

## ITEM No ...2.....

**REPORT TO:** POLICY & RESOURCES COMMITTEE – 27 JUNE 2016  
**REPORT ON:** TAY CITIES DEAL – PROGRESS REPORT  
**REPORT BY:** EXECUTIVE DIRECTOR OF CITY DEVELOPMENT  
**REPORT NO:** 223-2016

### **1 PURPOSE OF REPORT**

- 1.1 This report seeks to update the Committee on the Council's participation in a City Deal with the neighbouring authorities of Angus, Perth & Kinross and Fife.

### **2 RECOMMENDATIONS**

- 2.1 Committee notes that Officers are continuing to work in partnership with the neighbouring authorities of Angus, Perth & Kinross and Fife to prepare a bid for a Tay Cities Deal that will assist in bringing forward 'Fair Economic Growth' in the Tayside area.
- 2.2 That the Council allocates a further £50,000 towards the future shared cost of advancing the City Deal proposal and to facilitate negotiations with Government and other public and private sector partners.
- 2.3 That officers are remitted to investigate the formation of a new Joint Committee structure with Angus, Perth & Kinross and Fife Councils to provide suitable governance for a Tay Cities Deal.

### **3 FINANCIAL IMPLICATIONS**

- 3.1 The Council previously agreed to contribute up to £50,000 towards the initial costs of developing a City Deal, of which £6,160 has been utilised.
- 3.2 The Council's further contribution of £50,000 will be funded from the General Contingencies provision within the 2016/17 Revenue Budget.

### **4 BACKGROUND**

- 4.1 On 9 March 2015, the Committee agreed that the Council liaise with the neighbouring authorities of Angus, Perth & Kinross and Fife to prepare a bid for a City Deal that will assist in bringing forward key economic infrastructure projects in the Tayside area (Article XXI of the Minute of Meeting and Report No 125-2015 refer). Since then, considerable progress has been made in advancing a Tay Cities Deal as outlined below.

#### **Governance Arrangements**

- 4.2 A Leadership Group, Directors' Group and Officers' Group have been established to provide an interim governance structure for the early stages of the work into a City Deal. The Leadership Group is made up of the Leaders and Chief Executives of the four Councils and it has full oversight on the project and provides guidance, through a group formed by the four Directors of Development (or equivalent), to the Officers' Group where the main work is undertaken. A temporary Project Coordinator was appointed to lead on the delivery of the initial work on a City Deal.
- 4.3 While this structure has worked very well in bringing the Councils together, it is unlikely to be sufficient to provide longer term governance on such a major partnership initiative. It is, therefore, proposed that the potential for a new Joint Committee structure is explored with

Angus, Perth & Kinross and Fife Councils and a suggested future governance structure is provided at Appendix 1. Similarly, it is considered that more dedicated staffing resources will be required to drive the City Deal forward and work is underway to second a suitable senior officer to act as the Tay Cities Deal Manager. It is proposed that opportunities to coordinate the existing regional bodies for strategic planning (TAYplan) and transportation (TACTRAN) with the Tay Cities Deal are explored as an early example of public sector collaboration in this area.

### **Draft Bid Proposal**

- 4.4 A draft Bid Proposal has been prepared which outlines the Vision and Strategy for the proposed Tay Cities Deal. Following its endorsement by the Leadership Group, this has been submitted to both the Scottish and UK Governments for their consideration. A summary of the draft bid is provided at Appendix 2. The Bid Proposal is closely aligned with both governments' economic strategies and is focussed on promoting 'Fair Economic Growth' where business growth, social inclusion and skills development is at the heart of a cohesive region of knowledge and creativity.
- 4.5 The Bid Proposal is closely aligned to the review of the Dundee Partnership's employability services and to the recent findings of the Fairness Commission. In this regard, a balance will need to be struck between 'hard' infrastructure investment projects and 'softer' initiatives and programmes to assist people into well paid work. The Tay Cities will work closely with key business partners such as Forth Ports about options for North Sea energy projects, cruise liners and oil and gas decommissioning. We will also want think strategically about tourism, visitor infrastructure and events throughout the Tay Cities area. Similarly, improving our connectivity nationally and internationally will be crucial as will 'next generation' digital investment.
- 4.6 Both the Scottish and UK Governments have responded very positively to the Vision and Strategy which has been proposed and have shown a commitment to work with the four constituent Councils to advance a Tay Cities Deal which delivers that vision. Other public sector agencies have also expressed support for the Tay Cities proposal and have asked to be involved in governance and management of the City Deal with a view to joining up the various work of economic development and skills agencies.

