

Local Government and Communities Committee

City Region Deals

Submission from RSPB Scotland

RSPB Scotland supports the aims of the City Region Deals to encourage local growth and increase local economic decision-making. We see City Region Deals as a significant opportunity to establish Scotland's cities as centres for sustainable and inclusive growth, build resilience against climate change and deliver benefits for local residents and wildlife. However, we have several concerns that, to date, the city deal process in Scotland has suffered from a lack of transparency and insufficient public and stakeholder consultation. Additionally, we question how well aligned City Region Deal projects have been with existing Government policy frameworks and commitments on planning, climate change and the natural environment. We believe that some changes to the strategic objectives, governance arrangements and consultation process could help to remedy these issues and enable City Region Deals to become a vehicle for long-term sustainability.

Recommendations

- Urgently revise the objectives of City Region Deals to encourage delivery of biodiversity and climate obligations, including:
 - To deliver green infrastructure with net gains for biodiversity and well-being; better connect and promote Scotland's incredible natural heritage; and contribute to climate mitigation and adaptation.
- Improve governance and transparency, in particular through:
 - Improved public consultation and engagement
 - Integration of Strategic Environment Assessment (SEA) and Habitats Regulations Assessment (HRA) at earliest stages
 - Aligning the City Region Deals with existing national and local planning policy frameworks.

Background

The RSPB in Scotland is supported by nearly 90,000 members from both urban and rural areas, campaigning on issues affecting wildlife and the natural environment. In combination with RSPB staff across the UK, and our international partners in Birdlife International, we have cross-cutting expertise and experience of spatial planning and sustainability issues within Scotland, the UK and internationally.

The RSPB is unusual amongst UK NGOs because we engage with individual development applications, advising developers how they can minimise the impact of their developments, as well as working with governments to develop legislation and policy. We have helped deliver substantial environmental improvements across Scotland and the UK through positive involvement with individual planning cases and also engage in local development plan consultations to promote the inclusion of

planning policies and sites that are positive for the environment. We therefore welcome this opportunity to contribute written evidence to the Scottish Parliament's Local Government and Communities Committee inquiry into City Region Deals and local growth deals.

Q1. What is your understanding of the purpose of City Region Deals?

Our understanding is that City Region Deals are bespoke financial agreements between the UK Government, Scottish Government and local authorities in cities and their regions. These Deals are designed to encourage local growth, boost innovation, improve infrastructure and increase the economic decision-making powers of local authorities in and around cities. Underpinned by *Scotland's Economic Strategy*, a key focus of the City Region Deals is targeting investment to generate inclusive growth and tackle social justice issues within urban areas.

We are concerned that the ambition to generate inclusive growth is too narrow a focus for the City Region Deals. Inclusive growth, as defined in *Scotland's Economic Strategy*¹ refers to fair work; promoting equality and tackling inequality; closing the attainment gap; and place and regional cohesion. These are all essential goals, but inclusive growth is only one of the four priorities underpinning the economic strategy, and we would suggest that the City Region Deals should additionally be delivering 'sustainable economic growth', the central aim of *Scotland's Economic Strategy*. Scottish Planning Policy describes sustainable economic growth as 'the key to unlocking Scotland's potential [...] including creating a supportive business environment, achieving a low carbon economy, tackling health and social problems, maintaining a high-quality environment and passing on a sustainable legacy for future generations.'²

The Third National Planning Framework (NPF3) identifies city regions as a key opportunity to develop sustainable low-carbon places for people to live; build climate resilience; and improve the quality of life for communities by integrating urban environments and green infrastructure.³ *Scotland's Agenda for Cities* reiterates these commitments and emphasises that investment must deliver sustainable and resilient solutions for the long term, such as a low carbon and renewable energy portfolio; reduction in energy demand; approaches to sustainable waste management; and smart technology to all appropriate infrastructure investment.⁴ The Scottish Cities Alliance, a collaboration between the Scottish Government and Scotland's seven cities, has also focused its efforts in the areas of low carbon, hydrogen and smart technology.

