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## **EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL REGIONAL GROWTH FRAMEWORK UPDATE**

**Report by Executive Director for Corporate Improvement and Economy**

### **SCOTTISH BORDERS COUNCIL**

**17 June 2021**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provide an update on the development of the Edinburgh & South East Scotland City Region Deal draft Regional Prosperity Framework, the consultation programme and the future review by Scottish Borders Council.**
- 1.2 Due to the success of the City Region Deal collaboration, and in the context of an evolving approach to planning for land use, transport, economic development and housing at national and regional levels, on 31st May 2019 the City Region Deal Leaders instructed officers to develop a proposition for a regional framework for growth, which was approved by the City Region Deal Joint Committee in September 2019
- 1.3 The Framework is to be a non-statutory public statement of an aligned economic vision, ambition and priorities for South East Scotland, which is seeking to influence and be influenced by other plans and strategies developed at national, regional and local levels.
- 1.4 Following the decision to prepare the Framework, the United Kingdom has exited the European Union and the global economy has been significantly impacted by the COVID-19 pandemic. At the same time, ambitions and action on climate change have been intensified and prioritised.
- 1.5 The Regional Prosperity Framework seeks to set out a 20-year vision to help address the significant challenges and opportunities ahead. In addition to supporting a post-COVID-19 economic recovery, the region needs to be in a position to address national priorities such as Scotland becoming a more sustainable, inclusive and net zero carbon economy, while supporting wellbeing for all of its people
- 1.6 To oversee the preparation of the Regional Prosperity Framework the Elected Member Oversight Committee was formed as a sub-committee of the City Region Deal Joint Committee, with members from each local authority, representatives from higher/further education, private and third sectors.

- 1.7 The consultation Draft Regional Prosperity Framework was approved by Joint Committee on 4 June 2021 for consultation across the City Region over a six week period (draft Framework provided in Appendix 1). Officers working assumption is that once the consultation is complete, the amended Framework could be brought back to the Council on 26 August 2021 for approval prior to City Deal approval at the Joint Committee on 3 September 2021.
- 1.8 At this stage, the consultation Draft 'Regional Prosperity Framework' signposts, but does not present a fixed view of, the region's future ambitions and priorities. It aims to provide a framework for stakeholders to reflect on where the region has come from, to discuss where it is now, and to envision where it should go in future. It points out that collaborative working and collective impact will be required to deliver regional prosperity in future.
- 1.9 It is planned that an Elected Member Briefing take place before the end of June 2021 to gather views on the Draft Regional Prosperity Framework. A further Elected Member Briefing on the outputs from the full consultation exercise and the developed Framework will require to be scheduled before returning to Scottish Borders Council for formal consideration in August 2021.

## **2 RECOMMENDATIONS**

### **2.1 I recommend that Council note:-**

- a) Endorse the Draft Regional Prosperity Framework (Appendix 1) and the associated public consultation exercise and 'Future Work Programme' set out in sections, 5, 6 and 7 of the Report; and**
- b) Agrees to receive the proposed 'final' Regional Prosperity Framework for consideration, following the public consultation exercise.**

### 3 BACKGROUND

- 3.1 In 2017, as part of a review of Enterprise and Skills, the Scottish Government published a report on Regional Partnerships, encouraging new models of regional collaboration. In the same year, the UK Government published its Industrial Strategy to boost productivity, create good jobs and increase earning power with investment in skills, industries and infrastructure. These key policy documents, taken together, stimulated the ambition to prepare a Regional Prosperity Framework.
- 3.2 The Edinburgh and South East Scotland City Region Deal was signed by the First Minister, Prime Minister and City Region Leaders on 7 August 2018. It amounts to £1.3 billion of investment across the region over 15 years. Since 2018 the city region deal partners have successfully worked together within a governance framework and demonstrated cohesive regional partnership working between partners and as an entity with both Governments, across a broad range of projects and policy areas.
- 3.3 On the 31 May 2018 and on the 28 June 2018, Scottish Borders Council approved the Deal governance framework, including the formation of the City Region Deal Joint Committee. The City Region Deal Joint Committee has now approved projects and business cases for delivery that will amount to £365m of Government grant funding, or 61% of the full City Region Deal allocation.
- 3.4 Due to the success of the City Region Deal collaboration, and in the context of an evolving approach to planning for land use, transport, economic development and housing at national and regional levels, on 31st May 2019 the City Region Deal Leaders instructed officers to develop a proposition for a regional framework for growth, which was approved by the City Region Deal Joint Committee in September 2019. The Framework is to be a non-statutory public statement of an aligned economic vision, ambition and priorities for South East Scotland, which is seeking to influence and be influenced by other plans and strategies developed at national, regional and local levels.
- 3.5 Following the decision to prepare the Regional Prosperity Framework, the United Kingdom has exited the European Union and the global economy has been significantly impacted by the COVID-19 pandemic. At the same time, ambitions and action on climate change have been intensified and prioritised, with the COP26 International Climate Talks due to take place in Glasgow later this year. In a short period of time there has been significant change in the world that has impacted, and will continue to impact, the regional economy and our way of life in an unprecedented way. In May 2021, Scottish Parliamentary elections took place and a new Scottish Government is being formed, with a new programme for government also to be developed.

