behind this approach, and how it sat alongside the second stage qualitative assessment.

As we highlighted last week, **please treat both of the attached documents as confidential, and do not share either document beyond a tight group of necessary individuals.**

As **[redacted]** highlighted, we would be happy to discuss this approach further once you have had time to digest.

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: 11 April 2023 17:55

To: **[redacted]**@gov.scot>

Cc: **[redacted]**@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@gov.scot; **[redacted]**@gov.scot>;

[redacted]@gov.scot; **[redacted]**@levellingup.gov.uk>

Subject: RE: Investment Zones - selection criteria

Hi **[redacted]**

I recently joined **[redacted]** team heading up the IZ programme in the DAs.

[redacted] will be sending the methodology tomorrow morning.

Can I suggest we touch base once your economists have had a chance to reflect on this analysis. We are keen to hear how your approach is developing, and how we can work towards a joint understanding of the analysis to inform policy discussions on place-selection.

Look forward to working with you on this.

Thanks,

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From: **[redacted]**

Sent: 04 April 2023 20:02

To: **[redacted]**@gov.scot

Cc: **[redacted]**@levellingup.gov.uk **[redacted]**@gov.scot; **[redacted]**@gov.scot>;

[redacted]@gov.scot **[redacted]**@gov.scot; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>

Subject: RE: Investment Zones - selection criteria

[redacted]

Yes, they can pick up **[redacted]** who is our lead analyst who help develop the English methodology. It obviously goes without saying that everything that will be shared in this context is obviously on a confidential basis that it would be helpful to limit circulation to a tight group of officials your side.

Look forward to speaking after Easter.

[redacted]

[redacted] | Department for Levelling Up, Housing and Communities | 2 Marsham Street, London, SW1P 4DF | email: **[redacted]**

From: **[redacted]**@gov.scot>

Sent: 04 April 2023 08:25

To: **[redacted]**@levellingup.gov.uk>

cc: **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot; **[redacted]**@gov.scot>;

[redacted]@gov.scot**[redacted]**@gov.scot

Subject: Investment Zones - selection criteria

[redacted]

We've commissioned our economists to do some quick work on potential indicators and criteria for selecting Investment Zones in Scotland, building on the approach outlined in the methodology paper you published alongside the Budget and adapting it for the Scottish context.

They have asked whether it would be possible to see the data and calculations used to select the eight zones in England, and the associated scoring (both the overall scores and the scores for the three domains: economic potential, innovation, need/levelling up).

Can you help, or put us in contact directly with the relevant analysts on your side?

We'll look forward to picking up the policy discussions with you shortly after the Easter break.

[redacted] Programme Director, Greenports
Directorate for Economic Development

[redacted]

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From: **[redacted]**@levellingup.gov.uk>

Sent:

Wed, 24 May 2023 15:23:46 +0000

To: **[redacted]**@gov.scot>

Cc:

[redacted]@levellingup.gov.uk>**[redacted]**@levellingup.gov.uk>**[redacted]**@levellingup.gov.uk>**[redacted]**@levellingup.gov.uk>**[redacted]**@gov.scot> **[redacted]**@gov.scot>

Subject:

FW: Analysts meeting

Attachments:

SIC codes for Priority Sectors.docx

Good afternoon **[redacted]**

Please see attached the SIC codes we used for the priority sectors.

Many thanks,

[redacted]

From: **[redacted]**@gov.scot **[redacted]**@gov.scot>

Sent: 24 May 2023 14:08

To: **[redacted]**@levellingup.gov.uk>

cc: **[redacted]**@levellingup.gov.uk**[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot>;

[redacted]@levellingup.gov.uk**[redacted]**@gov.scot>

Subject: RE: Analysts meeting

Hi **[redacted]**

Thanks for this.

I've just had a look at our calendars and unfortunately I don't think we will be able to meet until Wednesday.

Wondering whether Wednesday could work for you (all), and if so, what time would be ideal?

In the meantime, it would be great if you could send any:

1. Questions on the SG methodology
2. SIC codes you used.

Many thanks

[redacted] Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: [redacted]@levellingup.gov.uk>

Sent: 24 May 2023 12:13

To: [redacted]@gov.scot [redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk [redacted]

@levellingup.gov.uk [redacted]@levellingup.gov.uk>; [redacted]@levellingup.gov.uk>;

[redacted]@gov.scot>; [redacted]@levellingup.gov.uk>

Subject: RE: Analysts meeting

Hi [redacted]

I've added our analysts to this email, and removed [redacted] so not to flood his emails while we sort logistics.

