

Regional economic development, inclusive growth and child poverty in Scotland

December 2022



Table of contents

Main messages.....	3
1. Introduction.....	9
2. Inclusive economic development and child poverty	12
3. Child poverty and the economic regeneration agenda?.....	34
4. Beyond the headline	57
5. Concluding thoughts	81
Annex 1 Content analyses	83
Annex 2 Case study analyses.....	86

Purpose

The Scottish Government commissioned this research from the Scottish Poverty and Inequality Research Unit at Glasgow-Caledonian University to evidence the extent to which child poverty is currently a focus for local and regional economic policy, and provide insight as to how economic development approaches can better contribute to reducing levels of child poverty in Scotland.

The views expressed in this report reflect the findings emerging from the research and observations from the researchers involved.

Acknowledgements

We are grateful to the interviewees for giving time to share their thoughts and experiences. We are particularly grateful to the Scottish Government staff who supported this work.

Main messages

Context of the research

The Scottish Government has set in statute ambitious targets to significantly reduce levels of child poverty by 2030, with increasing income from employment identified as one of the three drivers to deliver this aspiration. Action to deliver on the ‘national mission’ to tackle child poverty entered a new phase with the launch of *Best Start, Bright Futures*, the second Child Poverty Delivery Plan in March 2022, which committed to strengthening collaboration and joined up working across departments, services, and sectors.

The Poverty & Inequality Commission have argued that meeting the 2030 target will require ‘more transformational change’, including action to reshape the economy¹. There is no single policy which will deliver the change needed on its own. Rather, as the Scottish Leader’s Forum Action Group on Child Poverty observed: ‘we must draw the maximum impact from every action taken and investment made. We all need to re-examine our strategic approach to child poverty and see how we can identify better and more effective interventions that accelerate our progress.’² The step-change required to make a significant impact on child poverty involves more effective use of all government powers and applying the ‘big levers’ available, including economic development; planning; housing; transport; employability, skills, and education; childcare, and social security. In this spirit, the End Child Poverty coalition have urged local authorities to use the full range of their powers to maximise household income and reduce costs, including more effective use of economic development policies³.

The Scottish Government recognise that measures to tackle child poverty must align with local and regional economic development policy. The first Child Poverty Delivery Plan stated that ‘we will work with local authorities and Regional Economic Partnerships across Scotland to promote, monitor and evaluate activity designed to maximise regional inclusive growth, including a focus on delivering strong and sustained reductions in child poverty’⁴. However, as several commentators have noted, ‘Identifying the impact of regeneration on poverty is not straightforward. Regeneration programmes have rarely been conceived directly to tackle

¹ Poverty and Inequality Commission (2022) *Child Poverty Delivery Plan Progress 2021-22. Scrutiny by the Poverty and Inequality Commission*. Glasgow: PIC. <https://povertyinequality.scot/wp-content/uploads/2022/06/Poverty-and-Inequality-Commission-Child-Poverty-scrutiny-report-2021-2022.pdf>

² p.3 in Scottish Leader’s Forum Action Group on Child Poverty (2022) *Commitment to End Child Poverty - A Call to Action for Leaders in Scotland*. <https://scottishleadersforum.files.wordpress.com/2021/12/scottish-leaders-forum-child-poverty-group-a-call-to-leaders.pdf>

³ End Child Poverty (2022) ‘“No Room for Complacency” as Child Poverty Remains High Across Scotland Amid Deepening Cost of Living Crisis’. *CPAG Press Release*. 12 July 2022. <https://cpag.org.uk/news-blogs/news-listings/no-room-complacency-child-poverty-remains-high-across-scotland-amid>

⁴ p.93 in Scottish Government (2018) *Every Child, Every Chance: Tackling Child Poverty Delivery Plan 2018-2022*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

poverty'⁵. Nevertheless, despite the challenges involved, it is necessary to examine how local and regional economic development policies can contribute to reducing child poverty in Scotland.

Research aims

The purpose of the study is to examine the relationship between regional / local economic development measures and child poverty policy in Scotland. In particular, the aim is to document how these respective areas of work relate to each other and identify how they might be better integrated. This is not a policy evaluation. Rather, the intention is to gather evidence on the experiences, reflections, and recommendations from those involved in developing and delivering regional economic development and regeneration initiatives and analyse their views on how these relate to and could contribute to reducing child poverty. The research has two substantive objectives:

- Identify focus and overlap: examine the extent to which and how regional and local economic development partnerships and initiatives in Scotland address child poverty.
- Identify promising practice: highlight examples of interesting economic development projects or policy processes and consider the potential transferability of such actions.

Research methods

The project involved three inter-related activities:

- Background and context - summarising key findings from the literature on the relationship between inclusive economic development and child poverty and gathering the opinions of experts in Scotland on these issues.
- Key document analysis - conducting systematic analyses of the Local Child Poverty Action Reports (LCPARs) published in 2020 to identify references to local economic development and reviewing City Growth Deals documentation to identify references to child poverty.
- Case study analyses - interviewing representatives from different sectors in three local authorities in Scotland to document the extent to which regional / local economic policies and ecosystems address child poverty issues.

Key findings

Findings from these three programmes are collated under six themes.

⁵ p.1 in Crisp, R. et al. (2014) *Regeneration and Poverty: Evidence and Policy Review*. York: Joseph Rowntree Foundation.; p.2 in Robertson, D. (2014) *Regeneration and Poverty in Scotland: Evidence and Policy Review*. York: Joseph Rowntree Foundation.

Focus on child poverty

- **Child poverty is a recognised problem.** There were no dissenting voices among those interviewed in the three case study areas on the need to tackle child poverty, and there was much awareness of the scale of the challenge in each area.
- **Child poverty is a relevant issue.** Tackling child poverty was understood to be an important societal goal and was also an issue that personally motivated the work of several interviewees. It was also widely accepted as relevant to local economic development work.
- **Child poverty is not a headline issue.** Despite agreement about the importance of child poverty and its relevance to local economic development work, no-one interviewed presented it as an explicit and primary goal. Interviewees defined their headline and priority issues in relation to improving conditions and addressing economic challenges in their local areas.
- **Reducing child poverty is a consequence of economic development more than an imperative.** Although there was some recognition among interviewees of an economic rationale for tackling child poverty *per se*, a more common view was that economic development could have a positive impact in reducing child poverty.
- **Policy and priorities in transition.** There was a clear sense of a growing focus on child poverty - or at least a strengthening focus on some of the factors conducive to tackling child poverty, particularly inclusive growth - in local economic development work. This was evident in how existing activities were 'retrofitted' as relating to child poverty and how new work was conceived of and regarded in relation to it.
- **Trickle down approach.** There was an evident belief in a version of 'trickle down' impact. That is, the view that economic development would *itself* reduce child poverty and associated problems. There was also evidence of a more contemporary variant of this view: that community wealth building and inclusive growth measures would lead reduce child poverty. Consistent with conventional trickle-down thinking, the benefits of economic regeneration tended to be accepted as a truism, although some interviewees did articulate some of the processes involved in reducing poverty.
- **Concerns over the alignment between inclusive growth, community wealth building and child poverty.** Most interviewees considered that inclusive growth and community wealth building measures would reduce child poverty. However, some expressed concerns these approaches would not necessarily reduce child poverty and could in fact distract from tackling it effectively.
- **Low pay and skills gaps.** Low pay and a mismatch between some applicants' skills and local employment opportunities were identified in each case study area as inter-related problems which needed to be addressed. However, the nature of the 'low pay' and 'skills gap' problems were different in each area.
- **Local economic challenges.** In addition to low pay, some particular local economic issues were identified in each case study areas. Examples of such issues included start-up failure rates, local labour shortages, a need for micro-qualifications, population health issues, and mismatches in labour market geography. Child poverty itself tended not to be raised when such issues were discussed.

Consideration of particular 'child poverty' issues

- **Childcare and the foundational economy.** Childcare was only acknowledged by interviewees as a factor contributing to child poverty after prompting. However, one case study area had a stronger focus on the 'Foundational economy', and the importance of childcare to improving returns from work was better understood there.
- **Transport.** Transport was identified in each case study area as a significant barrier to reducing child poverty. This was often discussed in relation to a particular locality or population group.
- **Child poverty conceived as a 'young adult' issue.** Although there was acknowledgement of the wide array of problems that child poverty raises for families, some interviewees interpreted the issue from a professional perspective as concerning the labour market prospects of young adults.
- **Covid as an epiphany.** For many interviewees, one consequence of Covid was to increase awareness of the scale and nature of child poverty in their area. Although it was acknowledged that the pandemic intensified the problem, poverty was not regarded as short-term consequence of Covid; rather it has made a wider range of professionals more aware of local child poverty.

Understanding the drivers for concern over child poverty

- **Child Poverty (Scotland) Act.** There was little - and often no - reference in interviewees to the 2017 Act and the ambition to significantly reduce levels of child poverty. However, some interviewees referred to Local Child Poverty Action Reports and were aware of the joint responsibility of local authorities and local health boards to produce these.
- **Local drivers.** There was a strong sense that interest in child poverty was driven by local factors, such as interviewees' awareness of local problems and assessments of failed attempts to tackle the problem.
- **Local champions.** In one area where child poverty was widely regarded as a less serious problem, the persistence of a concerned professional in forcing the issue onto the agenda was acknowledged.
- **Regional economic strategies as catalyst.** There was general belief that regional strategies were a catalyst for driving the poverty agenda forward. Interestingly, some interviewees regarded this as providing an opportunity for localities which had made progress to share and influence practice in neighbouring areas.

Measuring impact

- **No blueprint.** No reference was made in interviews to existing work to enable the impact of local economic development activity on child poverty to be assessed clearly, consistently, and confidently.
- **Sharpening of impact metrics.** Although presented as 'work in progress', local economic development metrics were becoming more granular (particularly in the large

city case study authority, but also in each case study area), and the focus was becoming more closely aligned to the priorities of the Child Poverty (Scotland) Act; in particular, targeting priority groups.

- **Openness to learning and sharing practice.** There was much interest in improving measurement and enthusiasm to learn from existing practice. This was also evident from external partnerships which had been developed to improve evaluation frameworks.
- **No aversion to targets and measurement.** Despite some caveats about targets (e.g., the risk of skewing activity towards what can be measured, or metrics that are inappropriate to local context), there was support for setting targets to sharpen the focus of local economic development activity on tackling child poverty.
- **Desire to disentangle local impact.** The complexity surrounding child poverty made it difficult to identify the impact of particular interventions. However, improving attribution was regarded as a desirable goal.

Facilitating a stronger focus on child poverty

- **Collaborative working.** Interviewees acknowledged the need for mechanisms to facilitate collaboration; although these were not regarded as flawless, they were nonetheless viewed as helping to develop a stronger focus on child poverty.
- **Going local and listening to experience.** There was no widespread advocacy among interviewees of the need to orient practice to local needs and 'lived experience', but where this was acknowledged, there was a strong conviction that it would lead to more effective actions.
- **Private sector - in and out.** Opinions were mixed on the extent to which the private sector was central to tackling child poverty. Although there was much reference to positive private sector engagement, some frustrations were also evident. Concern was expressed that the private sector was at times implicitly presented as 'the problem', or that the contribution of private enterprise was marginalised or overlooked. The need to improve what low paid workers received from employment was recognised by several interviewees.
- **Community benefit clauses.** There was much support for the potential of community benefit clauses to improve returns for local areas; however, it was agreed that their contribution to tackling child poverty could be greater.
- **Well-being on the agenda.** It was agreed that the growing interest in a wellbeing economy was strengthening the focus on child poverty. However, it was felt that the line of sight between wellbeing and child poverty policies should be made clearer.
- **Local is not parochial.** Although it was felt that some local environmental and climate change policies (such as highlighting food miles) could become regressive and protectionist, it was also believed that interest in environmental issues provided an opportunity to present, promote and support local producers.
- **Traditional barriers.** Some of the barriers to strengthening the focus on child poverty were familiar to those in local government and third sector organisations: under-resourcing, lack of time for reflection and short-term funding. Several such issues had

been intensified by Covid. In one case, new needs were identified and addressed using Covid funding - anticipating that these challenges would not end as we recover from the pandemic, but the funds provided to address them would not be available in the future.

- **Timeframe for impact.** A view articulated by some was the concern that the usual timeframe for economic development activity was problematic in the face of current challenges and recent trends. In particular, it was felt that the contemporary intensification of child poverty makes it harder for medium-to-longer term economic development activities to be regarded as successful.
- **Mixed opinions on optimal geography.** There was recognition that national objectives were sufficiently flexible to allow for local priorities to be addressed. On the other hand, traditional concerns over an inequitable 'postcode lottery' were also expressed. Interestingly, some interviewees felt that the optimal scale for some interventions was at the regional level.

Promising practice

- **Work in progress.** A strong theme to emerge was that economic development policy was in the early stages of transitioning to accommodate a stronger focus on the inclusive economy, with implications for tackling child poverty. There were several references to 'some time next year' as being a better time to revisit the child poverty issues discussed in the interviews.
- **Private sector organisations as anchor institutions or community supporters.** Several interviewees were keen and able to demonstrate how locally focussed private sector enterprise (and social enterprise) supported community needs. This was not regarded as a recent innovation but rather as routine and an overlooked aspect of business-as-usual.
- **Local procurement as a programme rather than an aspiration or a target.** There is growing interest in using public procurement for local wealth building and redistribution. Best practice was described as supporting local businesses to compete for such contracts.
- **Working with parents to extend reach and shift mindsets.** Interesting examples were provided of new ways of engaging parents to help develop the career prospects of young people.
- **Intelligence hub.** There was growing recognition of the need to improve metrics, monitoring and evaluation of the impact of economic development activity on child poverty. One innovation presented as a success in this area was the development of the work of specialist teams to advance this agenda.

1. Introduction

Significantly reducing poverty boosts our economy but achieving it requires better wages and fair work. We will ensure that work provides a sustainable standard of living and a genuine route out of poverty.

Scottish Government (2022, p.14)⁶

1.1 Poverty and Scotland's national economy

Delivering Economic Prosperity, Scotland's National Strategy for Economic Transformation was launched in March 2022,⁷ outlining five 'bold new policy programmes for action'. One of these programmes was to

reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.

Section six of the report was devoted to this theme of 'a fairer and more equal society', with the whole report including 56 explicit references to poverty (and often child poverty) across 22 of its pages. Understandably, references to poverty were most prevalent in section six, although poverty was mentioned in the scene-setting section on 'Our future economy'⁸, and all but one⁹ of the other action-oriented sections on entrepreneurial people and culture¹⁰, new market opportunities¹¹, and a skilled workforce¹². Concerns with poverty are woven

⁶ Scottish Government (2022) *Delivering Economic Prosperity. Scotland's National Strategy for Economic Transformation*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>.

⁷ Ibid.

⁸ In the Scottish Government *Delivering Economic Prosperity* report, reducing poverty is presented as a key component of one of the three ambitions (a Fairer Scotland) (p.9), Tackling Child Poverty is identified as one of the existing plans with which the Economic Strategy aligns (p.10), poverty is identified as a structural challenge, which if addressed would boost productivity (p.11), reducing poverty is conceived as an outcome of a just transition (p.12), child poverty is proposed as one of the metrics of a new Wellbeing Economy Monitor (p.14) and there is a commitment to ensure that work is a route out of poverty (p.16).

⁹ There is no explicit reference to poverty in the section of 'Productive Businesses and Regions', although even here there is consideration of Community Wealth Building (pp. 32,33,36), inclusive growth (p.32) and shifts in the way in which wealth is created and shared among people (p.34)

¹⁰ Here, there was a commitment to create a world class entrepreneurial infrastructure, to set targets and focus on providing access to support programmes from the most under-represented groups (including the six priority groups at most risk of child poverty) (p.21).

¹¹ Here, the outcome of making a meaningful contribution to tackling child poverty is attributed to the regional Just Transition plans and forthcoming green industrial opportunities (p.25).

¹² Child poverty is identified as one of the long-standing regional inequalities that sit alongside regional variation in GVA per capita and productivity (p.32), with targeting more skills investment and support to working aged people in poverty identified as an action within the work programme to support and

throughout Scotland's latest vision for economic development, heralding a distinctive way of thinking at the national level. The research reported in this study considers the extent to which this new national vision for economic development reflects outcomes, practice, and positioning at the local level across Scotland.

1.2 Aims of this report

This report has two aims:

- Focus: to consider how 'inclusive growth' has been operationalised and applied at the regional and local level in Scotland by examining the extent to which and how sub-national economic development partnerships address child poverty.
- Promising practice: to make practical contribution by highlighting examples of interesting economic development projects or policy processes and consider these may be adapted and applied across regional economic development partnerships, local authorities, Community Planning Partnerships, and other stakeholders.

1.3 Research that underpins the report

Three inter-related activities were undertaken to meet these aims:

- Review of thinking on the relationship between inclusive growth, local and regional economic development, and child poverty - drawing both on published evidence and interviews with key informants to summarise the existing evidence base and current theory.
- Key document analysis - a systematic review of the year 2 Local Child Poverty Action Reports (LCPARs) produced in 2020. It is a statutory duty under the Child Poverty (Scotland) Act 2017 for local authorities and health boards to produce an annual LCPAR. Each of these Reports was reviewed systematically to identify references to local economic development. A systematic review of City Region Deals documentation was simultaneously undertaken to identify references to child poverty.
- Case studies - interviews with stakeholders in three local authority areas (one 'mainly rural', one 'urban with substantial rural areas' and one 'larger city') to understand the extent to which the local economic ecosystems are focused on tackling child poverty.

Further information on each of these activities is included in Annexes to this report:

- Content analysis (Annex 1)
- Case study analyses (Annex 2)

incentivise people and their employers (p.41). It is also acknowledged that reducing child poverty is inextricably linked to systematically addressing inactivity in Scotland's labour market (p.42).

1.4 Structure of this report

Following this Introduction, this report is organised into three substantive Chapters and a Conclusion:

- Inclusive economic development and child poverty - Chapter 2 summarizes the key themes from the relevant literature and key informant interviews.
- Child poverty and the economic regeneration agenda? - drawing on the content analyses and findings from case study interviews, Chapter 3 documents the extent to which there is a focus on child poverty in local and regional economic development work in Scotland
- Beyond the headline - Chapter 4 outlines the different ways in which child poverty was referred to in the case study interviewees
- Concluding thoughts - Chapter 5.

2. Inclusive economic development and child poverty

Identifying the impact of regeneration on poverty is not straightforward. Regeneration programmes have rarely been conceived directly to tackle poverty

Crisp et al. (2014, p.1)¹³

2.1 Introduction

A plethora of variously related terms and a confusing range of policies and institutions surround any analysis of regional and local economic regeneration partnerships and child poverty. To fully understand the views reported in Chapters 3 and 4, it is important to consider some key terms and try to clarify the policy and institutional context. This Chapter draws upon published sources and insights gathered from interviews with experts to outline the theoretical and policy background to the work of Regional Economic Partnerships (REPs) in Scotland as these relate to child poverty¹⁴. This overview is not based on a formal systematic review (i.e., an exhaustive search of databases using standardised selection procedures)¹⁵, nor does it seek to present a comprehensive account of the economic regeneration literature. There is an abundance of information on and assessment of economic regeneration policy (including international experience), and it is not the intention here to repeat this¹⁶. What follows is intended to contextualise the work of REPs in Scotland and consider how this relates to main key concepts, approaches, and debates in the field.

2.2 Research and policy on inclusive growth, regional economic development and child poverty

2.2.1 Theoretical background: 'inclusive growth' and related ideas

Several different terms and concepts are used to refer to regional and local economic regeneration, and there is a long tradition of different approaches and initiatives in the UK and Scotland, dating back to at least slum clearance programmes in the early part of the 20th

¹³ Op cit., note 5

¹⁴ Scottish Government (2022) *Scotland's National Strategy for Economic Transformation: Regional Economic Partnerships – Evidence*. Edinburgh: Scottish Government.
<https://www.gov.scot/publications/scotland-national-strategy-economic-transformation-evidence-regional-economic-partnerships/>

¹⁵ p.457 in Christensen, J. (2021) 'Expert Knowledge and Policymaking: A Multi-disciplinary Research Agenda', *Policy & Politics*, 49(3), 455-471.

¹⁶ For examples, refer to the 'What Works Centre for Local Economic Growth' web pages:
<https://whatworksgrowth.org/>

century, if not before¹⁷. It is not possible here to cover all of these ideas and actions but considering a few key terms and flagship policies is helpful in establishing the context for the work of REPs in Scotland. Among the ideas which arise in this context (and which the case study interviews mentioned) are ‘inclusive growth’, ‘levelling up’, ‘wellbeing economy’, community wealth building (CWB) and the ‘foundational economy’. Among the relevant policies to note are City Growth Deals, Freeports/Greenports, and the Shared Prosperity Fund.

An important distinction to consider in any analysis of economic regeneration policy is whether actions are addressed towards places (i.e., regions or local areas) or particular groups of people *in* places. It is possible for a regeneration policy to improve conditions in a locality without necessarily benefitting residents of that place, or other particularly disadvantaged groups, e.g., if regeneration leads to gentrification or displacement of lower income households, or new economic opportunities are taken up by those outwith the locality. It is also possible that the incomes of the poorest households within a locality might increase but do so at a lower rate than other groups so that inequality or relative poverty rises. Some economic activity indicators used to measure impact (such as regional Gross Value Added - GVA) do not adequately capture the beneficiaries of any changes¹⁸. Some commentators have criticised recent regional economic regeneration policies for being unclear about ‘whether the government wants to target inequalities between people or places’¹⁹. This distinction between places and people is not absolute, but it is important to be aware of the potentially variable impact on child poverty of different approaches to regeneration. This is one reason for the recent interest in ideas of inclusive growth.

2.2.1.1. Inclusive growth

The attention given to inclusive growth (IG) is part of a general trend in economic thinking developed in response to the fiscal crisis and recession of 2008 and a wider critique of neoliberal theory and policy²⁰. The underlying principles of IG have a long history, but the concept has been particularly prominent in Scotland since 2015 when the Scottish Government declared it as its central economic objective²¹. It has been noted that ‘inclusive growth means many different things to different people... it is blurrily defined and inconsistently understood [and there are] ... few clear examples of what inclusive growth looks like in practice’²². Despite this the basic characteristics of IG are clear: it is concerned with understanding both who benefits from economic activity and how, in order to identify

¹⁷ For example, Garden Cities in the 19th century and the work of Patrick Geddes form part of the pre-history of thinking about issues related to regeneration.

¹⁸ Beatty, C. and Fothergill, S. (2021) *Beyond the Pandemic: Older Industrial Britain in the Wake of the Crisis*. Sheffield: Coalfields Regeneration Trust / Industrial Communities Alliance.

¹⁹ p.5 in Shearer, E, Shepley, P. and Soter, T. (2021) *Levelling Up: Five Questions About What the Government Means by the Phrase*. London: Institute for Government.

²⁰ For example, Gerstle, G. (2022) *The Rise and Fall of the Neoliberal Order: America and the World in the Free-Market Era*. Oxford: Oxford University Press.

²¹ Clelland, D. (2020) ‘Beyond the City Region? Uneven Governance and the Evolution of Regional Economic Development in Scotland’, *Local Economy*, 35(1): 7-26.

²² p.6 in Statham, R. and Gunson, R. (2022) *Inclusive Growth: What does it look like?* Edinburgh: Scottish Government.

