

21st MEETING - NATIONAL ECONOMIC FORUM: 19 NOVEMBER 2018

DISCUSSION REPORT: REGIONAL ECONOMIC PARTNERSHIPS – DRIVING INCLUSIVE ECONOMIC GROWTH

Host: Michael Matheson, Cabinet Secretary for Transport, Infrastructure & Connectivity
Facilitators: Jennifer Crow, CEO, Opportunity North East (ONE)
Paul Lawrence, Director of Place for City of Edinburgh Council
Scribe: Graeme Malcolm, Policy Officer, Scottish Government

Summary

1.1 The Scottish Government is committed to new Regional Economic Partnerships (REPs) representing every community in Scotland. REPs are collaborations between local authorities, the private sector, education and skills providers, economic agencies and the third sector. Scottish Government is working with multiple partners to facilitate this.

Introduction and Background

2.1 The Cabinet Secretary provided an overview of the Scottish Government's strategic approach to inclusive economic growth, and partnership working. It was noted:

- Scottish Government is committed to REPs representing every community in Scotland to drive inclusive economic growth. REPs will be key to regional economic development, including maximising the impact of growth deals and will learn and build upon the foundations laid by City/Region Deals.
- Private sector involvement is essential to the effectiveness of REPs and partnership working, and the Cabinet Secretary hoped the session would provide attendees a platform to discuss previous experiences, and share insight and thoughts on how their organisations could work with REPs.
- Whilst REPs are intended to be self-assembled and there is no intention to prescribe their form or ambition, the Scottish Government wants to help accelerate their development. The following features are crucial, as set out in the Enterprise and Skills Review:
 - **Leadership** - strong leadership across the public, private and third sector which fosters a culture of genuine trust and deep collaboration, develops a vision for the region, drives action and rallies support.
 - **Strategy** - a clear and compelling economic vision co-produced and owned by the partners which clearly articulates their respective roles and contribution.
 - **Understanding** - A deep understanding of the assets, challenges and constraints of the regional economy; A plan for the regional partnership derived from this and a measurement framework which allows progress to be tracked.
 - **Purpose** - a commitment to add value to the activity already undertaken by the Scottish Government and partners within the region to achieve greater benefit for the regional economy by aligning partnership assets and investment.
 - Ensuring that active and engaged private sector partners help lead, shape and deliver the priorities of existing or future Partnership is key to their success. The Scottish Government will expect private sector representation on regional partnerships, in most circumstances and certainly where government investment is sought.

2.2 Jennifer Crow, CEO of private sector led and funded regional economic development body Opportunity North East (ONE), set out an overview of ONE's experience of partnership working and stressed the responsibility of the private and public sectors to work together to deliver impactful economic development at a regional level and drive national performance.

2.3 Paul Lawrence, Director of Place for City of Edinburgh Council, emphasised the importance of public private and cross boundary partnership, the opportunities for reform, the need to be clear about what is in and what is out of scope, and that inclusive, sustainable growth must be the driver.

Topics discussed:

3.1 The discussion was opened to attendees and the following points noted:

- Flexibility is important. Deal boundaries are more fluid than those of local authorities and there would be geographical overlap. It's important to design a structure that is fluid and allows for collaborative working. For example, Fife and the Scottish Borders are both involved in two deals and work on the Forth Estuary will also require cross-border collaboration.
- Partnerships are not restricted by the content of their deal, indeed success for them is about additional projects, added value and identifying new opportunities through public/private/third sector collaboration.
- Regional Economic Strategies are the "glue" that hold the partnership together. These need to be designed collaboratively and based on evidence.
- It is important for partnerships to consider how their development projects fit within Scotland as a whole. Partnership working is not about competing with other regions of Scotland, but partners working in collaboration to support regional growth ambitions, developing a compelling strategy, and making Scotland as a whole more competitive. There will be cross REP sectoral links, e.g. Moray is not in the Aberdeen City and Shire REP, but this does not exclude Moray partaking in the North East Food & Drink Network with the Aberdeen City and Shire REP – with the shared aim of increasing food and drink sector productivity and exports..
- REP working does not negate the work of the enterprise agencies (Scottish Enterprise, Highlands & Islands Enterprise, and the planned South of Scotland Enterprise Agency). These agencies are key participants in REPs.
- Private sector engagement is essential to drive the ambition and momentum of REPs by identifying opportunities and activity that will deliver long-term economic impacts within key sectors at a regional level. Look for opportunities for additional funding and investment, for example, through sector deals. Whilst projects within a City Deal can take time to implement, there are supporting actions that can be pushed forward to a shorter time scale to build momentum.
- The deals can be a catalyst for change and can help shape public service reform. REPs need to define what is in and equally what is out of scope.

3.2 The following points were raised for consideration:

- Rural business – consider transport links, skills and business space to support rural business and help them innovate. Consider access to business space and improve

connectivity. The panel considered that the role of partnerships was to allow local stakeholders to feed into the discussion of the needs of their area. All REPs should work to bring their rural communities and businesses to the table. Where rural stakeholders felt their partnership was not adequately engaged with rural areas, they should lobby them to do so.

- The third sector can deliver and can make a strong contribution. How can the third sector voice be heard? The panel assured that third sector involvement was welcome - and a number of REPs already include such representation. It was also noted that partnerships did not replace Community Planning Partnerships.
- Concern was expressed that REPs lacked relevant sector representation, for example energy and health sectors. Energy provision and access to energy should inform regional planning decisions. Renewable clean energy, charging infrastructure and renewable heat will make for more resilient regions. The panel noted that the REPs could not be “one-size-fits all”, which is why the Scottish Government had not prescribed their form. Given the diversity of regional economics, specific sectors would have more involvement in some partnerships than others. In the case of Edinburgh & South East, the REP was continuing to grow and would seek to expand its sector knowledge over time.
- Skills are key. Developing Young Workforce groups can help align needs of industry and skills of future workforce.
- A concern was raised that private sector would not be adequately involved in REPs and have not been fully involved in deals. It was noted that a number of REPs are at an early stage of development and each region should commit to engage directly with the business community and key industry sectors at a regional level. This approach is critical to identifying sector-specific opportunities for economic growth. The panel noted they were aware of concerns relating to private sector engagement during the Glasgow City Region Deal, however there had been a learning curve on the processes of engagement and private sector engagement since then. It was noted that the Chambers of Commerce are engaged in the Glasgow City Region REP.
- Benefits were yet to be seen from the existing deals. The panel noted deals are a long-term investment to develop sustainable economic growth as opposed to short-term intervention. Glasgow City Region Deal, for example, was a 20-year programme.

Closing Comments

4.1 The panel reiterated that the REP process was in its early stages, and that while City and Regional Deals had catalysed the development of Regional Economic Partnerships, it was an ongoing process and one which the private sector was actively encouraged to engage in and shape.

**Scottish Government
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