- 3.6 The national, regional and local response to these wider factors is on-going, and the timeline and nature of recovery and renewal is uncertain. Our regional economic ambition needs to address pre-existing, current and future challenges and opportunities. The direction of strategic policy, strategy and associated interventions is also adapting to, and rapidly being shaped by, these wider circumstances.
- 3.7 Our changing world means that our circumstances may again rapidly change, and we need to be resilient, innovative and collaborate to plan in an integrated way for the future. The Regional Prosperity Framework will be a key tool in articulating and aligning what, how, where, when and who will be needed to deliver shared ambitions for south east Scotland

#### **4 DEVELOPMENT OF THE DRAFT REGIONAL PROSPERITY FRAMEWORK**

- 4.1 The Regional Prosperity Framework seeks to set out a 20-year vision to help address the significant challenges and opportunities ahead. In addition to supporting a post-COVID-19 economic recovery, the region needs to be in a position to address national priorities such as Scotland becoming a more sustainable, inclusive and net zero carbon economy, while supporting wellbeing for all of its people.
- 4.2 The overall aim of the Regional Prosperity Framework is 'to inform future approaches, strategies and policies across sustainability, transport, planning, housing and economic development to enable the region to generate and spread sustainable inclusive growth and to transition to a low carbon economy'. In doing so, it seeks to ensure that the success of the region can continue to be realised and that it continues to be a key driver of the Scottish economy. It seeks to identify how regional partners can build on the opportunities created by the City Region Deal.
- 4.3 To oversee the preparation of the Regional Prosperity Framework a sub-committee of the City Region Deal Joint Committee, the Elected Member Oversight Committee has been formed. The Elected Member Oversight Committee comprises two members per each of the six local authorities (City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils) and six members drawn from the regional Higher/Further Education Consortium and the Regional Enterprise Council (which comprises private and third sector interests in the city region. Scottish Borders Council are represented on the Committee by Councillors Bell and Robson.
- 4.4 The consultation Draft Regional Prosperity Framework has been developed in a consultative and collaborative way. This includes strategic regional input from the Regional Enterprise Council, the Elected Member Oversight Committee, and the Leaders, Executive and Director's groups. A progress update on the Regional Prosperity Framework was taken to the Joint Committee in December 2020.

- 4.5 The Elected Member Oversight Committee was constituted in January 2021 as a key forum for updates and briefings on the emerging Regional Prosperity Framework. Views expressed in that forum have been fed into the development of the Draft Regional Prosperity Framework. Input from Scottish Borders Council officers and elected members has therefore featured in the process of developing the Draft Regional Prosperity Framework at regional and at local level.
- 4.6 In the development of the Draft Regional Prosperity Framework, wider quantitative and qualitative analysis has been undertaken to understand the changing challenges and opportunities that will impact region, as well as the unique strengths and challenges it has, to ensure the Regional Prosperity Framework seeks to maximise potential for the whole region in the years ahead.
- 4.7 From this early work, an emerging Vision and Themes for the Regional Prosperity Framework have emerged. These seek to articulate how the opportunities the region offers can be maximised, while also addressing the challenges. The Regional Prosperity Framework starts from the premise that there are no boundaries between us or others, and that delivery of the Vision will be about how we collaborate and adopt the right approach and behaviours to achieve the positive outcomes we aspire to. The emerging vision for the region is:

*"We will continue to drive the Scottish economy and successfully accommodate our growth to deliver a fairer and more inclusive distribution of wealth to all our communities. We will make best use of our existing assets to create more resilient, flourishing and innovative places to ensure that the Edinburgh and South East Scotland City Region delivers for all its citizens as we transition to a zero carbon economy."*

- 4.8 The three broad interlinked Themes (Resilient, Flourishing, and Innovative) have been identified to support this Vision and their interrelationships are outlined the Figure 1 below:

**Figure 1 – Regional Prosperity Framework Themes**



- 4.9 Further work has been undertaken to expand each of the Theme's in terms of the scope of short, medium and long term actions, recognising existing commitments, such as the City Region Deal projects, as well as potential new pipeline projects that might be considered to address the challenges of a post-Covid, inclusive and net zero carbon economy. It is also likely that parts of the Framework, such as the Action Programme, will need to be remain 'live' once the Regional Prosperity Framework becomes operational, to ensure flexibility and adaptability going forward.
- 4.10 At this stage, the consultation Draft 'Regional Prosperity Framework' signposts, but does not present a fixed view of, the region's future ambitions and priorities. It aims to provide a framework for stakeholders to reflect on where the region has come from, to discuss where it is now, and to envision where it should go in future. It points out that collaborative working and collective impact will be required to deliver regional prosperity in future.
- 4.11 Through consultation, the draft document seeks to engage stakeholders and to stimulate thoughts, ideas, opinions and, importantly, consultation responses, on how the main regional challenges and opportunities should be addressed, pursuant to the identification of a preferred way forward for the finalised Regional Prosperity Framework.
- 4.12 Following the consultation, the final version of the Regional Prosperity Framework will change as a result of responses received. It will also be shaped by the strategic context as it evolves over time, to ensure a strategic fit is achieved, including with the up-coming Programme for Government.

- 4.13 This approach is considered to be the most appropriate, timeous and productive way to seek to secure broad alignment on the 'why, what, where, how, who and when' that will be needed in order to realise the region's full potential.
- 4.14 On 4 June 2021, the Edinburgh and South East Scotland City Region Deal Joint Committee approved the consultation Draft Regional Prosperity Framework at Appendix 1 for consultation. Officers working assumption is that once the consultation is complete, the amended Framework could be brought back to the Council on 26 August 2021 for approval prior to City Deal approval at the Joint Committee on 3 September 2021
- 4.15 In the context of the above, Members are invited to note and consider the consultation Draft 'Regional Prosperity Framework' at Appendix 1. There will be opportunities to input to the emerging Framework during the consultation process. Specifically, it is planned that an Elected Member Briefing take place before the end of June 2021 to gather views on the Draft Regional Prosperity Framework.

## **5 APPROACH TO CONSULTATION AND DURATION**

- 5.1 A six week public consultation commenced on 14 June 2021 with the online publication of the document and associated consultation questions. The consultation will be closed on 26 July 2021.
- 5.2 Awareness raising and engagement around the consultation is being co-ordinated by the City Region Deal Communications Group, including social media and press releases to be issued from 7 June 2021.
- 5.3 A summary of proposed consultation activity is provided below:
- Press release;
  - Introductory video (using images and a voiceover) to explain the background and key content and consultation questions
  - Online survey with questions and space for answers;
  - Social media activity across partner websites and accounts;
  - Letter/email asking partners, key stakeholders and the Regional Enterprise Council to engage and promote the consultation amongst networks
  - Email to those signed up for City Region Deal news; and
  - Targeted events with Chamber of Commerce, Third Sector Interface, FE/HE consortium and Federation of Small Businesses (subject to resources).
- 5.4 Consideration may also be given to the following activities:
- Video interviews with Regional Enterprise Council Members – to promote engagement with specific sectors.

5.5 The communications plan is set out at Appendix 2. Consultation feedback will be captured, and the Regional Prosperity Framework updated to reflect this input. Officers working assumption is that once the consultation is complete, the amended Framework could be brought back to the Council on 26 August 2021 for approval prior to City Deal approval at the Joint Committee on 3 September 2021.

## **6 Consultant Appointment**

6.1 The development of the consultation Draft Regional Prosperity Framework was led by a shared personnel resource comprising officers from different disciplines across partner local authorities as well as Scottish Enterprise and the third sector, SEStran and Edinburgh University – i.e. the Theme Leads Group.

6.2 The original intention was that the Theme Leads would be led by a Senior Responsible Officer who would manage the project and report to regional Directors, Leaders and the wider City Region Deal Governance structure. However, due to a combination of a lack of available resources and other priorities during this exceptionally challenging period, the Theme Leads Group has set up the project, carried out engagement and co-production and developed the Draft Regional Prosperity Framework.

6.3 In recognition of the on-going challenges and unprecedented pressure on resources, the ability to utilise a SESPlan rebate (£30k) and a successful bid to the Scottish Government's Regional Recovery & Renewal Fund (£30k), regional Directors took the decision to appoint a consultant to finalise the Regional Prosperity Framework. The tender invitation closed on 28th April and a consultant contract commenced on 26 May 2021, for a period of up to 7 months.

6.4 Deloitte, which is an experienced consultant with a proven track record of such commissions, has been appointed to this commission to finalise the Regional Prosperity Framework.