Despite the clear link between sustainability and city regions made in these policy frameworks, we note that no formal link to City Region Deals as an opportunity for delivering on these objectives has been made. The lack of connection with some of Scotland's overarching policy objectives is reflected in the portfolio of City Region Deal projects that have been approved to date; from the available information we understand that the Glasgow, Aberdeen and Inverness Deals have focused largely

¹ <http://www.gov.scot/Publications/2015/03/5984>

² <http://www.gov.scot/Resource/0045/00453827.pdf>

³ <http://www.gov.scot/Publications/2014/06/3539>

⁴ <http://www.gov.scot/Publications/2016/03/3178>

on conventional infrastructure projects, skills initiatives and digital connectivity. We have seen no evidence of City Deal grants being directed towards low carbon, climate resilient or green infrastructure projects or resulting in net gains for biodiversity, apart from in Stirling where we have had considerable involvement with one of the proposed projects. Even here, a failure to consider the environmental impacts of one proposal within the bid has resulted in threats to the ability of the bid to meet policy and legislative obligations including the requirements of the EU Birds and Habitats and Water Framework Directives.

City Region Deals are a unique opportunity to deliver genuinely progressive change and provide multiple benefits to communities in city regions, beyond sustainability and increased resilience against climate change. Funding for green infrastructure projects could improve air and water quality, provide outdoor access and education opportunities and as a result deliver substantial physical and mental health benefits for local residents, as well as gains for biodiversity. This links strongly with the overarching goal of City Region Deals to deliver inclusive growth: evidence shows that communities living in deprived areas are much less likely to have access to green space and suffer related health problems. Delivering social justice and greening the urban environment are therefore inextricably linked.

We therefore recommend that the City Region Deals broaden the scope of their ambition to deliver wider social and environmental benefits and look to demonstrate the value of innovative joined-up thinking across governance levels and across sectors. This would require the Deals to be properly integrated with the existing planning policy framework in Scotland and align with other overarching Government policies such as the Climate Change Strategy⁵ and Biodiversity Strategy⁶. The Scottish Government should therefore set clear objectives and criteria for the City Region Deals, to ensure that any deal proposals are consistent with existing national and local policy objectives. With this reformulated ambition, the City Region Deals would play a role in achieving a wide range of national and international obligations – such as the Sustainable Development Goals, Aichi Biodiversity Targets and internationally agreed climate mitigation targets – in addition to strengthening localism, delivering Scotland's Economic Strategy and contributing to improvements in multiple national indicators related to public health and wellbeing, social justice and the environment.

Q2. Are City Region Deals on track to deliver local growth, innovation and infrastructure schemes which would not have otherwise been delivered?

There are challenges in answering this question relating to wider issues with transparency of the City Region Deals outlined in our answer to Q3. Firstly, the suite of projects within a bid are not publically known until late in the process, so for example we cannot say whether the Edinburgh City Deal will deliver true additionality because the projects are not being publicly disclosed. Where projects are known to us, there are not clear timelines and budgets available for public scrutiny so again, we cannot say whether all elements are additional to approved plans and spend.

⁵ <http://www.gov.scot/Publications/2013/06/6387>

⁶ <http://www.gov.scot/Publications/2015/06/8630>

As a result of our engagement with the Stirling and Clackmannanshire City Region Deal, we have seen the potential to deliver a range of innovative projects at a scale that would not be possible without this funding. However, we do question the extent to which there has been a transparent and objective process for new projects to be included that are tailored to the objectives and aims of the City Region Deals. A failure to do this suggests that the opportunity to deliver local growth, innovation and infrastructure has not been maximised and in many cases has been limited to existing council aspirations. Furthermore, the strong emphasis on conventional infrastructure projects and skills initiatives to date leads us to question the extent to which the Deals are on track to deliver on less conventional infrastructure objectives, such as investing in green infrastructure for biodiversity gains and climate resilience.

