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Convenor, Local Government and Communities
Committee
Scottish Parliament

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Dear Bob,

Thank you for the opportunity to give evidence to the Committee as part of its inquiry into City Region Deals. This provided me with a dual opportunity to set out the Scottish Government's commitment to the achievement of inclusive growth in every part of the country, and to demonstrate how the Scottish Government stands ready to work with the UK Government when this will benefit Scotland's people, its distinctive regions and local communities.

As the committee heard in its evidence, city region deals serve a particular, strategic purpose. They assemble a package of investments that seek to deliver the greatest inclusive economic impact across a regional economic geography. They cannot and do not include everything that a Local Authority might want to progress. Just because a project is not taken forward in the city deal context, it does not follow that it does not have value and cannot be progressed separately. City region deals represent an important catalyst for inclusive growth, but they are only one of our economic levers.

A good illustration of that is the Levenmouth rail link, something which is not within the Edinburgh and South East Scotland City Region Deal. As Councillor David Ross, from Fife, made clear in his evidence, Transport Scotland is progressing the transport appraisal work for the Levenmouth Sustainable Transport Study, in line with Scottish Transport Appraisal Guidance, and in close collaboration with Fife Council. The Levenmouth rail link is one of the options considered as part of this study.

At the conclusion of the session on 22 November, you asked me if the time was now ripe for a more co-ordinated Scotland-wide regional economic strategy and monitoring programme.

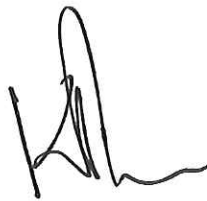
The Scottish Government wants to enable a robust and productive network of regional economic partnerships, geared to stimulating and maintaining inclusive growth across Scotland. Establishment of these partnerships is complementary to Scotland's economic strategy, and forms a key commitment made in our Enterprise and Skills Review Phase 2 report.

I agree that we should aim for continuous improvement in monitoring the benefit being accrued across the various city region deals and from the regional economic partnerships in due course. Robust foundational work in that area now is an investment for the future.

The Scottish Government is supporting work through our officials and agencies by providing robust economic data, the quality of which is something that has improved considerably in recent years. The Office of the Chief Economic Advisor (OCEA) has created the Inclusive Growth Diagnostic, and a new Analytical Unit will help support the work of the recently established Enterprise and Skills Strategic Board in making evidence based decisions about targeting of effort to drive improvement of our support for enterprise and skills. The recently announced Centre for Regional Inclusive Growth will, as I mentioned in my opening remarks to Committee, be a resource which assists Regional Economic Partnerships not only in delivering their growth deals, but in their long term regional economic planning and collaboration. I would be happy to provide an update to Committee as that work focused on monitoring and evaluation develops.

However, with the Scottish Government's high level economic priorities set out two years ago in Scotland's Economic Strategy, the refresh of Scotland's Agenda for Cities in 2016 and our clear commitment to improving support for enterprise and skills outlined in the past year, I do not think that development of a discrete regional economic strategy is necessary to set the context for city region or growth deals or regional partnerships at the current time.

I wish you well with the rest of your inquiry and look forward to reading the Committee's report in the New Year.



KEITH BROWN