## **7 Future Work Programme**

7.1 Following the public consultation exercise, Deloitte co-leading with the Theme Leads Group, will develop the finalised Regional Prosperity Framework. Further updates on the on-going collaboration towards this finalised version will emerge in due course and in light of comments received, but officers working assumption is that once the consultation is complete, the amended Framework could be brought back to the Council on 26 August 2021 for approval prior to City Deal approval at the Joint Committee on 3 September 2021

7.2 The remaining timescale and stages of this project as currently envisaged are outlined below:

- Conclude consultation process 26 July 2021
- Theme Leads and Deloitte to review and amend the Framework as appropriate
- Update Elected Member Oversight Committee throughout Summer 2021
- Agree an approach to brief Scottish Borders Council members on the development of the document in late Summer 2020
- Scottish Borders Council approval 26 August 2021
- Joint Committee approval 3 September 2021

## **8 IMPLICATIONS**

### **8.1 Financial**

There are no costs attached to any of the recommendations contained in this report.

### **8.2 Risk and Mitigations**

Once adopted, the intention is that the Regional Prosperity Framework would become non-statutory regional policy and strategy. It would be a high level agreed statement of regional economic priorities and ambitions. In that context, its primary purpose would be to help inform the development of other national, regional and local plans and strategies, including a future review of the Council's Economic Strategy. The Framework has to reflect the uniqueness of the Scottish Borders region and its aspirations to maximise the future opportunities from the City Deal and its legacy. The current draft of the Framework acknowledges the Scottish Borders strengths and weaknesses, however it is fundamentally important that the regional partners engage with the consultation process so that there is clear direction on how the Framework communicates the Scottish Borders ambition within the City Region Context. The City Deal communication strategy will promote the engagement with the process with local and regional partners.

### **8.3 Integrated Impact Assessment**

An integrated impact assessment has not been completed at this stage. This is because the present report is concerned with consultation on a draft Regional Prosperity Framework, and not, as yet, established strategic commitment. . A future IIA will be undertaken on the proposal for Scottish Borders Council to consider and approve the final Regional Prosperity Framework when this returns to Council following the consultation exercise. The final Regional Prosperity Framework will be non-statutory, its primary purpose will be to inform and support the development of other national, regional and local plans and strategies, including a future review of the Council's Economic Strategy. It is anticipated that the framework will identify the need to overcome inequalities across all regions, but will not directly deliver those outcomes. All six Local Authority Partners are

expected to use the final Regional Prosperity Framework to develop future policy and strategy with common approaches to equality, poverty and socioeconomic disadvantaged. It should be noted that the reduction in inequalities, community wellbeing, inclusive growth and just transition to a green economy are integral elements of the consultative draft of the Regional Prosperity Framework.

#### **8.4 Sustainable Development Goals**

The proposal to consult on the Draft Regional Prosperity Framework will not make a difference to the Sustainable development goals at this point. However the ultimate purpose of the Regional Prosperity Framework, although non-statutory, is to provide a common approach across the six Local Authority regions to positively influence the delivery of the UN Sustainable Development Goals through the development of national, regional and local policy, strategy and commitments.

#### **8.5 Climate Change**

The proposal for the Council to note the draft Regional Prosperity Framework and the consultation process does not in its self have an effect on climate change. However, inclusive growth, community wellbeing, reducing inequalities, net-zero, green economy and just transition are at the heart of this Framework. The framework identifies the themes in the Climate Change Checklist as key priorities and provides linkages to National Planning Framework 4, the Nation Transport Strategy 2, Just Transition amongst other key policies.

Although the final Framework will be a non-statutory, but rather a shared commitment to influence the future development of national, regional and local strategy and policy so that there is a common approach across the City Region.

#### **8.6 Rural Proofing**

The proposal for the Council to note the draft Regional Prosperity Framework and the consultation process does not in its self have an effect on rural areas. However, inclusive growth, community wellbeing, reducing inequalities net-zero, green economy and just transition will be at the heart of this Framework when finalised. This includes a more inclusive approach on how to reduce inequalities in rural areas. There is a strong emphasis in the Framework that each of the six regions is unique with different challenges and opportunities, so a single solution will not work across the city deal region. This document will be a non-statutory, but rather a framework to influence the future development of national, regional and local strategy and policy so that there is a common approach across the City Region.

#### **8.7 Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

#### **8.8 Changes to Scheme of Administration or Scheme of Delegation**

NA

## 9 CONSULTATION

9.1 The Executive Director (Finance & Regulatory), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

### Approved by

**Name: Rob Dickson**                      **Signature .....**  
**Title: Executive Director Corporate Improvement & Economy**

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**Background Papers:** NA

**Previous Minute Reference:** NA

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