If the City Region Deals can fund all sectors to an equal extent, ie the ‘big four’: private, public, third and academic sector, they are likely to be able to deliver local growth, innovation and infrastructure that would not otherwise have been delivered. Equal investment in these four sectors would give the City Region Deals greater reach. A metric of success could be the range of sectors involved, and scale of their involvement, in delivering sustainability for each Deal.

Q3. What is your understanding of the governance arrangements for City Region Deals, and how well are these arrangements working in practice?

Our understanding is that each City Region Deal is unique and tailored to the city region in question and that as such, a standardised protocol for the governance and administering of funds has not been developed in Scotland. The most detailed and publicly available information on governance arrangements is the Glasgow City Region Deal Assurance Framework, however given that this Deal involves an unusually high number of local authorities and an uncommonly large infrastructure fund it is unclear how likely these governance arrangements are to be replicated for other Deals in Scotland.

Based on the Deals formally agreed to date – Glasgow, Aberdeen and Inverness – there are several governance arrangements we would expect from any further Deals:

- Creation of a Joint Committee, made up of representatives from the relevant local authorities, to oversee and deliver the City Region Deal;
- An agreed time-frame for the provision of City Deal funding and Gateway funding reviews within this period;
- Development of a Programme Business Case for approval, made up of individual Project Business Cases, which should be made publically available.

Transparency

We are concerned that there has been a lack of transparency regarding the governance arrangements for City Region Deals in Scotland, in particular regarding the programme scoping stage. There is no centralised, readily-accessible and comprehensive guide on City Region Deals in Scotland and, although we recognise that each deal is bespoke to the region in question, such a document could set out some guiding principles and a comparison of the governance arrangements for the Deals agreed so far. This would help local residents, organisations and businesses

to better understand how the Deals are being carried out, and in particular would inform parties interested in submitting a project proposal under the City Region Deal about the correct timeframe and procedure for doing so. In turn this would allow for proper consideration of alternatives at the programme scoping stage. The absence of such information at an accessible and comprehensible level has led to a perception that the City Region Deals are being delivered behind closed doors and appears to have limited the opportunities for alternative project proposals to be submitted before the proposed masterplan is approved.

Environmental Assessment

Due to the lack of a single, transparent approach to governance of the City Region Deals some concerns have arisen about the stage at which individual projects are being subjected to the necessary environmental tests.

RSPB Scotland has had particular engagement with the Stirling and Clackmannanshire City Region Deal due to proposals for a tidal barrage to be built across the River Forth. We have serious concerns about the barrage proposal, which would have significant detrimental impacts on the River Teith SAC (upstream) and potentially the Firth of Forth SPA which is located downstream from the proposed development. As such, the project would be highly unlikely to pass the necessary environmental tests that would allow the project to proceed. We were therefore extremely disappointed and concerned that the project was included as part of the Stirling Local Development Plan; whilst included in the LDP HRA the barrage was inappropriately deferred to project level for full Appropriate Assessment and therefore was given insufficient consideration. We also have several issues with the environmental report that was produced for the Masterplan consultation in September 2016. No HRA was undertaken for the Masterplan and it is unclear how this document relates to the LDP process. This is highly concerning, as by this point the proposals will have gained significant momentum and support through the LDP and Masterplan processes.

RSPB Scotland objected to the proposed LDP on the grounds that City Development Framework (CDF) projects were included in the Proposed Plan without due process. The CDF – which sets out projects to be included in Stirling's City Region Deal – were not contained within the Main Issues Report (MIR) as they should have been, and only appeared at the Proposed Plan stage. Recently we have been working with Stirling and Clackmannanshire Councils to address these concerns and to explore more environmentally appropriate proposals for connecting the local community and tourists with the river. Although this consideration of alternatives is welcome, we are concerned by the resulting time and public money that is having to be spent on this process when, as mentioned, this idea should have been screened out at an early stage.