We have to put advice to our Minister next week, and really keen we reach agreement on this before then. I appreciate that will be difficult given the bank holidays – don't suppose we are all available tomorrow for a chat? We can send through a list of questions ahead of that. Failing tomorrow, how does Tuesday work?

Thanks,

[redacted]

From: [redacted]@gov.scot <[redacted]@gov.scot>

Sent: 24 May 2023 12:07

To: [redacted]@gov.scot [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>;

[redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk>

Subject: RE: Analysts meeting

Great, thanks both – a list of Qs would be very helpful (as would confirmation that UKG policy colleagues are content with the 'points of agreement', reflecting the earlier discussions, which frame our suggested approach)

[redacted]

From: [redacted]@gov.scot>

Sent: 24 May 2023 11:55

To: [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>; [redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk>; [redacted]@gov.scot>

Subject: RE: Analysts meeting

Hi [redacted]

I've ccd [redacted] in here. We have some public holidays and I'm aware [redacted] has some leave, but grateful for you trying to identify some time. Please include [redacted] in a diary invite.

A list of questions based on the SG methodology would be a good place to start, and the swiftest route to reaching agreement.

[redacted]

Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: [redacted]@levellingup.gov.uk>

Sent: 23 May 2023 15:49

To: [redacted]@gov.scot>

Cc: [redacted]@levellingup.gov.uk>

Subject: Analysts meeting

Hi [redacted]

I'm hoping we can set up a call between our analysts for this Thursday if possible. Could you be able to provide contact details so we can coordinate a time?

In the meantime, might it be useful for UKG to compile a list of questions for SG colleagues using your analytical approach as the starting point?

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

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From: [redacted]@gov.scot
 Sent:
 Tue, 18 Apr 2023 17:02:50 +0100
 To [redacted]@gov.scot [redacted]@gov.scot
 Cc [redacted]@gov.scot
 Subject:
 Investment Zones - Scotland selection methodology results
 Attachments:
 Scotland IZs selection using UKG methodology.xlsx

Tue 18/04/2023 17:03

Hi [redacted]

Shown in the table below are the overall scores assigned to REP areas when applying the UKG methodology (based on economic potential, innovation potential and levelling up need). I've also attached all working showing replications of formulas in the Scottish context (in case interested).

REP Area	Overall Score	If population restriction is applied	If productivity restriction is applied	If where Green Freeport sites are located restriction is applied
Glasgow	0.864	Glasgow	Glasgow	Glasgow
Edinburgh and South East	0.506	Edinburgh and South East	Edinburgh and South East	Edinburgh and South East
Tay Cities	0.444	Tay Cities	Tay Cities	Tay Cities
Forth Valley	0.436	Forth Valley	Forth Valley	Forth Valley
Ayrshire	0.419	Ayrshire	Ayrshire	Ayrshire
North East	0.342	North East	North East	North East
South of Scotland	0.258	South of Scotland	South of Scotland	South of Scotland
Highlands and Islands	N/A	Highlands and Islands	Highlands and Islands	Highlands and Islands

Key takeaways of analysis so far:

- The Highlands and Islands score is unavailable above as 'low (at SCQF level 4) or no qualifications' (an indicator under the levelling up need domain) data is unavailable for Orkney and Shetland. However, it might be possible in future to calculate an overall Stage 1 score for the Highlands and Islands if we use alternative data for this specific indicator, for example maybe NOMIS NVQ level data. I could look into whether this data is available. Importantly, including this new data could change the top 2 (recommended) areas for Stage 1 if restricting by productivity (but not by where Green Freeports sites are).

- Restricting based on where GFP sites are (but not by productivity) would probably recommend Glasgow and the North East I suspect. I suspect Stage 2 would discount Ayrshire due to it not having a suitable anchor institution(?). Restricting by productivity (but not by where GFP sites are) would probably recommend Glasgow and Tay Cities. However, as mentioned, an overall score has not been calculated for the Highlands and Islands yet. If we restrict by productivity (but not by where GFP sites are), ideally we could calculate and use a score for H&I to understand if it would be preferred over Tay Cities. However, of course, I'm making Stage 1 recommendations. For example, Highlands and Islands might score lower than Tay Cities for Stage 1, but the Stage 2 case might be sufficiently strong for Highlands and Islands to make the area preferred over Tay Cities overall for an IZ of course.
- **Forth Valley** would in fact be discounted where highlighted yellow above if average Scottish GVA per filled job (productivity) data was used rather than UK level data. If using UK level data, Glasgow and Tay Cities would remain the top 2.

