

## ITEM No ...11.....

**REPORT TO:** POLICY & RESOURCES COMMITTEE – 13 FEBRUARY 2017

**REPORT ON:** TAY CITIES DEAL

**REPORT BY:** EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

**REPORT NO:** 45-2017

### **1 PURPOSE OF REPORT**

- 1.1 This report advises Committee of the progress made in the formation of a Tay Cities Deal and seeks approval of the proposed bid document and its submission to the UK and Scottish Governments.

### **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee
- a notes the progress made on the Cities Deal since the previous update in June 2016;
  - b agrees to the submission of the proposed regional strategy which will be circulated separately.
  - c agrees to the submission of the proposed bid for a Tay Cities Deal (to be circulated separately); and
  - d agrees to remit officers to enter a period of formal negotiations with UK and Scottish Governments with the aim of securing substantial investment for the Tay Cities region.

### **3 FINANCIAL IMPLICATIONS**

- 3.1 The Tay Cities Deal is seeking £826m of support from the Scottish and UK Governments over 10 years from 2018 which will lever a total of £1.84bn of investment into our regional economy. The four local authorities in the Tay Cities area are likely to need to contribute a combined total of approximately £150m towards the City Deal, the exact details of this commitment will be known once detailed negotiations have been concluded. Further reports will be brought to Committee in due course detailing the required investment and its funding sources.

### **4 BACKGROUND**

- 4.1 At its meeting on 27 June 2016 (Article XXI and Report No 223-1016 refer), the Policy & Resources Committee noted that officers were 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. The Committee agreed to allocate 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. Officers were also 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.
- 4.2 Since then, the Leadership Group, Management Group and Officer Group have met on a regular basis to provide an interim governance structure for the early stages of the work on the Cities Deal. The Leadership Group consists of the Leaders and Chief Executives of the four Councils and it has provided full oversight on the project and guided the work of officers

who have been led by a seconded Chief Officer for the delivery of the initial work on the Cities Deal. Specialist assistance from EY (formerly Ernst & Young) has been procured to help develop the strongest possible bid proposal for consideration by both Governments.

- 4.3 A Business Forum and a Higher & Further Education Forum have also been established to enable these crucial partners to be embedded within the Cities Deal process. Both of these fora have supported the proposed Tay Cities Deal bid document.
- 4.4 This initial structure has been very successful in bringing the Councils and partners together to jointly establish the Tay Cities Deal proposition; however, it is intended to establish a longer term governance mechanism for this major partnership initiative. Proposals for a new Joint Committee structure have therefore been included in the proposals to both Governments.

## 5 PROPOSED TAY CITIES DEAL

- 5.1 The Tay Cities Deal aims to make a step change in our economic future across the region through a wide-ranging programme of investment and integrated programmes which will;

- grow our base of knowledge-led businesses
- support more businesses to trade internationally
- attract investment
- attract and retain talented people
- improve connectivity to/from and around the region
- increase economic participation
- reduce inequalities

The attached bid document sets out the strategy and proposals which the Tay Cities Deal believes will deliver the above objectives.

- 5.2 The Tay Cities ambition as a partnership of public bodies and private enterprise is to work together to ensure that the economic region plays its part in helping Scotland meet its ambitions to be a country with an international outlook and where growth is based on innovation and new ways of doing things better. However, at the core of this strategy is a will to ensure that everyone who lives in our region benefits and that no one who is able to participate is left behind. To fulfil this vision we have ensured that our economic strategy is focused on supporting inclusive growth.
- 5.3 Much has already been achieved by the private, public and voluntary sectors working together to deliver economic growth. The economic strategy underpinning the Cities Deal seeks to;

- build on the work that Community Planning Partnerships are doing to address stubborn inequalities in specific localities
- harness the dynamism and experience of our private sector leaders to support our ambition and work in partnership to deliver improved outcomes
- provide a regional context and influence the investments individual Councils are delivering across our cities, towns and rural communities
- provide a fit for purpose business support service through the local authority-funded Business Gateway and all other enterprise support agencies
- identify opportunities for regional collaboration that should help deliver stronger economic outcomes
- provide the context and rationale for securing additional funding into the region through the Tay Cities Deal and any other funding mechanisms

- 5.4 The Tay Cities Deal proposition has therefore been focussed around four key themes which reflect national strategies as well as local priorities;

- **Inclusive Tay** – ensuring fairer economic growth
- **Innovative Tay** – ensuring smarter, more competitive growth
- **International Tay** – growing trade and investment, and developing our brand
- **Connected Tay** – investing in supporting infrastructure to improve workforce mobility and business competitiveness

5.5 In addition, a fifth theme has been developed; **Empowered Tay** which seeks to ensure that benefits are fully realised by recognising that we must work together differently through collaboration, integration and innovation. We are seeking to establish a long-term partnership with both the Scottish and UK Government to transform our economy over the next 20 years. Therefore, the City Deal is as much about offering to work differently together and with both Governments as it is about seeking additional cash resource.

5.6 The City Deal proposal seeks additional financial support from both Governments over the next 10 years to co-finance the investment proposed by the four local authorities, universities, colleges, the private sector, other public sector partners and the voluntary sector. Over 50 projects and initiatives are included in the proposal document and these touch all parts of the regional area and involve a wide range of partners and sectors. Together these investments will help ensure that our economic future is more inclusive, innovative, connected and international in its outlook. It is estimated that up to 15,000 new job opportunities could be created if all of the proposed projects and programmes in the Deal are delivered.

5.7 To help us achieve better outcomes more effectively, the four local authorities are also willing to take on additional statutory and non-statutory responsibilities, provided that new or additional powers are also devolved to enable this to happen more efficiently, and at the right scale. The Tay Cities Deal Proposal document sets out this request in more detail as the starting point for a dialogue and agreement with both Governments.

## 6 POLICY IMPLICATIONS

6.1 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 major positive benefits across a number of policy areas and no negative implications have been identified.

## 7 CONSULTATIONS

7.1 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.

## 8 BACKGROUND PAPERS

8.1 None.

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MPG/MS

2 February 2017

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