### **Stakeholder Events**

- 4.7 In order to validate and consult on the draft Bid Proposal, an initial set of four stakeholder engagement sessions took place in March and April across the region. They covered:

- 22 March 2016                      'Connected Tay'                      (Byre Theatre, St Andrews)
- 29 March 2016                      'Innovative Tay'                      (Enterprise House, Dundee)
- 30 March 2016                      'Inclusive Tay'                      (McDiarmid Park, Perth)
- 1 April 2016                      'International Tay'                      (Hospitalfield House Arbroath)

A wide range of stakeholders attended each meeting and, while each workshop concentrated on one theme, participants had the opportunity to comment on the other three.

- 4.8 There were a range of views that emerged from the four engagement sessions and the consistent themes which emerged from these will be used to inform the projects and proposals that will be considered for inclusion in the Cities Deal Bid and will be part of the ongoing negotiations with the Scottish and UK Governments

**Future Programme of Action**

- 4.9 The intention is to have the project fully resourced by late summer 2016 such that a detailed Bid can be considered by government prior to May 2017. In the meantime, work will continue in establishing the governance structure including particularly the engagement of the Business and the Higher & Further Education sectors; all with a view to assisting the formation of the projects and proposals which will form the core 'asks' of government. Of equal importance will be the 'offers' that the Tay Cities Deal makes to government in terms of City-Regional collaboration to ensure delivery of 'Fair Economic Growth'.

**5 POLICY IMPLICATIONS**

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

**6 CONSULTATIONS**

- 6.1 The Chief Executive, the Executive Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

**7 BACKGROUND PAPERS**

- 7.1 None

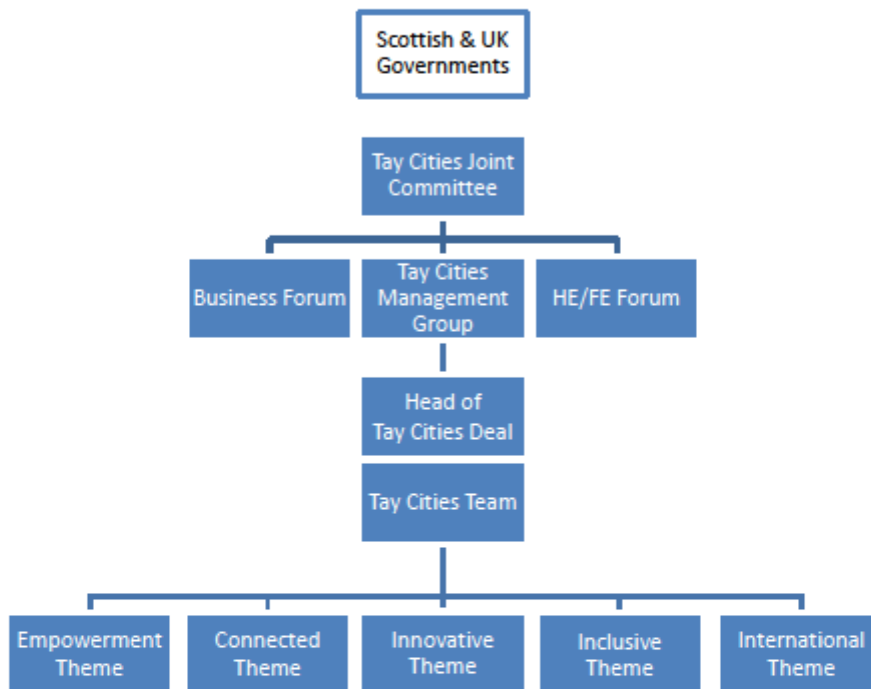
Mike Galloway  
Director of City Development