‘whether we can do more to spread the benefits to those most in need?’²³. The Scottish Government defines IG as ‘Growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly’²⁴. This definition resembles that of the OECD²⁵, the Joseph Rowntree Foundation²⁶, and the Royal Society of Arts Inclusive Growth Commission²⁷. It has been observed the IG relates in some respects to ideas of a wellbeing economy²⁸.

Proponents of IG argued that it should not be assumed that economic growth *per se* results in greater inclusion²⁹. They argue that a genuinely inclusive approach to economic policy and regeneration involves considering the distributional effects of economic policy in advance rather than intervening and redistributing resources after the fact³⁰. Therefore, effective IG policies take a preventative approach³¹, and consider the effect of economic policies upon equality, in line with the principles and stipulations of the Fairer Scotland Duty³². Another postulate of IG is that economic growth and equality are complementary rather than competing concerns. For example, the Advisory Group on Economic Recovery reiterates the view of the Scottish Government that ‘strong sustainable economy goes hand in hand with a fair and equal society’³³, and argued that ‘There is growing evidence that delivering sustainable growth and addressing longstanding inequalities are reinforcing - and not competing - objectives... the IMF notes that tackling inequality is not only a social imperative; it is critical for sustaining growth’³⁴.

²³ p.3 in Improvement Service (2019) *Inclusive Growth*. Elected Member Briefing Note. Livingston: Improvement Service. March 2019.. https://www.improvementservice.org.uk/_data/assets/pdf_file/0023/8339/em-briefing-note-inclusive-growth.pdf

²⁴ Scottish Government (2018) *Poverty Reduction and Inclusive Growth*, Edinburgh: Communities Analysis Division, Scottish Government. <https://www.gov.scot/publications/poverty-and-inclusive-growth/>

²⁵ OECD’s definition of inclusive growth is ‘Economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society’. P.80 in OECD (2014) *All on Board. Making Inclusive Growth Happen*. Paris: OECD. <https://www.oecd.org/inclusive-growth/All-on-Board-Making-Inclusive-Growth-Happen.pdf>

²⁶ Stott, J. (2017), *RSA Inclusive Growth Commission*. York: JRF and Inclusive Growth Analysis Unit. <https://www.jrf.org.uk/report/rsa-inclusive-growth-commission>

²⁷ Inclusive Growth Commission (2017) *Making Our Economy Work for Everyone*. London: IGC of the Royal Society of Arts. https://www.thersa.org/globalassets/pdfs/reports/rsa_inclusive-growth-commission-final-report-march-2017.pdf

²⁸ Deas, S. (n.d.) ‘It’s Time for a Wellbeing Economy. What Does That Really Mean?’ *SCRIG Blog* (Scotland’s Centre for Regional Inclusive Growth). <https://www.inclusivegrowth.scot/wellbeing-economy/2020/09/its-time-for-a-wellbeing-economy-but-what-does-that-really-mean/>

²⁹ Waite, D, McGregor, A. and McNulty, D. (2015) *Issues Paper on City Deals and Inclusive Growth*. York: Joseph Rowntree Foundation / Policy Scotland.

³⁰ Zarnic, Z. (2019) Presentation to Meeting of the Regional Inclusive Growth Network, 12th March.

³¹ Op cit., Note 23 (Improvement Service, 2019, p.5).

³² p.7 in Scotland’s Centre for Regional Inclusive Growth (2021) *Inclusive Growth & Regional Economic Partnerships - A Guide*. Edinburgh: SCRIG. <https://www.inclusivegrowth.scot/resources/inclusive-growth/2021/03/inclusive-growth-regional-economic-partnerships-a-guide/>

³³ p.22 in Scottish Government (2021c) *Covid Recovery Strategy: For a Fairer Future*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/covid-recovery-strategy-fairer-future/>

³⁴ p.11 in Advisory Group on Economic Recovery (2020) *Towards a Robust, Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery*. Edinburgh: Scottish Government.

However, despite such consensus and widespread enthusiasm, doubts remain about how IG can be operationalised and applied in practice. Research conducted by Institute for Public Policy Research in Scotland found that ‘the further you move from central government to local areas, or from the senior level to the practitioner level, the more confusion there is surrounding what inclusive growth is, and what it is trying to achieve’³⁵. This confusion is compounded by several seemingly similar and contested ideas and policies.

2.2.1.2. *Levelling up and shared prosperity*

The UK Government’s promotion of a ‘levelling up’ approach to regional economic and regeneration policy has been criticised as ‘nebulous’. The relationship of levelling up to IG and other concepts is difficult to determine definitively³⁶. The UK Treasury report *Build Back Better: Our Plan for Growth* described levelling up as a new economic approach to tackling regional inequality concerned with ‘improving everyday life for people in those [so-called ‘left-behind’] places’³⁷. Irrespective of any conceptual ambiguities, levelling up is an important policy area³⁸. The UK Government’s Levelling Up Fund is a significant source for investment in capital projects and large infrastructure developments, and over £170 million was provided to authorities in Scotland from the first round of the Levelling Up Fund in 2020³⁹. A second round of funding was announced in March 2022. This will provide £4.8 billion across the UK as a whole to 2024.

A separate but closely related term and policy activity is the UK Government’s Shared Prosperity Fund, launched in April 2022. The stated purpose of the Fund is ‘levelling up opportunity and prosperity and overcoming deep-seated geographical inequalities’⁴⁰, and is intended to replace EU Structural and Social Funding. The intention is to achieve the desired outcomes through measures which will ‘build pride in place and increase life chances, boost productivity, pay, jobs and living standards’⁴¹. Local authorities are responsible for leading applications for Shared Prosperity Funding, and encouraged to form regional partnerships and shared Local Investment Plans to do so. The UK Government’s guidance on the Fund describes City and Growth Deals in Scotland (and also Wales) as ‘strong examples of

<https://www.gov.scot/publications/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/>

³⁵ Op cit., Note 22 (Statham and Gunson, 2022, p.16).

³⁶ Op cit., Note 19 (Shearer et al, 2021, p.15).

³⁷ p.70 in HM Treasury (2021) *Build Back Better: Our Plan for Growth*. London: HM Treasury (CP401) <https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth>.

³⁸ For more information, visit: <https://levellingup.campaign.gov.uk/>

³⁹ Department for Levelling Up, Housing and Communities (2022) *Levelling Up Fund Round 2: Prospectus*. London: UK Government. <https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus/levelling-up-fund-round-2-prospectus>.

⁴⁰ Department for Levelling Up, Housing and Communities (2022) *UK Shared Prosperity Fund: Prospectus*. London: UK Government. <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

⁴¹ Glasgow City Region - City Deal Cabinet (2022) *Shared Prosperity Fund Update*. Item 8 (15th February) - <https://glasgow.gov.uk/councillorsandcommittees/viewSelectedDocument.asp?c=P62AFQDNZLDXZ3DXNT>

collaboration’, indicating that the Fund will relate in some respects to existing REPs. One distinctive feature of the Shared Prosperity Fund is the stipulations that local Members of the UK Parliament ‘should be closely engaged in the design and delivery of the Fund’, and that ‘local authorities [should] report individual project outputs and outcomes at UK Parliament constituency level’.

2.2.1.3. Foundational economy

A final idea relevant to understanding the context of economic regeneration and child poverty in Scotland is the foundational economy (FE). This refers to what has been described as essential products and services that keep residents ‘safe, sound, and civilised’⁴², which are vital to maintaining wellbeing and impact most directly upon quality of life. Examples of the FE sectors include education, health and social care provision, basic utilities, retail, and transport. The FE overlaps significantly with the services provided by the ‘key workers’ who kept the economy running during Covid. Among its other features - which can involve radical visions of alternative economic models⁴³ - the idea of an FE highlights areas which are particularly important sources of female employment and which are forecast to expand in Scotland⁴⁴. However, it is more challenging to measure productivity in FE sectors, and its contribution to conventional measures of prosperity and growth are often underestimated. Nevertheless, some important features of the FE overlap or are compatible with ideas of inclusive growth, the wellbeing economy and more progressive forms of regional and local economic development and regeneration.

2.2.2. Regional economic policy in the UK and Scotland

2.2.2.1. Policy background

There have been several phases of economic development and regeneration policy in the UK in the post-WW2 era, each characterised by distinctive approaches. In many cases, reducing poverty was at best an implicit objective of many of these measures; however, it has not always been clear how this outcome was expected to be achieved nor what specific actions were taken to accomplish it.

Following the Town & Country Planning Act 1947 and the creation of New Towns, the first significant regional and local economic regeneration policy in the UK were the Community Development Programmes (CDPs) developed in the 1960s⁴⁵. These were the first in what came to be known as area-based initiatives (ABIs) which target support towards particular deprived (usually urban) neighbourhoods for a fixed time period. CDPs were modelled on

⁴² Glasgow City Region Intelligence Hub (2022) *Glasgow City Region Foundational Economy* –Presentation. 10th Jan.

⁴³ For more information, visit: <https://foundationaleconomy.com/>

⁴⁴ Skills Development Scotland (2022) *Regional Skills Assessment. Glasgow City Region. March 2022.* <https://www.skillsdevelopmentscotland.co.uk/media/49105/rsa-regional-report-glasgow-city-region.pdf>

⁴⁵ Alcock, P. (2005) ‘Maximum Feasible Understanding - Lessons from Previous Wars on Poverty’, *Social Policy and Society*, 4(3): 321-329.

programmes developed as part of the 'War on Poverty' launched in the USA by President Johnson. The British CDPs initially focused on addressing what were regarded by the UK Government as the causes of the 'cycle of deprivation' which 'transmitted' deprivation over generations. However, in practice, this understanding of the causes of local economic decline and disadvantage was rejected by many of those responsible for implementing the Programmes, who advocated instead structural reforms to patterns of investment, changing employment conditions and supporting community empowerment⁴⁶.

Following a range of similar ABIs in the 1970s - such as the Glasgow Eastern Area Renewal programme⁴⁷ - a different approach to regional economic development and regeneration was introduced by the Conservative governments in the 1980s. This focussed on leveraging private sector resources to rebuild and renew areas of economic decline and potential development. Examples of such programmes include Urban Development Corporations and Enterprise Zones (EZ). The latter are seeing something of a revival in the creation of Freeports (and the corresponding Green Freeports in Scotland⁴⁸). Enterprise Zones exemplified the market-oriented approach to local economic development favoured by the 1980s Conservative UK Governments. The principle underlying idea was to stimulate job creation by providing various incentives (in the form of tax rebates) and exemptions (deregulation) in localities considered to have the potential to attract private investment. The motivating belief was that freeing up enterprise and making land and infrastructure more attractive to the private sector is essential to 'creating a more entrepreneurial culture in areas deemed dependent on local welfare'⁴⁹ The original EZs ran for about a decade with marginal evidence of any net contribution to job creation or economic growth⁵⁰. Some of the Urban Development Corporations set up around the same time did have a significant effect on the physical environment and commercial activity in particular areas, most notably in London Docklands. However, evaluations concluded that this impact was dependent upon fluctuation conditions in national and local property markets and did not necessarily benefit the most disadvantaged communities nor in themselves significantly reduce poverty⁵¹.

A further turn in UK regional and local economic regeneration policy was taken under the Labour Government (1997-2010). The shifted the focus from private sector infrastructure development towards tackling social exclusion through local partnerships, active labour

⁴⁶ Green, J. and Chapman, A. (1992) 'The British Community Development Project: Lessons for Today', *Community Development Journal*, 27(3): 242-258.

⁴⁷ Wannop, U. (1990) 'The Glasgow Eastern Area Renewal (GEAR) Project: A Perspective on the Management of Urban Regeneration', *The Town Planning Review*, 61(4): 455-474.

⁴⁸ For more information, visit: <https://www.gov.scot/policies/cities-regions/green-ports/> p.7

⁴⁹ Op cit. Note 5 (Crisp et al., 2014, p.7).

⁵⁰ Swinney, P. (2019) 'In the Zone? Have Enterprise Zones Delivered the Job Promised?' *Centre for Cities Briefing*. London: Centre for Cities. <https://www.centreforcities.org/publication/in-the-zone-have-enterprise-zones-delivered-the-jobs-they-promised/>

⁵¹ National Audit Office (1993) *The Achievements of the Second and Third Generation Urban Development Corporations*. London: HMSO. <https://www.nao.org.uk/pubsarchive/wp-content/uploads/sites/14/2018/11/The-Achievements-of-the-Second-and-Third-Generation-Urban-Development-Corporations.pdf>; Cochrane, A. (1999) 'Just Another Failed Urban Experiment? The legacy of the Urban Development Corporations' in Imrie, R. and Thomas, H. (eds) *British Urban Policy: An Evaluation of the Urban Development Corporations*. London: Sage. 246-272.

market policies and various community engagement initiatives. In Scotland this approach was manifest in Social Inclusion Partnerships (SIPs) which operated between 1999 - 2004⁵². While some SIPs had a thematic focus on particular target groups (e.g., younger people or minority ethnic communities), they were also a further stage in the development of ABIs intended to stimulate neighbourhood renewal⁵³. Interestingly, some did have an explicit child poverty remit⁵⁴. An evaluation of the programme by Communities Scotland concluded that SIPs were effective in improving local partnership working and engaging communities⁵⁵. However, there was no evidence of their independent impact upon child poverty. The work of most SIPs was absorbed by Community Planning Partnerships following the Local Government in Scotland Act 2003⁵⁶.

The history of regional and local economic regeneration policy in Scotland strongly resembles that in the UK as a whole for much of the past 80 years⁵⁷. This is unsurprising, given that policy was decided largely at the UK level until the Scottish Parliament was reconvened in 1999. Nevertheless, there were some significant developments in regeneration policy in Scotland before 1999. Much of which was led by the regional local authorities which existed between 1975-96, which were responsible for important aspects of urban infrastructure, housing and employment skills and training policy. For example, Strathclyde Regional Council was an important partner in the GEAR programme referred to above, which ran from 1976-1987⁵⁸.

The most recent stage of regional and local economic regeneration policy in the UK was initiated at the UK level by the Coalition government (2010-15) and the subsequent Conservative administrations. This takes a 'localist' approach, 'which stresses the promotion of locally based strengths and assets through tailored development strategies based on local knowledge'⁵⁹. Key policies 'focus on promoting economic growth where conditions are

⁵² McWilliams, C. et al. (2004) 'Urban Policy in the New Scotland: The Role of Social Inclusion Partnerships', *Space and Polity*, 8(3): 309-319

⁵³ Juleff, L. et al. (2005) 'The European Influence on Social Policy in Scotland: Changing Terminology or Changing Practice?' *Presentation to 45th Congress of the European Regional Science Association*, Amsterdam. <https://www.napier.ac.uk/research-and-innovation/research-search/outputs/the-european-influence-on-social-policy-in-scotland-changing-terminology-or-changing#downloads>

⁵⁴ Minister for Communities (2000) *Memorandum from Wendy Alexander MSP, Scottish Executive Minister for Communities*. Select Committee on Scottish Affairs, UK Parliament. <https://publications.parliament.uk/pa/cm199900/cmselect/cmsscotaf/59/0032202.htm>

⁵⁵ Communities Scotland (2004) *Evaluation of Social Inclusion Partnerships (SIPs)*. Precis No 42. <https://www.webarchive.org.uk/wayback/archive/20190502141623/https://www2.gov.scot/Topics/Researched/by-topic/Planning/precis42>

⁵⁶ Carley, M. (2006), 'Partnership and Statutory Local Governance in a Devolved Scotland', *International Journal of Public Sector Management*, 19(3): 250-260.

⁵⁷ For an accessible overview of the history of area regeneration policy in Scotland see McKendrick, J.H. (2014) *A Red Road to Regeneration in Scotland? A Common Weal Approach to Urban Regeneration*. Glasgow: Common Weal, <https://dokumen.tips/documents/a-red-road-to-regeneration-for-scotland-common-weal-common-wealcachefile.html>; and Op cit., Note 5 (Robertson, 2014).

⁵⁸ Brindley, T. et al. (1996) 'Public-investment Planning: the Glasgow Eastern Area Renewal project' in Brindley, T. et al. (eds) *Remaking Planning: The Politics of Urban Change*. (2nd edition). London: Routledge. 97-110.

⁵⁹ Op cit., Note 21 (Clelland, 2020, p.9).

favourable rather than targeting disadvantaged areas’, and regeneration is ‘only implicitly... directed towards tackling poverty’⁶⁰. The most prominent examples of this approach in recent years are City Deals.

2.2.2.2. City Region Growth Deals and Regional Economic Partnerships in Scotland

City Deals were initiated by the 2011 UK Government White Paper *Unlocking Growth in Cities*⁶¹. In August 2014, the UK Government and the Scottish Government jointly announced the first City Deal in Scotland, in the Glasgow City Region, which is planned to operate for 20 years⁶². City Deals constitute a major investment of public resources. The Glasgow City Regional Deal includes £500m each from the UK and Scottish Government and £130m from the eight local authority members⁶³; the City Deal programme as a whole involves £5 billion in investment⁶⁴.

The Scottish Government’s Enterprise and Skills Review recommended that Regional Economic Partnerships should be established throughout Scotland. As a result, Growth Deals were expanded to a wider range of areas and are now referred to as City Region and Regional Growth Deals⁶⁵. There are currently 12 such Deals in Scotland. The first ‘non-city’ Growth Deal in Scotland was agreed for Ayrshire in March 2019. It is therefore important to recognise that not only are REPs in Scotland at different stages of development, but they also vary in the character of their geography, population, and local economic conditions. However, they are similar in that all involve packages of funding and decision-making powers agreed between the Scottish and UK Governments and local partners to enable collaboration between the public and private and third sectors, education, and skills providers, enterprise, and skills agencies ‘to make long term, place-based decisions to enable sustainable, inclusive prosperity’⁶⁶.

The more recent Regional Economic Partnerships adopted a broader remit than the original City Growth Deals. While the initial Deals focused on investments in infrastructure, there has subsequently been a shift towards increasing skills and improving access to labour markets⁶⁷. REPs are central to the Scottish Government’s inclusive growth agenda: all Deals are required to focus and provide evidence on measures and progress directed towards IG,

⁶⁰ Op cit., Note 5 (Crisp et al., 2014, pp.10-11).

⁶¹ Op cit., Note 29 (Waite, et al., 2015, p.6).

⁶² p.7 in O’Connor, A. and Wakefield, S. (2021) *Economic Development in Scotland*. SPICe Briefing, SB 21-63. Edinburgh: SPICE. <https://sp-bpr-en-prod-cdnep.azureedge.net/published/2021/9/21/93890a51-89d8-405a-a756-d9a352e5fba9/SB%2021-63.pdf>

⁶³ Rush, K. (2018) *Glasgow City Deal and the Regional Economy*, Presentation, 15th August 2018..

⁶⁴ Op cit., Note 22 (Statham and Gunson, 2022, p.10).

⁶⁵ p.i in EKOS - Economic and Social Development (2019) *Regional Approaches to Maximising Economic Growth: Local Authorities’ Perspectives*. Final Report for the Improvement Service, SOLACE, COSLA and SLAED. Glasgow: EKOS. https://www.improvementservice.org.uk/_data/assets/pdf_file/0021/9156/regional-approaches-to-maximising-inclusive-economic-growth.pdf

⁶⁶ Op cit., Note 33 (Scottish Government, 2021, p.25)

⁶⁷ Op cit., Note 21 (Clelland, 2020, p.14).

which is not required of equivalent Deals in England⁶⁸. The Scottish Government referred to an example of this focus in the first child poverty delivery plan (2018-22) which outlined actions agreed with the Glasgow City Region Cabinet. These included developing IG 'monitoring and evaluation frameworks that include analysis and reporting of child poverty impacts', and working 'with those with lived experience of child poverty to ensure their voices are at the heart of our policy development and delivery models'⁶⁹. Glasgow is not the only City Region and Regional Growth Deal Partnership to make explicit references to IG and child poverty⁷⁰. This commitment has been reinforced by the Equal Opportunities Commission which launched a Quality and Investment Project to embed best practice in REPs in relation to the Equality Act, 2010 and Socio-Economic Duty⁷¹.

2.2.2.3. Other regional and local economic development policies in Scotland

Growth Deals and Regional Partnerships operate alongside several other policies introduced in Scotland in recent years related to economic regeneration and IG. Among these are the 'place principle', agreed between the Scottish Government and Convention of Scottish Local Authorities (CoSLA) 'to encourage better collaboration and community involvement, and improve the impact of combined energy, resources, and investment... [and enable] a more integrated, collaborative, and participative approach to decisions about services, land, and buildings'⁷². Separate but related to this is the Shaping Places for Wellbeing programme. This is delivered jointly by Public Health Scotland and the Improvement Service in four towns (Alloa, Ayr, Dunoon, and Clydebank), and is intended 'to ensure that everyone in Scotland can live in a place that has all the factors that will nurture health and wellbeing'⁷³.

Other relevant policies include the Town Centre Action Plan, Regeneration Capital Grant Fund and Empowering Communities Programme⁷⁴. The latter involves two targeted funds. The Investing in Communities Fund is designed to support the 'most disadvantaged or fragile communities to tackle poverty'⁷⁵, while the Aspiring Communities Fund supports community bodies and third sector organisations in deprived areas meet a range of local needs⁷⁶.

⁶⁸ Op cit., Note 23 (Improvement Service, 2019, p.4)

⁶⁹ Op cit., Note 4 (Scottish Government, 2018a, pp.93-94). See also Rush, K. (2019) *Tackling Child Poverty through Inclusive Growth*. Glasgow City Region blog, 11th Sept, 2019. <https://glasgowcityregion.co.uk/tackling-child-poverty-through-inclusive-growth/>

⁷⁰ Op cit., Note 29 (Waite et al., 2015, p.11).

⁷¹ Boyd, J. and Oswald, C. (2019) *Equality Outcomes, Impact Assessments and Investment Decisions*. Edinburgh: SCRIG. <https://www.inclusivegrowth.scot/wp-content/uploads/2020/05/Equality-Outcomes-Guide.pdf>

⁷² For more information, visit: <https://www.gov.scot/publications/place-principle-introduction/>; Op cit., Note 32 (Scotland's Centre for Regional Inclusive Growth, 2021 p.17).

⁷³ p.8 in Improvement Service (2022a) *Place and Wellbeing Outcomes. Briefing*. Livingston: IS. https://www.improvementservice.org.uk/_data/assets/pdf_file/0020/30719/PWO-briefing-paper.pdf

⁷⁴ Op cit., Note 33 (Scottish Government, 2021. P.34).

⁷⁵ For more information, visit: <https://www.gov.scot/policies/community-empowerment/empowering-communities-fund/>

⁷⁶ For more information, visit: <https://www.gov.scot/publications/aspiring-communities-fund-approved-projects/>

One final concept and area of activity that has recently become prominent within the complicated landscape of local and regional economic development activity in Scotland is community wealth building. The CWB movement started in the USA and has been most notably applied in the UK in Preston⁷⁷. The essential principle of CWB is to use local assets and capacity to retain wealth within a community and develop further economic opportunities. The Centre for Local Economic Strategies argues that ‘community wealth building is a people-centred approach to local economic development, which looks to increase the flow of wealth back into local economies and places, by giving more control to local people and businesses’⁷⁸. This is achieved by deploying the power of local ‘anchor institutions’, i.e., ‘large commercial, public and social sector organisations (including local authorities) which have a significant stake in a place’ and which command resources that could be used to benefit the communities in which they are embedded⁷⁹. For example, local authorities in Scotland possess significant economic resources - with an annual income in excess of £15bn, spending £7bn per annum on procurement and managing more than 40,000 assets⁸⁰. CWB involves considering how these resources could be retained and recirculated within communities rather than extracted by external beneficiaries. One familiar example of this is community benefit clauses which set conditions for new developments and planning permission or prescribe requirements in public sector procurement to benefit local residents. However, the CWB approach extends beyond this to consider ‘how local economies can be hardwired to lock wealth into places’⁸¹, including promoting community asset transfer⁸².