It is therefore our recommendation that, in line with the existing planning policy framework, all City Region Deals must be required to carry out a Strategic Environmental Assessment, and where appropriate a Habitats Regulations Assessment. This should be started as early as possible, ensuring that alternative options are properly assessed at the scoping stage and that projects that would have detrimental impacts to the natural environment are ruled out. This information would

significantly help to identify which projects should be prioritised and progress to the next stage of the project development. This would help to streamline the process, ensure compliance with European legislation, safeguard the environment and limit resources spent on unviable projects. Furthermore, this would ensure proper consideration of alternative options and public scrutiny at the programme scoping stage. Once the preferred options are taken forward to the masterplan or Local Development Plan (LDP) stage they must be assessed as fully as possible, including HRA where site locations are known

Q4. Have local residents and businesses been kept informed and involved in the development and activities of City Region Deals?

This has so far been inadequate. Our experience as an organisation with staff distributed widely across Scotland is that there has been a distinct lack of public consultation in the regions that have agreed or are negotiating Deals. Local residents living in the Stirlingshire, Aberdeenshire and Inverness-shire regions have reported receiving little to no information about the Deals in their areas and that there has been minimal coverage in the regional press. Although the lead member authority for each City Region Deals provides a summary of the funding and projects on their web pages, awareness of the Deals may not be high enough among local residents to direct them to these information sources. Furthermore, the information provided on these pages does not indicate the stage the Deals are at and how interested parties can get involved. Likewise, local organisations and businesses have reported low levels of engagement with the City Deals in their regions.

This local democracy gap again leads to concerns that decision-making for the City Region Deals is concentrated in a few hands and is subject to insufficient public scrutiny. It seems that once the deals have gone into negotiation then the programme of projects has already been chosen, and it is unclear how to propose additional projects at this stage. We recommend that the proposed programme of projects for City Region Deals should be subject to proper public consultation and scrutiny. This would give local residents, communities and a wide range of stakeholders a say in decisions concerning the places that they live, work and utilise and enjoy every day.

The obvious way to significantly improve engagement and join up would be to ensure that City Region Deals are integrated with the development plan process. Local Development Plans already provide a spatial vision for the future of their local area, taking into account the views of the public and the various opportunities and constraints to development in an area. Better join up between development planning and City Region Deals could result in significantly improved outcomes.

Q5. Are regions not covered by City Region Deals able to access equivalent funding and support for growth, innovation and infrastructure schemes?

Based on available information, we understand that equivalent funding in regions not covered by City Region Deals is at a much earlier stage of development in Scotland. We recognise that City Deals in England sit within a wider package of measures designed to encourage local economic decision-making (Local Enterprise Partnerships, City Deals, Growth Deals and Devolution Deals) and that an equivalent

programme has not been matched in Scotland. We are aware that proposals for an Ayrshire Growth Deal and the forthcoming Islands Bill may provide some equivalent funding opportunities for local authorities not currently involved in a City Region Deal and we encourage the Government to continue investigating alternative collaborative funding opportunities outside of city regions. We would strongly support a comprehensive package of funding designed to encourage sustainable development and local decision-making in more rural regions of Scotland. We hope that lessons learnt from the development of City Region Deals can be applied to development of such funding mechanisms.

As with the City Region Deals, publicly available information on Growth Deals and other alternative funding mechanisms is extremely limited. We would recommend the distribution of guidance material to regions not covered by a City Deal, explaining why City Deals are limited to city regions, outlining what alternative funding opportunities are available and how to construct and submit a bid proposal. We would also emphasise that any future Growth Deals must be transparent, occur in line with existing national and local planning policy and be subject to proper public consultation and scrutiny.

Q6. Are City Region Deals supporting a shift towards local decision-making on major investment projects?