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government

 @ScotGovOCEA

From: **[redacted]**@gov.scot Tue, 27 Jun 2023 09:03:38 +0000
To: **[redacted]**@gov.scot**[redacted]**@gov.scot **[redacted]**@gov.scot
Cc: **[redacted]**@gov.scot
Subject:
FW: IZ methodology: final revisions
Attachments:
Copy of Scotland Methodology - Adjustments.xlsx, Scotland IZ Methodology Note (260623).docx

Hi **[redacted]**

[redacted]

Could you please take a look at the attached docs that have been sent through by UKG colleagues with changes (and **[redacted]** comments below), and confirm whether we have any showstoppers with the suggested amends. They don't seem to make a substantive difference to the outcome, and we're minded to accept suggested changes from a policy perspective.

[redacted]

[redacted] – Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: **[redacted]**@levellingup.gov.uk>
Sent: Tuesday, June 27, 2023 7:57 AM
To: **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot
[redacted]@levellingup.gov.uk>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>
Cc: **[redacted]**@gov.scot>; **[redacted]**@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;
[redacted]beis.gov.uk>
Subject: RE: IZ methodology: final revisions

Apologies – now attaching the spreadsheet in hard copy.

From: **[redacted]**
Sent: 27 June 2023 07:52
To: **[redacted]**@levellingup.gov.uk>; **[redacted]**@gov.scot;
[redacted]@levellingup.gov.uk **[redacted]**@gov.scot>; **[redacted]**@gov.scot>
Cc **[redacted]**@gov.scot **[redacted]**@levellingup.gov.uk>;
[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk

[redacted]@beis.gov.uk>

Subject: RE: IZ methodology: final revisions

And just to bring everything outstanding on the analytical side into one chain for convenience.

Here is a final version of the spreadsheet, with some minor alterations as previously flagged – **please can you confirm that you are content to take this as our shared final version.** This includes some minor alterations previously outlined to align the methodology note with the spreadsheet:

- Giving double the points to a REP with a catapult and a university, than to a REP with just one.
- Assigning the Fife catapult to Edinburgh & SE and not to Tay Cities. **Please can you share a justification of this for our records.**
- Used the version of the UKRI funding 2021-22 we shared on Friday (email attached) to determine who is scored for the Top 3 fund receivers.
- Added population threshold information into the spreadsheet
- Updated the 'outcomes' tab to reflect the final advice from the quantitative exercise.

In the methodology note – thanks for highlighting that Highlands and Islands shouldn't have been knocked out by the population threshold. Instead we have knocked them out given their lack of knowledge anchor, consistent with the data in your spreadsheet. **Please can you confirm you are content this is correct.**

In addition, please can you **share the quality assurance process** you undertook on the spreadsheet and any accompanying documentation, so that we can incorporate this into the final paper trail at our end.

[redacted]

From: **[redacted]**@levellingup.gov.uk>

Sent: 26 June 2023 17:35

To: **[redacted]**@gov.scot

cc: **[redacted]**@gov.scot>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>; **[redacted]**@levellingup.gov.uk>;

[redacted]@levellingup.gov.uk>

Subject: IZ methodology: final revisions

Hi **[redacted]**

Thanks for the chat last week where we squared off comments in the methodology.

Attached is a revised version, which removes the table and reference to decarbonisation, as discussed.

Our analyst have left some additional questions in the comments – please could you be able to come back to us on these by tomorrow 2pm? They are mostly clarification questions.

I also see **[redacted]** has emailed about QA'ing some of the other work, but not seen a response to this. I'll reply to that email thread so it's at the top of your inbox.

Thanks,

[redacted]



Department for Levelling Up,
Housing & Communities

[redacted]

From: **[redacted]**@gov.scot>
Sent: Fri, 12 May 2023 10:24:18 +0000
To: **[redacted]**@gov.scot>**[redacted]**@gov.scot>**[redacted]**@gov.scot>
Cc **[redacted]**@gov.scot>
Subject:
RE: Potential IZ allocation methodology
Attachments:
Scotland IZs calculations.xlsx

Sorry, one of those mornings – previously attached the wrong file.

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: **[redacted]**
Sent: 12 May 2023 10:51
To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>
Cc: **[redacted]**@gov.scot>
Subject: RE: Potential IZ allocation methodology

Hi **[redacted]**

Glad to be of help.

I slightly rushed sending the previous Excel file this morning and since then I spotted an error in my calculations, which I fixed in the attached. However, this doesn't change previous conclusions. Based on the revised data in the table, inequality-related domains (output gap and WE need) would need to be given a combined approx. 80% weight for Ayrshire to be ranked above North East under this weighting option, which again seems to me like an unreasonable weight.