Scotland’s first community wealth building strategy was launched in May 2020 by North Ayrshire Council, and the authority and its partners have committed to replacing ‘an extractive economic model [with]... a generative one’⁸³. The council leader has declared that the CWB model in Ayrshire is ‘about the total reorientation of the economy... using the untapped power of the local state to create a new fairer, inclusive, sustainable and democratic economy’⁸⁴. North Ayrshire Council is the largest employer in the area and spends £1 billion procuring services each year. The council has also indicated an interest in using local authority pension funds to support local projects⁸⁵. These are substantial resources which could be used to radically transform the local economy if effective means can be found to reoriented and harness them to that end.

⁷⁷ Brown, M. and Jones, R.E. (2021) *Paint Your Town Red: How Preston Took Back Control and Your Town Can Too*. London: Repeater Books.

⁷⁸ Op cit., Note 22 (quoted in Statham and Gunson, 2022, p.13).

⁷⁹ p.3 in Improvement Service (2020) *Community Wealth Building*. Elected Member Briefing Note. Livingston: IS. https://www.improvementservice.org.uk/data/assets/pdf_file/0028/19693/EM-Briefing-CWB.pdf

⁸⁰ Op cit., Note 65.

⁸¹ Op cit., Note 22 (Statham and Gunson, 2022, p.13).

⁸² Op cit., Note 79 (Improvement Service, 2020, p.5).

⁸³ Cullinane, J. (2020) ‘Community Wealth Building: For a More Just and Democratic Economy’. *Scottish Anti Poverty Review*, Issue 34 (Autumn), p.17.

⁸⁴ Ibid.

⁸⁵ Op cit., Note 79 (Improvement Service, 2020, p.7).

In theory, the potential of CWB is considerable, and it is not surprising that the Preston experience and Ayrshire experiment have attracted interest. The Scottish Government's first child poverty delivery strategy committed to 'pilot a specific community wealth approach to procurement with selected local authority areas' and examine the potential contribution of CWB to reducing child poverty⁸⁶. The subsequent *Best Start, Bright Futures* child poverty delivery plan reiterated this support for CWB, and proposes that every local authority in Scotland produce a community wealth building plan.

It is clear that City and Regional Growth Deals and Partnerships should be regarded as part of a broad range of activities and approaches to address economic problems in deprived and disadvantaged areas. There is a considerable body of commentary on the long history of regional policy and area-based initiatives in the UK, and several implications for inclusive growth and reducing poverty can be identified from this.

2.3. Key policy lessons from the literature

City and Regional Deals are being rolled out at a time when local authorities in Scotland face particularly difficult financial circumstances and in what has become a damaging UK-wide cost of living situation. These are challenging conditions for REPs to make a positive impact. However, one of the key conclusions to be drawn from studies of regional and local economic regeneration policies is that their impact principally becomes evident over the longer term. Structural readjustments to regional and local economies and supporting disadvantaged households in deprived and marginalised communities are long-term strategies: 'Evidencing impact can take time - many of the challenges inclusive growth is seeking to address are long-standing and complex: it is often unlikely that there will be any "quick fixes"⁸⁷. A realistic understanding of the timescale over which impact may become evident is required, and this is reflected in the proposed extended time frame of REPs and Growth Deals in Scotland.

A second feature in the literature on regional and local economic regeneration is how little is known definitely, despite the accumulated experience, resources and study devoted to these measures. A recurring theme in analyses of regional and local economic policies is the inadequacy of measurement and evaluation - 'What this means is that after four decades, it is actually impossible to say what the impact of this work actually had, if any'⁸⁸. Another commentary on the history of these programmes and policies concluded that 'Robust evaluation of outcomes has been hamstrung, variously, by a failure of programmes to establish baselines, set appropriate or measurable targets, put procedures in place to collect output or outcome data, or measure outcomes for programme beneficiaries'⁸⁹. In particular, it is often difficult to determine who benefitted from investments in local and regional regeneration, e.g., whether opportunities available to residents of deprived communities

⁸⁶ Op cit., Note 4 (Scottish Government, 2018, p.93).

⁸⁷ Op cit., Note 23 (Improvement Service, 2019, p.9).

⁸⁸ Op cit., Note 5 (Robertson, 2014, p.24).

⁸⁹ Op cit., Note 5 (Crisp, et al., 2014, p.4).

were improved or these were taken up by those outside the target area. In many cases no evidence is available to determine whether conditions improved for the most disadvantaged and 'hard to reach' groups within a community. Some regeneration projects have actually exacerbated local area deprivation by enabling or encouraging sections of the population to leave the area, thereby further intensifying problems for those who remain⁹⁰.

This outcome is one of the potential hazards of focusing regeneration policy on places rather than the most vulnerable people *in* particular places. It also confirms the importance of designing any regional and inclusive growth initiative based on 'an embedded understanding of the structural inequalities faced by particular groups of people'⁹¹. Effective local and regional development policies 'must be properly customized to ensure new agencies are effectively tailored and aligned to the demand conditions within their local... Ecosystems. In short, policy should be context-led rather than mission-led'⁹². This requirement for contextualisation means that 'There is no single successful approach, and it is for the relevant regional partnerships to determine the models that will work best for their circumstances'⁹³. As the Improvement Service notes

it is important to be aware of the different economic circumstances of individual areas. This means that challenges and opportunities will vary and resulting responses will be different. Local authorities also do not deliver exactly the same economic development activities, therefore direct comparisons of delivery and performance can be difficult⁹⁴

This places obvious limits to and conditions upon any lessons which may be drawn from the experiences of particular regional or local policy initiatives. Even if success could be robustly established, what may be inferred from this requires careful interpretation.

A further lesson from the history of regional regeneration initiatives in the UK is that their rationale is not always clear, and their purpose and effectiveness often implicitly assumed rather than articulated. As one review observed, there is a 'lack of clarity regarding the longer-term policy objectives for regional working', and the added value of the approach is not self-evident⁹⁵. This is indicative of the failure to underpin many such interventions with an intentional theory of change which makes explicit the anticipated connection between inputs and outcomes.

Nevertheless, there is a case for regional partnerships working to address shared economic problems in particular areas. There is also widespread support and enthusiasm for regional collaboration among authorities and stakeholders across Scotland⁹⁶. The benefits of regional

⁹⁰ Op cit., Note 5 (Crisp, et al, 2014, p. 3).

⁹¹ Op cit., Note 22 (Statham and Gunson, 2022, p.8).

⁹² p.739 in Brown, R. (2021) 'Mission-oriented or Mission adrift? A Critical Examination of Mission-oriented Innovation Policies', *European Planning Studies*, 29(4): 739-761.

⁹³ Op cit., Note 65 (EKOS 2019, p.v).

⁹⁴ Op cit., Note 73 (Improvement Service, 2022, p.6).

⁹⁵ Op cit., Note 65 (EKOS 2019, p.iv).

⁹⁶ Op cit., Note 23 (Improvement Service, 2019: p.6); Op cit., Note 65 (EKOS 2019, p.iii).

working include greater ability to plan strategically across municipal boundaries within a common economic area, pooling resources to increase capacity and leverage, and sharing good practice among partners⁹⁷. Regional partnerships can harness and enhance the social capital of stakeholders embedded in and committed to an area; as one Growth Deal official observed, ‘a place-based approach means we can’t “cherry pick” or “move on” - but instead, there’s a commitment to a community.’⁹⁸

Bearing in mind the conditions on and limitations to drawing general lessons, studies of regional and local economic partnerships provide a number of useful insights about both process and substantive issues. For example, several characteristics and practices can be identified as important to successful regional partnership collaboration. These include:

- a common purpose and shared priorities across the stakeholders
- trust and mutual respect among partners
- committed and sustained political and operational leadership
- clear and appropriate governance systems
- flexibility to adapt to the different ways in which regional stakeholders work⁹⁹

Cultivating and embedding these qualities takes commitment and time, and requires all partners to adapt to one another.

For the reasons noted above, it is not possible to prescribe particular policies which can be transferred across different regional partnerships. However, a number of facilitating conditions and important policy considerations are evident from the accumulated evidence. It may seem obvious, but it nevertheless bears noting that

There has never been a single ‘silver bullet’... Successful regional and local economic development generally requires action across a broad front, and it is often only the conjunction of several policies or initiatives in the same place at the same time, or sometimes in sequence, that triggers real progress¹⁰⁰

Fortunately, this lesson seems to inform more recent local and regional economic development policy and regeneration partnerships. They recognise that a multidimensional approach which takes action simultaneously on a number of fronts is required to promote inclusive growth and reduce poverty, including child poverty. For example, Scotland’s Centre for Regional Inclusive Growth identifies a matrix of issues which need to be addressed to ensure that economic regeneration is inclusive. This includes providing affordable and accessible transport, appropriate childcare provision, enhanced employment skills, digital inclusion (encompassing both access to equipment and user capability) and affordable

⁹⁷ Op cit., Note 5 (Crisp, et al., 2017).

⁹⁸ Op cit., Note 22 (Statham and Gunson, 2022, p.35).

⁹⁹ Op cit., Note 23 (Improvement Service, 2019, p.4); Op cit., Note 65 (EKOS 2019, p.iv).

¹⁰⁰ Op cit., Note 18 (Beatty and Fothergill, 2021, p.3).

secure housing¹⁰¹. This list resembles those proposed by other commentators¹⁰² as well as measures highlighted by the Scottish Government¹⁰³.

A principle of the idea of IG is that neither economic growth nor increasing the number of jobs themselves necessarily reduce poverty¹⁰⁴. Research indicates that economic development and increasing employment opportunities only reduce poverty when jobs are accessible and of sufficient quality¹⁰⁵. The Scottish Government refers to ‘inaccessible work conditions’, which highlights that much of the problem in lower income areas concerns the nature of jobs rather than residents’ lack of ‘employability’. Therefore, the key requirement is to remove barriers to jobs, particularly those which confront the most disadvantaged groups and households further from the labour market. The principal factors which prevent households from accessing jobs or working longer hours to increase earnings include caring responsibilities, inflexible work conditions (e.g., unsuitable hours, indeterminate incomes, insecure positions), a lack of affordable and accessible transport, inadequate physical and digital infrastructures, and discrimination against those regarded as difficult to employ¹⁰⁶.

Quality employment means jobs which are reasonably secure, provide reliable or predictable hours, which are sufficiently well paid, and provide opportunities for progression and skill development¹⁰⁷. The Fair Work Convention supports the aspiration for Scotland to become a ‘fair work nation’ by 2025, ‘where fair work drives success, wellbeing and prosperity’¹⁰⁸. The Convention’s Measurement Framework comprises five dimensions of employment quality (each of which includes several indicators): effective voice; opportunity; respect; security; and fulfilment. Supply side measures to increase employability skills or active labour market interventions might get some people into jobs but will not significantly reduce poverty if these jobs do not possess the qualities highlighted by the Fair Work Convention¹⁰⁹. In fact, employment may actually worsen conditions for some households by making income less predictable, reducing entitlement to social security and passported benefits or increasing debts and stress.

Another important lesson from studies of regional and economic regeneration policy is the importance of connectivity and access to opportunities. Economic growth will not be inclusive nor reduce poverty if some sections of society are unable to access its benefits.

¹⁰¹ Op cit., Note 32 (Scotland’s Centre for Regional Inclusive Growth, 2021, p.8).

¹⁰² Op cit., Note 26: See also M^cNulty, D. (2019) ‘Scottish Government’s Inclusive Growth Priorities’. *Presentation to 2nd Meeting of the Regional Inclusive Growth Research Network*, 1st July 2019.

¹⁰³ Op cit., Note 24.

¹⁰⁴ Ray, K., et al. (2010) *Better Off Working? Work, Poverty and Benefit Cycling*. York: JRF. <https://www.jrf.org.uk/report/better-working-work-poverty-and-benefit-cycling>

¹⁰⁵ Brook, P. (2021) ‘How to make Jobs Work and Reverse the Injustice of Working in Poverty’. *JRF Blog*, July 20th, 2021. <https://www.jrf.org.uk/blog/how-make-jobs-work-and-reverse-injustice-working-poverty>

¹⁰⁶ Op cit., Note 24.

¹⁰⁷ Op cit., Note 1 (Poverty & Inequality Commission, 2022, p.4).

¹⁰⁸ For more information, visit: <https://www.fairworkconvention.scot/about-the-convention/>

¹⁰⁹ Schmuecker, K. et al. (2021) *Making Jobs Work: Improvements to Job Quality are Key to Our Recovery*. York: JRF. <https://www.jrf.org.uk/report/making-jobs-work-improvements-job-quality-are-key-our-recovery>

'When the fortunes of a deprived neighbourhood are improved, the challenge is to ensure that the original residents benefit. If they are unable to access the new jobs being created, the risk is that they are simply displaced elsewhere as the area gentrifies'¹¹⁰. Effective regeneration strategies must therefore address the importance of 'wheels and wires' which connect communities to economic activities and employment opportunities¹¹¹. As the OECD notes, 'Connecting people up to the opportunities that exist in the labour market through better education, transport and employment support is vital'¹¹². Previous ABIs and regeneration projects often failed to connect disadvantaged households to new developments. For example, the outcome that 'The percentage of people working within the East End [of Glasgow] did not alter over the ten years of the GEAR project [is] explained by the fact that most new jobs created went to people living outwith the local area'¹¹³.

This failure to consider who benefits from regional or local regeneration policies highlights the importance of addressing equalities issues. Inclusive measures which reduce child poverty need to ensure that any opportunities created by investment benefit women, disabled people, and minority ethnic communities¹¹⁴. Considering these issues is a statutory requirement of the Socio-Economic Duty stipulated by the 2010 Equality Act. However, the Scottish Government noted that

There are problems built into place-based approaches - particularly the use of local networks that are highly gendered. Unless the approach to place-based interventions protects and accounts for that - outcomes will be skewed and there is a risk of replicating existing discriminations in those areas¹¹⁵

To avoid such unequal and damaging outcomes, the barriers which are known to make economic opportunities inaccessible must be removed, i.e., inaccessible childcare, unresponsive transport, and low paid, inflexible, and badly designed jobs. In addition, however, the focus of economic and regeneration policy should be reconsidered - traditional infrastructure renewal initiatives provide less benefit to woman and groups with protected characteristics than to able-bodied men. For example, the construction sector in Scotland has a female participation rate of 12%, and manufacturing 15%. In contrast, 73% of the health and social care workforce are women¹¹⁶. Therefore, tackling occupational segregation and investing in care are more likely to reduce child poverty than some conventional economic regeneration programmes¹¹⁷.

¹¹⁰ Op cit., Note 26.

¹¹¹ Hepworth, M. (2019) 'The Good Economy'. Presentation to 2nd Meeting of the Regional Inclusive Growth Research Network, 1st July 2019.

¹¹² OECD (2018) *Opportunities for All: A Framework for Policy Action on Inclusive Growth*. Paris: OECD. <https://www.oecd.org/economy/opportunities-for-all-9789264301665-en.htm>

¹¹³ Op cit., Note 5 (Robertson, 2014, p.6).

¹¹⁴ Op cit., Note 71.

¹¹⁵ Scottish Government (2021) *Tackling Child Poverty Delivery Plan Consultation - Gender Deep Dive Session*, 30th November 2021.

¹¹⁶ Op cit., Note 101 (Scotland's Centre for Regional Inclusive Growth, 2021, p.13).

¹¹⁷ O'Hagan, A. (2020) *Without Care 'Front and Centre' of Economic Recovery, How can we Create a Robust, Resilient, Wellbeing Economy?* Centre for Economic Justice Blog., June 26, 2020.

Evidence suggests that local and regional regeneration policies are more likely to address these issues when they are informed by and engage with the communities they are intended to benefit. As the OECD Chief of Staff observed,

Inclusive growth means not only that the benefits of economic growth are widely shared, but that the growth process itself is built with the participation of all, particularly low-income groups and laggard firms. We need a growth model that introduces equity considerations ex ante and that puts people at the heart of policymaking¹¹⁸

To ‘understand [the] “root causes” of exclusion from growth it is necessary to consult and engage local actors’¹¹⁹. This requires providing citizens with the support they need to become meaningfully involved in contributing to the design and implementation of policies that concern them¹²⁰.

The history of regional and local economic regeneration policy in the UK is extensive and complicated. Nevertheless, it provides a number of valuable lessons on how these initiatives can be more inclusive and contribute to reducing poverty. To supplement this learning, we consulted experts to explore these issues more widely and in greater depth.

2.4 Insights from key informant interviews

Interviews were conducted with four practitioners from public sector and civil society organisations involved in economic development policy and one academic expert. Each possessed a detailed knowledge of the economic and policy landscape in Scotland. Participants were asked their views on the relationship between regeneration and child poverty policy and to highlight any distinctive Scottish circumstances. Interviews were undertaken at the same time as the case study fieldwork (i.e., February - May 2022). Key informant interviews were conducted under Chatham House rules, i.e., experts provided opinions based on their professional experience and judgement and on a non-attributable basis. Interviews were conducted online and lasted between 17 - 34 minutes. Recordings were analysed to identify notable concurrences and contrasts with the research on regional regeneration policy as it relates to child poverty, and to highlight particular distinctive and interesting insights which merit further consideration or investigation. Overall, the key informants confirmed the main themes from the research and policy analysis literature, but also raised additional issues, which are discussed below.

<https://www.caledonianblogs.net/wise/2020/06/26/without-care-front-and-centre-of-economic-recovery-how-can-we-create-a-robust-resilient-wellbeing-economy/>

¹¹⁸ Quoted in Murphy, S.P. (2022) ‘The Relationship Between Poverty and Prosperity: A Feminist Relational Account’, *Journal of Global Ethics*, 18(1): 82-99.

¹¹⁹ Op cit., Note 22 (Statham and Gunson, 2022, p.13).

¹²⁰ Op cit., Note 29 (Waite et al., 2015, p.20); Op cit., Note 5 (Robertson, 2014, p.7).

The first opinion which several key informants expressed was the view that 'inclusive growth' was not clearly defined nor necessarily understood in the same way by all stakeholders in Scotland. It was suggested that IG is 'very much deployed as a buzzword' and remains vague. As one independent policy analyst put it: 'I don't think it has been defined well. And therefore, from a policy delivery perspective, I don't think it was understood'. Despite this ambiguity, the academic expert interviewed thought that there was a potential value to the IG discourse:

The idea of inclusive growth - a lot of people are quite sceptical about it and see it as something that's so broad as to be almost meaningless. It's a label that can be applied to stuff that you're doing anyway, and I think to some extent that is true. But I think at least it forces you to think about what the consequences of the type of economic development that you're trying to encourage, or if that makes sense. And you can see movement in that direction. There's scope for it to be pushed a lot harder; but I think to be honest, that's really probably got to come from the Scottish Government.

Some key informants suggested that the ideas which underlie IG are not new but are generally supported by those involved in regional and local economic regeneration policy in Scotland:

I would argue that the inclusive approaches to delivering on growth had been happening in various ways... Things like community benefits in procurement activity and trying to encourage smaller enterprises to participate in large first-tier contracting consortium so they could win business. (Independent policy analyst)

Key informants agreed that regional economic development policy in Scotland had evolved over time towards a more consciously inclusive approach. In the words of one public sector policy analyst, the initial City Growth Deals 'focused very, very much on regional infrastructure stuff - it's about building bridges and ports and looking at renewables and all this kind of stuff. However, this has subsequently changed with more thought now given to the quality of jobs and who gets them'. REPs have adopted a more expansive approach, and there is growing interest across Scotland in such innovations as community wealth building. Interviewees felt that this shift in focus reflected the priorities of the Scottish Government and its commitment to a sustainability and wellbeing economy agenda. Qualifying this somewhat, one official from Public Health Scotland felt that prioritising IG and poverty would be easier for the more recent REPs than more established ones:

What's in my mind is that for a lot of the Growth Deals, it's too late. That ship has sailed. It's going to be hard to influence those. But with the Shared Prosperity Fund coming down the line, and also if we're going to get two Free or Greenports as well, then it's about getting that thinking into the design around those spends and trying to get ahead of the game.

In relation to the priority accorded child poverty by REPs and within Growth Deals, the experts interviewed generally endorsed the opinion of a Scottish Government official who

felt that 'Child poverty isn't really a key element of the City and Regional Growth Deals at the moment'. Key informants felt that those working in REPs regarded reducing child poverty as an indirect outcome of economic development, as one independent policy analyst expressed it:

Child poverty specifically, I'm not convinced [is a priority]. Because the traditional economic development strategy normally has about four or five themes. It's normally business culture, tourism, and employability, etc. The child poverty component is usually seen as an indirect outcome from the delivery of wider economic outcomes. So, they would put a focus more on the direct element i.e. 'Let's focus on getting people jobs for a decent and reasonable income and then hopefully the children they have will have a better quality of life'.

However, although key informants thought that regeneration policy had only an indirect interest in reducing child poverty, some were optimistic that more consideration was now being given to the distributional impact of these measures:

I think it's good that someone is at least thinking about regional economic development and how you need to think about that if you're interested at all in issues of inequality. Because, for too long it's been treated as something completely separate. You do your economic development stuff, which is about supporting business, and then you do your stuff about poverty alleviation, and they're treated as two completely different things, as if poverty just sort of falls from the sky rather than something that's created through the way that society works (Academic expert)

Most of the key informants felt that local and regional economic policies focused on mitigating the effects of poverty rather than taking an upstream, preventive approach: 'There's a lot of great work going on at the local authority level, but a lot of it is mitigation work, which is clearly important and needs to be well targeted, but it's not really the transformational change which is going to make the real difference' (Public Health Scotland official). However, the commitment to fair work, the Parental Employability Support Fund¹²¹ and the Shaping Places programme were mentioned by key informants as positive developments which could stimulate more proactive efforts to reduce child poverty.

Key informants were unconvinced that any REPs had formulated clear strategies to address poverty. As the academic expert put it, 'there hasn't really been a fixed or common or shared or sustained strategic way of thinking about how to do economic development'. A Scottish Government official elaborated on this:

I'm not sure how much of overarching strategy [there is]. It seems very much a case-by-case basis - looking at how individual projects and individual circumstances can contribute to wider goals rather than an overarching method of achieving regeneration... Because each different project focuses on different

¹²¹ For more information, visit: <https://www.employabilityinScotland.com/employability-services/parental-employability-support-fund/>

areas. That might be a construction project, it might be a STEM project, it might be a food and drink project. They all have different elements to them that are unique. So, the inclusive growth and equality side of things is going to be unique in each different case. So, for regeneration, it varies between the different projects and the different Deals.