We believe that the City Region Deals are supporting a shift towards local decision-making on major investment projects, and we see this as a positive development that should allow local authorities and local communities to have a stronger say in their regions. However, we emphasise that this needs to be transparent, accountable and occurring within existing national and local policy frameworks. This means that any proposal brought forward as a part of a City Region Deal must be consistent with the National Planning Framework, Scottish Planning Policy and Local Development Plans. Aligning the Deals with the development plan process will ensure that each project goes through the relevant environmental assessment; improve opportunities for community empowerment and engagement; increase transparency and limit the scope for projects to be granted City Region Deal funding that do not align with the Government's vision for Scotland.

Q7. Any other issues relating to City Region Deals which you wish to bring to the attention of the Committee?

As outlined in our response to Q1, we have strong concerns about whether the City Region Deals are encouraging sustainability. We suggest that there is significant scope for greening the City Deals in Scotland, which would widen the ambition of the Deals to fulfil wider social and environmental objectives, leading to considerable wellbeing and biodiversity benefits.

The Climate Change (Scotland) Act 2009 committed Government to reduce emissions of greenhouse gases by at least 42 percent by 2020, as a step towards an 80 per cent reduction by 2050. There is also a proposed target to meet 50 percent of all energy demand (electricity, heat and transport) from renewables by 2030. Scotland's cities and their regions can play a key role in meeting these targets, for instance hosting many of the sites identified in the National Renewables

Infrastructure Plan, providing opportunities for district heating schemes and the chance to reduce energy demand through sustainable housing. We strongly support strategic spatial planning to identify suitable locations for renewable energy technology, using the methodology set out in the RSPB's 2050 Energy Vision⁷; this approach could be adapted as part of integrated development plan and City Region Deal planning to identify the most appropriate sites and interventions to reduce greenhouse gas emissions. City Region Deal infrastructure funds could significantly help to finance projects in this area. For example, directing City Region Deal funding towards development of sustainable public transport, such as the proposal for a fleet of Hydrogen buses in Aberdeen, would decrease emissions and address congestion, air and noise pollution issues, producing benefits for the climate and for the local residents. In addition to this, investment in biodiversity data infrastructure would allow biodiversity information to be equally available to, and used by, planning decision makers; this would facilitate the increasing harmonisation of the development process with our natural environment.

As mentioned, investing in green infrastructure has been identified as a key Government priority that would build climate resilience in Scotland's cities, provide demonstrable health benefits for local residents, connect people with nature and benefit biodiversity. NPF3 recognises that biodiversity in Scotland is not just confined to rural areas and that urban areas, key infrastructure corridors and greenspaces within cities also provide important habitats for wildlife, and can contribute to a wider National Ecological Network (NEN). Contributing to an NEN through green infrastructure in city regions also aligns with Scotland's Biodiversity Strategy and would help to deliver on Government targets to protect and restore biodiversity; connect more people with the natural world; and maximise the benefits for Scotland of a diverse natural environment and the services it provides, contributing to sustainable economic growth.

One example of this comes from the Stirling and Clackmannanshire City Region Deal where the River is a major project within the bid. If the proposed barrage is removed, the programme of work proposed along the river provides a unique opportunity to create a significant increase in the Natural Capital of the area through a wetland nature reserve in Stirling City centre and the creation of Scotland's largest managed realignment project (and only its second) in Clackmannanshire - Scotland's smallest local authority. Creating a series of interlinked wetland sites near the river along with riparian and floodplain habitats that could deliver sustainable flood and water management, pollinator networks and benefit fisheries would make a valuable contribution to an NEN. This is just one example of the type of innovative, economically sustainable, climate resilient projects that could be financed through the City Region Deals and deliver a true step change in the Natural Capital value of local areas across Scotland.

We therefore recommend that the City Region Deals should be underpinned not only by Scotland's Economic Strategy, but also by Scotland's Climate and Biodiversity Strategies. This would encourage funding decisions to prioritise projects that stimulate sustainable and inclusive growth, benefitting the local economy, distributing benefits fairly across city region communities and delivering for the environment.

⁷ https://www.rspb.org.uk/Images/energy_vision_summary_report_tcm9-419580.pdf

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