MPG//MS

13 June 2016

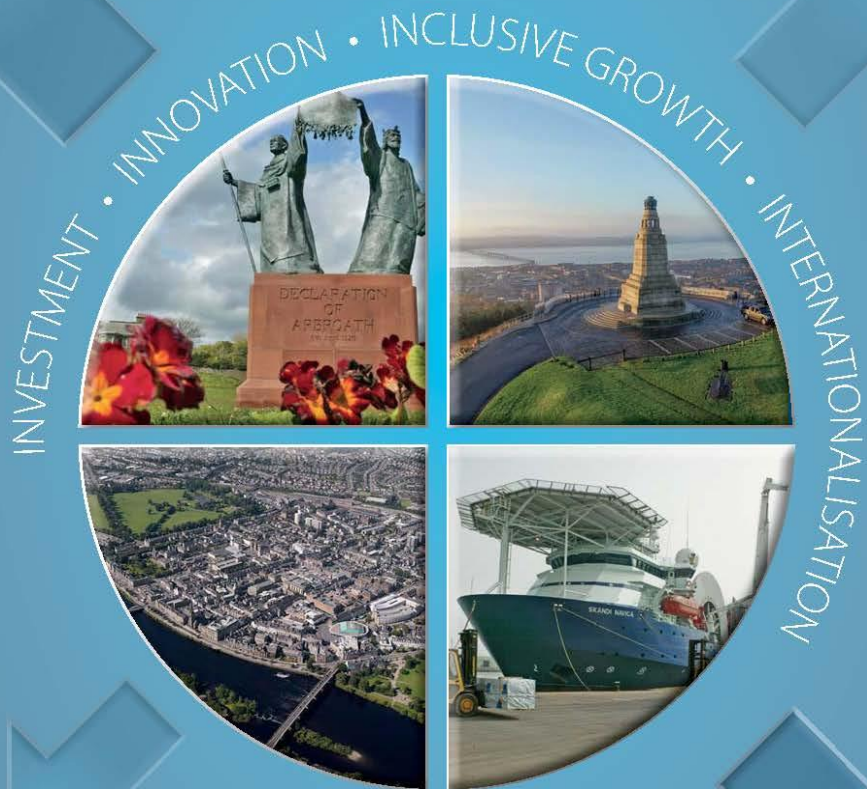
Dundee City Council  
Dundee House  
Dundee

## TAY CITIES DEAL DRAFT GOVERNANCE STRUCTURE



- ① **Joint Committee** = 3 councillors from each local authority plus up to 4 independent members
- ② **Management Group** = 1 Strategic Director from each local authority plus 1 Senior Manager from each partner agency (eg. Scottish Enterprise, Skills Development Scotland, Visit Scotland, Transport Scotland, Dept. Work & Pensions, Job Centre+)
- ③ **Business Forum** = New bespoke group of key private sector leaders
- ④ **HE/FE Forum** = New bespoke group of key leaders from the 4 Universities and the College sector
- ⑤ **Head of City Deal** = Full time lead officer with overall management role (initially seconded)
- ⑥ **City Deal Team** = Full time & Part time seconded/co-located staff from TAYplan, Tactran, local councils & partner agencies)
- ⑦ **Themed Workstrands** = Focussed resources on each of the 5 key strategic themes
- ⑧ **Government** = Overarching partnership with Scottish & UK Governments on Tay Cities Deal

# Tay Cities Deal Overview



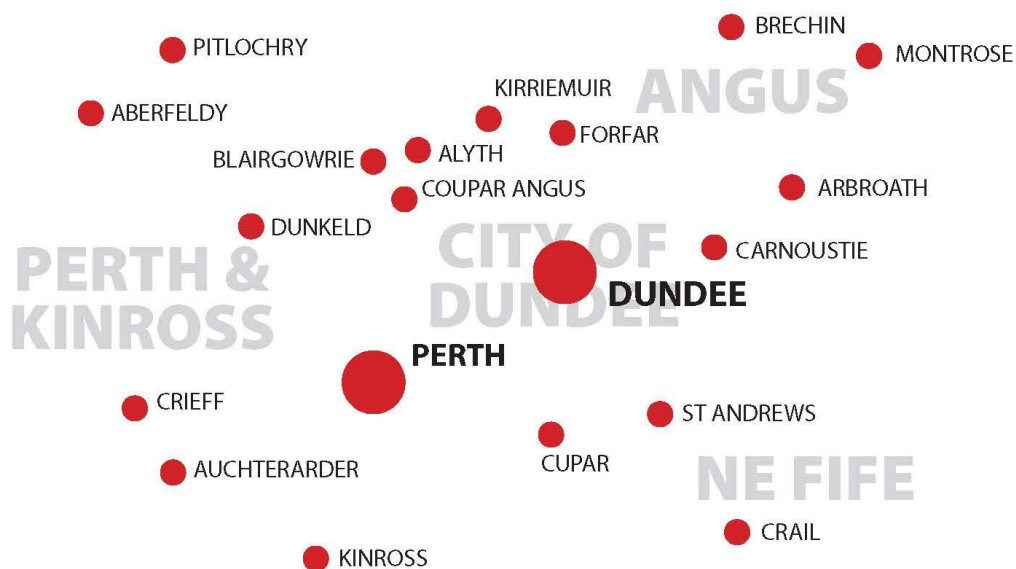
ANGUS • DUNDEE • FIFE • PERTH & KINROSS

## Introduction

The Tay Cities region is ready to take a collaborative approach to sustainable economic growth that will deliver our ambition to be a smarter, fairer place. We will achieve this more quickly through the support of a city deal agreement. A city deal will provide us with additional funding if we deliver the outcomes we agree with the Scottish and UK Governments.