The experts interviewed agreed that too many anti-poverty measures were inconsistent and short-term. The initiatives are 'not followed through and fall out of fashion and then the next thing comes along' (Academic expert). The perceived lack of a long-term strategic approach to regional and local economic regeneration is seen as regrettable, as expressed by one public sector policy analyst:

Consistency of message [is important]. I mean there's chopping and changing of different initiatives all the time. Nothing ever gets to stick for any length of time. That's the thing that drives me demented - short-term funding. If you're serious about it... utilize the tools that are already there. And then there's the political cycle and everything that comes in has to be new and shiny because you can't do what worked before... If you know what works, keep going with it, don't invent anything new

A related concern expressed by key informants was that some national policies were not sufficiently well co-ordinated. As the public sector policy analyst interviewed expressed it, 'We have to do the joining up at Scottish Government level as well... There is reference to poverty in large strategies (e.g., Covid recovery) but the specific linkages between activities are not made clear'.

Several key informants expressed concern about the lack of suitably disaggregated data to determine which groups benefitted from initiatives, and document the impact of regeneration policies upon poverty more generally -

When we first started having conversations with Economic Development [staff], they couldn't tell you which of their clients were parents. So, the data wasn't there, because they had never been asked to find it, and they've never thought about it. So even if they *are* doing it, we don't know if they're targeting parents. I think they're getting better about it now and they'll start putting it into their monitoring systems. But I think before - historically - we won't have that data
(Public sector policy analyst)

However, it was reported that this omission was being addressed and some REPs were collecting more granular information to monitor the effects of their actions. The Glasgow City Region Intelligence Hub was referred to as an example of good practice in disaggregating data to identify whether the priority households in the national child poverty delivery plan were benefiting from new employment opportunities¹²². Nevertheless, significant challenges remained in attributing outcomes to particular actions and identifying

¹²² For more information, visit: <https://glasgowcityregion.co.uk/what-we-do/economic-intelligence-research/intelligence-hub/>

the respective contribution of partners: ‘Where we get into woolly waters, is saying, well, “what agency can we legitimately say is responsible for their element of contributing to the wider outcomes that the government are setting?”’ (Independent policy analyst).

Key informants referred to difficulties in partnership working which limited the effectiveness of regional regeneration policy: ‘There’s a lack of real good collaboration and leadership at regional levels of working because it’s still evolving’ (Independent policy analyst). One public sector policy analyst felt that there was still a tendency to think primarily in terms of existing sectors and familiar responsibilities: ‘Economic Development guys can be very blinkered and not think beyond, “This is my bit. This is what I do”.’ Nevertheless, it was generally agreed that joint working was improving and that regional partnerships were important ‘as current local authority boundaries don’t always conform to natural local labour markets and natural local economies’ (Local authority official).

The experts we spoke to concurred on the value and importance of community engagement in local and regional economic regeneration policy. One local authority official stated that community engagement was

definitely really important. We’re certainly signed up for our employability operations. We are very much attached to the Scottish approach to service design. We’re certainly trying to use those principles in the design of our employability offer. And one of my colleagues works very, very hard on that and we’ve invested quite a bit of time doing some research [on it]

The Scottish Government official interviewed agreed with this: ‘I would say definitely community engagement is something that is in a lot of the different projects of the Deals’. The expert from Public Health Scotland acknowledged that engaging with communities was particularly difficult at the regional level but felt that there was an eagerness to learn more about effective practice in this area -

I’m really interested in what we can learn from the way that people have done participatory budgeting in the past, and I think that there’s some good lessons there. When you look at the scale of trying to work at a region, I know there’s been a lot of good work done. And I’m interested to see how digital platforms can fulfil some of that. Recognizing, of course, that they exclude many people, but it’s part of a multi-faceted approach.

Key informants pointed to what they regarded as positive examples of community consultation and engagement in regeneration, particularly in relation to infrastructure development. The BioHub in Aberdeen was identified as an interesting example of engaging with local schools¹²³.

However, this positive view was not unanimous, and some informants were sceptical about the extent of community engagement in REPs and regeneration work: ‘In the governance elements of regional growth deals, I would question where the community representative

¹²³ For more information, visit: <https://biohubaberdeen.com/>

representation is there. I would in fact put my money on that there's none' (Independent policy analyst).

Key informants generally believed that representatives of the private sector were suitably involved in REPs: 'I think that that they're probably ... quite strong on that. Obviously, that will vary across the different areas. But I do get the impression that they're pretty on it at the local government level, and that would be reflected in the regional partnership level as well.' (Public sector policy analyst). This view was qualified by observations of the challenge in ensuring effective representation of such a diverse sector and acknowledgement that some businesses feel that they have little to gain from volunteering for some REP activities: 'The key trick, I would guess, for wanting to do further stuff in relation to child poverty, you know, is: what's in it [for them]? What's the win for the private sector for them to engage to reduce child poverty across Scotland?' (Local authority official). It was also felt that the relative lack of large private sector anchor organisations in rural areas limited the scope for innovative partnerships.

Beyond the examples of the Glasgow Intelligence Hub and Aberdeen BioHub mentioned above, the principal recommendation made by key informants to increase the contribution of regional and local economic regeneration to reducing child poverty was to ensure that it was a central strategic priority in REPs:

How could they have more impact in reducing child poverty? So, for me, that's just about ensuring that you've got the child poverty lens working through everything that they do, and then prioritizing the things that's going to make the biggest difference for most number of people... it's about trying to be more transformative about what we do and think about what's going to make the biggest difference to the most people... And that will be about some of the bigger policies like transport and childcare, which will make a difference (Public Health Scotland official)

An important component of this, it was suggested, was to ensure that funding streams and monitoring were both directed to actions which would reduce child poverty. The development of metrics for community wealth building and proposals to create '20-minute neighbourhoods'¹²⁴ as well as the fair work agenda were referred to as important developments in the right direction.

2.5 Key themes and conclusions

There has been over a century of regional and local economic regeneration policy in the UK and Scotland. It might be thought that the sheer longevity of such efforts testifies to their failure or even their futility. However, this would be a mistaken and unduly pessimistic interpretation. Economies are dynamic and have varied effects across different

¹²⁴ Scottish Government (2020) *Fourth National Planning Framework: Position Statement*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/scotlands-fourth-national-planning-framework-position-statement/pages/5/>

places and upon communities and groups. If the benefits of economic innovation are to be socially productive, then action is required to try to ensure that all regions and groups share in them. That ultimately is the purpose of the extensive investment in regional development policy which has been considered in this Chapter.

This brief review shows that regional and local economic regeneration is a complex policy landscape with a range of alternative approaches and numerous overlapping concepts. Emerging from this complicated picture are clear signs of a shift towards a more inclusive understanding of economic development. This is accompanied by a commitment to working in cross-sectoral partnerships at the regional level, although practical difficulties are encountered in managing these. According to the studies reviewed and research undertaken for this Chapter, child poverty has been at best an ancillary interest of regional and local economic regeneration policy. However, there is evidence that it is now at least in the sights of some of the main stakeholders, if not yet the centre of attention. The following Chapters report findings from interviews conducted in three case study areas to examine whether these conclusions correspond with the views of those involved in developing and delivering regional and local economic regeneration policy in Scotland.

3. Child poverty and the economic regeneration agenda?

You know, if I think back and reflect now, I don't know that it is explicit to support child poverty. I think it's much softer - around job creation, skills development, but it's in a sort of softer way. It's in a less directive way, I suppose. And I wonder ... whether ... there's scope for making stronger links.

Economic lead officer, largely urban local authority with rural areas

3.1 Introduction

One key objective of this report is to ascertain the extent to which there is a focus on child poverty in local and regional economic development work in Scotland. In this section, we draw on our content analyses and case studies to address seven issues. First, we review the extent to which City/Regional Deal documentation refers to Local Child Poverty Action Reports (3.2) and the extent to which LCPARs refer to City/Regional Deals (3.3). Turning to the interviews, we consider stakeholders' views on the extent to which their work has a focus on child poverty (3.4), mechanisms for impacting change (3.5), regional strategic priorities and child poverty (3.6), local economic priorities beyond child poverty (3.7) and consideration of specific child poverty issues (3.8).

3.2 City/Regional Deals references in local child poverty action reports

Local authorities, in partnership with their local NHS health board, are now preparing the fourth iteration of their Local Child Poverty Action Report (LCPAR) - the local statements of actions completed and planned to tackle child poverty in their area. As outlined in Annex 1, we reviewed the second round of LCPARs, for which an almost full set was available across Scotland¹²⁵ and which provided a picture of local activity before Covid-19 conditions shaped immediate priorities. The aim was to gain insight into the extent to which LCPARs were connecting with City/Regional Deals.

Only one third of LCPARs referred to their local City/Regional Deal, with only brief mentions made to these Deals. The exceptions to this were in Ayrshire, in which each of the three LCPARs made more extensive references to the Ayrshire Growth Deal. Interestingly, none of the LCPARs in each of Scotland's four major cities referred to their City Deal.

Cross-referencing the local City/Regional Deal is not the only recognition of a wider interest in economic development issues in LCPARs. Also significant was the extent to which LCPARs

¹²⁵ At the time of publishing this report, 31 LCPARs were available for Year 1 and 31 reports for Year 2, but only 26 for Year 3 and 2 for Year 4.

referred to ideas of an 'inclusive economy' (or inclusive growth), 'community wealth building' or the 'living wage'.

The majority of LCPARs (71%) referred to the 'living wage', with a strong focus evident in South Lanarkshire, Renfrewshire, East Renfrewshire, and Dundee. One-third of LCPARs referred to 'living wage' but did not refer to wider notions of the inclusive economy, community wealth building, or the City/Regional Deals. An 'inclusive economy' was mentioned in one third of LCPARs (35%), with 'community wealth building' mentioned in fewer still (19% of LCPARs). Even here, many of these are fleeting references made in passing, rather than developed commitments to utilising these ways of developing the local economy to tackle child poverty. Ideas around CWB were only developed in the LCPARs of East and North Ayrshire. The inclusive economy was not particularly prevalent in many LCPARs, but received more attention in Clackmannanshire, the three Ayrshires, Dumfries and Galloway and Renfrewshire.

Six LCPARs - one-fifth of the total - made no reference to City/Regional Deals, CWB, inclusive economy, or the living wage. This included all three island authorities, the City of Edinburgh, Aberdeenshire, and North Lanarkshire - a diverse range of authority types. This is not to suggest that there is no dialogue on economy and child poverty agendas in these areas; however, it is interesting that child poverty action plans do not refer to these issues.

Several LCPARs specified actions in relation to the living wage, with others referring to this in context-setting for the action plan. Community wealth building, inclusive economy and Growth Deals were mainly referred to in context-setting, although some authorities (Argyll and Bute, in addition to the Ayrshires) referred to the longer-term transformative potential of CWB approaches.

3.3 Child poverty in City/Regional Deal documentation

Complementing the review of LCPARs, we reviewed a wide range of City/Regional Deal documentation to assess the extent to which 'child poverty', (and related ideas of 'deprivation' and 'inequality') featured in the public presentation of this work. The sources reviewed for references to poverty and child poverty included various Deal documents, blogs, heads of terms documents, annual performance reports, community benefit strategies, meeting minutes, and investment plans. There was no shortage of references to poverty among these documents - poverty was mentioned more than 400 times; there were over 300 references to inequality, and 150 references to deprivation.

For the most part, references to poverty were used to justify the need for City/Regional Deals, and in some instances, to provide the focus for their actions. The narrative was that evidence of poverty, often presented as endemic and enduring, was the context that required the transformative approach to economic development that City/Regional Deals represented. This issue of poverty was particularly evident in the Edinburgh and Glasgow City Deals, although the problem was expressed in the documents of other REPs.

Poverty was also presented as an opportunity for economic development. This was articulated most clearly with reference to tackling fuel poverty and digital poverty, challenges faced in both urban and rural Scotland. Some Deals also had work programmes that closely aligned to what might be expected in a LCPAR. For example, the Edinburgh Region City Deal's Intensive Family Support Programme (in Fife) is a work programme that aims to support parents into employment, tackling poverty through increasing income from employment.

3.4 Focus on child poverty: views of economic development stakeholders

As can be seen from the quotations extracted below, child poverty was understood to be a problem in each of the case study areas. For some, awareness was raised and sustained through the routine presentation of evidence (extract 1). Others expressed concern that current actions to tackle child poverty were inadequate (extract 2). There was also some acknowledgement that child poverty was intensifying (extracts 3-4) and that there was an imperative to act now (extract 4). It was recognised that the timeframe for measuring impact was a challenge for those working in economic development - which traditionally works to achieve positive outcomes in the longer-term, and that making impact in the short-term would require collaborations (extract 4).

- 1 [How much child poverty is there in your areas?] ... A lot, I suppose is the short answer... some of the statistics that we look at regularly are around poverty and specifically, child poverty (Council lead, rural authority)
- 2 I don't mean to be crude about it, but it doesn't matter how many free school meals or school uniforms you... put out the door, you're not gonna shift those figures [incidence of child poverty] that are now going to rise from the 30s [30%-39% of children] to the 40s to the 50s (Third sector lead, large city)
- 3 There are conversations that happen between all three partners to look at what interventions are in place just to make sure that we understand where the *changing* challenges are (Council lead, rural authority)
- 4 Where we've got more thinking to do... in my team, and through our funding [is to develop] a medium to longer-term lens. So, what we're doing is... generally, transformation that will happen over the next few years and beyond. So, it's [about] that longer-term perspective. What we've obviously got to [do] - [and] where it's harder to tie into - is the here and now... How do you make sure that you've got things that are relevant [now] and can do things here and now, as well as some of the big, big picture changes... that come through at the end? Because, you know, by then we'll have had *too much* child poverty and so, it is about the system working together. (Economic lead officer, largely urban local authority with rural areas)

Given this recognition, it was no surprise that many different stakeholders asserted that there was a focus on tackling child poverty in their area (extracts 5-14). Some expressed a personal commitment to tackling child poverty (5-6), with others referred to local structures introduced to tackle it (7-11). On the other hand, a child poverty focus was not always explicit (12), with some acknowledging that tackling child poverty was outside existing remits (13) or beyond the horizons of what they regarded as relevant (14). In general, there was some focus on *child* poverty, although some interviews described their focus as tackling poverty in general (9,12).

- 5 For me, personally, it's one of the main driving things. Just something, personally again, that I feel very strongly about. (Skills development, local officer outside large city)
- 6 You see palpably the deprivation, the challenges that people have and ultimately, that's the difference I want to make. And I know I can make it personally, with the team, by bringing resilience to the economy... I'm not sitting there as a lone voice *by any stretch*. In fact, I'd say we all have that common view, but I suspect that's because people understand the challenges in [the region] (Economic lead officer, largely urban local authority with rural areas)
- 7 In [the authority], there has been a lot of work, you know, focusing on poverty. But particularly child poverty. (Third sector lead, largely urban local authority with rural areas)
- 8 We've actually got a child poverty plan coming to our leadership team meeting on Wednesday. So, we take that as a quite a cross-cutting theme. (Economic lead officer, largely urban local authority with rural areas)
- 9 What the Community Planning Partnership has done is to set up a poverty and inequalities task group. (Council lead, rural authority)
- 10 [Child poverty] is something that probably is absorbed by the local statutory agencies, more than the third sector in [local authority area] ... We do have a children and young people's forum and within that, I know that child poverty is a concern. (Third sector lead, rural authority)
- 11 The first iteration of that benefits realisation plan recognises the issue surrounding child poverty in [the region]. It includes several impacts that can be linked to addressing this issue including the creation of jobs, fair work implementation, community wealth building, participant wellbeing uplifts, and the wider update of wellbeing and fair work. (City Deal lead, largely urban local authority with rural areas)
- 12 In [the region] - the focus at the moment... are fair work, land and assets, and procurement... We don't tend to talk about poverty. It's just it's absolutely *embedded* into everything. (Third sector lead, largely urban local authority with rural areas)

- 13 We don't have a remit for addressing child poverty. (Economic lead officer, largely urban local authority with rural areas)
- 14 There is something about the whole subject of child poverty... that, you know, now that I think about it, there's a bit of a resistance to it and even just [to] children. And it's not ... [deliberate], nobody's saying 'We don't like children'... you know? Nobody's saying anything like that. (Third sector lead, rural authority)

In each of the case study areas, there was some acknowledgement of a recent sharpening of focus on child poverty and related issues (extracts 15-19). For some, this shift was a heightened focus on child poverty within anti-poverty activity (15), while for others the shift was a re-appraisal of traditional local economic development work to consider its social impact (16-18). Not everyone reported such a shift in focus. However, the interview process alerted some stakeholders to the need for them to make connections to better understand how their work impacts on child poverty (19). Some argued that more change was needed, for example, to re-appraise traditional approaches to economic development in City Deals to address the challenges that emerged during the pandemic (20). Concern with social impact (16-18) tended not to be articulated in terms of impact on child poverty *per se*; rather, the concern it was described in terms of impact on communities (17,18) or reducing inequality (16).

- 15 They've [the local NHS health board] set up a subgroup on child poverty... it's ... a new thing really... We [local authority] have anti-poverty measures and some of those are directed towards children and some are directed more generally towards areas of poverty. (Council lead, rural authority)
- 16 The challenge... from when I took over as chair... is to understand how infrastructure translates into tackling inequality... If you build a bridge, what else is happening? ... It's a whopper... I'm not sure that there was always the clarity of how those were connected. (Council lead, large city)
- 17 The big, big focus in [the city] region [is] the infrastructure projects. But other City Region Deals became a bit more flexible... The focus has shifted because from 2014 to up to 2020, in the wider economic development, there was more focus on region, on resilience and local growth, particularly recently, [with] the emergence of community wealth building and that kind of stuff. (Small business lead, across authorities)
- 18 [Regeneration] is much more, I think, about understanding how the impact of economic growth hasn't had its effect on communities that are not as well attached to the economic engine that the city region is. (Business lead, large city authority)
- 19 But you're making me think that we probably ought to try and make links between [own children and young people's forum] and the... Community Planning poverty and inequalities group. (Third sector lead, rural authority)

- 20 We thought at the beginning of pandemic that maybe we should refocus. You know, at least look at the project or City Region Deals as a whole and then think... Do we just carry on or not? So... we raised this at the national and local government level. But nobody listened to us, and everything just went [on] as if nothing happened... We felt [that was] quite strange because the pandemic changed a lot of things. But the City Region Deal just carried on as... if nothing happened (Small business lead, across authorities)

As extracts 5-14 illustrate, local work to tackle (child) poverty was acknowledged, as was a heightening of focus on the social impact of economic development work (extract 15-20). However, this should not be over-stated: there was also recognition that child poverty was, at best, marginal in many City and Regional Deals. This was the appraisal in each of the case study areas in relation to three different Deals (extracts 21-24 below). There was some support for a child poverty focus (24), even if this is not the core function of the Deals, and some reflection that the focus of the Deal would be different if it was being designed today (24). Interestingly, some concern was expressed by interviewees that even when there is a strong social purpose to a Deal, it may not necessarily follow that this will result on a focus, let alone an impact, on tackling child poverty (25).

- 21 The parameters of the Growth Deals are determined by the government. Therefore, it's a Growth Deal and is controlled by economic growth so it's not specifically, there's no specific project... which is about child poverty. (Council lead, rural authority)
- 22 I would have to be honest and say, I don't - I would not call it [child poverty] a headline issue. (Third sector lead, rural authority)
- 23 [Tackling child poverty] wasn't... a direct goal in our Deal. (City Deal lead, largely urban local authority with rural areas)
- 24 ... requirements that were put in place... to determine which projects went ahead... It was it was Treasury, Green Book [frameworks] ... GVA was the... overarching measure that was used... And... clearly that is not something that captures inclusive growth. It doesn't capture impact on poverty and inequality... Were we to go back and do it again, some of the projects would be different... This is still public money and... I believe should be focused on public sector priorities. (Council lead, large city)
- 25 We're *very much* on the inclusive growth agenda. That became quite the thing to focus on. We're now focusing on community wealth building. They're... not a million miles apart. However, my slight worry is... do we lose sight of it? ... We have to deliver on inclusive growth at the moment, but do we pick up the child poverty issue? ... I just wonder, as we start to change our focus ... do we lose sight of... that absolute core issue of child poverty? (City Deal lead, largely urban local authority with rural areas)

3.5 Mechanisms for change

Proponents of economic-led regeneration have contended, both explicitly and implicitly, that wider benefits ‘trickle down’ from such investment. On the other hand, critics have questioned the extent to which the most disadvantaged benefit from regeneration, or indeed whether they benefit at all. An affirmation that capital investment should or could lead to wider social benefit was acknowledged by the council leads in both the urban and the rural areas (extracts 26,27). There was an assumption and an expectation that the most disadvantaged would access their share of the employment opportunities, economic growth, and benefits of place-making.

26 The City Region Deal... is... physical interventions in places... [to] improve the quality of those places... [and to simultaneously] create uses for places which were previously unused derelict land and at the same time, creating employment opportunities, economic opportunities and tackling inequality... life opportunities and life chances for... citizens as well. (Council lead, large city)

27 Because it’s about inclusive economic growth, it’s about job creation, place-making. You know, those sorts of things which would improve people’s standards of living and therefore... lift people out of poverty and lift families out of poverty. But it’s not a specific project or programme about child poverty because [Regional Deal] is about economic growth - that’s its purpose... We have to make [the] business cases for certain projects and some of them will create jobs and we hope they create jobs, that’s the purpose of it... [to] create wealth in the communities. (Council lead, rural authority)

A more nuanced position was more commonplace - that ‘trickle down’ would accrue (or was likely to accrue), given the keener ‘community’ outcomes focus that now prevails in economic development activity (extracts 28-34). This thinking was evident in all three case study areas, and was a view held by a wide range of stakeholders. There was belief that contemporary ‘big ideas’ would yield positive outcomes for reducing child poverty and tackling deprivation: it was asserted such benefits would result from community wealth building (28,29,33), inclusive growth (29,31) and promotion of the circular economy (32), or the resilient economy (33). That there is not an explicit focus on child poverty was not always perceived to be a weakness: in one instance, not having a child poverty focus was viewed a strength as it avoided distracting from the central focus on community wealth building (34).

28 The [project is] linked in our view to child poverty... and we have a specific community wealth building project in the deal. However, as I’ve alluded to all the [local authority area] Growth Deal projects will be expected to contribute to reducing deprivation and increasing income levels as well as delivering community benefits. (City Deal lead, largely urban local authority with rural areas)

- 29 Although addressing child poverty is not a direct goal of the Deal, it's assumed that the Deal will indirectly contribute to reducing this... So, certainly, as I say, a direct reference doesn't appear in the Deal document, although there will certainly be an assumption that the Deal will play a part in reducing child poverty through inclusive growth and community wealth building objectives. (City Deal lead, largely urban local authority with rural areas)
- 30 There's very little talk about child poverty directly, but there's lots of talk about some of the solutions ... to poverty in a wider sense and in terms of things like... inclusion in the economy, and in particular things like community wealth building, which you would hope would... start to result in more wealth existing within communities and in particular within the communities in the city that we know are going to have the highest levels of child poverty. (Third sector lead, large city)
- 31 The issue of inclusive growth is... integral to the work that we do at partnership level. As I say, not just the city but also the city region level, because inclusive growth is one of the three pillars upon which the whole strategic structure stands and... inclusive growth is a significant issue not just for social issues, but also for economic issues and... of course... child poverty is perhaps the most immersive element. So, it's not unfamiliar territory for us and we're very keen to discuss it. (Business lead, large city authority)
- 32 It's about prosperity and opportunity for people and in the [local authority area] project we've got a couple of big programmes... trying to get that circular economy that brings benefits back to individuals and children in particular. (Economic lead officer, rural authority)
- 33 ... nor do I directly look to make investments, interventions that would specifically address child poverty. But implicitly, because of what we're looking at about economic transformation and creating more jobs - creating more sustainable jobs - and more diversified business space, a more resilient economy... then, inevitably, you know, we work with colleagues, we work with partners, where that is their primary objective or they're closer to it and what we have to do is mesh it together. (Economic lead officer, largely urban local authority with rural areas)
- 34 I don't see the child poverty bit or any other aspect of it, the outcomes that we're looking to achieve as a burden, because it should just be standard that this is what we do... and everybody is focused on that. (Council lead, largely urban local authority with rural areas)

Not everyone interviewed regarded social benefits as an automatic outcome of economic development activity. There was some acknowledgement that work was required to realise the potential benefits (extract 35, and 33), and that some of the mechanisms that could be used to achieve this were being used more extensively elsewhere (36). Some concerns were expressed that the private sector was being under-valued and crowded out as a partner (37),

was not being fully consulted (38), or that the tenor in messaging was anti-private sector (37-39). There was also uncertainty over whether some of the current strategies were generating positive outcomes on tackling child poverty (40).