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government



From: **[redacted]**@gov.scot>
Sent: 12 May 2023 09:23
To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot **[redacted]**@gov.scot>
Cc: **[redacted]**@gov.scot>
Subject: RE: Potential IZ allocation methodology

Hi **[redacted]**

This is tremendous; really appreciate the clarity of your explanation behind the results and how various alterations (reasonable and less so) are influencing things.

On the sectoral element, it's interesting that altering it doesn't necessarily shift the conclusions. Given our policy position of increasing the autonomy of REPs, it might be helpful that this is the case; preventing us from imposing certain activity and allowing partnership agreement.

Thanks again for working with us on this, and helping shape the policy.

[redacted] Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

[redacted]

From: **[redacted]**@gov.scot>

Sent: 12 May 2023 08:56

To: **[redacted]**@gov.scot>; **[redacted]**@gov.scot>; **[redacted]**@gov.scot>

Cc: **[redacted]**@gov.scot>

Subject: RE: Potential IZ allocation methodology

Hi all

In case you're interested, I've attached the underlying Excel file which includes some key (raw) data, calculations of scores and ranking of REPs.

The overall scores and ranking (when using equal weights for the five domains) provided in the 'Output' sheet substantiates points made in Polly's paper, particularly that even if scores for innovation-related domains or inequality-related domains are weighted more heavily, the overall ranking of the three REPs probably shouldn't change. Glasgow scores highest across all domains and therefore weighting is irrelevant to its ranking. For North East and Ayrshire, although Ayrshire scores higher on the inequality-related domains, the gap in scores is very small compared to the gap in scores on the innovation-related domains (where North East scores more highly). I found that based on the data in the table, inequality-related domains (output gap and WE need) would need to be given a combined 92% weight overall for Ayrshire to be ranked above North East under this weighting option, which obviously would be an unreasonable weight.

However, it's important to flag (which **[redacted]** has in her paper) that so far we have only carried out a very initial assessment of the sectoral strength domain and this assessment needs further refinement, but it seems at a first glance that changes to sectoral strength data would unlikely affect overall conclusions, but this should be tested and then confirmed.

Also looking forward to talking this through properly next week.

[redacted] | Assistant Economist – Wellbeing Economy and Regional Analysis | Office of the Chief Economic Adviser (OCEA) | Scottish Government

 @ScotGovOCEA

From: [redacted]@gov.scot>
Sent: 11 May 2023 18:06
To: [redacted]@gov.scot>; [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: Potential IZ allocation methodology

What she said... Thank you both very much indeed – really helpful in our discussions (with Ministers **and** with UKG).

From: [redacted]gov.scot>
Sent: 11 May 2023 17:53
To: [redacted]@gov.scot>; [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: Potential IZ allocation methodology

Hi [redacted]

I'll have a proper look at this later, but just wanted to say thank you to you and [redacted] for working this through so quickly and carefully. Very much appreciated.

[redacted]– Regional Economic Policy Unit | Scottish Government
3rd Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU
[redacted]

From: [redacted]@gov.scot>
Sent: 11 May 2023 17:49
To: [redacted]@gov.scot>; [redacted]@gov.scot>
Cc: [redacted]@gov.scot [redacted]@gov.scot>
Subject: Potential IZ allocation methodology

Hi [redacted]

As promised, here is our work so far on a potential methodology for selecting REPs to receive investment zones. Hopefully it's fairly self-explanatory. [redacted] is just tidying up the underlying spreadsheet, so he should be able to share that with you tomorrow in case you're interested.

<https://erdm.scotland.gov.uk/documents/A43667816/details>

We took the UKG approach as our starting point and tried to stick closely to it unless there was a good justification for doing otherwise. This also seems to generally align with your Theory of Change. Of course, we could make further changes but we

thought it was probably more helpful to show you how this approach would look and then we can tweak it from here if you have suggestions or concerns.

To note: the “sectoral strength” domain has proved a bit tricky. We’ve done some very rough and ready calculations but if the broad approach looks right then we’ll need to do some more work to make this element a bit more robust (including getting confirmation from you of the priority sectors you’d like us to include). However, from eye-balling the numbers, I suspect we won’t see much change in the rankings/conclusions.

I’m also sharing with **[redacted]** as we’ll need her sign off before anything is finalised.

I don’t work Fridays, but **[redacted]** will be around if you have any immediate questions or want any clarifications. I look forward to talking it through properly next week.

Kind regards

[redacted] Wellbeing Economy and Regional Analysis Advisor
Office for the Chief Economic Advisor

[redacted]