The 490,000 who live in the Tay Cities region represent 10% of Scotland's population. It is these people and their skills, ambition and innovation that will secure the future of our economy.

Located on the River Tay, on Scotland's East Coast, the cities of Dundee and Perth are home to half the region's population and working together they will play a key role in driving forward economic growth. The strategic towns of St Andrews, in North East Fife, alongside Arbroath, Montrose and Forfar in the County of Angus are also vitally important to our economy. Beyond the cities and large towns our landscape is spectacular; punctuated with historic towns and villages; estates and farms; all contributing to our economic productivity.



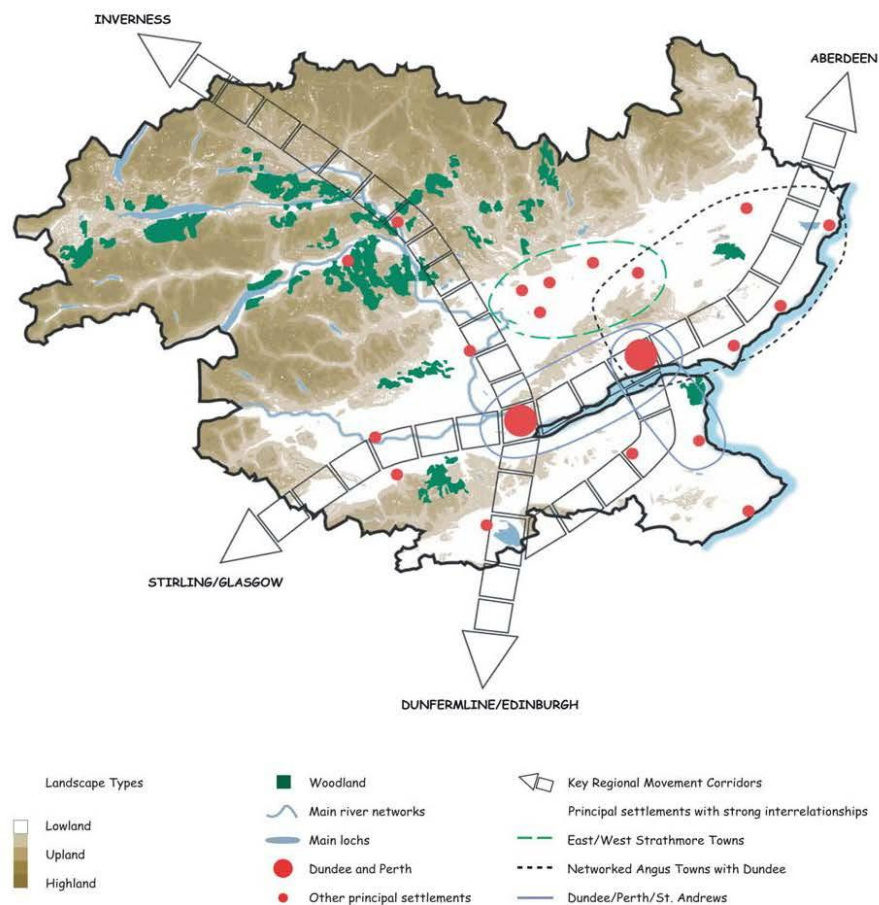
## Strategic Partnership and Shared Vision

The bid to secure a City Deal is led by a strategic partnership of the Leaders and Chief Executives of the four local authorities that deliver services across the Tay Cities region.

Angus, Dundee City, Fife and Perth & Kinross Councils will work together with our Community Planning Partners to achieve this. We will not succeed without the support and guidance of private sector businesses and voluntary sector organisations across the region.