- 35 How do you create new economic growth - significant economic growth? By transitioning into new market areas, creating new industrial growth sectors, that resonate with the area. But critically... whatever we do, we have to connect that to our local people - our local residents - address child poverty, and we've got, you know, significant aspects of that [here] sadly... How do we make all of that positive economic investment good for our citizens and how do we attract more people to the area? ... It's very much done with the place-making and... we link it in to that broader, inclusive, community wealth building agenda. (Economic lead officer, largely urban local authority with rural areas)
- 36 I think... about half of contracts [with the City Deal are] with... local companies... which is good. And I think that we want to see the numbers to go up to, you know from 50 to 60 to 70 [per cent]. And then we also want to see that the more smaller businesses get the contracts... Manchester City Council spends nearly 70% of local procurement with local companies, which is really quite significant. (Small business lead, across authorities)
- 37 [We have] public contracts for a whole bunch of things. So, it's gone beyond just, you know, supporting local communities where investments taking place to watch your green credentials... How are you matching this [sic] criteria? ... It just feels like it's getting a bit too much of the expectation on business... If I might put it like that, there's a prejudice built into some of the discussions around community wealth building against private sector organisations, and I just think that might be cutting off one's nose to spite one's face. (Business lead, large city authority)
- 38 There's still the odd example of [no consultation] ... For instance, COP 26 and a car free city centre zone was announced... There's always... things that are ... a surprise ... with worrying language ... around the implementation, [and]... the... general messaging. (Business lead, large city authority)
- 39 I worry that there's a little bit more language kicking around in the political sphere about profit before people... tagging business as being essentially an unhelpful partner in delivering on collective aspirations... There's a sense that somehow or other business isn't living up to its responsibilities. I would counter that... Local entrepreneurial business has always had a strong moral commitment to the betterment of the city. (Business lead, large city authority)
- 40 We do a lot of work now around looking at procurement and getting the benefit to local businesses. Is that *explicitly* done to tackle child poverty? I mean, you'd like to think it... should have an implied benefit, but whether

there's an explicit relationship, I'm not sure. (Economic lead officer, largely urban local authority with rural areas)

3.6 Regional strategic priorities and child poverty

Although there was recognition of the responsibility to contribute to local efforts to tackle child poverty (extracts 5-14), a more typical view was recognition that tackling child poverty was not the headline focus of their organisation, sector, or region (41-46). On the other hand, the priority issues that were identified are inextricably linked with poverty, with several highlighted in the Scottish Government's driver diagram for tackling child poverty (e.g., transport - extracts 41 and 42), or in wider debates about tackling poverty and promoting social justice in Scotland, e.g., community focus (extract 43) and promoting social enterprise (44). There was a clear sense of shared purpose and agreed regional priorities among stakeholders (e.g., extracts 45, 46 for the wider city region of the case study city).

- 41 We've been meeting with local businesses and communities. And the three top of the agenda things that are coming up are housing, transport and ... infrastructure (that includes the digital). (Council lead, rural authority)
- 42 Digital exclusion, community transport... Community capacity building within communities... employability... Those four have been the drivers of our work in addition to the core work that we do. (Third sector lead, rural authority)
- 43 I have to say the bulk of everything that we've talked with folks around here has been people and communities. (Social enterprise lead, rural authority)
- 44 Social enterprises are absolutely key... If Scottish Government want to achieve those ambitions of fair work, if they want to achieve those ambitions of a wellbeing economy, et cetera. social enterprise is a fantastic way to do that... You make the money, but the money gets ploughed back in to achieving the social and environmental aims of that enterprise, which is great. (Social enterprise lead, rural authority)
- 45 [The economic strategy for the region] is much more focused on what we call the three grand challenges... which are inclusive growth, productivity, and the climate emergency and how those are interconnected. (Council lead, large city)
- 46 If you look at the strategy for the city region's economy... Productivity remains important. But even a lot of what we talked about in terms of productivity isn't necessarily about huge capital investment... There are two other strands that I think [would] have been... regarded as being adjacent or secondary... one is around climate change... the other is about inclusion in the economy, and I think ... that's really critical. (Third sector lead, large city)

3.7 Local economic priorities beyond child poverty

In addition to general regional strategic priorities, stakeholders identified a wide range of specific challenges that impacted upon their area and in particular upon their disadvantaged populations (extracts 46-52). Once more, these specific issues are inextricably linked to poverty (and child poverty), although the challenges were not discussed with poverty as a frame of reference. Among the specific challenges identified were poor health (extract 46), mismatches in labour market geographies (47), the need for the development of micro-qualifications (48), tackling poor business start-up rates (49), the loss of a local Citizens Advice service (50), a lack of understanding of social enterprises (51) and a lack of understanding from within the Department for Work and Pensions of the realities local people encounter in accessing work (52).

- 46 If you're looking at the statistics, you'd say that the health issue must surely be one of the most significant [challenges]... which [has] disproportionately high levels of ill health. I wonder also about... the challenges with caring responsibilities, both for children and for their family. And... some of that is about flexible working... Equally... in my mind is... that at least half of that ill health is mental health. (Business lead, large city authority)
- 47 What we're starting to be really concerned about is the number of people that live in the communities in the [Region]. A lot of them don't work in the same community they live in... A lot of them are on the lower end of the pay scale... We've got a massive shortage of people to work in hospitality and tourism *already*. In fact, to be fair, we've got a massive shortage of people to work in most sectors across the [Region] just now. (Council lead, rural authority)
- 48 There are options to do very short, sharp courses that can give people the skills they need to access opportunities... The narrative... is [that if] you want to change your career, you don't need to go into that course for three years. You know, it can be a couple of months, and I think that's the pitch that needs to go out (Business lead, large city authority)
- 49 At least try to address issues like increasing start-up or... improving their survival rate, particularly for the [Deal]. You know it's been a long-standing issue. (Business lead, large city authority)
- 50 The biggest thing in [local authority area] is that, since the demise of the Citizen's Advice Bureau. There's never really been a choice [in where to access advice]. You know, it's been that's what you'll get and that's what's on offer... It has a huge knock-on effect into numerous things... So, the worry is that... it is escalating to a scale that we're not gonna be able to manage or deal with... We can talk about having a community wealth building strategy and... 'This is how we're gonna deliver things'. But ultimately if... the fundamentals aren't in place then, we're not gonna achieve anything or very little of what the ambitious strategy is setting. (Third sector lead, largely urban local authority with rural areas)

- 51 One of the other key things that we really recognised in [local authority area] is the need for [social enterprises], because we have some amazing social enterprises dotted about, absolutely amazing ones. Not everyone would know they were social enterprises or not everyone knows what a social enterprise is or realises what they do. (Social enterprise lead, rural authority)
- 52 The biggest issue for me is that DWP policy just cuts across all of that... You know, this new welfare to work strategy is to get 500,000 people into work before June... I've got a few issues with that, and I think it really crosscuts other work that's being done around areas like child poverty, fair working practice and all that kind of stuff. The... risk of being sanctioned... just... decimates any work that you're doing around child poverty... improving people's health and all that kinda stuff or... addressing health inequalities. When you're sanctioning a family... you're taking away their benefit. But not just that - you're taking away their housing benefit. You're pushing people into homelessness... Try and tackle child poverty when you're pushing people into poverty. It doesn't make any sense at all... Even looking at it from an employer's point of view ... if you've got 200 applications and only five of them were from somebody who is actually qualified or suitable for the job. It's a huge waste of your time. (Social enterprise official, large city)

In addition to the wide range of specific challenges that individual stakeholders identified (extracts 46-52) there was agreement among stakeholders of particular challenges in both the large city and the rural authority. In the large city, there was a strong desire to invest in, and learn from, social enterprise (53) and in the Foundational Economy - recognised as sectors that offer particular opportunities for women, (54-55).

- 53 As part of the... City Region economic strategy, they've identified that one of the challenges... in terms of employment is getting more women and particularly women from minority ethnic backgrounds... But then you've got the social enterprise sector where 65% of social enterprises are founded and led by women... So, you know, it is a conversation to have with us as a sector. In terms of why that is and how we've maintained that over the years and what ... drives women into our sector. And that might give them some intelligence as to how they can keep them in other sectors. (Social enterprise official, large city)
- 54 [We are] focusing much more on what we're calling the foundational economy... [a] bit [that] often gets forgotten about... So, things like hairdressing and personal [services]... which are big employers of women, but... which [are] also notoriously low paid. And so, focusing on improving in terms and conditions and... improving the quality of work available... and... career progression... We've done work on career progression in the care sector... We see the care sector is absolutely crucial... it is both an enabler and an employer (Council lead, large city)

- 55 We talk a lot about... high value jobs... but there's a lot of... mid-level jobs which are significant opportunities for people. Similarly, the kind of watch term at the moment is the Foundation Economy. You know, that's a lot of jobs. So, if we can find the way to make those jobs more productive then that's another area of value, I think we were talking about... You know communities that are excluded that we need to engage - it's these kind of career opportunities. (Business lead, large city authority)

The challenges that an ageing population presents in terms of delivering a workforce was a priority issue in the rural area (extracts 56-58). In the context of economic development, the challenge was regarded as labour shortage and skills shortage (58), rather than service delivery issues. Interestingly, there is a sense that the availability of (poorly paid) work is part of the problem, rather than the solution to child poverty in the area.

- 56 The issues which are problematic in [local authority area] ... is poverty ... also... combined with [low] population growth. (Council lead, rural authority)
- 57 Because of that depopulation issue and the demography of our region - it's quite an ageing population - we really need to grow our own, support our own, retain our own, try to get people in. (Economic lead officer, rural authority)
- 58 [We need to be] really much more focused on attracting and retaining people because we've got a depopulation issue and also a democracy issue about enabling access to skills and training. We've probably got the highest level of unskilled people because they get these kind of low skill jobs out of school. (Economic lead officer, rural authority)

Also in the rural local authority, some attention was given to engaging young people directly in a manner that resonates with the priority given to drawing from lived experience on child poverty work in Scotland (extracts 59, 60). Focusing on young adult workers is interesting issue in relation to the ambition to significantly reduce levels of child poverty by 2030. This work is consistent with what the Act is working to achieve. However, tackling poverty among young adult workers is unlikely to make much immediate impact on child poverty statistics (impacting only on those households in which a young adult resides alongside a sibling aged under 18). On the other hand, it was recognised that action to tackle poverty among young adult workers requires foundations to be laid in education (60), and therefore some interviewees believed that it should be viewed as part of the child poverty agenda.

- 59 We've started... to get young people's take on what matters for them in terms of development in the local economy... It's quite place- and community- based rather than sector based around the economic drivers for the community, and that reflects our rural areas. (Economic lead officer, rural authority)
- 60 We're really going to try [to] target young people, and see whether or not there's a way that we can support younger people who don't necessarily have the same burdens of life, cost, living et cetera... who are just at a very

different point in life - could we target them and see if there's a way to help them [develop social enterprises]? (Social enterprise lead, rural authority)

- 61 [Skills development] focus is... largely on [the] beginning of that transition from P7 to S1. But it's just pretty obvious that the problems that poverty brings are pervasive... across a person's life... So, we are an all-age service... So, all the things I said about young people apply to adults in poverty as well. (Skills development, local officer outside large city)

Policy addressing child poverty increasingly promotes a 'no wrong door' approach in which those supporting families are encouraged and empowered to go beyond traditional 'departmental' remits to assist families to access the full range of advice and support that they need. Although the merit of this was recognised, caution was urged by some of those responsible for supporting young people that the limits of professional competence and expertise should be acknowledged (extract 61).

- 62 They are told... their job is to go so far. It's about employability ultimately. It's not to get caught up necessarily in all the aspects of somebody's life. But it would be naïve to think that all my staff don't understand and indeed see the effects of poverty in the young people that they're dealing with. The difficulty is when we pick them up... the youngest they would be is 11 or 12, some of the problems that poverty brings are already impacting on their lives. So, you're trying to maybe unpick or unravel the wee bits that you can ... social work are there and you've gotta respect they're there and have a particular skill set to deal with some major issues. Our guys are incredibly well meaning. Some of them are very well trained... Some have come from a more social work background. But we're paid, if you like, by Scottish Government to get those transitions made. So... a work coach - if a young person had addiction problems - they can't ignore it, but they'd maybe signpost them to a person whose better placed to help. And if you didn't make that clear to them, I do think some of them would - because they're very well intentioned - would go down a rabbit hole ... trying to deal with an issue that they'd ultimately be out of their depth on. (Skills development, local officer outside large city)

There were also words of caution around good intentions requiring robust action plans. Not everyone was convinced that action followed intention:

- 63 I think we're still in that world where the strategy says one thing and decisions aren't quite catching up. You're not necessarily seeing as much urgency as sometimes as I would like. (Third sector lead, large city)

3.8 Consideration of specific 'child poverty' issues

Much of the attention of those concerned with regional economic development was focused on strategic priorities (section 3.6) and specific 'economic development' issues (section 3.7)

that were understood to impact upon child poverty but for which tackling child poverty was not regarded as a primary outcome nor focus. However, other local priority actions and problems identified by those working in regional economic development do feature more directly and prominently in the work of those who concerned to meet the obligations of the Child Poverty (Scotland) Act 2017. These include remuneration (section 3.8.1), skills gaps (section 3.8.2), cost of living (section 3.8.3), transport (section 3.8.4) and childcare (section 3.8.5). Also significant was the extent to which Covid-19 was considered to have re-focused understanding (section 3.8.6).

3.8.1 Low wages

Low pay was a shared concern of stakeholders in all three case studies areas. However, the nature of the challenge was different in each area. It was acknowledged that low wages are a cause of poverty, challenging those who propose that work *per se* is a solution to poverty (extract 64). In the rural local authority, there was an understanding that the economic base lent itself to the perpetuation of a low pay economy (extract 65). The challenges which low pay present and the solutions proposed varied across stakeholders. Upskilling (extract 66) and increasing rates of pay (66-70), sometimes to attract the appropriate calibre of personnel (68) were proposed, although it was also acknowledged that some sectors struggled to match the rate of pay offered by others, and that this was exacerbating labour shortages (69). Although the structure of the local labour market was identified as the root cause of low pay both urban and rural areas, in the former this was attributed to long-term economic decline, which traditional approaches to economic development were poorly placed to address (70). Those working in urban regions recognized that the labour market was complex and there was an issue in the differences between those benefiting from higher paying economic sectors and others (71). Actions targeted at populations at risk was proposed as one solution (71).

- 64 The issues which are problematic in [local authority area] ... is poverty because there are low wages. (Council lead, rural authority)
- 65 We also have across [region] but particularly in [local authority area], the lowest wage economy in Scotland and probably in the UK as well, and that reflects two things, the hospitality industry, which is prevalent, and the agricultural industry, which has tended to have... lower pay. (Economic lead officer, rural authority)
- 66 [It's] about... fair pay and rewarding that work and upskilling people so that they can... take themselves out of poverty... it's about helping people help themselves (Economic lead officer, rural authority)
- 67 It's not a view you want to use often, but it is a fact, and you know that [low pay is] an issue that holds people back. It holds children back and it holds people's wellbeing back, particularly [as] we're hitting... a cost-of-living crisis. So... we're one of the first councils to take on the Scottish living wage and you know... this is through different administrations in the council... there's been quite a focus on being able to try ... to do the right thing for local people. (Economic lead officer, rural authority)

- 68 One of the pieces of work that we aim to achieve as a network is that we want to go out and do a full review of salaries, terms and conditions and benefits... If you don't pay lots of money you don't always get the capability, harsh as it sounds, but it's true. (Social enterprise lead, rural authority)
- 69 The discrepancy between third sector and public sector pay and terms and conditions is a huge issue. And it has a direct impact on our ability, collectively, to deliver social care hours... We also have the lowest wage. I don't know if you're aware of this, the ONS has got the weekly wages by local authority and [local authority area] is the lowest in Scotland. (Third sector lead, rural authority)
- 70 A weak labour market, poor employment, the jobs that we do have are in low income, low wage industries, and all through that four decades long generational cycle of poverty and traditional economic development approaches we're never going to solve it. (Council lead, largely urban local authority with rural areas)
- 71 Understanding which type of jobs we need to be creating and attracting. So yes, high quality and... decently paid... the Scottish living wage at a minimum. But also thinking about their accessibility, for example, [for] women with families and... people with disabilities, people with long term illness... We actually sat down with [company] and got them to agree that a percentage of the jobs that they would be creating would be ring-fenced for people from who are who are currently marginalized within the city region economy. (Council lead, large city)

3.8.2 Skills gaps

According to classical economic theory, a skills gap and labour shortages should lead to increased remuneration. However, interviewees reported a low wage economy with low pay (extracts 64-71) and labour shortages (72-75) as characteristic of their local labour markets. These views were not universally shared, but they were significant concerns for those who expressed them. In the urban authority with rural pockets, the aspiration to attract more highly skilled (and highly paid) work was also a concern, given uncertainty whether those furthest removed from the labour market - and at most risk of poverty - were equipped to access these opportunities (extract 72). This concern was also noted in the large city (73), with labour shortages reported across several sectors (74, 76). Although the challenges being encountered were presented as atypical (74) and partly resulting from the pandemic (74), the solutions identified concerned adapting practices in schools and colleges; for example, promoting micro-qualifications (75) and re-focusing employment-related work in schools (76). Some caution was urged by those working with young people (77), who suggested that providing training opportunities does not necessarily lead to improved outcomes. The need for some young people to earn for their families - leading them to access familiar work rather than pursuing aspirational careers - must also be acknowledged (77).

- 72 One of the *big* projects we're working on is around digital process manufacturing... a key growth area for us, and that will require increasingly sophisticated skills... We will start working with those that are capable... I suppose, my concern will be, does that create an even bigger gulf? It may act in two ways. One, it may create a bigger gulf because we're getting increasingly more sophisticated... The alternative, though, is... [that] these skills are [acquirable] with support and training. Then... it takes down a barrier... We've got to be careful ... that [it] doesn't create a bigger gulf between those that we attract in [and the] core residents' population where we've got some very deep-rooted child poverty issues. (Economic lead officer, largely urban local authority with rural areas)
- 73 [Residents'] disconnect from labour market was telling... a lot of city centre jobs are either considered to be too high-level skill or just not the right place for us to access. We're not gonna solve child poverty... if their parents... perceive that the opportunities for children are... limited and that the chances of their actions as a family making any difference or quite slim. (Business lead, large city authority)
- 74 [We are] coming out with two-year pandemic destruction with one of the tightest labour markets that we've ever had. I'm just off a call with [company X]. I'm talking about the challenges they're facing and accessing IT skills and some core engineering skills. Long conversations with [company Y] last week about their ability to get welders and the ability to find taxi drivers in the city is significantly problematic for the night-time economy. Just now, bus drivers and so on... I cannot recall any point in the last 30 years where we have had such a wide range of industries screaming for skills. (Business lead, large city authority)
- 75 I think one of the challenges we face therefore is the is the inflexibility of the skills and [the] labour interventions... focus on apprenticeships ... and graduate outcomes... We need to be much more about the micro credential-based training interventions that will help folks shift into the labour market opportunities right now. (Business lead, large city authority)
- 76 We just simply cannot find staff. [Company] put out adverts to try and recruit 40 or so staff last year. Not one applicant... it's not about demand any longer, it's about supply barriers... I know Skills Development Scotland is asking what do we need to do to overcome some of those supply barriers? ... We're working on measures to try and tackle that. There's a lot of discussion about interactions at school level. Perhaps it's taking a little bit of time for the very senior levels I think to grasp... that this is a moment. This is one of your milestone moments for really changing the trajectory of your city. I'm not sure that the urgency has really penetrated that level yet, but it certainly is there amongst... the middle management levels within the organization. (Business lead, large city authority)

- 77 Young people living in poverty don't have the same aspiration, maybe don't have the role models round about them. So, these are the things that careers advisors are meant to try and kinda lift their heads a wee bit and get them to think a bit more about it. But you have to offset that against the reality, which is in the home, maybe they need to bring money in. So, they've not got the choice to just do whatever career they like the idea of. (Skills development, local officer outside large city)

3.8.3 Cost of living

Reducing the cost of living is one of the drivers identified for tackling child poverty in Scotland. Current cost of living issues were acknowledged to present problems for businesses and workers who must travel as part of their work (extract 78). Although there was a sense that cost of living pressures were caused and/or exacerbated by particular exigencies (78, 79), they were nevertheless impacting on everyday functions (78, 80), demonstrating the precarious livelihoods of many, and broadening the range of vulnerability (80). There was also an acknowledgement in the rural area of a particular cost-of-living stress that was not related to contemporary events - a mismatch between the availability of affordable housing and the geography of labour shortages (81).

- 78 We are seeing... the knock-on impacts of other environmental challenges just now. So, the increase in fuel prices is a huge one both in terms of domestic fuel and transport... [it] means that people working in health and social care, who are using their own cars to go out and provide that care, are actually not able to go to their work. Because at the moment... they go out and they do all their visits and then they claim their fuel costs back. But the rise in the fuel price is so extreme that people can't actually afford put the fuel in their cars to go out and do their jobs. (Council lead, rural authority)
- 79 The increase in food prices as well, driven by a lot of supply chain issues and by Brexit as well as some of the challenges that Covid's left us with, is a *big* problem as well. So, there's a number of external factors that I think that are making it worse. (Council lead, rural authority)
- 80 We're speaking to organisations that provide things like financial inclusion support, food banks, these sorts of organizations. What they are telling us... is they are they have never been so busy. And the people they are seeing ... has broadened hugely... We cannot cope with... the current situation. (Third sector lead, large city)
- 81 We've got loads of void housing but it's not where work is. So, this issue of having somewhere good to live, that's affordable, being able to access jobs and travel to them... attract[ing] higher pay and skills... [it's about] looking at those things as collective rather than trying to fix one or 'tother. (Economic lead officer, rural authority)

3.8.4 Transport

Access to employment was identified as a barrier in all case study areas (extracts 82-86, although it was presented as a particularly acute problem in rural areas (83-86). In the urban areas, inadequate public transport was identified as the problem (82), while broader concerns over the whole transport infrastructure were noted for rural areas (83,84). There was also perceived to be a problem with initiatives designed to promote mobility - entitlement to free travel for young people - being less effective in rural areas where services do not exist (84). In the urban area with rural pockets, there was a concern with the ability of residents from rural parts of the authority to access the areas identified as potential sites of future economic development (85, 86).