We have a shared vision:

*"We will create a region where fair business growth, social inclusion and skills development is at the heart of everything we do. Our vision is to become a cohesive region of knowledge with a culture of creativity within Scotland and the UK. By focusing on the skills, knowledge and expertise of our people, we can boost innovation, economic growth and productivity within our region."*



Despite continuing global economic challenges, we believe the Tay Cities region has significant growth potential in specific sectors. However, to unlock this potential significant investment is needed. Our ambition is to grow our economy to at least equal the Scottish average GVA (Gross Value Added, a measure of economic productivity).

This potential growth will be boosted by our growing population and through sustainable management of our exceptional natural environment.

The region has four universities, linking to world class research centres, and three colleges of further education supporting innovation and research cooperation between the private sector and the academic institutes.

The region is also the headquarters or a major base for a number of FTSE 100 companies including, SSE, GSK, Diageo, Aviva and Stagecoach.

Our region's growth potential is however increasingly constrained by the capacity of our infrastructure and by our labour market. We still have a significant number of unemployed people, and people working in low paid jobs. We also have some areas – both urban and rural – where social and economic inequalities are a barrier to inclusive growth.

Employment growth of 0.7% per annum across the Tay Cities region as a whole falls short of the Scottish average of 1.2% per annum. Likewise, The region's projected GVA growth of 2.3% per annum falls short of the projected Scottish average of 2.6%.

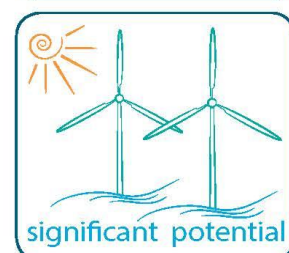
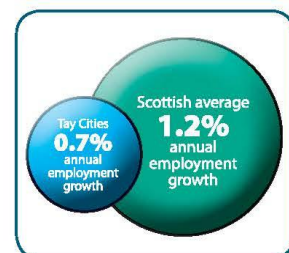
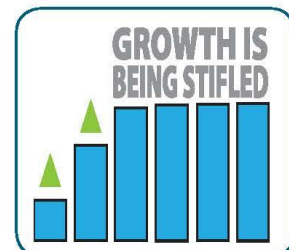
We believe investment via the Tay Cities Deal will boost performance by closing these gaps.

For example, the sectors we believe have growth potential are Tourism, Cultural, Creative & Digital Industries, Food & Drink, Financial & Business Services, Clean Technologies & Renewables, and Life Sciences.

Specifically, the region has significant potential to support growth in the renewable energy industry, particularly through the growth of Dundee and Montrose ports to support offshore renewable energy and decommissioning. We also have an opportunity to build on the world-renowned reputation of the life sciences and digital media sectors and encourage more research, development and innovation across the public and private sectors.

These market opportunities will be enhanced by planned investment in the region's infrastructure and the roll out of high speed broadband.

And underpinning all of this will be investment in the skills of our people.





## Tay Cities Deal Content

The bid will be presented as a series of "Offers and Asks". The "Offer" is the contribution (infrastructure, land, employment, finance etc.) from the local authorities and its partners and the "Ask" of government is to support and enhance the contribution from the local authorities and their partners.

It should also reflect a dynamic economy that encourages innovation and helps resources flow to their most productive use. Above all, it must be authentic to the Tay Cities region.

This partnership bid represents a balance between "hard" infrastructure investment and a number of transformational and collaborative initiatives focused on the delegation / devolvement of powers and budgets to create new infrastructure and new employment opportunities required to deliver economic growth. This should be a sustainable growth, which is not only for a 21st century Tay Cities region but also for Scotland and the rest of the United Kingdom.

## City Deals

The UK and Scottish government's approach to City Deals is led by a set of principles that will:

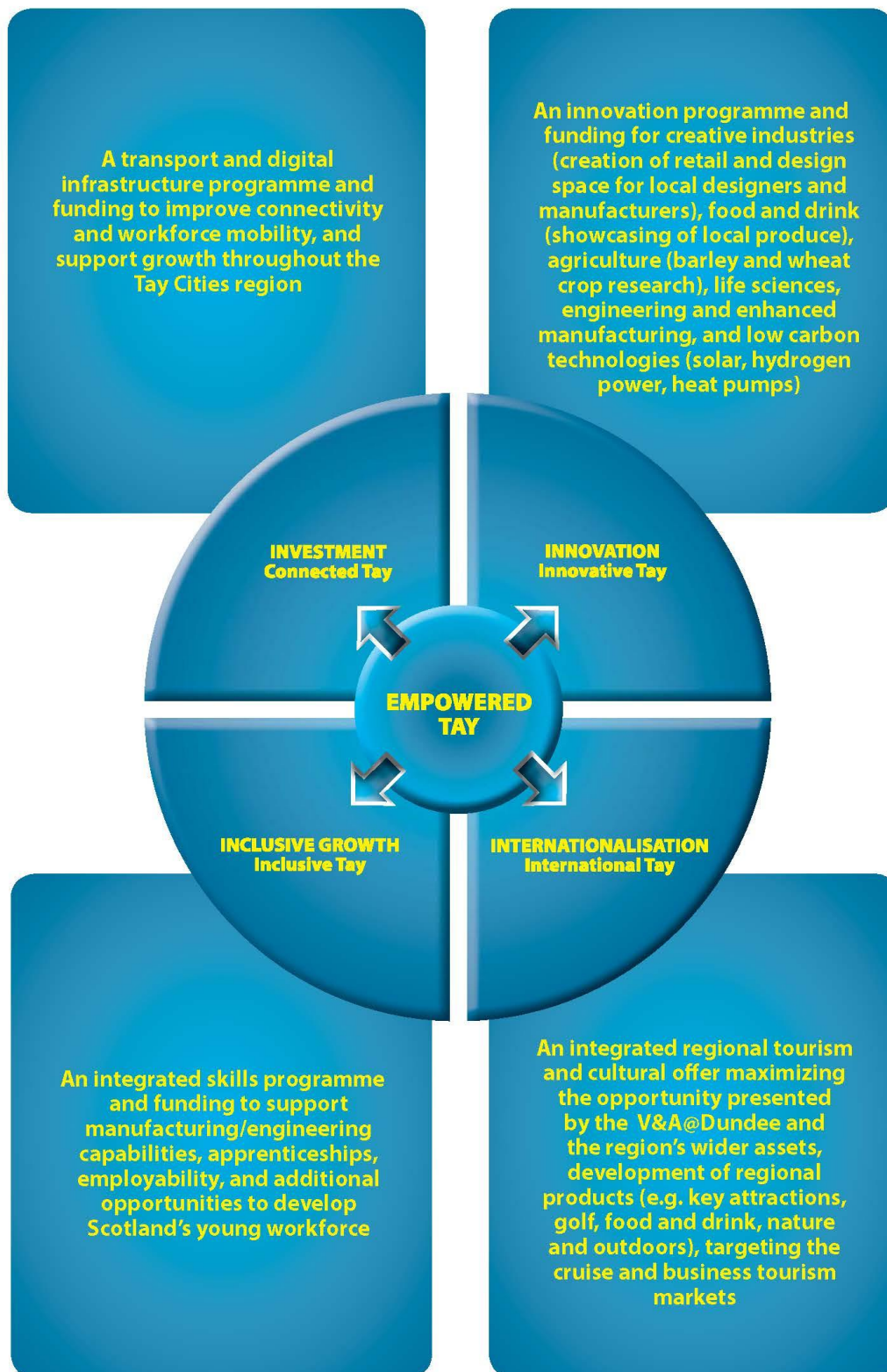
- put cities and their hinterlands in control of the economic opportunities and challenges they face
- work across local enterprise and local authority boundaries, sectors, and professions – bringing together governments, cities, neighbouring authorities and local business leaders
- give real power to city authorities so they can create economic growth.

## Key Themes

It is the region's aim to close the gaps in both GVA and forecast employment between the Tay Cities region and the rest of Scotland. In doing so, we believe we will also help to tackle entrenched inequalities in some of our communities.

A series of stakeholder engagement sessions is being organised throughout the Tay Cities region area to provide key stakeholders and beneficiaries with the opportunity to become involved in the bid process to identify and deliver the work packages and projects that will formulate the bid.







### Further Information

For further information please email :  
[taycitiesdeal@dundee.gov.uk](mailto:taycitiesdeal@dundee.gov.uk)

DECLARATION OF ABERGATH  
1874

BRECHIN  
MONTROSE

PITLOCHRY

ABERFELDY  
BLAIRGOWRIE  
DUNKELD  
CRIEFF  
AUCHTERARDER  
KINROSS

KIRRIEMUIR  
FORFAR  
ALYTH  
COUPAR ANGUS  
PERTH

ANGUS

CITY OF DUNDEE  
DUNDEE

ARBROATH  
CARNOUSTIE  
ST ANDREWS  
CUPAR  
NE FIFE  
CRAIL