- 82 I'm going to take it to a very, very basic level, which is when you're looking to access opportunities... to actually get to a job, public transport [is] quite often a barrier (Business lead, large city authority)
- 83 We don't have the infrastructure; we don't have the connectivity. We've probably got buses we don't need, and we don't have ones we do need... young people who are already living in poverty... can access free transport - but the transport doesn't exist (Council lead, rural authority)
- 84 Transport has been one of the major issues for [young people] ... Entitlement card is as much use as the bus it [is] used to get on, to get to where you want to be. So... one of the things we're looking at... is a different model for public transport... We've never cracked it, and I don't think it's been cracked yet - honestly don't know how we're going to achieve it. (Council lead, rural authority)
- 85 Take an area like the [rural locality] that is really kind of locked out... in terms of how they go about travelling into [neighbouring authority] or other parts of [region] because of public transport. We've built... a swimming pool in [town 1 in rural locality] near the train station. If you want to go to that swimming pool as a family from [neighbouring town] a family of four, it costs something like £16 return... and that's a similar challenge... when you take employment (Council lead, largely urban local authority with rural areas)
- 86 If we pull off some of the investments down at [location], these are big, big challenges... I've argued this for a number of years... we argued that as part of the Transport Act that there should be powers to have municipally owned bus companies, similar to what they've got in Edinburgh with Lothian Buses. That's obviously now been given as a power to local authorities. So, Labour groups... are all pushing for a municipally owned bus company across [Regional Transport Area] which could, I think, start to address some of those public transport issues that we're highlighting. (Council lead, largely urban local authority with rural areas)

3.8.5 Childcare

Improving access to affordable transport and childcare are identified as two of the drivers that could reduce the cost of living and lead to families being better able to increase income from paid employment. In each of the case study areas, some of those involved in economic development immediately identified transport challenges in their area (extracts 82-86 above). In contrast, childcare was not initially highlighted as a barrier to employment. However, after probing, there was recognition that childcare provision had to improve (extract 87-90). Once more, a geographical mismatch between availability and need was identified in the rural authority (87, 88), with the role of the local state being proposed where there is market failure (88). There was a sense that this was a universal problem (89), and it was a challenge that was being recognised both by those responsible for strategic direction (89) and those concerned with the development of initiatives in-the-field (90).

- 87 There are issues with childcare and accessible, affordable childcare in lots of communities. We see it, even in [local authority area], and we see it in [town in neighbouring Area] - that it's not where it needs to be. (Council lead, rural authority)
- 88 A higher proportion of our childcare is in the private sector... I know with Government changes around free childcare that that has influenced some Council's decisions... We've expanded a bit where there's been market failure and we've created that capacity, but we've always relied on private sector to do that, so I'm not aware that [a lack of childcare is] holding us back. But there are instances and certain places given the geography, where it is an issue in certain places. (Economic lead officer, rural authority)
- 89 I think absolutely. It [accessing affordable childcare is] an issue everywhere, isn't it? (Council lead, largely urban local authority with rural areas)
- 90 We've asked all our projects to identify which constraints they will be addressing and childcare... was one of the ones that came up within our [Project]... in the [Region] Growth Deal. And they were going to be looking at you know, a childcare facility within their enterprise and innovation centre. (City Deal lead, largely urban local authority with rural areas)

3.8.6 Impact of Covid-19

Earlier it was noted that the focus on child poverty in economic development activity was perceived to be strengthening over time (extracts 15-19). There were mixed opinions on whether Covid-19 had highlighted any previously unseen conditions. Some representing the Third Sector considered that the light shone on social conditions only confirmed what was already known (extract 91), or that it necessitated a focusing of efforts on the most extreme circumstances (92). Others indicated that they become more aware of the scale of the problem of child poverty (93), or more aware of specific challenges that child poverty presents (93). Covid-19 was also considered to have highlighted what may be possible in the world of work in the future, with a sharper focus on what enables workers to participate (94) and a heightened awareness of local services (95).

- 91 We conducted a major piece of research in the first year of the pandemic. We did... 40 ... in-depth interviews with different third sector organisations across the [Region]. It was about six months into the pandemic. It was to try and get a deep measure of... how the pandemic had impacted but also what the big issues were for the third sector. And surprise, surprise, there was... nothing that came out of that research that didn't already exist. (Third sector lead, rural authority)
- 92 The pandemic has just left her [family worker] absolutely focused... on abuse and violence against children... it's as if... the pandemic has just concentrated all of that into extreme situations... social workers... they've got to prioritise that. (Third sector lead, rural authority)
- 93 The pandemic has shown us... poverty... is there that we didn't know about. [The pandemic] uncovered a can of worms... and demonstrated that the children that are living in the more disadvantaged communities and houses had a major issue with online and home-schooling... They didn't necessarily have the devices that they could do their schooling on. Some of them had devices but their families couldn't afford the data costs to allow them to access home-schooling in the same way. You know, there's a lot of things I think that have come to light over the last couple of years. (Council lead, rural authority)
- 94 This is a moment for real change... because you've got employers having gone through two years of shock and adapting to that shock and [reassessing] all sorts of assumptions about how things needed to be done. [There is a] much greater need for employers to adapt in order to attract talent... So, they want to try and make sure that they're investing in reward packages of training that will help them build up a new staff and help retain their staff... This is the moment to try new ideas with some employers about parts in the labour market [that] they might previously have thought were too difficult to handle (Business lead, large city authority)
- 95 As people... were forced to... work from home... in their communities more than they would normally... then they start to see... [that] business there that does that or there's a social enterprise here that does this. (Social enterprise official, large city)

3.8.7 Focus on place

It was not surprising that stakeholders with a regional (or local) responsibility would be attuned to the challenges that presented in their area (extracts 96-100). It is important to note how this aligns with the strand of action in the Child Poverty (Scotland) Act 2017 that requires local action (and the production of annual LCPARs). This local intelligence identified the scale of the challenge in particular locales within the region (extract 96), instances of when national initiatives were ill-suited to their area (97, 98), even when these may be desirable more generally. In other instances, there was a recognition that there was a need to adapt and apply issues that worked elsewhere to ensure that the locality could accrue

similar benefits (99), and that the scale of the problems required solutions that were multi-dimensional, strategic, and regional (100).

- 96 What we are seeing is increasing challenges in the more remote, dispersed, rural communities... [I] am really conscious a lot of these themes are... national not specific. But I do think you... see the themes augmented in the rural areas, the rural economies, the dispersed communities. You see more challenge there and that does relate right across the piece. Whether it's access to healthy food, it's access to transport, it's heating, it's digital. You know, it's all of those things... you're putting it under a magnifying glass when you come out to the rural economies for sure. (Council lead, rural authority)
- 97 We've got lots of local communities that don't have a supermarket. You know, the twenty-minute approach to communities, to neighbourhoods, is all well and good. But you know, a lot of folk in [local authority area] are twenty minutes from their nearest bus stop, never mind twenty minutes from their nearest affordable shop. (Council lead, rural authority)
- 98 For people that are working in some of the traditional industries... it might be agriculture... it's difficult to provide flexible working because... you're daylight based, and things have to be done at a certain time. The cows won't wait to be milked. So, in a lot of the traditional industries [not being able to offer flexibility] is an additional problem (Council lead, rural authority)
- 99 I would imagine... they [larger areas with a more diverse economic base] don't have the same challenges as us in terms of procurement... So, they've not got the same issues that we've got. (Council lead, largely urban local authority with rural areas)
- 100 I think one of the challenges in discussing regeneration is the extent to which we understand how individual communities interact with... the region, and that the interventions need to be pretty broad based. So, you're not going to solve... regeneration issues simply by doing land reclamation... You're gonna need something around attraction of investment and business activity. You're going to need transport improvements. You're going to need some interventions on... the skills and labour market measures... They all have to happen collectively together. And I think that's one of the challenges for City Deal... it's targeting ... the right areas at the right scale and with the right degree of empowerment at the local level. Not straightforward. (Business lead, large city authority)

3.9 Conclusions

Things like the Poverty Action Plan and so on come to the community board as well and they're joint between us and the NHS. I'm not quite sure whether that work is as quite well joined up as it should be
Council lead, rural authority.

This research has shown that there are examples of synergies between City/Regional Deals and LCPARs recognised in official documents and reports. However, child poverty is primarily referred to setting the context for or justification of City/Regional Deals, and LCPARs which draw strongly upon economic development in their plans are the exception rather than the rule. What is presented in official documents - and confirmed in discussions with those involved in regional economic development - is that there is a general awareness of the importance of tackling child poverty, even if it is not always prioritised in action or strategy. Reducing child poverty was largely regarded as an indirect effect of regeneration measures, with a tendency for stakeholders to believe that of the benefits economic development would 'trickle down' and reduce child poverty, if not automatically, then as a result of more focused interventions, such as through community wealth building or community benefit measures.

Nevertheless, it appears that awareness and prioritisation is increasing, and the function and form of regeneration measures was being re-examined in some areas to intentionally increase their social impact. There was also awareness of some of the important facilitating factors which increase household income and reduce costs, particularly transport and childcare - albeit to a lesser extent than the expressed concern with low pay, skills gaps and need for training provision. Although there was recognition of the role that business could and should play in tackling child poverty, there was also some concern over what were viewed as anti-business sentiments and a lack of understanding of what different sectors and types of enterprise might contribute.

4. Beyond the headline

I think this time next year, we might be able to start to highlight a lot more as to what impacts these projects are likely to have in terms of the inclusive growth constraints and how they will deliver, and how that will be measured.

Regional Economic Partnership lead

4.1 Introduction

The objectives of this report extend beyond documenting the extent to which child poverty features in local and regional economic development activity in Scotland. This Chapter outlines the different ways in which reference is made to child poverty in this work. We consider four issues: understanding what is shaping concern over child poverty (section 4.2), opinions and experiences of measuring impact on child poverty (section 4.3), considering what could strengthen the focus on child poverty (section 4.4) and highlighting examples of promising or interesting practice (section 4.5).

4.2 Understanding the drivers for concern over child poverty

The drivers shaping the concerns of stakeholders and their interest in tackling child poverty were reported for different scales - from the national (extract 102), through the regional (103) to the local (104). Different scales of influence were acknowledged within the same local authority area (102-104). The drivers were sometimes reported to be multi-scalar, with some stakeholders in each area suggesting that local concerns were infusing regional priorities (105-107). There was evidence of agendas being shaped by local/regional intelligence on challenges faced (103-105), while others noted the importance of local champions promoting a focus on child poverty among others who were less aware of it (108).

102 At the moment, our strategic approach to what we do is driven by... what the Scottish government tell us. (Third sector lead, rural authority)

103 So the regional economic strategy is based on... rewarding work. So not just the Scottish Government's... policy objective but... recognising the kind of issues we have about poverty, low income, and everything that comes with that. (Economic lead officer, rural authority)

104 Our Community Planning Partnership... wasn't really resulting in the sort of combined actions which we wanted to see on the issues which are problematic in [local authority area] (Council lead, rural authority)

105 So, the regional economic strategy... starts... from looking at community wealth building as an approach to economic development... It's fundamentally about changing the economy over the last four decades... post-industrial communities... absolutely withering on the vine... [We could] continue to try and do traditional economic development - look for inward investment, hope that it lands, hope that the benefits of it can trickle down into your people et cetera - and that [it] will start to change the economic and social position of the residents. It hasn't happened for four decades so why would it be different now? ... It's fundamentally about taking a different approach to economic development so that that four decades long, economic and social challenge that we've had with child poverty, with a weak labour market, with low job density... so that we can start to turn the tide on some of that (Council lead, largely urban local authority with rural areas)

106 [Our approach to tackling poverty has] informed how we've looked at regional economic strategy (Economic lead officer, rural authority)

107 [local authority area] is effectively... economically half of the city region... the city is very good at making sure its things align with the regional strategy and vice versa. (Third sector lead, large city)

108 To his credit, all through the development of the regional economic strategy, he [member of staff] *kept going on about children*. There needs to be something in here about children and [he] made all the arguments that you would expect, which I supported. Did we... make much progress? Not really... probably because, the professionals that sit round those tables are by and large not working in that area or haven't worked in that area. They've come from, possibly teaching, but more likely they've come from planning, economic development, administration... They're not bringing that deep understanding and those deep intellectual linkages that you need to make to those ideas, to the way the world is - they're not bringing that. (Third sector lead, rural authority)

4.3 Measuring impact

There was a sense that regular reporting on child poverty was becoming more commonplace (extracts 109, 111). This is not to under-estimate the challenges in estimating the impact of economic development activity on child poverty (111, 112, 115). Impact assessment was welcomed (113, 114) and valued as a means to evidence the 'higher order' goal of ensuring the broader social impact of public spend (114).

109 Some of the statistics that we look at regularly are around poverty and specifically, child poverty. (Council lead, rural authority)

110 We've... revised [our] monitoring and evaluation framework and child poverty is also one of the indicators in that economic strategy. (Council lead, large city)

111 Is everything [that] we're doing on... investment and... growth and all those interventions - making a difference on child poverty?... I'm not sure of the answer to that. (Economic lead officer, largely urban local authority with rural areas)

112 How do we get really good at understanding the interventions that have the biggest impact? Because I'm not sure that folks know that. (Third sector lead, large city)

113 There was a report at the end of the first pilot... to the Social Work Committee on the success of the project... A lot of the way in which it was analysed was on the individual youngsters... You could actually see that sort of experience and the fact you had particular individual families had been assisted and had been able to cope better. (Council lead, rural authority)

114 The council was spending £10 million a year on Council contracts... but ... why [has] that £10 million never ever changed any of the poverty and economic statistics that that Ward is absolutely plagued with? (Council lead, largely urban local authority with rural areas)

There was some divergence of opinion on the value of child poverty targets, with concern expressed that strengthening the focus on targets would constrain practice (extract 115), or that stakeholders may be held to account for matters beyond their control (116, 117). On the other hand, it was suggested that targeting could sharpen thinking on desirable outcomes (118), and that as measurement indicated what was understood to be important, explicit child poverty targets would encourage action on tackling child poverty (119).

115 Targets immediately makes me think, 'Oh, that would tie us down, that would pull us in'... In any case... as an intermediary... [it is] very difficult for us to say, 'See that improvement over there, we did that'. It's very difficult. I like to think we do... but there's a difficult line of accountability there. (Third sector lead, rural authority)

116 I'm not averse to being monitored... But when I'm looking at things and thinking about is what am I going to be accountable for? [You're only] accountable for things you can control. (Economic lead officer, largely urban local authority with rural areas)

117 I'm always struck by how difficult it is to match changes in outcomes against interventions... [We] try and shift the figures on child poverty, but events outside of our control have significantly greater [influence]. (Third sector lead, large city)

118 I have an interesting relationship with targets. I find them incredibly helpful. So, the way we think about our targets is we really think about outcomes. So, our social enterprise strategy is set up as an outcomes model... What are the outcomes we are trying to achieve and therefore what are the indicators and the measures that we need in place in order to know whether we're reaching those outcomes? (Social enterprise lead, rural authority)

119 Measurement is part of it, because you do focus on what you have to deliver and what you're being measured by... I wonder if we need more explicit targets? (Economic lead officer, largely urban local authority with rural areas)

Most concerns regarding measurement were pragmatic. Interviewees felt that existing metrics were not best placed to convey the impact of activity from their sector (extracts 120-122). Others looked to anecdotal evidence (123) and information beyond the large-scale quantification that tends to characterise annual reports to convey impact (124). Caution was also urged over developing data from the 'bottom-up' - specifically, there was a concern to make data requests routine and not add to workloads (or distract from the focus) of small organisations delivering services on the ground (125). Extract 97 quoted above illustrated how the aspiration of the 20 minute neighbourhood was regarded as ill-suited to a particular area. The same comment also provides an example of where the appropriateness of a particular indicator was contested (extract 126)

120 There probably is a bit more [required on] ... the measurable outcomes that third sector organisations are delivering. (Third sector lead, largely urban local authority with rural areas)

121 I think it depends on how targets and things are pitched... We looked at the regional economic strategy we... picked out the bits that made sense for us and said 'Yeah, we can help this bit here, we can help this bit there, social enterprise can be part of this solution'. (Social enterprise lead, rural authority)

122 It was really difficult because some of the measures are not really attributable to anything you're doing. (Economic lead officer, rural authority)

123 I think what's more interesting is... anecdotal stories of just what they see and what they deal with in the field every day. (Skills development, local officer outside large city)

124 There might be other ways in which we can showcase what's happening. But not necessarily... that hard and fast annual data that the Council, the Health and Social Care Partnership, and the NHS are... reporting on. (Third sector lead, largely urban local authority with rural areas)

125 We need to make sure that it's measurable. That the sector... can say, 'Well, actually, we're capturing that data anyway'. If we start asking them for things

that's over and above, then that's where the difficulty [arises]. (Third sector lead, largely urban local authority with rural areas)

126 We've got lots of local communities that don't have a supermarket. You know, the twenty-minute approach to communities, to neighbourhoods, is all well and good. But you know... lot of folk in [local authority area] are twenty minutes from their nearest bus stop, never mind twenty minutes from their nearest affordable shop. (Council lead, rural authority)

Despite many not being averse to measuring impact (extracts 115-126), stakeholders were not able to point to indicators currently in use to measure their impact on child poverty (127-129). There was awareness of metrics and measures currently available, but the view that these did not deliver the intelligence that was required (129,130) and that 'poverty shame' among people experiencing poverty may lead to an under-representation of the scale of the problem (131, 132).

127 We don't have a specific measurement in place just now - a performance measurement or data that we could draw on that would say how [the] interventions that we support, have a positive or not, impact on child poverty. (Council lead, rural authority)

128 I'm desperately trying to... see if I can find... whether there's any meaningful measurement of child poverty. (Third sector lead, large city)

129 As you know, the SIMD is updated every four years and other robust, more timely measures are certainly of interest to us. So, any information around suitable measures... would really prove useful to us in the development of that [Region] growth deal benefits realisation plan. (City Deal lead, largely urban local authority with rural areas)

130 The argument I think that we've tried to make with Government is that the Index of Multiple Deprivation doesn't really work in places like [local authority area] ... So, any funding which is aimed at [deprived areas] just doesn't touch us particularly. (Council lead, rural authority)

131 For smaller communities, there's quite often a sense of being ashamed because other people are okay - 'You're the people who don't have money, you're the kid who doesn't have the money to go on the school trip', or whatever. (Council lead, rural authority)

132 If you're two parents working... hard but both on minimum wage and struggling to pay the bills, that young person is living in poverty. But you might be embarrassed to admit that. I don't know there's much any of us can do, you know, if they won't come forward. (Skills development, local officer outside large city)

The challenges measurement presented were not viewed as insurmountable, or at least did not dissuade many from aspiring to measure child poverty (extracts 133-137). Interviewees

expressed the desire both to disentangle local impact from national data (133) and for bespoke metrics that provided insight into local priorities (134). Some progress in developing more 'granular' metrics was reported for the large city, with a sharper focus on specific disadvantaged neighbourhoods (135) and the child poverty priority groups (136,137). There was also a sense that it was possible to 'retrofit' metrics to ascertain the impact of emergent priorities on earlier interventions (137).

133 A number of... PIs [performance indicators] ... just plug in... national stuff and... it doesn't tell you whether your project has really been of benefit because it's in there in the mix of a number of factors... We're really keen to have local measurements that we can use. (City Deal lead, largely urban local authority with rural areas)

134 We wanted to make sure that... as many contracts as possible would be ... with the local small business communities... we have been monitoring how much [has] been spent with the local businesses and... that kind of stuff. (Small business lead, across authorities)

135 Being a bit more granular, drilling down... We know that there are neighbourhoods in the in the city region that have multiple deprivations through the general intelligence hub that we've established, which has been an incredible resource, actually absolutely fantastic. We've got much, much better understanding... of who they affect, how they function, how they function within our economy... their impact on the economy. (Council lead, large city)

136 We've identified priority clients and that includes lone parents, and parents with three children or more, and women who whose youngest child is less than one year old, women who are aged under 25, women returners to the workplace and people with a disability... There are other priority groups in there as well, but though those are probably the ones that are most directly connected to... child poverty. (Council lead, large city)

137 We've... embedded the idea of inclusive growth... throughout the City Deal. So, everything now is measured and monitored on that basis and... it's built in... We've built a community benefits programme which is much more clearly focused on outcomes and targets rather than just X number of jobs or apprenticeships. It's much more focused on... particularly marginalized groups, whether... that might be women, for example, minority ethnic groups, disabled people (Council lead, large city)

There was an awareness of how their locality compared to others (extracts 138-142). In the large city, benchmarking against other 'UK core cities' was familiar to a wide range of stakeholders, while in the rural area, comparisons were drawn to highlight 'headline' priorities. Although this was viewed as valuable knowledge (139) and was described in ways that suggest that data intelligence informs actions (140, 141), there was also a recognition that wider awareness of the availability of such data created pressures on officer holders from local politicians for evidence of positive impact (142).

- 138 We measure ourselves a lot against the other UK core cities. (Council lead, large city)
- 139 So we get a report to each meeting which looks at the city region and some key indicators and compares them against other city region areas, which is helpful. (Third sector lead, large city)
- 140 [Region] has [a] really high level of start-up activities, but the survival rate is quite low... If you look at other regions in England like Manchester, they have both. (Business lead, large city authority)
- 141 There [are] some measurements, we don't actually score all that well on... I have to say on child poverty, but it isn't all that surprising because... we're still a low wage economy... I mean we're not the worst - I think Glasgow has the worst child poverty rates - but we're not that great... We're not doing that well. So, I think a focus on that is important. I suppose it's knowing what actually works. (Council lead, rural authority)
- 142 Members of the council were clear with us that they want evidence that this is working, that those things are happening. (Economic lead officer, rural authority)

It was reported that progress was being made on improving performance metrics, often working with partners (extracts 143-145), to broaden measurement to focus on social impact and goals closer to child poverty (144-146). This work was evident in all case study areas, mainly as work-in-progress (143-146), although others reported that interventions were already yielding insight and informing action (147).

- 143 I'm not sure that... the monitoring and evaluation structures [were] in place... So, I suppose my first couple of years was very focused on that. So, we worked a lot with [external partners]. (Council lead, large city)
- 144 We are working on... a new performance measurement framework... that will have wellbeing as one of the performance criteria. Now, as you can imagine, that is not an easy thing to quantify and measure. We're doing some work with [external partner] just now... We think it's going to take us at least a year to try and bottom out and capture and build some of these metrics. But I am hopeful in the next... two, three years, we will be able to measure some of those interventions more directly. At the moment, what we do is work with partners to look at the overall picture and to try and track any specific interventions. (Council lead, rural authority)
- 145 One of the challenges we've had... is that... GDP and things like that... don't measure enough. They're not good enough for us to measure success and the ambition that we've set here. So, we've been doing a lot of work, we've brought in some help around this because it's really important for us to be

able to measure [on] at least a proxy basis, if not on an actual basis.
(Economic lead officer, rural authority)

146 We are spending a lot of time on [measurement]. I've worked nationally across all of the Deals. I've been leading on benefits realisation and suitable robust indicators that we can use for a consistent approach. That was where the conversation was really interesting and it was great to be part of that, but... these indicators... caused a lot of discussion... We're seeing some of our projects now starting to look at how they're going to articulate outputs and outcomes and impacts and they're talking about deprivation. But the stumbling block is - so how are we going to measure it? ... We don't want to make this overly complex either... What we also don't want it to be doing is to be a tick box exercise as well. (City Deal lead, largely urban local authority with rural areas)

147 [Through measurement we have a] much better understanding [of how] physical regeneration translates into impacts on inequality and poverty and... specifically child poverty. (Council lead, large city)

Above all, the challenges of measurement and interpretation of evidence were not underestimated. There was awareness that child poverty is a complex issue comprising many determining factors (extracts 148, 149). There was an understanding that this complexity had to be negotiated, rather than over-simplified if measurement was to be useful.

148 It's the *interconnectedness* of all of these things. That's the challenge. If we want to tackle child poverty, then we have to tackle housing. We have to tackle infrastructure. We have to tackle transport. We have to tackle... the challenges that are impacting on their parents. We have to look at the social care that's being provided, the schooling that's being provided, the support networks and the community piece as well... But it's also got to be taken into account as part of... the national interventions. At a national level, the recognition is given to the way these things intersect and interrelate.
(Council lead, rural authority)

149 I think we know at individual level what actually works but it's very difficult to be able to say that taking a particular action or a particular project is gonna solve the problem for people, because it's made up of so many other technical problems or smaller problems that need to be addressed. So, it's some youngsters who have families who have addiction problems and... they end up in poverty because of it. And there's kids who, because their family lives in poverty, end up in a sort of criminal world because they're trying to help out. They know that their families have no money. They're actually trying to do their bit, maybe selling stuff they shouldn't be selling because it's bringing in a bit of money. [Tackling child poverty is] difficult... because it's made up of so any different complex issues. (Council lead, rural authority)

4.4 Facilitating a stronger focus on child poverty

There was belief, and some evidence, that regional economic strategies were facilitating closer partnerships (extract 150) and informing the development of other strategies (151), both of which in turn could lead to a strengthening of focus on tackling child poverty (152, 153).

150 We... publish[ed] that regional economic strategy at the end of last year... there is a *really close* partnership approach to working across [Region] with the councils but also with other bodies like Third-Sector Interface in [local authority area]. (Council lead, rural authority)

151 We reflected very much on the Scottish social enterprise strategy. We also reflected on our local regional economic strategy: it's been developed over the past few months and is relatively new but it's sitting in this space for [Region]. (Social enterprise lead, rural authority)

152 So, in terms of child poverty issues, we have a new regional economic strategy. (Economic lead officer, rural authority)

153 The [Region] regional economic strategy... is currently being developed over the next few months with... community wealth building principles... the strategy will be aligned to the [Regional] growth deal. So, perhaps the strategy is where we'll start to see the smart objective goals around child poverty (City Deal lead, largely urban local authority with rural areas)

4.4.1 Local action and economic context

There was some strong support for co-operative approaches to address local issues and to support local people. There was a sense that effective interventions were more likely to be localised (extracts 154, 155), although the importance of situating these local interventions 'in the context of wider economic opportunity' (155) hinted that these are conceived as local expressions of a wider regional (or national) strategy. There was also support for national projects that allowed for local variation (156) and for the loosening of national frameworks to facilitate more localized actions (157). Others were more concerned over who loses out when control is ceded to local areas (158). When there is localisation of responsibility - or devolution of responsibility - there can also emerge a blame game in which no one takes complete responsibility for less effective interventions (159), or a lack of support at one level given the 'risk' of that credit being assumed elsewhere (160).

154 We recognize and understand the impacts that different bits of the system have on each other... One of my eternal bugbears is that we always plan. We always look at things [for] very big geographic areas. And then divide them. [We] silo them by theme. I'm a little bit more of a fan... wouldn't it be good if you actually looked at area? It's a finite community geographic area and you brought the resources together to address the issues [in] that area, but

that's not a change that's on the cards from anybody. (Third sector lead, large city)

155 I'll go back to my old riffs... I do like when I see quite localized interventions that are done in the context of the wider economic opportunity. So... the team at [local area regeneration] ... have been getting their mind around the notion of interventions to help particular groups in their community to access skills. I think they did a deal with the NHS to help promote... [They found] solutions to the specific challenges of households wanting to grab those opportunities... [for example] funding bus transport around the ... district in order to make it... to access certain opportunities... Quite often, it just seems to take... too long... through a national or regional level... you can do things that are sub-regional level or a local level to try and get early intervention. (Business lead, large city authority)

156 We want to collaborate and engage with those national projects, national interventions. But we need to be able to tailor them regionally. Because what will work, you know, for Falkirk will not necessarily work for Hawick or for, you know, [local authority area] and [town within] and some of the more deprived areas around [town within] that are really suffering at the moment... It's that ability to tailor regionally. (Council lead, rural authority)

157 I think the biggest barriers that we will face in terms of the wider community wealth building agenda are stuff like the NHS being... tied into national frameworks for procurement... Another opportunity like that would be on renewable energy. So, we are doing council renewable energy projects, we're going to generate 277% of your energy needs, so we're going to be an exporter of renewable energy and I'm really keen to then sell that energy into the NHS or sell it to [local] college. But that will require them to be allowed to come out of some of their tied energy frameworks... If you think about community wealth building, as a concept, it's much better to be spending that money with [local authority] than to be spending it with EDF, for example. The other anchor institutions which are a big problem are obviously [the] centralised, national agencies, like police and fire... they have a national procurement committee, they have a national committee looking at their assets. (Council lead, largely urban local authority with rural areas)

158 At the moment... we're potentially falling over initiatives. But the other thing they've done is... to give more control to the local area, who best know the local needs. But now what you've potentially got is 32 versions of what employability provision should look like. So... what a young person gets in Inverclyde might not be the same as what they get in Glasgow or Aberdeen or wherever. (Skills development, local officer outside large city)

159 Everyone is also very quick to blame... You know, it's not local authorities' fault they can't commission faster. It's the Scottish Government interpretation of the... public sector finance manual... It's not a Scottish Government's problem that they give year-to-year funding - it's the UK

Government's fault, and local authorities should have more confidence that funding will continue on an annual basis. (Third sector lead, large city)

160 Scottish Government has to get its mind around the fact that UK Government funding is coming into city and city regions... and work with it because again there's opportunities for business to help shape... the Shared Prosperity funding, Levelling Up funding and Innovation Accelerator funding... that is coming through. There's a real opportunity to... help shape that from a private [sector] perspective and get more... business investment behind it. (Business lead, large city authority)

4.4.2 Growth/City Deals

In one case study area, the Growth Deal was presented as an opportunity to extend the reach of local priorities to the wider region (extract 161). The opportunities that Growth Deals afforded were welcomed (161-163), for example, to stimulate the private investment that would be required to regenerate the local economy (162). However, stakeholders stressed that City Deal activity was not the sum of their work (163), that Growth Deals could be better aligned with wider work (164), and that Growth Deal investment would need to work in new ways to new ends in their region if it were to deliver the social outcomes that were desired (165).

161 We spent the eight months or so turning that report into [an] action orientated strategy and then because of the Growth Deal we expanded it towards the whole of [region]. (Council lead, largely urban local authority with rural areas)

162 We're not going to solve the problems of our local economy without private investment. We just want enough public investment to make it happen. We're going to need private investment. (Business lead, large city authority)

163 The Chief Exec. felt we'd put such a big, ambitious, programme together - not only the Growth Deal but our *big*, key, strategic areas. He wanted me to lead and drive all of that forward. So, the Growth Deal is a component of what we do and it's an important *catalytic* component of what we do. But it's not by any means the only thing we do. (Economic lead officer, largely urban local authority with rural areas)

164 I think it [the Growth Deal] definitely could tie in better (Council lead, large city)

165 It's not £3 million for community wealth building. It's a two £250 million community wealth building opportunity. If we just use the Growth Deal as a traditional inward investment model then we are not going to change the economic position of the country, everybody's got Growth Deals and City Deals, we need to be different by taking a community wealth building approach. (Council lead, largely urban local authority with rural areas)

A range of opinion was expressed in relation to different sectors working together toward shared outcomes. Some described an iterative process which resulted in effective ways of engaging the private sector (extracts 166, 167), although in the same area concern was expressed that small businesses were not involved and their talents not being utilised (168, 169). There was also some concern that social enterprise was not yet fully understood (171, 172), although some signs of better understanding were evident (170) and that greater involvement in regional activity was being facilitated (172, 173). In the rural case study area, there was also acknowledgement that structures and ways of working have to change to capitalise on the opportunities that closer co-operation affords (174, 175).

166 In the early days, a private sector panel [was] established which... hadn't really ever engaged by the time I took on... the chair... We tried to... find a place for it and... it didn't quite work... Now... it's just ongoing relationships with investors... trying to have that collaborative approach rather than have the private sector embedded in decision making... to focus on developing shared aspirations and outcomes... where we collectively understand and the private sector understands as much as the public sector does, [that] civil society does that tackling child poverty and... getting women into work and lifting families out of poverty and [that] creating economic opportunities is good for the whole economy and it benefits the private sector as much as it benefits [everyone else]. (Council lead, large city)

167 We are well consulted, [and] embedded inside the City Region structures and Regional Economic Partnership... The closeness we have to... the City Council means that that we are pretty strong in the debates about how the city and city regions strategies should develop... We certainly feel as if we're heavily involved in that, and I know that's increasing because we've been debating about the extent to which further members... should be involved in the City Region Economic Partnership... [We aim to] spread that around a bit [as] I know that the criticism from the private sector[at] the beginning [of the] City Deal was it was all done hush, hush. (Business lead, large city authority)

168 There was no involvement [in the first City Deal] ... No kind of consultation or engagement work undertook prior to the announcement [or] prior to... all the projects being announced. So, we felt like everything is decided. And that that was political... I don't think we are officially kind of part of any city [Regional] Deal Partnership or forum... engagement is mainly through Project Management Office. We know a... few people well, quite a lot of people there. And... they occasionally contacted me for catch-up... particularly on issues around procurement and engagement communications. (Small business lead, across authorities)

169 It really kind of depends on each... partnership or... the Growth Deal forums. We didn't really understand why we are not involved in the [local authority area] and why we were involved in in others. (Small business lead, across authorities)

- 170 Within the local authority... I think they're now starting to see the importance of social enterprise... but there's still work to be done there around helping them truly understand the benefit and the focus... I think there's still further work to be done with health and social care partners, with... the executive team and middle managers... really helping them understand the possibilities of working more and more with the social enterprise sector. (Social enterprise lead, rural authority)
- 172 I think the third sector and social enterprise in particular showed that they are... flexible, dynamic. They can move quickly... [Regional economic strategists] are still clinging on to the notion that the private sector is the sector to help drive this forward. I think they're part of it. Obviously a big, big part of it, but I think there's a lot that the private sector can learn from us as a sector as well. (Social enterprise official, large city)
- 173 We're mostly at the table through the Third Sector Interface... It's more difficult for me capacity-wise to be sitting on all these tables, so I'm kind of relying on [the TSI representative] who does sit on those tables to then feeds information back to me. (Social enterprise official, large city)
- 174 When I came in... we did some restructuring [and] one of the things that we did was strengthen that communities' team... Because the work that they do, again, across the [Region] but in [local authority area], with community groups is really, really important and they get first-hand insight and knowledge and understanding through that work as well... We've got boots on the ground, I suppose. (Council lead, rural authority)
- 175 I think... it's still a bit disconnected... I'm not just talking within the council. The system's quite complicated. And getting that kind of system more aligned and more joined up, would be a really big wish that I wish we could do. I think that there's so many bodies and agencies and, you know, different perspectives, different time frames. (Economic lead officer, largely urban local authority with rural areas)

4.4.3 Cross sectorial co-operation

Although closer co-operation across sectors has intuitive appeal, those representing the Third Sector identified limitations and opportunity costs (extracts 176-178). Criticisms included statutory organisations being too distant to communities to understand the challenges they face (176), acknowledging that voices representing the sector were not a substitute for direct engagement (177) and that regional structures necessitated energy to be invested in facilitating co-operation among local authorities, which it was perceived was at the expense of energy that could (and should) be devoted to engaging communities (178).

- 176 The hardest bit for any statutory services [is] to actually understand what's happening in our communities. We know that... during Covid, communities just responded to the needs that were there and they continue to do that,

regardless of what the need is. (Third sector lead, largely urban local authority with rural areas)

177 I am unique, and I get a voice at the [region] and Quality Partnership, but I don't think that is in any way... a replacement for good engagement... We would always say, you know communities and the third sector are not the same thing, but third sector [organisations] are [a] really good way to reach communities and... that is often the mechanism through which communities... have their voice heard. Particularly for groups who may not necessarily feel able to be engaged directly. (Third sector lead, large city)

178 (On regional strategy) It says the right things, but the engagement with communities has been rubbish. I think a lot of that is driven by the fact that they're so busy focusing on what keeps [different]... authorities happy. That they lose sight of who else needs to be engaged in the process. (Third sector lead, large city)

Several challenges to effective collaboration in regional partnerships were identified, including the use of specialist language (extract 179). Related to this was the more fundamental issue of encouraging new ways of working and new ways of thinking for those who have had a more traditional background in economic development work (180). Representatives of the third sector noted the pressures that they faced in finding time for collaboration (181), and for assisting organisations to better understand the wider impact of their work (182).

179 People tend to go off on their own specialty areas and... the language is different. You know, I talk in very hard - quite hard economic investment returns, you know, it's quite economic, quite technical... When you're talking about child poverty... they'll have their own language] ... [We've] just gotta find... that way that we all collaborate. (Economic lead officer, largely urban local authority with rural areas)

180 I'll be honest with you... you go and talk to council officers and economic development partners, that's not their bag, they're not experts in the cooperative economy. They're not experts in worker ownership or anything. They're fundamentally traditional economic development officers. They've done their job for the last three or four decades, got to where they're at, where they are because they're good at that. But it's very much a traditional economic development approach... Then Preston comes into the mix, you read the stuff in *The Guardian*, and you send it on to our officers. You have a meeting with them, and they say 'Right, that's great, wee bit of procurement spend. Start spending it with the local business base, tick boxes of community wealth building, you've added five percent onto your local spend'. And then I said, 'Well, not really, I'm not sure that's exactly what community wealth building is about ... So, let's get Matthew Brown up from Preston'... to have a conversation with the economic development officers about what it is he's doing in Preston. So, Matthew comes up and talks about anchor institutions, local spend, local supply chains, et cetera. But then very

quickly moves on to the community bank idea, divestment and pension fund and locally investing that in the regional economy, looking at worker owned cooperatives et cetera, and it's like, Bingo! (Council lead, largely urban local authority with rural areas)

181 I think the hardest thing is that, unfortunately, we're so stretched at times within the sector, that we don't have an opportunity... to lift your head from the parapet... It's just like head down, just deliver. That element of reflection and actually looking at... the difference that you're making is sometimes the bit that just makes all of the difference. (Third sector lead, largely urban local authority with rural areas)

182 The *hardest* bit is... having that conversation with a third sector organisation to say, 'do you know that actually you are alleviating poverty by delivering what you're doing?' And because it's potentially secondary to what they're delivering, they don't necessarily see that... Trying to get that bigger picture is *very* difficult. (Third sector lead, largely urban local authority with rural areas)

4.4.4 Regional structures

Regional structures were understood to provide opportunities to advance bespoke agendas, which in some areas was facilitated by the flexibility that agencies had to set their own agenda (extract 183). Regional co-operation was valued for the enhanced bargaining power that comes with aggregation (184). The ability to embed wider social goals into everyday practice was deemed particularly significant (185, 186) - with the regional agenda offering a framework through which these goals could be pursued. This is not to imply that activities previously to the fore in economic development would not be pursued; rather, that the outcomes focus of 'traditional' activity would be calibrated to reflect wider social goals (187). This was encouraging an outcomes focus on metrics, such as women moving into 'decent' employment (188), and targeted measures on specific groups which have traditionally been disadvantaged in the labour market (189).

183 We are fortunate because we have... flexibility... I always say that what we do is basically well-being but it's the well-being of our economy, our environment, and our communities. So, that gives us a lot of flexibility in how we can approach things. (Council lead, rural authority)

184 There's opportunities... to drive something bigger across the region, [such as] something to do with purchasing power... but equally there's further work to be done (Social enterprise lead, rural authority)

185 We spent time with every single service manager within the council. It wasn't just about economic development and... the community wealth building team... sit[ting] in their wee part of the... building and... talk[ing] to each other about [how] great is community wealth building [while] the other managers on every single other floor are sitting their doing their traditional day-to-day work... We've spent a lot of time trying to distil what we were

trying to achieve across the whole council, and the point of that was that every time we had departments to come forward with a policy, or looking at contracts or whatever else that they're doing in their day-to-day business, they should be thinking about it through the lens of community wealth building, and what we're trying to achieve with community wealth building. (Council lead, largely urban local authority with rural areas)

186 Any new projects or decisions around funding are now tested against a Local Outcome Improvement Plan and... that's got inclusive growth absolutely embedded in it. (Council lead, large city)

187 There would be a lot in there still about reclaiming vacant and derelict land and about physical regeneration, about building homes and creating jobs. Ultimately that that is what [the Deal] would be... But from the outset it would be immediately informed and... shaped by our now much, much better understanding of how we use interventions and investments to deliver inclusive growth to tackle inequality (Council lead, large city)

188 I think [assisting] women into employment, into decent good employment is... the key to tackle child poverty (Council lead, large city)

189 So in the case of [new employer] that is two and a half thousand... new jobs that are being created. 340 of those jobs have been ring fenced either for people from disadvantaged background specifically or people with disabilities and long-term illness. (Council lead, large city)

4.4.5 Funding

New ways of working and new social goals were welcomed. However, some familiar problems were acknowledged, which it was perceived could compromise impact. Concerns were expressed - from both within local government and outside it - of the challenges that short-term funding settlements presented for addressing generational and long-term challenges (extracts 190, 191). There was also scepticism over the prospects of mainstreaming following short-term funding (192) and an immediate concern over the condensed timeframe that was anticipated to position projects for the UK funding that was replacing European funds (190,193).

190 Short-termism and initiative driven funding is not a way to... tackle things like child poverty, health, and social care. Those things that need consistency and longevity. [You] need to stick with the plan, you need to work your way through it and see the difference... We're talking decades here to try and help make a difference and I think probably one of the challenges is that kind of short-termism and consistency. I understand... political process and cycles, but it's not helpful.... two years funding is not good enough... You know we've got the Shared Prosperity Fund just coming out but again, you've got three months to work it out and where to spend the money. Short-termism, and lack of time to use the money effectively is a real barrier for us to tackle child poverty. (Economic lead officer, rural authority)

191 Part of the tension... at the moment is the year-to-year funding... what we've seen is there's a recognition that the third sector's significantly better placed... to respond to some of the groups that you're talking about... And the year-to-year nature [of funding] has meant that there has not been any meaningful commissioning... because the commission cycle takes seven months and if you only know that you've got funding for 12, that doesn't do anybody any favours... It would almost be manageable if you knew what funding was coming from Scottish Government for the next five years. (Third sector lead, large city)

192 It's just about always sort of short term. So, even if you do get something cracking in place, it'll then be 'well you've gotta mainstream it'. Well, to be honest, if we could've mainstreamed it, we'd have done it in the first place. (Skills development, local officer outside large city)

193 It replaces European funding, which is of concern to us because there's organisations that are still being funded with it... So, it's important that that money continues to reach third sector organisations, but in particular the types of things that have been funded by it, which is a lot of the employability stuff... What we do know is it will be allocated... by the UK government to local authorities and an allocation given to each local authority with the option for each local authority to either operate independently or engage as part of our region. The intention in [local authority area] is... probably that it will be a region... information will come out in the next month. There's then a twelve-week window for developing an investment plan, which is a reasonable amount of time to develop a plan. If you've done... really good quality engagement so that you're sitting with good ideas that have been informed by their community. But we haven't. (Third sector lead, large city)

Funding concerns extended beyond funding cycles. There was a sense that a balance remained to be struck from financial oversight being too lax or too overbearing (extract 194). One local area was criticised for being overly bureaucratic (195), with another lauded for its flexible interpretation of the rules (196). Concern was also raised that funding was not responsive to new needs that were emerging, and the budgets were being stretched to finance this vital work (197).

194 [It] was wonderful because we just got money quickly and easily... I'm not entirely sure [the money] was all well used... we went from over bureaucratized to laissez faire and now we need to... find somewhere in the middle that is about responsible use of public money. But recognizing that responsible use of public money doesn't have to be measured in the way that we've measured it in the past... The default for public bodies is that... getting best value comes from competition... there's some really fundamental flaws in that when you're talking about the commissioning services to vulnerable people. (Third sector lead, large city)

195 There is the public finance manual which says certain things. And then in [local authority area] they have... their own sort of standing orders. If you like, the rules that they follow. And those rules are tighter than they possibly have to be in terms of the legislation. And then you've got individual people who interpret the [local authority area] rules and they [make] them tighter (Third sector lead, large city)

196 I'm gonna be blunt and I'd rather you didn't name the local authority, but you know that I think sometimes the rules were bent a little bit in the interests are doing the right thing, which I think is really positive, something that [local authority area] can't get away with. (Third sector lead, large city)

197 Local government budgets contracting all the time does make it more difficult... we've been able to use some non-recurrent funding for anti-poverty work... Even the intensive family support was actually funded through... some of the Covid funding because that's actually how we found many of the families... But it's not part of our core budget and [there is a] real concern [that] some of these things could be lost if the core budget contracts so much... That really is a concern every year. But we always... put a million pounds in terms of anti-poverty work every year. That is always from non-recurrent funding. (Council lead, rural authority)

4.4.6 Joint working

There was mutual appreciation of the contribution that partners were making to shared regional goals (extract 198-201). This was facilitated by working together (198-200) and building mutual trust; for example, through information sharing (201) and being comfortable recognising the most appropriate agency (201) or scale of intervention (202) to progress actions.

198 We do spend quite a lot of time with the councils. So, we're not duplicating, we're not displacing and we're understanding how the best fit comes about. So, we've got some really good regular meetings now with the chief execs, interim chief execs and their senior teams to talk about how we make that work, how we add that *best value*, collaborating together... cementing the role of enterprise agencies as a partner, a collaborative partner to the local authorities... We bring them [partners] together to look at solutions... How we can accelerate solutions and how we can learn from each other to make this happen faster? I think, that's quite unusual (Enterprise lead, rural authority)

199 That aspiration in the regional economic strategy is about bringing everybody with us, a strategy for all and we're hoping a bit of prosperity and a shared prosperity across the region. (Economic lead officer, rural authority)

200 We really need to make sure this is *embedded* in every aspect of delivery... That was really useful, and it certainly gave me an opportunity to... start to see things... that link into some of the strategic responsibilities that I have...

That was facilitated and hosted by [local authority area] and NHS... they have got a *rigorous* action plan. You know, I did say it would be good to see a bit more third sector involvement within that. But they *absolutely* recognise the role of the third sector, you know, the role of the partnership, the council, the NHS - they're all the key players that are involved. So, it is a ... collaborative effort... We feel involved. I think... that's not always the case with the third sector. (Third sector lead, largely urban local authority with rural areas)

201 We're actually pretty open and transparent, I would say, at local level. And I'm always saying that. We're not precious. If another agency can do something that we can't... like, please, [do it]. But you've gotta talk to us and share a bit of information. For example, like I would come across - I got this a lot in [local authority area], social work just saying 'no, we can't tell you that - it's confidential' And... I understand. Of course, we all get confidentiality. But you actually can tell us because we're governed by it as well. We're not gonna go blabbing about this young person. So, actually, I think we're quite open with other agencies. And personally, as I say, if they can do something we can't, I've got no issue with it... And every report that has come out has said they need to join services up, be more coherent, and cohesive and blah blah blah. And I feel... with every initiative that comes along, we get less in that place (Skills development, local officer outside large city)

202 You're gonna get my rants that everyone gets... employability sits very much at a city level rather than a region level. In terms of the delivery each local area plans its own delivery within the city region [which is ineffective and unnecessary in the shared labour market] (Third sector lead, large city)

4.5 Promising practice

Despite the fact that a child poverty focus is emergent rather than established focus in regional regeneration policy, stakeholders described several promising interventions (extracts 203-208). There was praise in particular for some private sector initiatives, including supporting a 'circular economy' (203, 208). Some larger companies were facilitating parents to sustain work (203). Business leads reported that 'making a contribution' was now expected of contract winners in construction (204) and claimed that companies were motivated by a desire not to pay 'poverty-level wages' (205,206) and prioritising the payment of workers (207). And some businesses were described as contributing more substantially to the local economy (208).

203 There is... an awful lot of the private sector commercial organisations that are part of their communities. And it's important that they are part of that... Nowadays it's the circular economy... When the local nursery was going to close [Company] looked for ways of supporting and putting some funding into the local nursery because, as their Chief Exec. said to me, 'I suppose some people might have thought it was a bit odd, but you know, I've got

team members, I've got staff that use that nursery and if they can't use the nursery, they can't come to work. So, it's a no-brainer'. (Council lead, rural authority)

204 Community benefits clauses and public contracts... [have] been around for a long time. If... you look at construction, they do it, they engage with communities to provide opportunities [for] training because it fits with the contract, but also because... it's the right thing to do and its now what people expect to see. (Business lead, large city authority)

205 We make sure that they pay well. Do you actually pay well above the living wage standard? But they don't... talk about these things. It's just what they do. So, if you speak to some... electrical engineering companies... they just pay well, well, well above the living wage standard. But they just don't get this accreditation... So, I think that from their point of view, they want to make sure that they pay well so that their employees are not in poverty. (Small business lead, across authorities)

206 Most social enterprises are striving to be a living wage employer. They think a lot about... employee welfare, for example. I think we're probably a good example. The sector as a whole is a good example of... how to adopt fair work in practice and make it work. (Social enterprise official, large city)

207 In many cases business owners, you know, they're the last one to be paid because they want to make sure their employees are paid first. So, they are very different from people like myself or yourself. You know their thinking is very, very different, particularly for small businesses, that that team is very, very small. So, they know... they really have to look after them [their employees]. But in some cases, they can't, so it's very tough for them. (Small business lead, across authorities)

208 Local companies... tends to generate more value to the local economies rather than spending the money with... the international corporates... the difference is quite staggering - nearly 50% more local [spend]. (Small business lead, across authorities)

References were made to the impact - emerging or expected - of a range of tools that were being promoted more widely across Scotland. This included local procurement (extracts 209, 208) and fair work (210, also 206). There were also several references to community benefits clauses (211-215, and 204), with benefits noted to include the provision of training opportunities (211-212) and development opportunities for small enterprises (212-213). On the other hand, some concerns were expressed that companies were not held to account if they did not deliver on their community benefit clauses (214). There was also concern that community benefits clauses and community wealth building were not necessarily placing development in the most appropriate place (215).

209 About 14% of the spending was with local businesses about three years ago. But now they are spending nearly 24%. That happened because they

published their local procurement strategy and then they changed the way they go about it. They set the target and then changed the way they engage with the local business committees. I spoke to the local procurement manager, and he explained all the changes that they made... that led to really good results. (Small business lead, across authorities)

210 We've got a fair work officer who's working with the local business base carrying out fair work audits and looking at what local businesses can do to actually deliver on the principle of fair work... It's great to have some of that resource there. (Council lead, largely urban local authority with rural areas)

211 I'm conscious [that] community benefits causes have been around for years... they've usually been very helpful in getting apprenticeships, for example, to be to be embedded into large scale projects. (Business lead, large city authority)

212 [Company] had appointed a community benefits manager. We... persuaded him that the best way for them to achieve their community benefit requirements was to subcontract them to social enterprise or local social enterprise. And luckily, they went for that... That social enterprise created our [training academy] on site. I think there was some 400 local young people went through that programme. (Social enterprise official, large city)

213 I think there's good opportunities for our sector to be taken more seriously... we've... found it difficult ... to bid for bigger contracts. But if you get experience through being subcontracted to do the Community benefits stuff, then that starts to build your experience. It builds a portfolio of work for you. You know it gives you that bit of a foothold to actually think or gives you a bit of more confidence. You know, we could actually go for this or on our own. (Social enterprise official, large city)

214 They don't seem to be penalized for not achieving their community benefit requirements... You know, hold them to account. Don't let them tick a box. (Social enterprise official, large city)

215 An awful lot of chat about community benefits clause is being applied... that and community wealth building, interests me and worries me at the same time... There's an extent to which it's about trying to get that recycling of wealth through the... local community. But the bit that worries me is that... the more you push... activity to those... community organisations with less capacity - let's transfer assets to local third sector groups, for example - that's quite challenging for those third sector groups to get the kind of leverage to bring in the external finance that quite often will come from a private investor or a private company... There's a prejudice built into some of the discussions around community wealth building against private sector organisations, and I just think that might be cutting off one's nose to spite one's face. (Business lead, large city authority)

Some successful examples were identified of extending reach, for example, into schools (extracts 216-217) and to engage parents through new pathways (217-218).

216 Trying to [promote] those opportunities into our school settings as well so, any investment is really about trying to create pathways for young people and children into future employment opportunities and not just their parents now (Economic lead officer, rural authority)

217 Sometimes they'll [parents] come in with their young person saying, 'God please gonna do something with him, you know, he's lying in his bed, he needs a job'. And, you know, you'll sometimes get parents coming in then and even saying that 'look we can't afford for him not to be working'... But parents remain a challenge... [local authority area] had put all their parents' evenings online. But as part of that they put in a slot for a careers advisor. So, you could opt to see a careers advisor, and actually that's had one of the biggest uptakes of parents. (Skills development, local officer outside large city)

218 That's one of the biggest opportunities as... you are persuading their parents that that the labour market has changed and there's opportunities for them that there weren't [before]. (Business lead, large city authority)

Some successful examples of providing focused support were identified, consistent with a 'no wrong door' and bespoke support packages to tackle child poverty. In community wealth building, this involved pro-active work and direct engagement (219-221), building on local intelligence (220), changing thinking among stakeholders (220, 221), and offering opportunity where it least exists (220-224), and where it has been overlooked (225).

219 So, if the Health and Social Care Partnership are planning for procurement over the next two or three years and it's a specific sort of contract that they're looking for, we can go to the business development team and the business development team will go away and say 'Well actually, there's four local suppliers in the [Region], three of them actually are on the framework but one of them is not, let's work with the one that isn't to try get them on the framework so that they can bid for the contract'. And then if the four of them are actually willing to bid for it, we need to make sure that their competitive in the process, because we're not circumventing the legal process obviously, but that's kind of the role of the community wealth building team - it's not to deliver... it's to... provide the support. (Council lead, largely urban local authority with rural areas)

220 We went and met with the businesses who had the contracts, and their attitude ... was - why would we recruit locally? They've not got the skills that we require as a business. They don't have the work ethic that we would need et cetera, et cetera... So [we] work[ed] with those businesses to change their mindset. [We] looked at them as a pilot and test of change - if we support them to offer some job placements to local people, then those local people can actually deliver for those businesses... And as you know, as soon as you

get the people through the door and you give them the pen and give them the opportunity, they'll grasp it, they'll be able to do it. (Council lead, largely urban local authority with rural areas)

221 We're just about to launch our new project called [name of project]. All targets are at getting young folks into early-stage employment opportunities with their employer... That could be work experience for six months for a year. It's relatively a light touch, I suppose, from an employer's perspective, but it gives them an opportunity to get a sense of young talent that they might not otherwise not have thought to use. (Business lead, large city authority)

222 We're going to have to do quite a lot of work as an authority and a region in terms of creating local supply chains. And if we're looking to set up cooperative businesses then we're going to have to spend a lot of time trying to bring in some expertise around cooperative development, because we don't really have the sort of thriving network of cooperative that you can start to build from as a starting block. So, there's stuff like that we will see as barriers (Council lead, largely urban local authority with rural areas)

223 It's that type of mindset change, not just as a public spender, but as a public employer that I think, even if you start to target some of that in areas of deprivation then you'll maybe give people a wee bit of a chance to get into the labour market, get learning new skills and go on and get themselves out of poverty. (Council lead, largely urban local authority with rural areas)

224 As employers... we can target our recruitment to people who are in poverty, so we are very keen to have employability and work placements available to groups like single parents. And we've done stuff with the Skills for Life programme. We're very clear about trying to close the disability employment gap. We've invested money in a tree planting programme. But again, it's not just about trees - we've set up street scene training academy for unemployed people to get a job placement in environmental works and they'll be part of that programme. (Council lead, largely urban local authority with rural areas)

225 The number of that young offenders and the scale of young offending... affects the ability of that group to get into work... We weren't short of examples of public sector employers being incredibly reluctant to take on young people with offending [histories]. (Business lead, large city authority)

Much of the focus is on strengthening return on public investment (extract 226).

226 What do we get for our £20 million? ... We should be looking at joint ownership vehicles. So, in terms of the £20 million, we should be putting that into a pot of money with [company] and saying, 'You own X percentage of the project we own X percentage and that means that we get a return on the £20 million and we can then regenerate and reinvest within the [regional]

economy ... Give us some of the land to put in our renewable energy projects. You've already got the good connections there and so just give us a bit of land and we'll put in a wind turbine, we'll put in a solar panel or whatever'. And we'll take the income from that and there's the financial return from us. (Council lead, largely urban local authority with rural areas)

4.6 Conclusions

A variety of factors are encouraging a focus on child poverty among REPs - some local, some national, and these vary for different organisations within the same region. There was interest among those interviewed in improving evidence to measure impact on child poverty (and related issues), although some concerns were expressed about the practical challenges involved. There was also belief that some regions could be a focus for measures to tackle child poverty. However, long-standing challenges of short-term funding and marrying local and regional priorities would have to be negotiated for these to be fully realised. Similarly, several examples of interesting and promising practice were referred to, but stakeholders felt that progress on some of these was in its early stages and more could be expected of these initiatives in the future.

5. Concluding thoughts

There is a widespread consensus that regeneration policy alone is insufficient to substantially reduce poverty or broader forms of exclusion. Many of the policy levers that impact on poverty such as those relating to tax, benefits, wages, the terms and conditions of employment, and access to health and education are determined at a national level and therefore outside the scope of regeneration
Crisp et al, 2014, p.18

There is much that can be learned from the century of effort and investment devoted to regenerating deprived regions and supporting communities in the UK and Scotland. This report focuses in particular upon what can be learned about how such measures can better contribute to Scotland's national mission to end child poverty. The principal findings from this analysis are outlined in Chapter 1; here we offer some final reflections.

It is clear from this research that those involved in Regional Economic Partnerships and Growth Deals in Scotland are concerned about child poverty and hope that their efforts will contribute to reducing it, as part of their commitment reinvigorating economically disadvantaged areas. In contrast with some of the previous approaches to economic regeneration policy described in Chapter 2, there is greater interest in considering who benefits from these policies and in promoting inclusive local and regional growth. Therefore, reducing child poverty is on the agenda of REPs and there is movement in the right direction in regional and local economic regeneration policy in Scotland.

However, the current approach to addressing child poverty in REPs could be described as somewhat technocratic rather than cultural. That is to say, while the sentiments and terminology of inclusion are expressed, there has been no corresponding reorientation yet in how economic development is conceptualised and in how it is delivered so that the significant resources devoted to regeneration are applied intentionally to reduce child poverty. For example, the academic expert interviewed as part of the contextualisation of policy provided in Chapter 2, argued that local child poverty policy remains focused mainly on mitigating negative effects rather than reshaping regional economies and places, on

... practical ways of mitigating or limiting the impacts of child poverty. You know - trying to provide services that help people manage their finances and apply for the benefits they are entitled to and grants for school uniforms and that sort of stuff... But the leap to thinking about what is it about the way the economy works that means we have these levels of child poverty? I think that is lacking.

While reducing child poverty is not exactly an afterthought of regional economic regeneration policy it is not a front and central priority. In general, ideas about investment and development remain conventional, and the value of growth conventional conceived is not questioned, despite its known limitations as a direct anti-poverty measure. However, the

growing interest in the foundational economy is encouraging, and one example of this in practice is evident in extract 203 - where investing in childcare is recognised as an effective economic and employment policy rather than simply a 'nice thing to do'. Similarly, the interest in the development of community wealth building indicates a shift in perspective.

It is necessary to match such reorienting in thinking with a comparable reorientation in spending. Unfortunately, at the moment, it seems to remain the case that 'bending mainstream budgets, to target additional resources to either poorer neighbourhoods, or particular disadvantaged groups, always constitutes a step too far for local government bureaucracy'¹²⁶. However, this is the kind of action required to meet the scale of the challenge. To put this into context: 'The rebuilding of East Germany following reunification - perhaps a comparable challenge - is reputed to have cost €2 trillion between 1990 and 2014'¹²⁷. Developing inclusive and sustainable regional economies which provide households with the livelihoods necessary to reduce child poverty requires a comparable commitment. While this may seem daunting - and some may say utopian - it should be noted that the cost of inactivity is even greater and the potential rewards considerable¹²⁸.

¹²⁶ Op cit., Note 5 (Robertson, 2014, p.24).

¹²⁷ Op cit., Note 18 (Beatty and Fothergill 2021, p.34).

¹²⁸ Hirsch, D. (2022) *The Cost of a Child in Scotland*. Glasgow: Child Poverty Action Group in Scotland. https://cpag.org.uk/sites/default/files/files/The_cost_of_a_child_in_Scotland.pdf

Annex 1 Content analyses

A1.1 Purpose

The purpose of this work programme within the project as a whole was to determine the extent of crossover, mutual interest or recognition between two key sets of documents: Local Child Poverty Action Reports (LCPARs) and outputs produced by City Region Deals / City Growth Deals. LCPARs are published annually by all Scottish local authorities in partnership with regional health boards under the stipulation of the Child Poverty (Scotland) Act, 2017. There are currently 6 City Region Deals in Scotland¹²⁹ and a further 6 Regional Growth Deals¹³⁰. Each produces a number of documents, including various strategies, reports and other published outputs¹³¹.

Analyses comprised two simultaneous activities:

- A review of year 2 LCPARs (those published in 2020) checking for references to 'City Deal' and related concepts
- A review of City Deal and Regional Growth Deal sources for reference to poverty and related concepts

A1.2 Source material

A substantial number and - in the case of Growth Deals - a wide range of document types were appraised:

- Year 2 LCPARs were reviewed for the 32 local authorities in Scotland. This was the most recent and complete dataset available (although not every authority had published its LCPAR at the time of this review).
- For Growth Deals, each website was visited and several types of document were searched. These included:
 - Heads of terms
 - Deal documents
 - Newsletters
 - Meeting minutes
 - Strategy documents
 - Benefit realisation plans (where available)

The exercise was completed in the summer of 2021, with reference made to documents publicly available on the Growth Deal web pages at that time.

A1.3 Design

¹²⁹ For more information, visit: <https://www.gov.scot/policies/cities-regions/city-region-deals/>

¹³⁰ For more information, visit: <https://www.gov.scot/policies/cities-regions/regional-growth-deals/>

¹³¹ Op cit., Note 14.

Research involved a content analysis using processes and protocols created by SPIRU. Bespoke recording spreadsheets were prepared to ensure consistent and systematic data capture. SPIRU Researchers with prior experience of content analysis received further training and undertook a pilot exercise - analysing one LCPAR and one Growth Deal publication - to standardise analyses and refine search the recording protocol. The results of the pilot confirmed the protocols and processes and affirmed the consistency of the researchers' analyses.

A1.4 Search terms

Each LCPAR was searched to identify references to:

- The City Deals / Regional Growth Deals deal for that authority, searching for the full name and the type (e.g., 'Ayrshire Growth Deal' and 'Regional Growth Deal')
- Inclusive economy or inclusive growth
- Community wealth building
- Living wage

Each Growth Deal document was searched to identify references to:

- Poverty or poor
- Deprivation or deprived
- Inequality or inequalities

A1.5 Data processing and analysis

For each search, three data were recorded:

- Manual count of the appearance of each key term
- Verbatim extract of the context of the reference to each term in the source document
- Researcher comment

Professor M^cKendrick further analysed these data to provide an overview of cross-references (drawing on counts) and to ensure a consistent interpretation of the cross-references.

A1.6 Considerations and caveats

A careful and robust approach to design and administration of the content analysis was employed. Nevertheless, some limitations should be acknowledged; and these are considered when the data are referenced in this report.

- *Timeframe.* As the interviews have confirmed, there is growing interest in the intersection of the different ideas and concepts analysed in this report. This content analysis provides a snapshot of a particular point in time which, in some cases, is before the current level of interest on the relations between these agendas emerged.
- *Availability of documents - Growth Deals.* The analysis of Growth Deals documentation aimed to include all readily available publications. However, the documents available on websites was uneven across different Growth Deal areas. Furthermore, Benefits Realisation documents were being prepared for many authorities which are likely to

include references to poverty, deprivation, and inequality; however, were not available for analysis.

- *Availability of documents - LCPARs.* Although it is a statutory responsibility for local authorities and local NHS Board to produce an annual report, due to Covid and other capacity restraints, not every authority had delivered its year 2 report at the time of this research.
- *Content analysis.* Although an appropriate tool for the purpose of this research, content analysis has some recognised limitations¹³².

¹³² Slater, D. (1998) 'Analysing Cultural Objects: Content Analysis and Semiotics', in Seale, C. (ed) *Researching Culture and Society*. London: Sage. 234-237.

Annex 2 Case study analyses

A2.1 Purpose

The objectives of the case study interviews were to canvass the opinions and document the experiences of senior stakeholders with a role in local or regional economic development (defined broadly). The interviews gather the views of these leaders and therefore the data collected are not regarded as established 'facts'. The research team have not independently verified the veracity of claims made by those interviewed.

A2.2 Case study area selection

SPIRU proposed local authority areas as potential case studies, reaching agreement with the Scottish Government prior to commencing fieldwork. Case studies were selected purposively, both for the insight that they were anticipated to yield (based on our initial content analysis and understanding of how regional development was being pursued in different areas) and their geographical situation.

Geographical considerations aimed to ensure that we documented the experience in a range of Scottish local authority areas. Areas were selected in accordance with the Scottish Government's *Understanding the Rural Economy* report¹³³. From the fourfold RESAS classification, we targeted one of the four large city authorities, one of the thirteen 'urban with substantial rural areas' authorities, and one of the eleven 'mainly rural' authorities. We did not have the capacity to include one of the four 'island and remote' authorities in the fieldwork. The selected case study areas also represent a range of local authority areas which are ranked 'high' to 'low' in the *Index of Regional Resilience* used by the Advisory Group on Economic Recovery (2020)¹³⁴

Although it provides a broad geographical spread, we do not regard the selected areas as being 'representative' of conditions and experiences across Scotland as a whole. Rather, these areas are better presented as 'critical case studies'. We sought to interview local stakeholders from a range of geographical areas that appeared to be pursuing economic development in a manner that was more attuned to tackling child poverty agenda. This reflected one of the research aims - to explore promising practice.

¹³³ Scottish Government (2018) *Understanding the Rural Economy: Research Paper*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/understanding-scottish-rural-economy/documents/>
This classification offers a more nuanced classification than that of Randall, which classifies authorities into 14 rural and 18 urban areas. Randall, J. (1985) 'Economic trends and support to economic activity in rural Scotland', *Scottish Economic Bulletin*, 31, 10-20.

¹³⁴ Advisory Group on Economic Recovery (2020) *Towards A Robust Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/pages/7/>

A2.3 Interviewee profile

We identified nine types of local experts and stakeholders representing different organisations and sectors responsible for local and regional economic development policy:

- Council lead
- Senior officer with responsibility for the Growth Deal that covered the local authority
- Senior officer in local authority with responsibility for economy/economic development
- Social enterprise lead
- Third Sector Interface lead
- Chamber of Commerce lead
- Scottish Enterprise lead
- Skills Development Scotland, local lead
- Federation of Small Businesses, local lead

We interviewed seven of these for the 'large city', six for the 'urban area with substantial rural areas', and eight in the 'mainly rural' area.

A2.4 Interview design and administration

The interview schedule was developed in consultation with the Project Steering Group. Five questions were asked.

- What consideration is given to child poverty issues in regional economic development?
- Which aspects of child poverty are addressed?
- Are there any facilitating conditions or factors which account for the (particular) consideration given to child poverty?
- How is the impact of economic development policy upon child poverty considered? Are there any issues impeding or otherwise relating to assessing outcomes?
- What reforms, if any, might increase the impact of the activity upon child poverty?

Interviews were conducted online between February - May 2022 and ranged between 20 - 37 minutes in length. Most interviewees requested advance notice of the questions, and most had reflected on the issues covered in advance. Professor M^cKendrick administered the interviews in the 'mainly rural' and 'urban with substantial rural' areas, and Professor Sinclair administered the interviews in the 'large city'.

A2.5 Data processing and analysis

Interviews for the 'large city' were auto transcribed, while SPIRU student researchers transcribed verbatim the interviews for the 'urban with substantial rural' and 'mainly rural areas'. The auto-transcription was amenable to analysis, albeit that the quality of the transcription was to a lesser standard than the manual transcriptions. Data were securely stored and password protected, in accordance with best practice in social research.

Professor M^cKendrick led the analysis to ensure consistency. Professor Sinclair checked the analysis to provide quality assurance of the analysis and findings. Interview transcripts were

analysed inductively. First, notable statements from each interview were highlighted and memos and comments added to the transcript, representing emerging themes and incipient hypotheses. Second, examples of themes and significant statements from across the seventeen annotated transcripts were collated. Key points were identified, and the material ordered and edited for more a second more detailed analysis. Third, the thematically collated results were appraised systematically across each case study area to determine whether there marked geographic differences or any particular notable local issues. Fourth, themes and evidence were analysed in relation to interviewees' different roles and sectors to identify potential significant variations and patterns. The final stage of analysis involved verifying the consistency and significance of the findings.

In the final report every attempt has been made to anonymise the findings.

A2.6 Considerations and caveats

A careful and robust approach was taken to research design and administration. Nevertheless, some limitations should be acknowledged, and these were considered in drawing conclusions in the report.

- *Strategic visions of leaders.* The research focussed on a particular aspect (child poverty) of a particular policy area (economic development). However, it should be noted - as some interviewees pointed out - that some operational matters were not the responsibility nor focus of attention of all those interviewed, and this is reflected in what they felt they could contribute to the report.
- *Area selection.* The selected case study areas were suitable to meet the research objectives. However, it would have been interesting to have explored these issues in one of Scotland's island authorities (the fourth type of local authority area in the RESAS classification)¹³⁵, and among some authorities which have not yet fully developed regional economic strategies.
- *Participation.* The readiness of senior officials to participate was welcome and indicates the interest in the issues explored in the research. However, it was not proved possible to interview every constituency in each case study area.

¹³⁵ Op cit., Note 133.